

**DIRECTORATE OF GOVERNMENT EXAMINATIONS, CHENNAI- 6
HIGHER SECONDARY FIRST YEAR EXAMINATION – MARCH - 2024
ECONOMICS ANSWER KEY**

NOTE:-

1. Answers written with Blue or Black ink only to be evaluated.
2. Choose the most suitable answer in Part-I from the given alternatives and write the option code and the corresponding answer.
3. If any one of the answer option code or answer is wrong “0” marks to be awarded.
4. Marks can be awarded, if students write in their own sentences with Economics related concepts and explanations.

Total Marks : 90**Part – I****Answer all the questions****20 x 1 = 20**

Q.No	Option Code	Type A	Q.No	Option Code	Type B	Marks
1	c	a single point tax with no cascading effects	1	a	Piece wages	1
2	d	Straight line	2	c	2015	1
3	d	Monopoly	3	b	NITI Aayog	1
4	d	1200	4	a	Alfred Marshall	1
5	a	AR	5	d	Production function	1
6	d	Production function	6	c	a single point tax with no cascading effects	1
7	c	Marshall	7	d	1200	1
8	b	NITI Aayog	8	c	Marshall	1
9	d	Planning	9	d	2002-2007	1
10	d	Maximum	10	b	Third	1
11	c	2015	11	d	Planning	1
12	d	2002-2007	12	d	Straight line	1
13	a	Piece wages	13	a	(1)-(iii), (2)-(i), (3)-(iv), (4)-(ii)	1
14	b	Third	14	a	Robbins	1
15	a	Robbins	15	d	Monopoly	1
16	a	(1)-(iii), (2)-(i), (3)-(iv), (4)-(ii)	16	d	Seventh	1
17	b	1998	17	a	AR	1
18	d	Seventh	18	c	TP/N	1
19	c	TP/N	19	b	1998	1
20	a	Alfred Marshall	20	d	Maximum	1

Part – II

Answer any seven questions
(Question No. 30 is compulsory)

7x2 =14

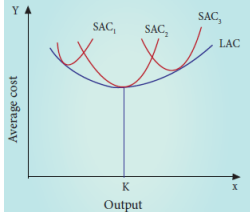
Q.No	Answer	Marks
21	Land, Labour, Capital and Organization	2
22	Distribution means division of income among the four factors of production (or) Distribution of income as rent to land, wage to labourer, interest to capital and profit to entrepreneurs	2
23	The Gross State Domestic Product refers to the total money value of all the goods and services produced annually in the State.	2
24	1) India has a mixed economy 2) Agriculture plays the key role 3) An emerging market 4) Emerging Economy 5) Fast Growing Economy 6) Fast growing Service Sector 7) Large Domestic consumption 8) Rapid growth of Urban areas 9) Stable macro economy 10) Demographic dividend <i>(Any one point)</i>	2
25	1) The country went through a severe economic crisis 2) Serious Balance of Payments problem 3) Liberalization was necessitated because various licensing policies 4) Privatization was necessitated because of the belief that the private sector was not given enough opportunities 5) Globalization was necessitated because today a developed country can grow without the help of the under developed countries. <i>(Any two points)</i>	2
26	Payment made to others for the purchase of factors of production (or) It refers to the actual expenditure of the firm to purchase or hire the inputs the firm needs. It is also known as Accounting cost or Money cost.	2

27	HDI	PQLI	2
	a) Income is included	a) Income is excluded	
	b) represents both physical and financial attributes of development	b) only the physical aspects of life.	
	c) Life expectancy, educational attainments, standard of living are considered. (Any two points)	c) Life expectancy, infant mortality rate and literacy rate are considered. (Any two points)	
28	1. Necessaries 2. Comforts 3. Luxuries		2
29	It studies about the small components of the whole economy. (or) Micro Economics is the study of the economic actions of individual units say households, firms or industries		2
30	➤ Perfect competition market ➤ Imperfect competition market		2

Part – III

Answer any seven questions
(Question No. 40 is compulsory)

7×3 = 21

Q.No	Answer		Marks
31	 <p>➤ The LAC curve is derived from short run average cost curves. ➤ $LAC = LTC/Q$ ➤ The LAC curve is called 'Plan Curve' or 'Envelop Curve'.</p>		3
32	Rent	Quasi-Rent	3
	a) Rent accrues to land b) The supply of land is fixed forever. c) It enters into price	a) Quasi-Rent accrues to manmade appliances. b) The supply of manmade appliances is fixed for a short period only. c) It does not enter into price.	
33	According to Gandhi, "Real India was to be found in villages and not in towns or cities." So he suggested the development of self-sufficient, self-dependent villages.		3

34	<ol style="list-style-type: none"> 1) SHG is generally an economically homogeneous group. 2) Formed through a process of self-selection based upon the affinity of its members. 3) Most SHGs are women's groups with membership ranging between 10 and 20. 4) SHGs have well-defined rules and by-laws. 5) Holding regular meetings and maintain records and savings and credit discipline. 6) SHGs are self-managed institutions characterized by participatory and collective decision making. <p style="text-align: right;">(Any Three Points)</p>	3
35	<ol style="list-style-type: none"> 1) Utility is psychological. 2) Utility is not equivalent to usefulness. 3) Utility is not the same as pleasure. 4) Utility is personal and relative. 5) Utility is the function of the intensity of human want. 6) Utility is a subjective concept. 7) Utility has no ethical or moral significance. <p style="text-align: right;">(Any three points)</p>	3
36	<ol style="list-style-type: none"> 1) Land is a primary factor of production. 2) Land is a <i>passive</i> factor of production. 3) Land is the free gift of Nature. 4) Land has no cost of production. 5) Land is fixed in supply. It is inelastic in supply. 6) Land is permanent. 7) Land is immovable. 8) Land is heterogeneous as it differs in fertility. 9) Land has alternative uses. 10) Land is subject to Law of Diminishing Returns. <p style="text-align: right;">(Any three points)</p>	3
37	<ol style="list-style-type: none"> 1) Indifference curve must have negative slope 2) Indifference Curves are convex to the origin 3) Indifference curve cannot intersect 4) Indifference curves do not touch the horizontal or vertical axis. <p style="text-align: right;">(Any three points)</p>	3
38	<ul style="list-style-type: none"> ➤ The producer has to incur expenses to popularise his brand, this expenditure involved in selling the product is called selling cost. ➤ Firms compete with each other by incurring selling cost or expenditure on sales promotion of their products. ➤ Example: Advertisement cost 	3
39	<ul style="list-style-type: none"> ➤ Tamil Nadu has a few mining projects based on Titanium, Lignite, Magnesite, Graphite, Limestone, Granite and Bauxite. ➤ Salem - Magnesite ,Yercaud -Bauxite ,Kanjamalai -Iron Ore. ➤ Karadikuttam in Madurai district- Molybdenum. 	3
40	A market situation in which a single producer of a product faces a single buyer of that product.	3

Part – IV

Answer all the questions:

7×5 = 35

Q.No	Answer	Marks
41 (a)	1) <i>Few large firms</i> 2) <i>Interdependence among firms</i> 3) <i>Group behaviour</i> 4) <i>Advertisement cost</i> 5) <i>Nature of product</i> 6) <i>Price rigidity</i> (Any five points with explanation)	5
OR		
(b)	The short run cost curves with suitable diagram. i. Total fixed cost. ii. Total variable cost. iii. Total cost curves. iv. Average fixed cost. v. Average variable cost. vi. Average total cost. vii. Marginal cost. (Any 5 points with diagram)	5
42(a)	Objectives of Nationalization of commercial Bank 1. To attain social welfare 2. To curb Private Monopolies 3. To encourage banking habit among the rural population. 4. To reduce the regional imbalance 5. After nationalization new bank were opened in both rural and urban areas. 6. Bank created credit facilities mainly to the agriculture and its allied activities. (Any 5 Points) (or) Reason for Nationalization 1.The commercial banks failed in helping the government to achieve social objectives of planning. 2.So the government decided to nationalize 14 major commercial banks on 19 th July 1969. 3.In 1980, again the government took over another 6 commercial banks.	5
OR		

(b)	<p align="center"><u>Salient Features of “EXIM POLICY (2015-2020)”</u></p> <ol style="list-style-type: none"> 1) Reduce export obligations - “Make in India” concept. 2) As a step to Digital India concept, online procedure to upload digitally signed document. 3) Repeated submission of physical copies of documents available on Exporter Importer Profile is not required. 4) Export obligation period for export items related to defence, military store, aerospace and nuclear energy to be 24 months. 5) This policy is expected to double the share of India in World Trade. 	5
43(a)	<p>➤ Meaning of Deductive :</p> <p>➤ <u>Steps of Deductive Method</u></p> <p>Step 1: The analyst must have a clear and precise idea of the problem to be inquired into.</p> <p>Step 2: The analyst clearly defines the technical terms used in the analysis. Further, assumptions of the theory are to be precise.</p> <p>Step 3: Deduce hypothesis from the assumptions taken.</p> <p>Step 4: Hypotheses should be verified through direct observation of events in the real world and through statistical methods.</p> <p>➤ Meaning of Inductive Method :</p> <p>➤ <u>Steps of Inductive Method</u></p> <p>Step 1: Data are collected about a certain economic phenomenon. These are systematically arranged and the general conclusions are drawn from them.</p> <p>Step 2: By observing the data, conclusions are easily drawn.</p> <p>Step 3: Generalization of the data and then Hypothesis Formulation</p> <p>Step 4: Verification of the hypothesis.</p>	5
OR		
(b)	<p>Meaning Assumption Table Diagram Explanation</p>	5
44(a)	<p>Measurement of Elasticity of Demand</p> <ol style="list-style-type: none"> 1) The Percentage Method 2) Total Outlay Method 3) Point or Geometrical Elasticity (With Diagram) <p align="right"><i>(with explanation)</i></p>	5
OR		

(b)	<ul style="list-style-type: none"> ➤ Theory ➤ Demand for Loanable Funds ➤ Supply of Loanable Funds ➤ Diagram ➤ Explanation 		5
45(a)	<ol style="list-style-type: none"> 1) Financial Economics 2) Agricultural Economics 3) Economics of Caste 4) Economics of Socialism <p style="text-align: right;">(with explanation)</p>		5
OR			
(b)	<p>Definition Assumption Statement of the Theory with Illustration Diagram Explanation</p>		5
46(a)	<p><u>Causes for Rural Indebtedness</u></p> <ul style="list-style-type: none"> ➤ Poverty of Farmers ➤ Failure of Monsoon ➤ Litigation ➤ Money Lenders and High Rate of Interest <p style="text-align: right;">(with explanation)</p>		5
OR			
(b)	<p>Various sources of Energy in Tamil Nadu</p> <ol style="list-style-type: none"> 1) Nuclear Energy 2) Thermal Power 3) Hydel Energy 4) Solar Energy 5) Wind Energy <p style="text-align: right;">(with explanation)</p>		5
47(a)	<p>i) Uses of Mathematical Methods in Economics</p> <ol style="list-style-type: none"> 1) help to present the economic problems in a more precise form. 2) help to explain economic concepts. 3) help to use a large number of variables in economic analyses. 4) help to quantify the impact or effect of any economic activity implemented by Government or anybody. <p style="text-align: right;">(Any three points)</p> <p>ii) Causes for housing problems in rural areas</p> <p style="text-align: right;">(Any two points)</p>		3 2

OR

(b) The matrix form of the given equation is written as

$$\begin{bmatrix} 7 & -1 & -1 \\ 10 & -2 & 1 \\ 6 & 3 & -2 \end{bmatrix} \begin{bmatrix} x_1 \\ x_2 \\ x_3 \end{bmatrix} = \begin{bmatrix} 0 \\ 8 \\ 7 \end{bmatrix}$$

$$\Delta = \begin{vmatrix} 7 & -1 & -1 \\ 10 & -2 & 1 \\ 6 & 3 & -2 \end{vmatrix}$$

$$= 7(4-3) - (-1)(-20-6) + (-1)(30+12)$$

$$= 7(1) + 1(-26) - 1(42)$$

$$= 7 - 26 - 42 = -61$$

$$\Delta x_1 = \begin{vmatrix} 0 & -1 & -1 \\ 8 & -2 & 1 \\ 7 & 3 & -2 \end{vmatrix}$$

$$= 0(4-3) - (-1)(-16-7) + (-1)(24+14)$$

$$= 0 + 1(-23) - 1(38)$$

$$= -23 - 38 = -61$$

$$\Delta x_2 = \begin{vmatrix} 7 & 0 & -1 \\ 10 & 8 & 1 \\ 6 & 7 & -2 \end{vmatrix}$$

$$= 7(-16-7) - 0(-20-6) + (-1)(70-48)$$

$$= 7(-23) + 0 - 1(22)$$

$$= -161 - 22 = -183$$

$$\Delta x_3 = \begin{vmatrix} 7 & -1 & 0 \\ 10 & -2 & 8 \\ 6 & 3 & 7 \end{vmatrix}$$

$$= 7(-14-24) - (-1)(70-48) + 0(30+12)$$

$$= 7(-38) + 1(22) + 0$$

$$= -266 + 22 = -244$$

$$x_1 = \frac{\Delta x_1}{\Delta} = \frac{-61}{-61} = 1$$

$$x_2 = \frac{\Delta x_2}{\Delta} = \frac{-183}{-61} = 3$$

$$x_3 = \frac{\Delta x_3}{\Delta} = \frac{-244}{-61} = 4$$

1

1

1

1

1