
Guess Paper

Class - XII ECONOMICS

TIME:- 3 Hrs

M.M. :- 100

General Instructions:

1. All questions are compulsory
2. Marks for questions are indicated against each
3. Question No, 1-5 and 17-21 are very short answer questions carrying 1 mark each. Answer to them should not normally exceed 60 words each.
4. Questions No, 6-10 and 22-26 are short answer questions carrying 3 marks each. Answer to them should not normally exceed 100 words each.
5. Questions No, 11-13 and 27-29 are also short answer questions carrying 4 marks each. Answer to them should not normally exceed 70 words each.
6. Questions 14-16 and 30-32 are long answer questions 6 marks each. Answer to them should not normally exceed 100 words each.
7. Answer should be brief and to the point and above word limit be adhered to as far as possible.

SECTION -A

- Q1. Define micro economics. [1]
- Q2. Given the meaning of increasing returns to scale [1]
- Q3. Define variable costs [1]
- Q4. Define market supply. [1]
- Q5. What is the price elasticity of supply of a straight line supply curve touching the OY-axis [1]
- Q6. State the three central problems of an economy. [3]
- Q7. What is marginal utility? State the law of diminishing marginal utility. Use diagram. [3]
- Q8. Given three causes of a rightwards shift of supply curve. [3]

OR

Define producer's equilibrium. State its conditions in terms of total cost and total revenue.

- Q9. The elasticity of supply of a commodity is 3. An increase in its price from Rs.20 to Rs.21 per unit results in a rise in its quantity supplied by 150 units. Calculate the quantity supplied at the increased price. [3]
- Q10. Explain the concept of returns to scale with the help of an example. [3]

Q11. A consumer consumes good 'X'. Explain the effects of a fall in the prices of related goods on the demand of 'X' use diagram. [4]

OR

Explain the effects of increase in the income of the buyers of the good 'X' on the demand of good 'X' use diagram.

Q12. State four feature of perfectly competitive market. [4]

Q13. Calculated total variable cost of marginal cost from the following. [4]

Output(units)	TC (Rs.)
0	40
1	60
2	78
3	97
4	124

Q14. Explain the expenditure method of measuring price elasticity of demand. When is the demand said to be inelastic? [6]

Q15. What is revenue of a firm? Give meanings of Average Revenue and Marginal revenue. What happens to average revenue when marginal revenue is (i) greater than average revenue, (ii) equal to average revenue and (iii) less than average revenue? [6]

Q16. Explain the effects of an increase in both demand and supply of a commodity on its equilibrium price. [6]

OR

Explain the effects of change in supply of a good on its equilibrium price and equilibrium quantity. Use diagram.

SECTION - B

Q17. What can be the maximum value of marginal propensity to save? [1]

Q18. Draw a diagram showing deflationary gap. [1]

Q19. In a government budget, revenue deficit is Rs. 50, 000 crores and borrowing and Rs. 75, 000 crores. How much is the fiscal deficit? [1]

Q20. What will be the effects of a rise in cash reserve ratio on availability of credit? [1]

Q21. What happens to the level of national income when aggregate demand exceeds aggregate supply? [1]

Q22. Define balance of trade. What is meant by balance of payments on current account? [3]

Q23. Calculate Gross National Disposable Income and Net National Disposable Income from the following data. [3]

	Rs. Crores
(1) Consumption of fixed capital	30
(2) Net national product at market price	240

(3) Net indirect taxes	40
(4) Net current transfers paid to the rest of world	(-)20
(5) Net factor income from abroad	(-)10

- Q24. State the four functions of money. Describe any one. [3]
- Q25. What are open market operation? How do these affect availability of credit? [3]
- Q26. Explain the basis of classifying government expenditure into revenue expenditure and capital expenditure? [3]
- Q27. Explain the concepts of revenue deficit and fiscal deficit. Is fiscal deficit a wider concept than revenue deficit? [4]
- Q28. What is foreign exchange rate? Explain the relations between foreign exchange rate and supply of foreign exchange. [4]

OR

State any two merits and two demerits of fixed exchange rate system.

- Q29. What is meant by investment multiplier? Explain the relationship between propensity to consume and multiplier. [4]
- Q30. Explain value added method of estimating national income. State any two precautions must be taken while using this method. [6]

OR

How will you treat the following while estimating domestic product of India?

- (i) Rent received by a resident Indian from his property in Singapore
- (ii) Salaries to Indian working in Japanese Embassy in India.
- (iii) Profit earned by branch of an American Bank of India.
- (iv) Salaries paid to Koreans working in Indian Embassy in Korea.

- Q31. Complete the following table [6]

Income (Rs. in cores)	Consumption (Rs. in cores)	APC	MPC	APS	MPS
100	90	-	-	-	-
200	170	-	-	-	-
300	240	-	-	-	-
400	300	-	-	-	-
500	350	-	-	-	-
600	390	-	-	-	-
700	420	-	-	-	-

Q32. From the following data calculate national income by (a) income method and (b) expenditure method

[6]

	(Rs. crores)
(1) Private final consumption expenditure	2000
(2) Net domestic capital formation	400
(3) Change in stock	50
(4) Compensation of employees	1900
(5) Rent	200
(6) Interest	150
(7) Operating surplus	720
(8) Net indirect tax	400
(9) Employer's contribution to social security schemes	100
(10) Net Exports	20
(11) Net factor income from abroad	(-)20
(12) Government final consumption expenditure	600
(13) Consumption of fixed capital	100
