DIRECTORATE OF GOVERNMENT EXAMINATIONS, CHENNAI-6. HSE FIRST YEAR EXAMINATION- MARCH 2025 ECONOMICS KEY ANSWER (ENGLISH MEDIUM)

TOTAL MARKS: 90

Note:

- 1. Use Blue or Black ink to write and underline and pencil to draw diagrams.
- 2. Choose the most appropriate answer from the given four alternatives and write the option code and the corresponding answer.

PART-I

Answer all the questions:

 $20 \times 1 = 20$

		TYPE A		TYPE B		Marks
1	d	Adam Smith	1	С	-50	1
2	а	Total population/Land	2	d	Chennai	1
		area of the region				
3	d	Third Five Year Plan	3	d	It is Mobile	1
4	С	Rs.400	4	С	Differentiation	1
5	С	Salt	5	С	Rs.400	1
6	d	Wage	6	d	Third Five Year Plan	1
7	b	Law of diminishing	7	d	Year of the population Explosion	1
		Marginal Utility				
8	b	MC=MR	8	d	Wage	1
9	d	Year of the population	9	b	MC=MR	1
		Explosion				
10	а	Marginal	10	d	Higher Subsidy	1
11	d	It is Mobile	11	d	2017	1
12	С	-50	12	а	Total population/Land area of the	1
					region	
13	d	Under Employment or	13	С	Salt	1
		Disguised				
		Unemployment				
14	d	Higher Subsidy	14	d	Monopoly	1
15	b	Price Theory	15	b	Law of diminishing Marginal Utility	1
16	d	2017	16	b	Price Theory	1
17	d	Monopoly	17	С	Man-made Appliances	1
18	С	Man-made Appliances	18	d	Under Employment or Disguised	1
					Unemployment	
19	d	Chennai	19	d	Adam Smith	1
20	С	Differentiation	20	а	Marginal	1

21.	Goods: In Economics, the term 'goods' implies the term 'services'	
	also, unless specified otherwise	
	(OR)	
	as material things, they are tangible.	
	• have physical dimensions, i.e., their physical attributes can be	
	preserved over time.	2
	exist independently of their owner.	
	are owned by some persons.	
	are transferable.	
	have value-in exchange. (Any Two)	
22.	Giffen Paradox:	
	The Giffen good or inferior good is an exception to the law of demand	
	when the price of an inferier good falls, the poor will buy less and vice	1
	versa.	
	Ex: Rice, Ragi.	1
23.	Cost: Cost refers to the total expenses incurred the production of a	<u> </u>
	commodity. (OR)	
	Cost refers to the study of behaviour of cost in relation to one or more	2
	production.	
24.	Selling cost: Firms compete with each other by incurring selling cost	
	or expenditure on sales promotion of their products.	
	(OR)	2
	Advertisement cost	
25.	Liquidity Preference: Liquidity preference means the preference of	
	the people to hold wealth in the form of liquid cash rather than in other	_
	non-liquid assets like bonds, securities, bills of exchange, land,	2
	building, gold etc.	
	(OR)	
	Liquidity preference is the preference to have an amount of cash	
26	rather than of claims against others.	
26.	Iso-cost line: An Iso-cost line represents different combinations of inputs which shows the same amount of cost	2
27	inputs which shows the same amount of cost. Labour: According to Marshall, labour represents services provided	2
21	by the factor labour, which helps in yielding an income to the owner of	
	the labour-power. (OR)	2
	Labour in economics refers to any type of work performed by a	_
	labourer for earning an income. (OR)	
	Physical or Mental effort of human being in the process of production.	
28.	Fixed cost:	
	Fixed Cost does not change with the change in the quantity of	2
	output. (OR)	
	> Expenses on fixed factors remain unchanged irrespective of the	
	level of output.	

29.	Kinds of Wages:	
	Nominal Wages or Money Wages.	2
	> Real Wages	
	Piece Wages	
	> Time Wages (Any Two)	
30.	Matrices: Matrix is a rectangular array of numbers systematically	
	arranged in rows and columns within brackets.	2

Part-III

Answer **any seven** question (**Question No. 40** is compulsory) $7 \times 3 = 21$

1. Intangible: 2. Heterogeneous 3. Inseparable from their makers 4. Perishable Marginal Revenue: Marginal revenue (MR) is the addition to the total revenue by the sale of an additional unit of a commodity. (OR) MR=TR _n -TR _{n-1} (OR) MR= ΔTR/ΔQ (OR) MR=TR _{n+1} -TR _n 33. Land tenure system: 1 Zamindari System or the Land lord-Tenant System 2. Mahalwari System or Communal System of Farming 3. Ryotwari System or the Owner-Cultivator System Cold storage: 4 India is the largest producer of fruits and vegetables. Most of the problems relating to the marketing of fruits and vegetables can be traced to their perishability. Perishability is responsible for high marketing costs, market gluts, price fluctuations and other similar problems. In order to overcome this constraint, the Government of India and the Ministry of Agriculture promulgated an order known as "Cold Storage Order, 1964". Availability of fruits and vegetables is quited low because of post harvest lossed which account for about 25% to 30% of production. Risk bearing Theory of profit: Risk bearing Theory of profit: Risk bearing theory of profit: Risk bearing theory of profit was Propounded by the American Economist.F. B. Howley in 1907. Profit is the reward for risk taking in business. Risk taking is an essential function of the enterpreneur and is the basis of profit. It is a well known fact that every business involves some risks.	0.4				
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This a well known last that every business involves some					
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since the entrepreneur undertakes the risks he receives		 since the entrepreneur undertakes the risks he receives 			
profits. (Any three)		<u>.</u>			

36	Decline of Indian Handicrafts:	
30	The Indian handicrafts had a worldwide market. Indian exports	
	consisted chiefly of hand woven cotton and silk fabrics, calicoes,	
	artistic wares, wood carving etc.	
	2. Through discriminatory tariff policy, the British Government	
	purposefully destroyed the handicrafts.	
	3. With the disappearance of nawabs and kings, there was no one to	3
	protect Indian handicrafts.	
	4. Indian handicrafts could not compete with machine-made products.	
	5. The introduction of railways in India increased the	
	domestic market for the British goods. (Any three)	
37	Remedies for Rural Unemployment:	
"	1. Subsidiary Occupation	
	Rural Works Programme	
	3. Irrigation Facilities	3
	4. Rural Industrialization	
	5. Technical Education (Any Three with explanation)	
38	Performance of Tamilnadu in Health:	
	Tamil Nadu has a three – tier health infrastructure	
	2. comprising hospitals, primary health centres, health units,	
	community health centres and sub-centres.	3
	3. As of March 2015, the State had 34 district hospitals, 229 sub-	
	divisional hospitals, 1,254 primary health centres, 7,555 Sub-	
	centres and 313 community health centres.	
39	Solution:	
	Given function $y = 5 x^4$	1
	Slope = dy/dx	
	$\begin{vmatrix} dy \\ & = 5 (4) x^{4-1} \end{vmatrix}$	
	dx	1
		'
	$= 20 x^3$	
	When x = 10, then slope = $20 (10)^3$	
	= 20,000	1
40	Therefore Slope is 20,000. Characteristics of Labour:	
40	1. Labour is the animate factor of production.	
	Labour is an <i>active</i> factor of production.	
	3. Labour implies several types: it may be manual (farmer) or	3
	intellectual (teacher, lawyer etc).	
	4. Labour is perishable.	
	•	
	5. Labour is inseparable from the Labourer.	
	6. Labour is less mobile between places and occupations.	
	7. Labour is a means as well as an end. It is both the cause of	
	production and consumer of the product.	
	8. Labour units are heterogeneous. Labour differs in ability.	
	9. Labour-supply determines its reward (wage).	
	10. Labour has weak bargaining power.	
	11. Unspent labour at present cannot be stored up for future.	
	(Any three)	

41	Nature	and Scope of E	Economics:		
a.	Nature of Economics			21/2	
	• 8	Scope of economic	(With Explanation)	21/2	
		•	(OR)		
41	Ideas o	of information a	nd communication technology used in		
b.	econor				
	S.No.		Technologies		
	1	Creation	Personal Computers,		
			Digital Camera, Scanner,		
			Smart Phone	_	
	2	Processing	Calculator, PC,	5	
			Smart Phone		
	3	Storage	CD, DVD, Pen Drive,		
	<u> </u>		Microchip, Cloud		
	4	Display	PC, TV, Projector,		
			Smart Phone		
	5	Transmission	Internet, Tele conference,		
			Video Conferencing, Mobile		
	<u> </u>		Technology, Radio		
	6	Exchange	Email, Cell Phone		
	4	(0)	•		
	1. The		T has five phases. They are evaluation in		
		 Computer 			
		• PC			
		Microproce	essor		
		Internet			
		 Wireless lin 			
	2. In Economics, the uses of mathematical and statistical tools need				
	the support of ICT for data compiling editing, manipulating and				
	presenting the results.				
	3. In general, SPSS and Excel packages are often used by				
	researchers in economics.				
	4. Word processor, Spread sheet, and Web browser are Some of the				
	examples which are frequently used while undertaking analysis in the study of economics.				
40					
42	1. Defi	Demand:		1	
а		umption		1	
	3. Sch	•		1 1	
	4. Diag			1	
	_	eption of law	(With Explanation)		
	J. LAG	option or law	(OR)	'	
(UR)					

42	Price and output are determined unde	r Perfect competition:	
b)	 Meaning Diagram 	(With Explanation)	1 4
43 a)	Laws of returns to scale: 1. Definition 2. Assumption 3. Three Phases of returns to scale 4. Schedule 5. Diagram (OR)	(With Explanation)	1 1 1 1
43	Price and output determination under	Monopoly	
b)	Meaning Diagram	(With Explanation)	1 4
44 a)	Performance of India's: Five Year Plans: First Five-Year Plan (1951-1956) Second Five Year Plan (1956-1961) Third Five Year Plan (1961-1966) Fourth Five Year Plan (1969-1974) Fifth Five Year Plan (1969-1979) Sixth Five Year Plan (1980-1985) Seventh Five Year Plan (1985-1990) Eighth Five Year Plan (1992-1997) Ninth Five Year Plan (1997-2002) Tenth Five Year Plan (2002-2007) Eleventh Five Year Plan(2007-2012) Twelfth Five Year Plan(2012-2017)	(Any Five with Explanation)	5
44 b)	Problem of Rural Economy: 1. People Related problems 2. Agriculture related problems 3. Infrastructural related problems 4. Economics related problems 5. Social and cultural problems 6. Leadership related problems 7. Administrative problems	(Any Five with Explanation)	5
45	Consumer surplus:		1
a)	 Definition Assumption Schedule Diagram	(With Explanation)	1 1 1 2

45 b)	Cost Concepts: 1. Money cost	
	2. Real cost	5
	3. Explicit cost	3
	4. Implicit cost	
	5. Economic cost	
	6. Social cost	
	7. Opportunity cost	
	8. Sunk cost	
	9. Floating cost	
	10. Prime cost	
	11. Fixed cost	
	12. Variable cost	
4.0	(Any Five with explanation)	
46 a)	Keynesian Theory of Interest :Meaning of Liquidity preference	1
,	Motives of demand for money	
	Diagram (With Explanation)	2 2
	(OR)	
46	Jawaharlal Nehru's contribution to the idea of Economic	
b)	Development.	
	a. Democracy and Secularism	5
	b. Planning	
	c. Democratic Socialism	
	(with explanation)	
47 a	Major Objectives of SEZs:	
	To enhance foreign investment, especially to attract foreign	
	direct investment (FDI) and thereby increasing GDP.	
	2. To increase shares in Global Export (International Business).	2½
	3. To generate additional economic activity.	
	4. To create employment opportunities.	
	5. To develop infrastructure facilities.	
	6. To exchange technology in the global market.	
	(Any Five)	
1		

	Main Characteristics of SEZ :	
	a. Geographically demarked area with physical security	
	b. Administrated by single body/ authority	2½
	c. Streamlined procedures	
	d. Having separate custom area	
	e. Governed by more liberal economic laws.	
	f. Greater freedom to the firms located in SEZs.	
	(Any Five)	
47 b	Qualitative aspects of Population 1. Meaning of Population	
	2. Density	
	3. Urbanisation	
	4. Sex ration	
	5. Infant mortality rate	
	6. Maternal mortality rate	5
	7. Life Expectancy at birth	
	8. Literacy	
	(Any Five with Explanation)	