NIOS Class 12 Economics Sample Paper-7

Duration: 180 Minutes **Maximum Marks: 100**

Instructions

- This paper contains **50 Questions**. The paper is divided into two sections: **Section A – 50** marks and **Section B – 50** marks.
- **Section A** (Q.No. 1 to 35):
  - **Q.No. 1 to 20**: Multiple Choice Questions (MCQs) carrying **1 mark** each. Select and write the most appropriate option out of the four options given in each of these questions.
  - **Q.No. 21 to 35**: Objective type questions carrying **2 marks** each (with 2 sub-parts of 1 mark each). Attempt these questions as per the instructions given for each of the questions 21–35.
- **Section B** (Q.No. 36 to 50):
  - **Q.No. 36 to 42**: Very Short Answer-type questions carrying **2 marks** each to be answered in the range of 30 to 50 words.
  - **Q.No. 43 to 48**: Short Answer-type questions carrying **4 marks** each to be answered in the range of 50 to 80 words.
  - **Q.No. 49 to 50**: Long Answer-type questions carrying **6 marks** each to be answered in the range of 80 to 120 words.
- An **internal choice** has been provided in some questions.
- There is **No Negative** marking.
- Use of mobile phones, smartwatches, calculators, or any electronic gadgets is strictly prohibited.

Section: A

Q1. Opportunity cost means: **(1)**

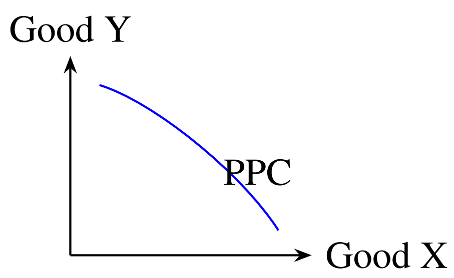
(A) Value of the next best alternative foregone

(B) Total revenue received from sales

(C) Excess of receipts over expenditure

(D) Cost per unit of output

Q2. A Production Possibility Curve is generally concave to the origin because of: **(1)**



(A) Equal efficiency of all resources

(B) Limited wants only

(C) Increasing marginal opportunity cost

(D) Absence of scarcity

Q3. For two commodities, consumer equilibrium is achieved when: **(1)**

(A) $MU_x = P_x$ only

(B) $\frac{MU_x}{P_x} = \frac{MU_y}{P_y}$

(C) Total utility is zero

(D) $P_x = P_y$ always

Q4. If the price of a complementary good falls, the demand for the given good generally: **(1)**

(A) Decreases

(B) Causes supply to fall

(C) Remains unchanged in all cases

(D) Increases

Q5. When a fall in price causes total expenditure on a commodity to increase, demand is: **(1)**

(A) Inelastic

(B) Elastic

(C) Unit elastic

(D) Perfectly inelastic

Q6. Returns to scale is studied when: **(1)**

(A) All factors are variable

(B) One factor is fixed

(C) No factor is used

(D) Only the price level changes

Q7. Economic cost includes: **(1)**

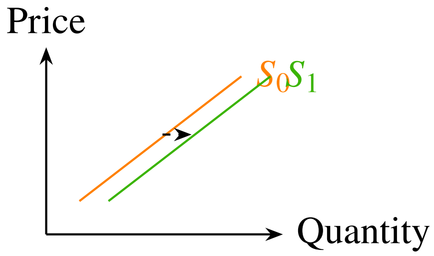
(A) Only taxes paid to government

(B) Only wages paid to labour

(C) Only explicit money expenses

(D) Both explicit and implicit costs

Q8. An improvement in production technology generally shifts the supply curve: **(1)**



(A) Leftward

(B) Along the demand curve

(C) Rightward

(D) To a vertical position only

Q9. Supply is usually more elastic in the: **(1)**

(A) Very short period

(B) Market period

(C) Long period

(D) Momentary period only

Q10. Large number of sellers selling homogeneous products is a feature of: **(1)**

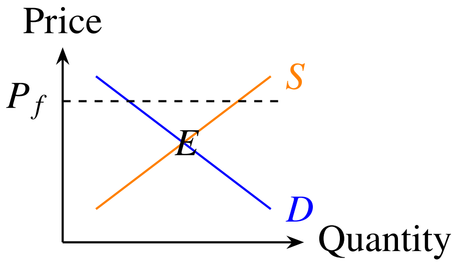
(A) Monopoly

(B) Perfect competition

(C) Oligopoly

(D) Monopolistic competition

Q11. A price floor fixed above the equilibrium price generally results in: **(1)**



(A) Surplus

(B) Shortage

(C) No exchange

(D) Price below equilibrium

Q12. Marginal Revenue is calculated as: **(1)**

(A) Total Revenue divided by Quantity

(B) Total Cost divided by Quantity

(C) Fixed Cost divided by Quantity

(D) Change in Total Revenue divided by change in Quantity

Q13. The Indian Embassy in Nepal is treated as part of the domestic territory of: **(1)**

(A) Nepal

(B) Neither country

(C) The World Bank

(D) India

Q14. In the expenditure method, GDP is measured as: **(1)**

(A) $C + I + G + (X - M)$

(B) Wages only

(C) Rent plus interest only

(D) Transfer payments only

Q15. Average Propensity to Consume is measured as: **(1)**

(A) $\Delta C/\Delta Y$

(B) S/Y

(C) C/Y

(D) I/Y

Q16. If MPS is 0.25, the value of the multiplier is: **(1)**

(A) 2

(B) 4

(C) 0.25

(D) 0.75

Q17. The primary function of commercial banks is to: **(1)**

(A) Accept deposits and grant loans

(B) Issue currency notes

(C) Prepare the government budget

(D) Collect customs duty

Q18. Revenue deficit is equal to: **(1)**

(A) Capital expenditure minus capital receipts

(B) Fiscal deficit minus interest payments

(C) Loans minus tax revenue

(D) Revenue expenditure minus revenue receipts

Q19. Balance of Trade is the difference between: **(1)**

(A) Export and import of services only

(B) Export and import of goods

(C) Capital receipts and capital payments

(D) Gifts received and gifts paid

Q20. The capital account of Balance of Payments records: **(1)**

(A) Export and import of goods

(B) Travel and insurance services

(C) Changes in assets and liabilities with the rest of the world

(D) Current unilateral transfers only

Q21. State whether the following statements are True or False: **(2)**

1. For a single commodity, consumer equilibrium requires MU equal to price.
2. If MU is greater than price, the consumer should reduce consumption immediately.

Q22. Fill in the blanks: **(2)**

1. At a price above equilibrium, ... supply appears.
2. Such a market price tends to . . . . over time.

Q23. Fill in the blanks: **(2)**

1. Tea and coffee are examples of . . . . goods.
2. A rise in the price of coffee may shift the demand curve for tea . . . .

Q24. Match the following national income aggregates: **(2)**

Aggregate	Meaning
(a) GDP	(i) GDP minus depreciation
(b) GNP	(ii) GNP minus depreciation
(c) NDP	(iii) Domestic final output
(d) NNP	(iv) GDP plus NFIA

Q25. Fill in the blanks: **(2)**

1. . . . . Product is Total Product divided by units of the variable factor.
2. When Total Product is maximum, Marginal Product becomes . . . .

Q26. Match the following cost concepts: **(2)**

Cost Concept	Meaning
(a) Fixed Cost	(i) Change in TC due to one more unit
(b) Variable Cost	(ii) Cost that does not change with output
(c) Average Cost	(iii) Cost that changes with output
(d) Marginal Cost	(iv) Cost per unit of output

Q27. State whether the following statements are True or False: **(2)**

1. A subsidy can increase supply by reducing the producer's effective cost.

2. A rise in input cost shifts the supply curve to the right.

Q28. Write one word or term for each of the following: **(2)**

1. A market form with many sellers and differentiated products.
2. A market form with a single seller and no close substitute.

Q29. Fill in the blanks: **(2)**

1. A price ceiling is a .... legal price.
2. A price ceiling below equilibrium usually creates a ....

Q30. Fill in the blanks: **(2)**

1. Average Revenue is equal to .... per unit.
2. A firm maximises profit where .... and MC is rising.

Q31. State whether the following statements are True or False: **(2)**

1. Transfer payments are included in national income because they are factor payments.
2. NFIA may be positive, negative or zero.

Q32. Fill in the blanks: **(2)**

1. Only ... goods are included in national income to avoid double counting.
2. Goods used as inputs for further production are called .... goods.

Q33. Fill in the blanks: **(2)**

1. The investment multiplier is inversely related to ....
2. Deficient demand creates a .... gap.

Q34. Match the following banking terms: **(2)**

Term	Meaning
(a) CRR	(i) Buying and selling government securities
(b) SLR	(ii) RBI borrowing from banks
(c) Open Market Operations	(iii) Cash reserve with RBI
(d) Reverse Repo Rate	(iv) Liquid assets kept by banks

Q35. State whether the following statements are True or False: **(2)**

1. A tariff increases the price of imported goods.
2. Balance of Payments records only visible trade in goods.

Section: B

Q36. Explain consumer equilibrium for a single commodity with the help of MU and price. **(2)**

Q37. Explain any three factors that cause a shift in the demand curve. **(2)**

OR

Distinguish between substitutes and complementary goods with examples.

Q38. Explain the total expenditure method of measuring price elasticity of demand. **(2)**

Q39. Explain the three stages of the Law of Variable Proportions. **(2)**

Q40. Define Average Cost and Marginal Cost. How are they related? **(2)**

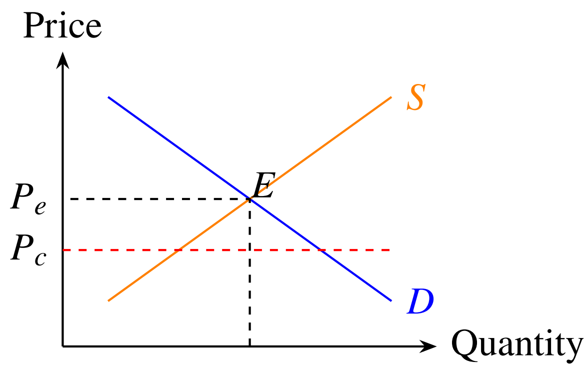
Q41. Why do countries engage in international trade? Give any four reasons. **(2)**

Q42. Distinguish between revenue receipts and capital receipts in a government budget. **(2)**

Q43. Define price elasticity of supply. Explain any three factors affecting it. **(4)**

Q44. Distinguish between monopoly and monopolistic competition. **(4)**

Q45. Explain equilibrium price under perfect competition. Also explain the effect of a price ceiling below equilibrium. **(4)**



Q46. Explain Total Revenue, Average Revenue and Marginal Revenue. State the profit maximisation condition. **(4)**

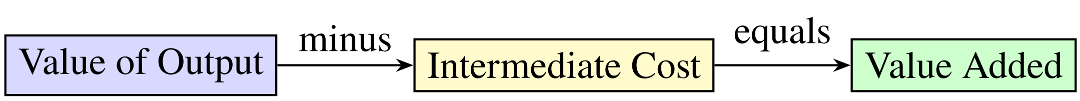
Q47. If investment increases by ₹ 150 crore and MPS is 0.30, calculate the multiplier and the total increase in income. Explain the working. **(4)**

Q48. Explain any four credit control instruments of the Reserve Bank of India. **(4)**

OR

Explain any four functions of commercial banks.

Q49. Explain GDP, GNP, NNP and National Income. Also explain how the value-added method avoids double counting. **(6)**



Q50. Explain the components of Balance of Payments. Distinguish between Balance of Trade and Balance of Payments. **(6)**

Detailed Solutions

Q1.

Solution

Concept: Opportunity cost is the value of the next best alternative sacrificed when a choice is made. This is the central rule needed for the question from Introduction to the Study of Economics.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: Opportunity cost is the value of the next best alternative sacrificed when a choice is made. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option A states "Value of the next best alternative foregone", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is A. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option B:** This says "Total revenue received from sales", but the required concept is "Value of the next best alternative foregone". Hence this option confuses Introduction to the Study of Economics with another idea or reverses the correct relationship.
- **Option C:** This says "Excess of receipts over expenditure", but the required concept is "Value of the next best alternative foregone". Hence this option confuses Introduction to the Study of Economics with another idea or reverses the correct relationship.
- **Option D:** This says "Cost per unit of output", but the required concept is "Value of the next best alternative foregone". Hence this option confuses Introduction to the Study of Economics with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{Value of the next best alternative foregone}}$ (Option A)

$\boxed{\textbf{Answer: (A)}}$ **Go Back to Q 1**

Q2.

Solution

Concept: A PPC is concave because resources are not equally efficient in all uses, so marginal opportunity cost rises. This is the central rule needed for the question from Central Problems of an Economy.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: A PPC is concave because resources are not equally efficient in all uses, so marginal opportunity cost rises. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option C states "Increasing marginal opportunity cost", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is C. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "Equal efficiency of all resources", but the required concept is "Increasing marginal opportunity cost". Hence this option confuses Central Problems of an Economy with another idea or reverses the correct relationship.
- **Option B:** This says "Limited wants only", but the required concept is "Increasing marginal opportunity cost". Hence this option confuses Central Problems of an Economy with another idea or reverses the correct relationship.
- **Option D:** This says "Absence of scarcity", but the required concept is "Increasing marginal opportunity cost". Hence this option confuses Central Problems of an Economy with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{Increasing marginal opportunity cost}}$ (Option C)

$\boxed{\textbf{Answer: (C)}}$ **Go Back to Q 2**

Q3.

Solution

Concept: For two goods, equilibrium requires equal marginal utility per rupee spent on each commodity. This is the central rule needed for the question from Consumer's Equilibrium.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: For two goods, equilibrium requires equal marginal utility per rupee spent on each commodity. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option B states "$\frac{MU_x}{P_x} = \frac{MU_y}{P_y}$", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is B. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "$MU_x = P_x$ only", but the required concept is "$\frac{MU_x}{P_x} = \frac{MU_y}{P_y}$". Hence this option confuses Consumer's Equilibrium with another idea or reverses the correct relationship.
- **Option C:** This says "Total utility is zero", but the required concept is "$\frac{MU_x}{P_x} = \frac{MU_y}{P_y}$". Hence this option confuses Consumer's Equilibrium with another idea or reverses the correct relationship.
- **Option D:** This says "$P_x = P_y$ always", but the required concept is "$\frac{MU_x}{P_x} = \frac{MU_y}{P_y}$". Hence this option confuses Consumer's Equilibrium with another idea or reverses the correct relationship.

Final Answer: $\boxed{\frac{MU_x}{P_x} = \frac{MU_y}{P_y}}$ (Option B)

Answer: (B) Go Back to Q 3

Q4.

Solution

Concept: When the price of a complementary good falls, the combined use becomes cheaper and demand for the related good rises. This is the central rule needed for the question from Demand.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: When the price of a complementary good falls, the combined use becomes cheaper and demand for the related good rises. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option D states "Increases", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is D. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "Decreases", but the required concept is "Increases". Hence this option confuses Demand with another idea or reverses the correct relationship.
- **Option B:** This says "Causes supply to fall", but the required concept is "Increases". Hence this option confuses Demand with another idea or reverses the correct relationship.
- **Option C:** This says "Remains unchanged in all cases", but the required concept is "Increases". Hence this option confuses Demand with another idea or reverses the correct relationship.

Final Answer: Increases (Option D)

Answer: (D) Go Back to Q 4

Q5.

Solution

Concept: Under the total expenditure method, if price falls and total expenditure rises, demand is elastic. This is the central rule needed for the question from Price Elasticity of Demand.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: Under the total expenditure method, if price falls and total expenditure rises, demand is elastic. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option B states "Elastic", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is B. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "Inelastic", but the required concept is "Elastic". Hence this option confuses Price Elasticity of Demand with another idea or reverses the correct relationship.
- **Option C:** This says "Unit elastic", but the required concept is "Elastic". Hence this option confuses Price Elasticity of Demand with another idea or reverses the correct relationship.
- **Option D:** This says "Perfectly inelastic", but the required concept is "Elastic". Hence this option confuses Price Elasticity of Demand with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{Elastic}}$ (Option B)

Answer: (B) Go Back to Q 5

Q6.

Solution

Concept: Returns to scale belongs to the long run, where all factors of production can be varied. This is the central rule needed for the question from Production Function.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: Returns to scale belongs to the long run, where all factors of production can be varied. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option A states "All factors are variable", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is A. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option B:** This says "One factor is fixed", but the required concept is "All factors are variable". Hence this option confuses Production Function with another idea or reverses the correct relationship.
- **Option C:** This says "No factor is used", but the required concept is "All factors are variable". Hence this option confuses Production Function with another idea or reverses the correct relationship.
- **Option D:** This says "Only the price level changes", but the required concept is "All factors are variable". Hence this option confuses Production Function with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{All factors are variable}}$ (Option A)

$\boxed{\textbf{Answer: (A)}}$ **Go Back to Q 6**

Q7.

Solution

Concept: Economic cost includes both actual money payments and the imputed cost of self-owned resources. This is the central rule needed for the question from Cost of Production.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: Economic cost includes both actual money payments and the imputed cost of self-owned resources. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option D states "Both explicit and implicit costs", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is D. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "Only taxes paid to government", but the required concept is "Both explicit and implicit costs". Hence this option confuses Cost of Production with another idea or reverses the correct relationship.
- **Option B:** This says "Only wages paid to labour", but the required concept is "Both explicit and implicit costs". Hence this option confuses Cost of Production with another idea or reverses the correct relationship.
- **Option C:** This says "Only explicit money expenses", but the required concept is "Both explicit and implicit costs". Hence this option confuses Cost of Production with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{Both explicit and implicit costs}}$ (Option D)

$\boxed{\textbf{Answer: (D)}}$ **Go Back to Q 7**

Q8.

Solution

Concept: Better technology lowers cost and raises supply at each price, shifting the supply curve rightward. This is the central rule needed for the question from Supply.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: Better technology lowers cost and raises supply at each price, shifting the supply curve rightward. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option C states "Rightward", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is C. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "Leftward", but the required concept is "Rightward". Hence this option confuses Supply with another idea or reverses the correct relationship.
- **Option B:** This says "Along the demand curve", but the required concept is "Rightward". Hence this option confuses Supply with another idea or reverses the correct relationship.
- **Option D:** This says "To a vertical position only", but the required concept is "Rightward". Hence this option confuses Supply with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{Rightward}}$ (Option C)

$\boxed{\textbf{Answer: (C)}}$ **Go Back to Q 8**

Q9.

Solution

Concept: The longer the time period, the more easily producers can adjust output, so supply becomes more elastic. This is the central rule needed for the question from Price Elasticity of Supply.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: The longer the time period, the more easily producers can adjust output, so supply becomes more elastic. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option C states “Long period”, which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is C. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says “Very short period”, but the required concept is “Long period”. Hence this option confuses Price Elasticity of Supply with another idea or reverses the correct relationship.
- **Option B:** This says “Market period”, but the required concept is “Long period”. Hence this option confuses Price Elasticity of Supply with another idea or reverses the correct relationship.
- **Option D:** This says “Momentary period only”, but the required concept is “Long period”. Hence this option confuses Price Elasticity of Supply with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{Long period}}$ (Option C)

$\boxed{\textbf{Answer: (C)}}$ **Go Back to Q 9**

Q10.

Solution

Concept: Perfect competition has many buyers and sellers and homogeneous products. This is the central rule needed for the question from Forms of Market.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: Perfect competition has many buyers and sellers and homogeneous products. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option B states "Perfect competition", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is B. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "Monopoly", but the required concept is "Perfect competition". Hence this option confuses Forms of Market with another idea or reverses the correct relationship.
- **Option C:** This says "Oligopoly", but the required concept is "Perfect competition". Hence this option confuses Forms of Market with another idea or reverses the correct relationship.
- **Option D:** This says "Monopolistic competition", but the required concept is "Perfect competition". Hence this option confuses Forms of Market with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{Perfect competition}}$ (Option B)

$\boxed{\textbf{Answer: (B)}}$ Go Back to Q 10

Q11.

Solution

Concept: A price floor above equilibrium creates excess supply because sellers offer more than buyers demand. This is the central rule needed for the question from Price Determination under Perfect Competition.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: A price floor above equilibrium creates excess supply because sellers offer more than buyers demand. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option A states "Surplus", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is A. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option B:** This says "Shortage", but the required concept is "Surplus". Hence this option confuses Price Determination under Perfect Competition with another idea or reverses the correct relationship.
- **Option C:** This says "No exchange", but the required concept is "Surplus". Hence this option confuses Price Determination under Perfect Competition with another idea or reverses the correct relationship.
- **Option D:** This says "Price below equilibrium", but the required concept is "Surplus". Hence this option confuses Price Determination under Perfect Competition with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{Surplus}}$ (Option A)

$\boxed{\textbf{Answer: (A)}}$ **Go Back to Q 11**

Q12.

Solution

Concept: Marginal Revenue is the addition to total revenue from selling one more unit. This is the central rule needed for the question from Revenue and Profit Maximization.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: Marginal Revenue is the addition to total revenue from selling one more unit. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option D states "Change in Total Revenue divided by change in Quantity", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is D. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "Total Revenue divided by Quantity", but the required concept is "Change in Total Revenue divided by change in Quantity". Hence this option confuses Revenue and Profit Maximization with another idea or reverses the correct relationship.
- **Option B:** This says "Total Cost divided by Quantity", but the required concept is "Change in Total Revenue divided by change in Quantity". Hence this option confuses Revenue and Profit Maximization with another idea or reverses the correct relationship.
- **Option C:** This says "Fixed Cost divided by Quantity", but the required concept is "Change in Total Revenue divided by change in Quantity". Hence this option confuses Revenue and Profit Maximization with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{Change in Total Revenue divided by change in Quantity}}$ (Option D)

$\boxed{\textbf{Answer: (D)}}$ Go Back to Q 12

Q13.

Solution

Concept: Embassies and consulates of a country abroad are treated as part of that country's domestic territory. This is the central rule needed for the question from National Income and Related Aggregates.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: Embassies and consulates of a country abroad are treated as part of that country's domestic territory. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option D states "India", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is D. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "Nepal", but the required concept is "India". Hence this option confuses National Income and Related Aggregates with another idea or reverses the correct relationship.
- **Option B:** This says "Neither country", but the required concept is "India". Hence this option confuses National Income and Related Aggregates with another idea or reverses the correct relationship.
- **Option C:** This says "The World Bank", but the required concept is "India". Hence this option confuses National Income and Related Aggregates with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{India}}$ (Option D)

$\boxed{\textbf{Answer: (D)}}$ **Go Back to Q 13**

Q14.

Solution

Concept: The expenditure method adds consumption, investment, government spending and net exports. This is the central rule needed for the question from National Income Measurement.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: The expenditure method adds consumption, investment, government spending and net exports. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option A states "$C + I + G + (X - M)$", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is A. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option B:** This says "Wages only", but the required concept is "$C + I + G + (X - M)$". Hence this option confuses National Income Measurement with another idea or reverses the correct relationship.
- **Option C:** This says "Rent plus interest only", but the required concept is "$C + I + G + (X - M)$". Hence this option confuses National Income Measurement with another idea or reverses the correct relationship.
- **Option D:** This says "Transfer payments only", but the required concept is "$C + I + G + (X - M)$". Hence this option confuses National Income Measurement with another idea or reverses the correct relationship.

Final Answer: $\boxed{C + I + G + (X - M)}$ (Option A)

Answer: (A) Go Back to Q 14

Q15.

Solution

Concept: APC is the ratio of total consumption to total income. This is the central rule needed for the question from Consumption, Saving and Investment.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: APC is the ratio of total consumption to total income. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option C states "C/Y", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is C. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "$\Delta C/\Delta Y$", but the required concept is "C/Y". Hence this option confuses Consumption, Saving and Investment with another idea or reverses the correct relationship.
- **Option B:** This says "S/Y", but the required concept is "C/Y". Hence this option confuses Consumption, Saving and Investment with another idea or reverses the correct relationship.
- **Option D:** This says "I/Y", but the required concept is "C/Y". Hence this option confuses Consumption, Saving and Investment with another idea or reverses the correct relationship.

Final Answer: $\boxed{C/Y}$ (Option C)

Answer: (C) **Go Back to Q 15**

Q16.

Solution

Concept: The multiplier is $1/MPS$, so if MPS is 0.25, multiplier is 4. This is the central rule needed for the question from Theory of Income Determination.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: The multiplier is $1/MPS$, so if MPS is 0.25, multiplier is 4. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option B states "4", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is B. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "2", but the required concept is "4". Hence this option confuses Theory of Income Determination with another idea or reverses the correct relationship.
- **Option C:** This says "0.25", but the required concept is "4". Hence this option confuses Theory of Income Determination with another idea or reverses the correct relationship.
- **Option D:** This says "0.75", but the required concept is "4". Hence this option confuses Theory of Income Determination with another idea or reverses the correct relationship.

Final Answer: $\boxed{4}$ (Option B)

Answer: (B) Go Back to Q 16

Q17.

Solution

Concept: Commercial banks mainly accept deposits from the public and lend money to borrowers. This is the central rule needed for the question from Money and Banking.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: Commercial banks mainly accept deposits from the public and lend money to borrowers. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option A states "Accept deposits and grant loans", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is A. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option B:** This says "Issue currency notes", but the required concept is "Accept deposits and grant loans". Hence this option confuses Money and Banking with another idea or reverses the correct relationship.
- **Option C:** This says "Prepare the government budget", but the required concept is "Accept deposits and grant loans". Hence this option confuses Money and Banking with another idea or reverses the correct relationship.
- **Option D:** This says "Collect customs duty", but the required concept is "Accept deposits and grant loans". Hence this option confuses Money and Banking with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{Accept deposits and grant loans}}$ (Option A)

$\boxed{\textbf{Answer: (A)}}$ Go Back to Q 17

Q18.

Solution

Concept: Revenue deficit is the excess of revenue expenditure over revenue receipts. This is the central rule needed for the question from Government Budget.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: Revenue deficit is the excess of revenue expenditure over revenue receipts. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option D states "Revenue expenditure minus revenue receipts", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is D. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "Capital expenditure minus capital receipts", but the required concept is "Revenue expenditure minus revenue receipts". Hence this option confuses Government Budget with another idea or reverses the correct relationship.
- **Option B:** This says "Fiscal deficit minus interest payments", but the required concept is "Revenue expenditure minus revenue receipts". Hence this option confuses Government Budget with another idea or reverses the correct relationship.
- **Option C:** This says "Loans minus tax revenue", but the required concept is "Revenue expenditure minus revenue receipts". Hence this option confuses Government Budget with another idea or reverses the correct relationship.

Final Answer: Revenue expenditure minus revenue receipts (Option D)

Answer: (D) Go Back to Q 18

Q19.

Solution

Concept: Balance of Trade records the difference between export and import of visible goods. This is the central rule needed for the question from International Trade.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: Balance of Trade records the difference between export and import of visible goods. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option B states "Export and import of goods", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is B. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "Export and import of services only", but the required concept is "Export and import of goods". Hence this option confuses International Trade with another idea or reverses the correct relationship.
- **Option C:** This says "Capital receipts and capital payments", but the required concept is "Export and import of goods". Hence this option confuses International Trade with another idea or reverses the correct relationship.
- **Option D:** This says "Gifts received and gifts paid", but the required concept is "Export and import of goods". Hence this option confuses International Trade with another idea or reverses the correct relationship.

Final Answer: $\boxed{\text{Export and import of goods}}$ (Option B)

$\boxed{\textbf{Answer: (B)}}$ Go Back to Q 19

Q20.

Solution

Concept: The capital account records loans, investments and other asset-liability changes with the rest of the world. This is the central rule needed for the question from Balance of Payments.

Solution: Step 1: Identify the exact chapter idea being tested. The question is not asking for a general opinion; it is asking for the standard Economics meaning used in the NIOS syllabus.

Step 2: Apply the rule: The capital account records loans, investments and other asset-liability changes with the rest of the world. This immediately narrows the answer to the option that states the same relationship accurately.

Step 3: Compare the four alternatives. Option C states "Changes in assets and liabilities with the rest of the world", which matches the concept and does not contradict any assumption of the topic.

Step 4: Check for distractors. The other options use related words, but they either belong to another chapter or change the direction of the economic relationship.

Step 5: Substitute the correct option back into the question. The statement becomes meaningful and consistent with Class 12 Economics terminology.

Step 6: Therefore, the correct option is C. In MCQs, this method is safer than guessing because many distractors are plausible but conceptually inaccurate.

Why other options are wrong:

- **Option A:** This says "Export and import of goods", but the required concept is "Changes in assets and liabilities with the rest of the world". Hence this option confuses Balance of Payments with another idea or reverses the correct relationship.
- **Option B:** This says "Travel and insurance services", but the required concept is "Changes in assets and liabilities with the rest of the world". Hence this option confuses Balance of Payments with another idea or reverses the correct relationship.
- **Option D:** This says "Current unilateral transfers only", but the required concept is "Changes in assets and liabilities with the rest of the world". Hence this option confuses Balance of Payments with another idea or reverses the correct relationship.

Final Answer: Changes in assets and liabilities with the rest of the world (Option C)

Answer: (C) Go Back to Q 20

Q21.

Solution

Concept: This objective question is from Consumer's Equilibrium. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: The first statement is true because MU = P is the single-commodity equilibrium condition. The second is false because when MU is greater than price, the consumer should increase, not reduce, consumption.

Step 5: Combining both sub-parts gives the complete answer: True; False. The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: True; False

Answer: (True; False) Go Back to Q 21

Q22.

Solution

Concept: This objective question is from Price Determination under Perfect Competition. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: Above equilibrium price, sellers supply more than buyers demand, so excess supply appears. Competition among sellers and unsold stock make the price fall toward equilibrium.

Step 5: Combining both sub-parts gives the complete answer: Excess; Fall. The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: $\boxed{\text{Excess; Fall}}$

$\boxed{\textbf{Answer: (Excess; Fall)}}$ Go Back to Q 22

Q23.

Solution

Concept: This objective question is from Demand. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: Tea and coffee are substitutes because they satisfy similar wants. If coffee becomes dearer, some consumers shift to tea, so tea demand shifts rightward.

Step 5: Combining both sub-parts gives the complete answer: Substitute; Rightward. The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: $\boxed{\text{Substitute; Rightward}}$

$\boxed{\textbf{Answer: (Substitute; Rightward)}}$ Go Back to Q 23

Q24.

Solution

Concept: This objective question is from National Income and Related Aggregates. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: GDP is domestic final output, GNP is GDP plus NFIA, NDP is GDP minus depreciation, and NNP is GNP minus depreciation.

Step 5: Combining both sub-parts gives the complete answer: (a)-(iii), (b)-(iv), (c)-(i), (d)-(ii). The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: (a)-(iii), (b)-(iv), (c)-(i), (d)-(ii)

Answer: ((a)-(iii), (b)-(iv), (c)-(i), (d)-(ii)) Go Back to Q 24

Q25.

Solution

Concept: This objective question is from Production Function. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: Average Product is Total Product divided by variable input. When Total Product reaches its maximum, Marginal Product is zero.

Step 5: Combining both sub-parts gives the complete answer: Average; Zero. The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: Average; Zero

Answer: (Average; Zero) Go Back to Q 25

Q26.

Solution

Concept: This objective question is from Cost of Production. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: Fixed cost remains unchanged with output, variable cost changes with output, average cost is cost per unit, and marginal cost is additional cost of one more unit.

Step 5: Combining both sub-parts gives the complete answer: (a)-(ii), (b)-(iii), (c)-(iv), (d)-(i). The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: (a)-(ii), (b)-(iii), (c)-(iv), (d)-(i)

Answer: ((a)-(ii), (b)-(iii), (c)-(iv), (d)-(i)) Go Back to Q 26

Q27.

Solution

Concept: This objective question is from Supply. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: A subsidy lowers effective cost and can increase supply, so the first statement is true. A rise in input cost shifts supply leftward, not rightward, so the second is false.

Step 5: Combining both sub-parts gives the complete answer: True; False. The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: True; False

Answer: (True; False) Go Back to Q 27

Q28.

Solution

Concept: This objective question is from Forms of Market. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: Many sellers with differentiated products indicates monopolistic competition. A single seller with no close substitute indicates monopoly.

Step 5: Combining both sub-parts gives the complete answer: Monopolistic competition; Monopoly. The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: Monopolistic competition; Monopoly

Answer: (Monopolistic competition; Monopoly) Go Back to Q 28

Q29.

Solution

Concept: This objective question is from Price Determination under Perfect Competition. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: A price ceiling is a maximum legal price. If it is below equilibrium, demand exceeds supply and a shortage appears.

Step 5: Combining both sub-parts gives the complete answer: Maximum; Shortage. The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: $\boxed{\text{Maximum; Shortage}}$

Answer: (Maximum; Shortage) Go Back to Q 29

Q30.

Solution

Concept: This objective question is from Revenue and Profit Maximization. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: AR is price per unit. Profit maximisation occurs where MR equals MC and MC is rising.

Step 5: Combining both sub-parts gives the complete answer: Price; MR = MC. The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: $\boxed{\text{Price; MR = MC}}$

Answer: (Price; MR = MC) Go Back to Q 30

Q31.

Solution

Concept: This objective question is from National Income and Related Aggregates. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: Transfer payments are not factor payments and are excluded. NFIA can be positive, negative or zero depending on factor income flows.

Step 5: Combining both sub-parts gives the complete answer: False; True. The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: $\boxed{\text{False; True}}$

Answer: (False; True) Go Back to Q 31

Q32.

Solution

Concept: This objective question is from National Income Measurement. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: Final goods are counted to avoid double counting. Intermediate goods are used as inputs for further production.

Step 5: Combining both sub-parts gives the complete answer: Final; Intermediate. The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: $\boxed{\text{Final; Intermediate}}$

Answer: (Final; Intermediate) Go Back to Q 32

Q33.

Solution

Concept: This objective question is from Theory of Income Determination. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: The multiplier equals 1/MPS, so it is inversely related to MPS. Deficient demand at full employment creates a deflationary gap.

Step 5: Combining both sub-parts gives the complete answer: MPS; Deflationary. The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: $\boxed{\text{MPS; Deflationary}}$

Answer: (MPS; Deflationary) Go Back to Q 33

Q34.

Solution

Concept: This objective question is from Money and Banking. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: CRR is cash reserve with RBI, SLR is liquid assets held by banks, open market operations involve securities, and reverse repo is RBI borrowing from banks.

Step 5: Combining both sub-parts gives the complete answer: (a)-(iii), (b)-(iv), (c)-(i), (d)-(ii). The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: $\boxed{\text{(a)-(iii), (b)-(iv), (c)-(i), (d)-(ii)}}$

Answer: ((a)-(iii), (b)-(iv), (c)-(i), (d)-(ii)) Go Back to Q 34

Q35.

Solution

Concept: This objective question is from International Trade and Balance of Payments. Each sub-part carries one mark, so the answer must be written in the correct order.

Solution: Step 1: Read whether the question asks for True or False, fill in the blanks, matching or one-word answers.

Step 2: Solve the first sub-part using the exact textbook definition, formula or relationship.

Step 3: Solve the second sub-part separately. Do not assume both parts will have the same truth value or same type of answer.

Step 4: A tariff increases import prices. BOP is broader than visible trade because it includes services, transfers and capital transactions too.

Step 5: Combining both sub-parts gives the complete answer: True; False. The order should not be changed.

Step 6: This explanation also shows how the objective answer is linked with the broader concept, which is useful for Section B questions.

Final Answer: True; False

Answer: (True; False) Go Back to Q 35

Q36.

Solution

Concept: This answer is based on Consumer's Equilibrium. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: Consumer equilibrium for a single commodity is the point where a rational consumer obtains maximum satisfaction from spending income on that good. The condition is MU equals price. If marginal utility is greater than price, the consumer receives more satisfaction than the sacrifice made, so consumption should increase. Due to diminishing marginal utility, MU will fall as more units are consumed. If marginal utility is less than price, the consumer is paying more than the satisfaction received and should reduce consumption. Therefore equilibrium is stable only when MU = P.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{See Solution}}$

Answer: (See Solution) Go Back to Q 36

Q37.

Solution

Concept: This answer is based on Demand. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: Demand shifts when a factor other than the commodity's own price changes. First, income affects demand: for a normal good, higher income shifts demand rightward. Second, prices of related goods matter: a rise in the price of a substitute increases demand for the given good, while a rise in the price of a complement reduces it. Third, tastes and preferences affect demand through fashion, advertising, seasons and habits. In the OR part, substitutes are alternative goods such as tea and coffee, while complementary goods are used together such as car and petrol.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{See Solution}}$

Answer: (See Solution) Go Back to Q 37

Q38.

Solution

Concept: This answer is based on Price Elasticity of Demand. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: The total expenditure method measures price elasticity of demand by observing the direction of change in total expenditure when price changes. Total expenditure is price multiplied by quantity demanded. If price falls and total expenditure rises, demand is elastic because quantity demanded rises proportionately more than price falls. If price falls and total expenditure falls, demand is inelastic. If price changes but total expenditure remains constant, demand is unit elastic. This method is useful because it links elasticity with revenue earned by sellers.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{See Solution}}$

Answer: (See Solution) Go Back to Q 38

Q39.

Solution

Concept: This answer is based on Production Function. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: The Law of Variable Proportions operates in the short run when one factor is fixed and another is variable. In Stage I, Total Product rises at an increasing rate and Marginal Product rises. In Stage II, Marginal Product falls but remains positive, so Total Product rises at a decreasing rate. A rational producer operates in this stage. In Stage III, Marginal Product becomes negative and Total Product falls. This happens because too many units of the variable factor are combined with the fixed factor, causing overcrowding and inefficiency.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{See Solution}}$

Answer: (See Solution) Go Back to Q 39

Q40.

Solution

Concept: This answer is based on Cost of Production. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: Average Cost is the cost per unit of output and is calculated as AC = TC/Q. Marginal Cost is the additional cost of producing one more unit and is calculated as MC = change in TC divided by change in output. Their relationship is important. When MC is less than AC, AC falls. When MC equals AC, AC is minimum. When MC is greater than AC, AC rises. Thus the MC curve cuts the AC curve at its minimum point. This relationship helps a producer understand the cost effect of expanding output.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{See Solution}}$

Answer: (See Solution) **Go Back to Q 40**

Q41.

Solution

Concept: This answer is based on International Trade. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: Countries engage in international trade because resources, climate, technology and skill levels differ across countries. First, no country can efficiently produce all goods. Second, countries benefit by specialising in goods in which they have comparative advantage. Third, trade allows consumers to access goods not available domestically. Fourth, trade enables better use of surplus production and expands markets for domestic producers. International trade also encourages competition, technology transfer and foreign exchange earnings. However, countries must manage trade carefully to protect essential domestic industries.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{See Solution}}$

$\boxed{\textbf{Answer: (See Solution)}}$ **Go Back to Q 41**

Q42.

Solution

Concept: This answer is based on Government Budget. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: Revenue receipts are receipts that neither create liability nor reduce assets. Examples are tax revenue, fees, fines, dividends and interest received by the government. Capital receipts either create liability or reduce assets. Examples are borrowings, recovery of loans and disinvestment proceeds. The distinction is important because revenue receipts are generally recurring and used for normal administration, while capital receipts often finance asset creation or repay liabilities. Borrowings are capital receipts because the government must repay them in the future. Tax revenue is a revenue receipt because it does not create repayment liability.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{See Solution}}$

$\boxed{\textbf{Answer: (See Solution)}}$ **Go Back to Q 42**

Q43.

Solution

Concept: This answer is based on Price Elasticity of Supply. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: Price elasticity of supply measures the responsiveness of quantity supplied to a change in the price of a commodity. Its formula is percentage change in quantity supplied divided by percentage change in price. Three factors affect it. First, time period: supply is more elastic in the long run because producers can change plant size and capacity. Second, nature of the commodity: perishable agricultural goods often have less elastic supply. Third, availability of inputs: if labour, raw materials and machines are easily available, supply can respond quickly. Storage facility and production technology also influence elasticity of supply.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{See Solution}}$

Answer: (See Solution) Go Back to Q 43

Q44.

Solution

Concept: This answer is based on Forms of Market. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: Monopoly and monopolistic competition differ in several ways. Monopoly has a single seller and no close substitute, so the firm has strong control over price. Monopolistic competition has many sellers selling differentiated products, so each firm has limited control over price. Entry is highly restricted in monopoly because of patents, legal barriers or control over resources. In monopolistic competition, entry and exit are relatively free. A monopolist faces no close competitor, while firms under monopolistic competition face competition from similar brands. Examples of monopolistic competition include restaurants, salons and toothpaste brands.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: See Solution

Answer: (See Solution) Go Back to Q 44

Q45.

Solution

Concept: This answer is based on Price Determination under Perfect Competition. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: Under perfect competition, equilibrium price is determined where market demand equals market supply. If price is above equilibrium, quantity supplied exceeds quantity demanded and excess supply pushes price downward. If price is below equilibrium, quantity demanded exceeds quantity supplied and excess demand pushes price upward. A price ceiling is a maximum legal price fixed by the government. If it is set below equilibrium price, buyers want to buy more but sellers supply less, creating a shortage. This may require rationing or government supply. In the diagram, the ceiling price is below equilibrium price, so demand exceeds supply.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{See Solution}}$

Answer: (See Solution) **Go Back to Q 45**

Q46.

Solution

Concept: This answer is based on Revenue and Profit Maximization. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: Total Revenue is the total money received from sale of output and equals price multiplied by quantity. Average Revenue is revenue per unit, so AR = TR/Q. Since revenue per unit is price, AR is equal to price. Marginal Revenue is the addition to Total Revenue from selling one more unit. Under perfect competition, AR and MR are equal because price remains constant. Under imperfect competition, MR is below AR because price must be reduced to sell more. Profit maximisation occurs where MR = MC and MC is rising. At this point, the last unit adds equal revenue and cost.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{See Solution}}$

Answer: (See Solution) **Go Back to Q 46**

Q47.

Solution

Concept: This answer is based on Theory of Income Determination. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: The multiplier is calculated as $k = 1/MPS$. Given MPS = 0.30, multiplier $k = 1/0.30 =$ 3.33 approximately. If investment increases by ₹ 150 crore, the total increase in income is $\Delta Y = k \times \Delta I = 3.33 \times 150 =$ | 499.5 crore, approximately ₹ 500 crore. The process works because the first increase in investment becomes income for someone. A part is consumed, creating further income for others. This continues through successive rounds until total saving equals the original increase in investment.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{k = 3.33; income increase = Rs. 499.5 crore approximately}}$

Answer: (See Solution) **Go Back to Q 47**

Q48.

Solution

Concept: This answer is based on Money and Banking. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: The RBI controls credit through several instruments. CRR requires banks to keep a percentage of deposits as cash reserve with the RBI; a higher CRR reduces lending power. SLR requires banks to keep liquid assets; a higher SLR also reduces credit. Repo rate is the rate at which RBI lends to banks; a higher repo rate makes borrowing costly. Open market operations involve sale or purchase of government securities to absorb or inject liquidity. In the OR part, commercial banks accept deposits, grant loans, create credit and provide payment or agency services to customers.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{See Solution}}$

Answer: (See Solution) **Go Back to Q 48**

Q49.

Solution

Concept: This answer is based on National Income and National Income Measurement. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: GDP is the value of final goods and services produced within domestic territory. GNP is GDP plus Net Factor Income from Abroad. NNP is GNP minus depreciation. National Income is NNP at factor cost. The value-added method measures national income by adding the value added by each producing unit. Value added equals value of output minus intermediate consumption. This method avoids double counting because it counts only the additional value created at each stage of production, not the full value of intermediate goods again and again. For example, wheat used by a bakery is not counted separately if bread is the final product.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: See Solution

Answer: (See Solution) **Go Back to Q 49**

Q50.

Solution

Concept: This answer is based on Balance of Payments. The answer must define the concept, apply the correct economic relationship and present the explanation in a structured way.

Solution: Step 1: Start with the definition or basic formula. This ensures that the answer directly addresses the subject of the question.

Step 2: Balance of Payments is a systematic record of all economic transactions between residents of a country and the rest of the world during a period. It has a current account and a capital account. The current account records export and import of goods, services, income and current transfers. The capital account records loans, investments and changes in assets and liabilities. Balance of Trade is narrower because it records only the difference between export and import of goods. Balance of Payments is broader because it includes goods, services, transfers and capital transactions. A deficit arises when payments exceed receipts.

Step 3: Add explanation using the proper Economics terminology. If the question involves a curve, state the axes, slope and shift. If it involves a numerical, write the substitution clearly with units.

Step 4: Support the answer with an example or implication. NIOS answers score better when the concept is connected with a simple economic situation such as market price, income, banking reserves or government receipts.

Step 5: Organise the response according to marks. A 2-mark answer needs concise points, a 4-mark answer needs explanation and example, and a 6-mark answer needs definition, diagram or formula, analysis and conclusion.

Step 6: End with a direct conclusion. The conclusion should restate the main result and should not introduce an unrelated topic.

Final Answer: $\boxed{\text{See Solution}}$

Answer: (See Solution) **Go Back to Q 50**

Answer Key

Section A: Q1 to Q20 (MCQ Answers)

Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans
1	A	2	C	3	B	4	D	5	B
6	A	7	D	8	C	9	C	10	B
11	A	12	D	13	D	14	A	15	C
16	B	17	A	18	D	19	B	20	C