

**Economics**  
**Model Question Paper**  
**(State Board)**

**MAX: 90**

**Part –A**

**20X1=20**

S.No	Questions	Marks
1	What does GDP stand for? A) Gross Domestic Product B) General Domestic Price C) Government Development Plan D) Gross Demand Projection	1
2	Which of the following is a measure of inflation? A) CPI B) GDP C) GNP D) PPP	1
3	In economics, the law of demand states that: A) As the price of a good increases, the quantity demanded increases. B) As the price of a good increases, the quantity demanded decreases. C) The quantity demanded is always constant. D) There is no relationship between price and quantity demanded.	1
4	Which of the following is a fiscal policy tool? A) Open Market Operations B) Discount Rate C) Government Spending D) Reserve Requirements	1
5	What is the opportunity cost? A) The actual cost incurred B) The cost of the next best alternative foregone C) The total cost of production D) The cost of raw materials	1
6	What is the formula for calculating the unemployment rate? A) $(\text{Number of employed} / \text{Labor force}) \times 100$ B) $(\text{Number of unemployed} / \text{Labor force}) \times 100$ C) $(\text{Number of employed} / \text{Total population}) \times 100$ D) $(\text{Number of unemployed} / \text{Total population}) \times 100$ Answer: B) $(\text{Number of unemployed} / \text{Labor force}) \times 100$	1
7	Which market structure is characterized by many sellers, similar products, and easy entry and exit? A) Monopoly B) Oligopoly C) Monopolistic Competition D) Perfect Competition	1

8	The concept of "invisible hand" is associated with which economist? A) John Maynard Keynes B) Adam Smith C) Karl Marx D) Milton Friedman	1
9	What is the role of the Federal Reserve in the United States? A) Fiscal policy B) Monetary policy C) Trade policy D) Industrial policy	1
10	Which of the following is a measure of income inequality? A) Gini coefficient B) Consumer Price Index C) Producer Price Index D) Lorenz curve	1
11	What does the law of diminishing marginal utility state? A) The more you consume of a good, the greater the satisfaction. B) The less you consume of a good, the greater the satisfaction. C) The additional satisfaction decreases as more units of a good are consumed. D) The additional satisfaction increases as more units of a good are consumed	1
12	Which of the following is not a factor of production? A) Land B) Labor C) Money D) Capital	1
13	What is the primary function of the World Bank? A) Providing loans for development projects in poor countries B) Regulating international trade C) Issuing a global currency D) Enforcing environmental regulations	1
14	What is the law of supply? A) As the price of a good increases, the quantity supplied decreases. B) As the price of a good increases, the quantity supplied increases. C) The quantity supplied is always constant. D) There is no relationship between price and quantity supplied.	1
15	Which type of unemployment occurs when individuals are between jobs? A) Frictional unemployment B) Structural unemployment C) Cyclical unemployment D) Seasonal unemployment	1
16	What is the Phillips Curve used to illustrate? A) The relationship between inflation and unemployment B) The relationship between interest rates and investment C) The relationship between government spending and GDP D) The relationship between taxes and consumption	1
17	Which of the following is an example of a regressive tax? A) Income tax B) Property tax	1

	C) Sales tax D) Corporate tax	
18	What is the quantity theory of money? A) The price level is determined by the quantity of money in circulation. B) The quantity of money is determined by the price level. C) The interest rate is determined by the quantity of money. D) Money has no effect on the economy.	1
19	What is the purpose of antitrust laws? A) To promote monopolies B) To regulate inflation C) To prevent and break up monopolies D) To encourage collusion among firms	1
20	Which economic system relies on market forces to determine prices and allocate resources? A) Capitalism B) Socialism C) Communism D) Mixed economy	1

**Part –B**

**Answer any Seven Questions**

**7X2=14**

S. No	Questions	Marks
21	What is Mean by Welfare?	2
22	Define – Developing Economy.	2
23	Illustrate the Price Discrimination.	2
24	Distinguish Between Producer and Consumer's Equilibrium.	2
25	What are the major Tax Revenues to Tamil Nadu?	2
26	What is heritage tourism?	2
27	What is mean by Energy?	2
28	Define Large Scale Industry.	2
29	Define Fiscal deficit.	2

**Part- C**

**Answer any Seven Questions**

**7X3=21**

S. No	Questions	Marks
30	Write a note on Energy resources in Tamil Nadu.	3
31	Write a short note on Natural Resources.	3
32	Explain the Importance of Production function.	3
33	Explain the Short Run Costs.	3
34	State the differences between Internal cost and External Cost.	3
35	What are the types of Market.	3
36	Differentiate between Monopolistic Competition and Monopoly.	3
37	State the features of Perfect Competition.	3

38	Role and Functions of RBI.	3
39	What is Food security? Write its advantages.	3

**Part- D Answer all the questions**

**7X5=35**

S. No.	Questions	Marks
40	Describe the salient features of Perfect Competition. Or Explain the Law of Demand and exceptional to the law of Demand.	5
41	Discuss the problems of Unemployment Or Analyze the causes of Poverty.	5
42	Explain the various sources of energy in Tamil Nadu. Or Explain the public health system in Tamil Nadu.	5
43	Bring out the features of Oligopolistic competition Or Describe the features of oligopoly.	5
44	Write a brief note on the Amartya Sen Economic Ideas. Or Explain the strong features of Indian economy	5
45	List out the objectives of Fiscal policy Or What are the remedial measures for Rural Unemployment?	5
46.	Illustrate price and output determination under Monopoly. Or Explain the present Union Budget- 2024-25.	5