



ཤེས་རིག་ལྷན་ཁག།
མཉེན་མཐུན་འབྲིང་རིམ་སློབ་གྲྭ་གོང་མ།



MOTITHANG HIGHER SECONDARY SCHOOL
THIMPHU THROMDE

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

Economics

Full Marks: 80

Class: X

Time: 2.15 hours

Name:.....

Sec.:..... Roll No.:.....

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

[1x15=15Marks]

i. Which saving given below encourages households and business firms to save and withdraw money frequently with lower rate of interest?

- A. saving deposit
- B. current account
- C. Recurring account
- D. Fixed deposit

Ans.....

ii. The components of the current account that relates to trade in goods only is

- A. visible trade
- B. Invisible trade

C. Balance of invisible trade

D. Balance of visible trade

Ans

iii. If there is fund for current expenditure, which area would you allocate it to

A. Repairing and maintenance of Motithang HSS

B. Extension of Jigme Dorji Wangchuk National referral hospital

C. Construction of Pumala lhakhang

D. Construction of Basa chu

Ans

iv. Export promoter refer to those countries which

A. Impose high tariff and strict quotas on imported goods and services

B. Substitute their imports with home produced goods and services

C. Promote home made products in the international market

D. Protect their home industries

Ans.....

v. Sangay paid Nu 1000 for 50kgs of apples from an orchard owner, she sold all the apples @ Nu 30 per kilogram, calculate sangay's net profit.

A. Nu 150

B. Nu 500

C. Nu 1500

D. Nu 5000

Ans

vi. At the equilibrium wage in the labour market.

A. Every individual who desires a job is employed

B. The marginal Revenue product a labour is maximized

C. The labour supply curve intersects the labour demand curve

D. labour supply increases with the increase in wage rate.

Ans.....

vii. Evaluating answer scripts by a teacher is an example of

A. physical labour

B. productive labour

c. skilled labour

D. mental labour

Ans.....

viii. The wooden products produced in Bumthang are sold in urban Center like Thimphu, Paro, Punakha. This is an example of

A. Inter-regional trade

B. Intra-regional trade

C. Multilateral trade

D. Bilateral trade.

Ans

ix. The payment made by the firms to the households are expenditure for the firms and income for the household. This income is in the form of

A. Consumption expenditure

B. Disposal income

C. Factor earning

D. Factor service

Ans.....

x. When the demand for labour is more than supply of labour. It is known as

A. Excess supply

B. Excess Demand

C. Demand for labour

D. Supply of labour

Ans

xi. Why is the balance of payment most of the time unfavorable for Bhutan?

A. The receipts from the rest of the world is more than its payment

B. The receipts from the rest of the world is less than its payment.

B. The receipts from rest of the world is equal to its payment

D. The imports and exports are equal.

Ans.....

xii. Which of the following is an example of international trade?

A. Diplomatic relations with other country

B. Taking part in international conference

C. Buying goods from other countries

D. Visiting other countries.

Ans.....

xiii. The difference in cost of production is not affected by

- A. Geographical size of the country
- B. Trade policies
- C. Geographical condition
- D. Technological advancement.

Ans

xiv . Which of following is **NOT** a similar between internal and external trade

- A. cost
- B. profit
- C. specialization
- D. extent of market.

xv. The following activities are not sustainable in long run Except

- A. Mining
- B .logging
- C .Farming
- D. construction.

Ans.....

Answer the following questions. 25 Marks

Question 2

i. Define wage. [1]

ii. Why do some people earn more and some less? [2]

iii. Differentiate between revenue from tax and revenue from grants. [2]

Question3.

i. Commercial banks encourage people to save money by accepting various deposit .Why do you think saving is important ?Give two reasons. [2]

ii. Market need not be located in a particular place nor have a personal contact between buyers and sellers. Give an example of how exchange of goods and services can be taken place in the above situation. [2]

iii. How do industries in Bhutan contribute towards the country's economic growth? Mention two ways. [2]

iv. Explain the circular flow of income in an economy [3]

v. List down two causes of deficit balance of payment [1]

Question 4

i. What is absolute advantage ? [2]

ii. With the help of a diagram, explain an increase in demand for labour caused by factors other than the wage rate. [3]

iii. Why is lending money a risky business? [1]

iv. With the help of a table, show the trade between Bhutan and India where Bhutan has absolute advantage in producing apples and India in mangoes. [2]

v. "International trade is vital for Bhutanese economy but it is associated with certain negative impact". State any two measures to reduce these negative impacts. [2]

Section B: 40 Marks

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

Question 5

i. If you are to set up a firm, what are the inputs required to produce your good .Explain. [3]

ii. Suggest **TWO** measures to remove deficit in our balance of payment. [2]

iii. Why do you think that demand for labour is called derived demand? [2]

iv. If most of the Bhutanese hoard money rather than save them in banks, what could be its negative consequences on the economy? Write any two consequences. [2]

v. Mention an example each of productive and unproductive labour. [1]

Question 6

i. After completing the western garment training, 48 participants have acquired new skills to sew uniforms for the desuups and other garments

Source Kuensel online, November, 11, 2020

With reference to the above statement, do you think we create more employment opportunities in the country? What benefits do you think will result from such training? [2]

ii. Surplus and deficit in balance of payment are two conditions in study of balance of payments. Bring out the difference between two conditions? [2]

iii. State any two source of revenue for government in Bhutan? [2]

iv. Draw a diagram and explain how “better facilities and working environment affect the supply of labour. [3]

v. Define bilateral trade. [1]

Question 7

i. Tax payments for tourism and allied sector(hotels, airlines and tour operators) are deferred until 31st December 2020.If you are one of economist advisor, do you think time bound given is enough for tax payers. Justify how it will impact those type of tax payers. [2]

ii. Bhutan trade with other countries. Explain two trade barriers. [2]

iii. Distinguish between real flows and money flows. [2]

iv. The demand for labour is determined by certain factors. Mention any **TWO** factors and discuss how they affect the demand for labour. [2]

v. What is production possibility frontier? [2]

Question 8

Year	Number of tourist arrival
2005	13626
2019	208457

i. Tourist visits our country from different parts of the world. Comparing to 2005, number of tourist's arrival in 2019 increased drastically. Justify with **THREE** reasons. [3]

ii. As a financial advisor to the government of Bhutan, suggest **TWO** sources to generate revenue for the government. [2]

iii. Investment on human resources has been given a lot of importance in our country, why do you think we need to focus on human resources development? [2]

iv. Write **THREE** consequences of rural-urban migration. [3]

Question 9

i. This year many tour guides, tour operators and hotel workers had lost their jobs. If you are one of them, how will you cope up with the situation. [3]

ii. Mention **ONE** distinction between direct and indirect taxes [2]

iii. Aum Jigme grows asparagus in Paro. Initially, she spends Nu 12000 for the purchase of asparagus shoot for one season. She spends Nu 1000 on manure and another Nu 1000 for the services of labor. At the end of the year, she harvests 150 kilograms of asparagus and sells for Nu 120 per Kg.

a. Calculate the total cost incurred in growing asparagus. [1]

b. Calculate the total income. [1]

c. Calculate the total profit or losses made by Aum Jigme. [1]

iv. How would reduction in the interest rate on borrowing help in solving the unemployment problem in Bhutan? [2]

Question 10

i. Using the information in the table provided below, calculate the relative productivity ratio of producing oranges in Bhutan and Bangladesh. [2]

country	Oranges	Mangoes
Bhutan	32	24
Bangladesh	40	40

ii. How is visible trade different from invisible trade? Give **ONE** example each. [2]

iii. Why do you think the government borrows money? Give **TWO** reasons. [2]

iv. Do you think the slow growth of primary sector is affecting the employment trend in Bhutan?

Justify with **TWO** reasons

[2]

v. Distinguish between capital and current expenditure.

[2]