

THE ASIAN SCHOOL, DEHRADUN

TEST PAPERS SESSION 2017-18

CLASS 10

SUBJECT ECONOMICS

CHAPTER- 1 Development

| | | |
|-------|--|---|
| Ans1 | Net Attendance ratio is the ratio of the students attending school (both boys and girls) in the age group 6-14 years to the total ratio of school going children. | 1 |
| Ans2 | Average span of life a person is expected to live at the time of the birth. | 1 |
| Ans3 | It has low IMR due to better education and health care facilities. | 1 |
| Ans4 | Optimum and fuller utilisation of resources. | 1 |
| Ans5 | Education, Health, Per Capita Income. | 1 |
| Ans6 | BMI is the body Mass index = $\text{Height}^2 / \text{Weight}$ Less than 18 - Malnutrition More than 25 - Obesity | 3 |
| Ans7 | World Bank estimates the development report only on the basis of per capita income whereas UNDP calculates it on the basis of HDI. | 3 |
| Ans8 | Human development means the overall development including physical growth and mental stimulation. The people aspire for : a) Freedom b) Security c) Equality d) Love and Affection (to be explained) | 3 |
| Ans9 | a) Lack of availability of resources b) Discovery of new resources c) Over utilization of resource may lead to hazards which will destroyed our planet Earth. (to be explained) | 3 |
| Ans10 | The life expectancy at birth (average expected length of life of a person at the time of birth) is much higher in Sri Lanka than India. Even the gross enrolment ratio of Sri Lanka for three levels (enrolment ratio for primry school, secondary school and higher education beyond secondary school) is also compaitevely much better. Last but not least the per capita income of Sri Lanka is also highet among all the neighbouring countries. | 3 |
| Ans11 | a) Freedom b) Equality c) Security d) Respect for others (to be explained) | 3 |
| Ans12 | National Development means the ideology of differnet persons regarding countries development . These ideologies could be at times conflictng. It is measuredby : a) Average Income b) Per Capita Income People have conflicting goals because development for one may not be development for the other. | 3 |
| Ans13 | a) National Income is the income of all the residents of the country. This gives us the total income of the country. Per Capita income is calculated as the total income of the country divided by its total population. b) Renewable resources are replenished by nature for example ground water. Non renewable resources are not replenished that is those which will be exhausted in future, for example crude oil. | 3 |
| Ans14 | Differnet people have differnet notions of development as development for one may be destruction for the other. For example : Comtruction of Sardar Sarover Dam is a cause of developemnt as it will utilise the water resources but in the same vein it is a cause of destruction of the environment and displacement of the people. | 3 |

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SUBJECT ECONOMICS

CHAPTER- 2 Sectors of Indian Economy

| | | | |
|-------|---|---|---|
| Ans1 | Gross Domestic Product is the Final value of goods and services. | 1 | |
| Ans2 | GDP is calculated by counting the value of final goods and services produced in one accounting year. | 1 | |
| Ans3 | Central Government Ministry with the help of various Government Department of all Indian States and Union Territories. | 1 | |
| Ans4 | Primary sector is also called as agricultural sector since most of the natural products we get are from agriculture, dairy, fishing and forestry. | 1 | |
| Ans5 | Education, food and security, health and sanitation. | 1 | |
| Ans6 | Tertiary sector. | 1 | |
| Ans7 | Underemployment means people working below their potential level. | 1 | |
| Ans8 | Agriculture Sector | 1 | |
| Ans9 | It is a hidden/ invisible unemployment usually existing in rural sector. | 1 | |
| Ans10 | Unskilled workers. | 1 | |
| Ans11 | Landless agricultural labourers, small and marginal farmers, share croppers are vulnerable who need protection. | 1 | |
| Ans12 | The government in India purchases wheat and rice at a fair price from farmers, stores them in the godowns and sells them at a lower price to consumers through Public Distribution System. | 1 | |
| Ans13 | <ul style="list-style-type: none"> a) 150 days employment b) 1/3 reservation for women c) Sustainable Development d) Unemployment compensation to be paid if the government fails to provide employment within 15 days time duration. | 3 | |
| Ans14 | <p>Suppose a new dam is constructed and canals are dug to irrigate many such farms, it could lead to a lot of employment generation within the agricultural sector itself and reducing the problem of unemployment.</p> <p>Farmers required to transport their products to a nearby town. If the Government invests some money in transportation and storage of crops or makes rural roads so that mini trucks can reach every where. This activity can provide productive employment to not just farmers but also others such as those in services like transport or trade.</p> | 3 | |
| Ans15 | Tertiary sector is based on services whereas primary and secondary sectors are based on production of goods. | 3 | |
| Ans16 | Public Sector | Private Sector | 3 |
| | a) The resources are owned and managed by the government. | a) The resources are owned by the private sector. | |
| | b) Motive is social welfare | b) Motive is profit maximisation | |
| | c) Cheap and affordable goods services | c) High prices of goods services | |
| | d) Quality sub standard | d) Quality of goods is standard | |
| Ans17 | <ul style="list-style-type: none"> a) Setting up of dal mills to procure and process pulses and then sell them in the cities. b) Opening a cold storage could give an opportunity for farmers to store their products. c) In villages near forest areas we can start honey collection centres, where the farmers can come and sell wild pure honey. d) It is also possible to set up industries that process vegetables and agricultural produce which can be sold in outside markets. This will provide employment in industries located in semi-rural areas and not necessarily in large urban centres. | 3 | |
| Ans18 | <ul style="list-style-type: none"> a) Workers of organised sector get regular and assured employment. b) They are registered by the government and have to follow its rules and regulations which are given in various laws. c) They enjoy security of job. | 3 | |

| | | |
|-------|---|---|
| | <p>d) They also get several other benefits like paid leave, payment during holidays, Provident fund etc.</p> <p>e) There is a provision of overtime, in case the workers do their duties after fixed working hours.</p> | |
| Ans19 | <p>In the rural areas the unorganized sector mostly comprises of landless agricultural labourers, small and marginal farmers, share croppers and artisans. These farmers need to be supported through timely provision of seeds, agricultural inputs, credits, storage facilities and marketing outlets etc. In Urban areas small scale industries also need government's support for procuring and processing raw material and for marketing of output. The casual workers are required to be protected in their jobs and wages. SC and STs besides getting the irregular and low paid work these workers also face social discrimination. Protection and support of the unorganized sector workers is thus, necessary for both economic and social development.</p> | 5 |
| Ans20 | <p>The value of final goods and services produced in each sector during a particular year provides the total production of the sector for that year. The GDP can be calculated by adding the final value of the goods and services. The final value should be used rather than adding up the actual number. Only value of final goods and services to be added for example : A farmer sells wheat to a flour mill for Rs 8 per kg. The mill grinds the wheat and sells the flour to a biscuit company for 10 per kg. The biscuit company uses flour, sugar and oil to make packets of biscuits. It sells biscuits in the market to the consumers for Rs 15 per packet. Now Biscuits are the final goods i.e. Goods that reach the consumer.</p> | 5 |
| Ans21 | <p>In Primary sector in agriculture modern technology has been introduced. With the arrival of the Green Revolution, increased irrigational methods, there are noticeable changes in the sector. Industrial production has also increased several times therefore providing more employment. Similarly in Tertiary Sector, there are more people coming for getting employment. New development of primary and secondary sectors lead to the development of services like transport , trade etc.</p> | 5 |
| Ans22 | <p>Service sector in India employs many different kinds of people. At one end there are limited number of services that employ highly skilled and educated workers. At the other end, there are a very large number of workers engaged in services such as small shopkeepers, repair persons etc. But in terms of GDP, the service sector emerged as the largest producing sector in India. As income of people rises, they began to demand many more services like eating out, tourism, shopping mall etc. The I.T sector also provided jobs to many urban educated unemployed youth too.</p> | 5 |
| Ans23 | <p>In any country, several services such as hospitals, educational institutions, telegraph services, police station, courts, banks etc are required. These can be considered as basic services. Greater the development of the primary and secondary sector more would be the demand for such services. Over the past decade or so certain new services such as those based on information and communication technology have become important and essential. Therefore production of these services has been rising rapidly.</p> | 5 |
| Ans24 | <p>Primary Sector : As the methods of farming changed and the agricultural sector began to prosper , it produced more food than before. Buying and selling activities increased many times. Secondary sector: Over a long time and especially because new methods of manufacturing were introduced factories come up and started expanding. Secondary sector gradually become the most important sector in the total production and employment. Hence over time, a shift had taken place. Tertiary Sector : In the past 50 years, there has been a further shift from secondary to tertiary sector. The service sector has become the most important in terms of total production. Most of the working population is also employed in the service sector.</p> | 5 |

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SUBJECT ECONOMICS

CHAPTER-3 Money and Credit

| | | |
|-------|---|---|
| Ans1 | Money is considered as a medium of exchange to buy and sell goods and services at a given price. | 1 |
| Ans2 | Demand deposits is the money demanded to withdraw from depositors on account through cheque withdrawal form or debit card. | 1 |
| Ans3 | Cheque is a paper instructing bank to withdraw cash from depositors own account for his own self or to make payment to others. | 1 |
| Ans4 | Double coincidence of wants means both the parties wants or desire coincide with each other and they can fulfill their need by exchanging their goods or services. | 1 |
| Ans5 | RBI on behalf of central government issues notes and currency. | 1 |
| Ans6 | <p>a) Credit : loan given to borrowers.</p> <p>b) Debt Trap : Borrowers when unable to repay the loan banks are trapped in debt known as Debt trap.</p> <p>c) Collateral : An asset kept as a security against loan.</p> <p>d) Terms of Credit : Terms of credit is the requirement for taking loan.</p> <p>i) Documentation</p> <p>ii) Time period of loan</p> <p>iii) Repayment of loan</p> <p>iv) Rate of interest</p> <p>v) Collateral</p> <p>e) SHG's : Self helping groups made in rural sector to help poor people for credit facility without collateral.</p> | 1 |
| Ans7 | Amit is making an investment by spending money on house, commercial land and machine. These are his assets. | 1 |
| Ans8 | Poor Household are deprived from the formal sectors of loan as : a) They do not have any collateral. B) They can't follow formal documentation (such as pay slips, income tax return etc) | 1 |
| Ans9 | Money eliminates the need for double coincidence of wants by acting as a medium of exchange. With the help of money person can easily buy or sell goods and services without looking for a party whose desire coincides with him. | 1 |
| Ans10 | <p>a) Double coincidence of wants</p> <p>b) Lack of storage</p> <p>c) No homogenous measuring unit (explain)</p> | 3 |
| Ans11 | Members of co-operative pool their resources for cooperatin in certain areas. Co-operatives form members who accept deposits from its members. With these deposits as collateral, the co-operative obtains a large loan from the bank. These funds aer used to provide loans to members. Once these loans are repaid another round starts. | 3 |
| Ans12 | <p>SHG's are the building blocks of rural areas :</p> <ul style="list-style-type: none"> • No collateral required by the membes to take credit. • Members are 15-20 in no's. • Members pool in their savings amount not fixed. • Members are decision makers. • Mainly females are the members. • Self reliant, financial assistance. • Other social issues are also discussed. | 3 |
| Ans13 | <p>Formal sectors need to be expanded as loan is provided.</p> <p>a) At moderate rate of interest.</p> <p>b) No exploitation</p> <p>c) Credit time period can be extended (explain in detail)</p> | 3 |

| Ans14 | The credit facility of informal sector need to be discouraged. a) High rate of interest. b) Higher rate of exploitation. c) Debt trap. d) Credit time period cannot be extended. | 3 | | | | | | | | | | | | |
|---------------------------------|--|--------|----------|---------------------------------|------------------------|------------------------------|--------------------------|--------------------|-----------------|------------------------|--|---------------------------|------------------------------|---|
| Ans15 | Deposits with the bank are beneficial to the depositors as : a) Depositors gain a certain rate of interest on deposit b) Money is safe for bank also it is beneficial. a) Deposited money is used for credit b) Deposited money is also used for investment | 3 | | | | | | | | | | | | |
| Ans16 | Public sector is controlled and managed by the Government. The main aim of the sector is public welfare. It provides basic facilities like education, health, food and security to the people. Eg: Railways BSNL. Whereas the private sector is managed by an individual or a group. The main aim of the sector is to earn profits. They do not provide any service at a reasonable rate. Eg: Tatas, Reliance. | 3 | | | | | | | | | | | | |
| Ans17 | Same as answer 12 | 5 | | | | | | | | | | | | |
| Ans18 | <table border="1"> <thead> <tr> <th>Formal</th> <th>Informal</th> </tr> </thead> <tbody> <tr> <td>a) Banks, cooperative societies</td> <td>a) Landlord, Zamindars</td> </tr> <tr> <td>b) Moderate rate of interest</td> <td>b) High rate of interest</td> </tr> <tr> <td>c) No exploitation</td> <td>c) Exploitation</td> </tr> <tr> <td>d) Collateral required</td> <td>d) Collateral may or may not be required</td> </tr> <tr> <td>e) Documentation required</td> <td>e) No Documentation required</td> </tr> </tbody> </table> | Formal | Informal | a) Banks, cooperative societies | a) Landlord, Zamindars | b) Moderate rate of interest | b) High rate of interest | c) No exploitation | c) Exploitation | d) Collateral required | d) Collateral may or may not be required | e) Documentation required | e) No Documentation required | 5 |
| Formal | Informal | | | | | | | | | | | | | |
| a) Banks, cooperative societies | a) Landlord, Zamindars | | | | | | | | | | | | | |
| b) Moderate rate of interest | b) High rate of interest | | | | | | | | | | | | | |
| c) No exploitation | c) Exploitation | | | | | | | | | | | | | |
| d) Collateral required | d) Collateral may or may not be required | | | | | | | | | | | | | |
| e) Documentation required | e) No Documentation required | | | | | | | | | | | | | |
| Ans19 | Credit is an asset when taken from the formal sector and is used for productive purpose where as it act as debt trap when taken from informal sources of credit on high rate of interest. When the borrower is unable to repay he is trapped in the condition of debt. | 5 | | | | | | | | | | | | |
| Ans20 | RBI is the apex of all financial institutions. a) It supervises the functioning of all the banks. b) It checks the audit report on quarterly basis of all the banks. c) It also checks the rate of interest on deposits and credit as well. | 5 | | | | | | | | | | | | |
| Ans21 | Credit helps to increase earning and therefore the person is better off than before (Explain with the help of an example) Credit helps to earn money as well as capital for the future. Credit helps in the development of infrastructure of the society that leads to the overall development of the economy. | 5 | | | | | | | | | | | | |

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SUBJECT ECONOMICS

CHAPTER- 4 Globalization

| | | |
|-------|---|---|
| Ans1 | Exchange of Goods/ Services between 2 nations. | 1 |
| Ans2 | Interlinking of Production process across the nations. | 1 |
| Ans3 | When 2 companies join hands for a specific purpose or time period. | 1 |
| Ans4 | World Trade Organization helps liberalize trade among nations. | 1 |
| Ans5 | A company buying over a smaller company. | 1 |
| Ans6 | A restriction on EXIM | 1 |
| Ans7 | Minimize the cost of production. | 1 |
| Ans8 | When a company buys all the assets almost and starts production. | 1 |
| Ans9 | One the strategies used for penetrating the undeveloped countries where all assets are bought and production is done by the company to conquer the market. | 3 |
| Ans10 | When a company joins hand with other company for the mutual benefit rights for a specific purpose of or for a time period. It brings modern and more economic technology to the country. | 3 |
| Ans11 | As it does nto involve the cost of assets to be used in the production process for the forming company. It is also benefic for the company as they get better selling capacity. | 3 |
| Ans12 | FDI would be most fessible as the chances of following then are very low in an underdeveloped economy as the technology is backward and there is lack of labour. | 3 |
| Ans13 | It offers better and technically more advanced products to the common at a cheaper rate increasing consumer soverienite and choice at disposal. | 3 |
| Ans14 | As better goods/ services are to the consumer at a cheaper price due to high competition among the producers owing to globalization. | 3 |
| Ans15 | Sams as ans 14 | 3 |
| Ans16 | When production process is spead over nations in order to minimize the cost of production and offer the product as a global level it is terned as globalization. | 3 |
| Ans17 | Access to modern technology, capital better are the various benefits moving to company. (Any example) | 5 |
| Ans18 | <p><i>Ans 18. Impact:</i></p> <pre> graph TD Impact --> Consumers Impact --> Producers Impact --> Workers Consumers --> C_Benefits[Benefits High standards of living Variety] Producers --> P_Merits[Merits ↓ Advanced Technique More Capital] Producers --> P_Demands[Demands ↓ Some may lose due to lack of resources] Workers --> W_Skilled[Skilled ↓ Benefits] Workers --> W_Unskilled[Unskilled ↓ Expatriation] </pre> | 5 |
| Ans19 | As MNC's target for higher and higher profits they tend to save the labour cost specially for the unskilled workers which are hired on casual basis and at lower wage rate due to the abundant supply. Casualization of labour is the major drawbank of the MNC's and Globalization. | 5 |

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SUBJECT ECONOMICS

CHAPTER- 5 Consumer Right

| | | |
|-------|--|---|
| Ans1 | One who buys/ uses a commodity. | 1 |
| Ans2 | Consumer Protection Act . | 1 |
| Ans3 | 1986 | 1 |
| Ans4 | Umbrella body working at international level to protect consumer interest. | 1 |
| Ans5 | As consumers are divided and seller stand united at the market place, the sellers often tend to exploit the buyers at market place. | 3 |
| Ans6 | Consumer movement is the movement aimed at protecting the consumers at market place. | 3 |
| Ans7 | Right to safety states that every product supplied by the seller must be standard and safe to use. (any example) | 3 |
| Ans8 | It is state that the consumer has complete right to know all the details of goods or services bought by him. (any example) | 3 |
| Ans9 | The consumer cannot be forced to buy anything by the seller and is free to choose whatever goods or services he wishes to buy. | 3 |
| Ans10 | An umberral body working for protectionof consumers at international level having many organization from differnet countries working under it. | 3 |
| Ans11 | Disrict Forum - Upto 20L State - 20L to 1 core National - 1 Core and above | 3 |
| Ans13 | We can complain at the consumer forum whereby all the details of the services/goods are to be provided to the forum. The forum may offer remedy in form of compensation by the company at fault | 3 |
| Ans14 | a) Consumer is divided b) Seller is United c) Consumer Lack knowledge d) Consumer is Unaware | 5 |
| Ans15 | Any life situation. | 5 |