



ཤེས་རིག་ལྟན་འགག།
མུ་ཏིག་ཐང་འབྲིང་རིམ་སློབ་གྲྭ་ཤོང་མ།



**MOTITHANG HIGHER SECONDARY SCHOOL
THIMPHU THROMDE**

“Every child is **inspired** to learn and be **empowered** with **wisdom** to excel in life”

Economics

Class: X

Name:..... Class & Sec.:..... Roll No.:.....

Full Marks: 80

Time: 2.15 hours

Invigilator's Initial

	Marks	Mark Obtained	Signature of Evaluator
SECTION A			
Question 1(MCQ)	15		
Question 2	25		
SECTION B			
Question 5	10		
Question 6	10		
Question 7	10		
Question 8	10		
Question 9	10		
Question 10	10		

READ THE FOLLOWING DIRECTIONS CAREFULLY

1. Do **not** write in the first **fifteen minutes**. This time is to be spent on reading the questions. After having read the questions, you will be given two hours to answer all questions.
2. Write your **name, roll no** and **section**.
3. Attempt **ALL** the questions from Section **A** and **ANY FOUR** questions from Section **B**.
4. The intended marks for questions or parts of questions, are given in brackets [].
5. Remember to write **quickly** but **neatly**.
6. **Do not** leave the examination hall before you have **made sure** that you have answered all the questions.

SECTION A: (40 MARKS)

Answer ALL questions. Figures in brackets [] indicate full marks.

Directions: Read the following questions carefully. For each question there are four responses A, B, C and D. Choose the correct response and circle the corresponding letter to it in the question booklet.

Question 1

[15 marks]

- i) Earned income is a reward for
- A. holding an income generating asset or due to luck or gift.
 - B. the current effort or service provided
 - C. gift given by someone.
 - D. return from asset.

Ans:.....

- ii) Bhutan receives external assistance from Japan for the construction of bridges. Some of the impacts of it on the Ngultrum and Yen are
- A. Increase in demand for Ngultrum.
 - B. Decrease in the demand for Ngultrum.
 - C. Increase in the demand for Yen.
 - D. Decrease in the demand for Yen.

Which of the following combinations is correct?

- A.I andII
- B. I andIII
- C.I andIV
- D.IIandIII

Ans:.....

- iii) The foreign aid to Bhutan over the years has been decreasing because of the
- A. political relationships with other countries.
 - B. trade relationships with other countries.
 - C. economy growing stronger.
 - D. economy growing weaker.

Ans:.....

- iv) In a household, 5 persons are sharing the work of 3 persons. How many persons are said to be under disguised unemployment?
- A. 2.
 - B. 3.
 - C. 5.
 - D. 8.

Ans:.....

- v) Equilibrium wage rate is the rate at which
- A. both employees and workers agree upon a wage rate.
 - B. both employee and workers negotiates on an acceptable wage rate.
 - C. demand for labour equals supply of labour.
 - D. demand for goods and services equals demand for labour.

Ans:.....

- vi) All the followings are correct about rent **EXCEPT**
- A. It refers to the price paid for the hire of a house.
 - B. Rent is an earned income.
 - C. Rent is paid for a factor, which is inelastic in supply.
 - D. It refers to the money paid for the use of resources.

Ans:.....

- vii) The government prepares a budget in order to Finance the
- A. private sector.
 - B. private and public sector.
 - C. public sector.
 - D. central government only.

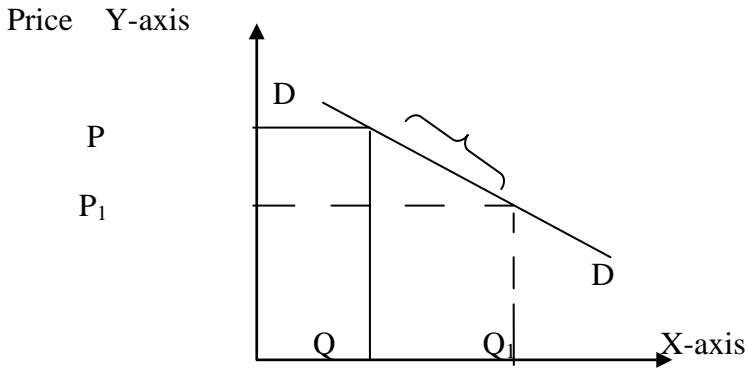
Ans:.....

- viii) If our government decides to lower tariff on tourists by 50%, it would
- A. strengthen the political stability.
 - B. promote the cultural preservation.
 - C. promote environmental conservation.
 - D. increase the government's earning of foreign currency.

Ans:.....

- ix) Economist know that a country's economy is growing over the years when
- A. there is increase in population.
 - B. the money GDP is growing over time.
 - C. the real GDP is growing over the years.
 - D. there is increase in people's consumption of goods and services.

- x) What does the diagram given below indicate?



- A. Extension of demand.
- B. Increase in demand.
- C. Contraction of demand.
- D. Decrease in demand

Ans:.....

- xi) In 2015 – 2016 fiscal year, Bajo school received the following budget
- I Science laboratory worth Nu.1.5 million.
 - II Maintenance of staff room worth Nu.2.5 million.

III A construction of mani dungkhor worth Nu. 2 million.

What is the total amount budgeted on capital expenditure in Bajo school?

- A. 1.5 million.
- B. 2.5 million.
- C. 3.5 million
- D. 4.5 million.

Ans:.....

xii) Today e-commerce has become very popular among many Bhutanese. It is possible to purchase almost everything online through websites such as Flipkart, Ali Express, Amazon and e-bay.

What is the most likely ill-effect of this on the economy?

- A. availability of variety of goods
- B. youth employment opportunities
- C. leads to adverse balance of payment
- D. improves living standard of the people

Ans:.....

xiii) What will happen to the economy when there is excess supply of Ngultrum?

- A. decrease in savings
- B. rise in unemployment
- C. increase in investment
- D. purchasing power will fall

Ans:.....

xiv) Bhutan is the fastest growing economy in the developing Asia region.

Its GDP in 2017 increased to Nu 180 billion from Nu 100 billion in 2013. *Source: Asian Development Bank, Kuensel, 10 May, 2017*

However, the growth process has not benefitted everyone equally. One of the numerous disadvantages associated with economic growth is

- A. economic growth without creating employment opportunities.
- B. narrowing disparity between agriculture and other sectors
- C. reducing inequality in the distribution of income.
- D. more growth in the primary sector.

Ans:.....

xv) The movement of more educated and enterprising people from Bhutan to Australia indicates.

- A. migration.
- B. brain gain.
- C. brain drain.
- D. urban sprawl.

Ans:.....

Question 2: Answer the following questions.

(a) How is demand for labour different for demand for commodities? [1+1=2]

Ans:.....
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b) What do you understand by Exchange rate. [1]

Ans:.....
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(b) How is economic growth different from economic development? [1+1=2]

Ans:.....
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(c) What do you mean balance of payment? [1]

Ans:.....
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(d) “The objectives of self reliance and sustainability have been stressed for a long time in Bhutan and it is gaining importance”. What do you mean by the term sustainable development? [1]

Ans:.....
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(e) Why do you think population is the key resources that lead to economic development? [2]

Ans:.....
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Ans:.....
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ii) What are the facilities provided by the government to increase people's welfare and happiness?[2]

Ans:.....
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i) Examine any TWO reasons for trading among countries. [2]

Ans:.....
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j) Why does public expenditure increase with development of a country? Give THREE reason.[3]

Ans:.....
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k) If the rate of interest on borrowing has fallen from 14% to 9% how this will affect the economy? [2]

Ans:.....

l) If a Japanese tourist wants to spend two weeks in Bhutan and estimates that she would spend about Nu. 50,000 during her stay here, how much does she have to pay in Japanese Yen to the bank? [1+1=2]

Currency	Buy	Sell
Japanese Yen (100)	67.75	69.70

Ans:.....

Section B: 40 Marks

Attempt any FOUR questions from this section. Figures in brackets [] indicate full marks.

Question 3

Study the table and answer the questions that follow.

No of Carpenters	Total Output per month	Marginal Product (MP)	Value of Marginal Revenue product (MRP)
3	-	-	-
4	30	10	_____
5	38	_____	_____
6	_____	6	_____
7	48	_____	_____

Each production is sold for Nu. 800/-

- i) Complete the above table. [3]
- ii) If the cost of hiring labour is Nu. 5000/- per month, how many labourers would you hire? Why? [1]

Ans:.....
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(b) State any **TWO** implications of the promotion of international trade in Bhutan. [2]

Ans:.....
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(c) How does present reduced current expenditure affect the future current expenditure? [2]

Ans:.....
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(d) With fast economic development, rapid urbanization and more people engaged in work, old parents are left unattended and neglected. Is it timely to start an old age home? Why? Give **TWO** reasons. [2]

Ans:.....
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Question 4

(a) It is advisable to reduce the value of domestic currency when a country is faced with an unfavorable balance of payment. Why? [2]

Ans:.....
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(b) Discuss **TWO** ways in which economic growth can be benefit a nation. [2]

Ans:.....
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(c) Write down the economic interpretation of the following terms in relation to the trade[2]

i) Export promotion

Ans:.....
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ii) Import substitution

Ans:.....
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(d) Do you think the slow growth of primary sector is affecting the employment trend in Bhutan? Justify with **TWO** reasons [2]

Ans:.....
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e) Trade protectionism has both advantages and disadvantages for a country.How will the policy of trade protectionism benefit Bhutan? [2]

Ans:.....
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Question 5

(a) Look at the cost of production of woolen carpet and jute carpet in Bhutan and India in the table given below:

Cost of production	Bhutan	Bangladesh
1 woolen carpet	Nu.2500	Nu.3500
1 jute carpet	Nu.1500	Nu.1700

From the above table find out which country has comparative advantage in the production of woolen carpets? [1.5+1.5+1 = 2]

Ans:.....

(b) Study the table given below and answer the questions that follow.

Wage rate/day (Nu)	Demand for labour	Supply of labour
60	18	08
80	15	10
100	12	12
120	09	14
140	06	16

i) What is the equilibrium wage rate and how many workers are demanded and supplied at this wage rate? [2]

Ans:.....

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ii) How many workers are excess in demand at the wage rate of Nu.60 and how many workers are in excess in supply at the wage rate of Nu.140? [2]

Ans:.....
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iii) What would happen to the wage rate when the demand for labour decreases and supply of labour increases? [1]

Ans:.....
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(c) Explain with the help of a diagram what happens to the supply of capital when the rate of interest is reduced to 8% and when it is increased to 15%. [3]

Ans:.....
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Question 6

(a) Write **TWO** sources from which the government of Bhutan can borrow to fill the gap between planned expenditure and the estimated revenue. [2]

Ans:.....
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(b) World Trade Organization(WTO) is formed by the world’s trading nations to help trade flow as freely as possible for economic development. It negotiates trade agreements, settles trade disputes and liberalizes trade.

Should Bhutan be concerned about its decision to join WTO? Explain with **THREE** reasons. [3]

Ans:.....
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C) Briefly explain how the exchange rate is determined with the help of diagram. [3]

Ans:.....
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d) Read the following passage and categories the following earnings as rent, interest and profit.
*Mr. Pema runs a shop at Trashigang and he earns a net income of Nu. 20,000 per month.
He keeps Nu. 10,000 in saving deposits, which earns him Nu.800 per month. He owns a
land which he has leased out for Nu.15, 000 per month.* [2]

Ans:.....
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Question 7

a) Define saving. [1]

Ans:.....
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b) How is GNH better than GDP as a measure of economic growth and development? [3]

Ans:.....
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c) It is important that Bhutan expand its export to include more of manufactured goods and services”. Justify the statement with **THREE** reasons. [3]

Ans:.....
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d) Explain briefly any **THREE** factors that influence the demand of labour. [3]

Ans:.....
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Question 8

a) What is brain drain? [1]

Ans:.....
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b) Explain how the discovery of more natural resources and investment in capital contribute to economic growth of a country? [2]

Ans:.....
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c) Why do you think there is growing unemployment in the Bhutanese labour market? Give **THREE** reasons. [3]

Ans:.....
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d) Assuming there has been considerable fall in the value of Ngultrum against Japanese Yen. Would you get more or less Ngultrum for every 100 Yen? What would happen to the number of tourist coming to Bhutan? [2]

Ans:.....
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e) State any **TWO** measures to overcome the deficit balance of payments. [2

Ans:.....
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