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V.IMP Guess Paper Strictly Based On CBSE Latest Pattern

Economics (030)

Class XII (2014-15)

Time : 3 Hours   Maximum Marks : 100

Instructions:

All questions in both sections are compulsory. However, there is internal choice in some questions.
Marks for questions are indicated against each question.
Question No.1-3 and 15-19 are very short answer questions carrying 1 mark each. They are required to be answered in one sentence.
Question No.4-8 and 20-22 are short answer questions carrying 3 marks each. Answers to them should not normally exceed 60 words each.
Question No.9-10 and 23-25 are also short answer questions carrying 4 marks each. Answers to them should not normally exceed 70 words each.
Question No.11-14 and 26-29 are long answer questions carrying 6 marks each. Answers to them should not normally exceed 100 words each
Answers should be brief and to the point and the above word limit be adhered to as far as possible.
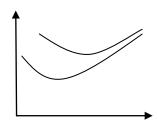
Section A: Microeconomics

1. The Average Revenue at 8 units of output is Rs 40. The Marginal Revenue at 8th unit is Rs 20. The Total Revenue at 8 units of output is: (1)

a)   Rs 150

b)   Rs 320

c)   Rs 800

d)   Re 180

2. What strategy can the new govt. undertake to increase the supply of Agricultural goods in the country? Mention any one. (1)

3. The gap between these two curves are called as. (1)

a)   AVC

b)   AC

c)   AFC

d)   MC

4. Using a diagram explain the problem of 'For Whom to Produce'? (3)

5. Explain the nature of PPC. (3)

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6. State whether the following statements are True or False. Justify your answer. (3)

   a) The difference between TC and TVC is constant.
   b) As soon as MPP starts falling APP also starts falling.
   c) With increase in level of output, Average Revenue goes on falling till reaches zero.

7. Explain the effects of a 'price discrimination' and 'product differentiation'. (3)

OR

Explain the effect of change in quantity demand on equilibrium price and quantity when qty supply is perfectly elastic'.

8. Explain the implications of 'free entry and exit of firms' under perfect competition. (3)

9. Indicate the two differences between the marginal utility analysis and indifference curve analysis of consumer behaviour. (4)

10. Explain why demand curve is downward sloping from left to right? (4)

OR

Consider the demand curve X=10-3Px. What will be the price elasticity of demand when Px=5/3?

11. Explain the sufficient condition of producer's equilibrium under additional cost and additional revenue approach. (6)

12. What is meant by change in quantity supply and change in supply? (6)

13.

   The following headline appeared in the Hindustan Times on august 2014: (6)

   "Government of India is planning to invest more than Rs 10,000 crore in rural industrial development and with this effect the circle rate of rural land in UP and MP increases drastically ."

   Use a diagram and economic theory to analyse the statement.

OR

   On December 2013, the following news item was printed in the Times Of Inda:

   "foreign direct investment increases at a very high rate in the field of health insurance in India"

   Use a diagram and economic theory to analyse the impact of increase in FDI in Insurance sector.

14. Explain the consumer's equilibrium with the help of IC and Budget line. (6)

Section B: Macroeconomics

15. What is the result after the following Discussion. (1)

Swami : RBI is only a government's bank

Ram: RBI is only a banker's bank?

Swami : No RBI is performing the function of governments bank only.

Ram : I don't agree with you

Which one is correct?

a)   Both are correct

b)   Swami is correct

c)   Ram is correct

d)   Both are wrong

16. What is Moral suasion?   (1)

17. Which of the following is an example of Factor Payment?   (1)

a)   wages

b)   old age pension

c)   Production

d)   Charity

18. The characteristics of capital receipts are.   (1)

         A.   It create assests
         B.   It reduces assets
         C.   Do not create liabilities
         D.   Do not reduce assets

a)   A and D

b)   C and D

c)   A and B

d)   Only B

19. Explain the formulae of primary deficit. (1)
20. What are the main objectives of Government Budget ? (3)

21. In an economy the autonomous investment is 400 and the consumption is C=200+0.5Y. Is the economy in equilibrium at an income level 2000? Justify your answer.   (3)

OR

In an economy the autonomous investment is 200 and the marginal propensity to consume is 0.5. If the equilibrium level of income is 1500, then the autonomous consumption is 100. True or False? Justify your answer.

22. Explain the concept of Inflationary Gap .   (3)

23. Only one Product X is produced in the country. Its output during the year 2008 and 2010 was 600 units and 900 units respectively. The market price of the product during the year was Rs 100 and Rs 150 per unit respectively. Calculate the percentage change in real GDP and nominal GDP in year 2010 using 2008 as the base year.   (4)

24. What is meant by "balance on capital account"? Distinguish between the "balance of payment" and "balance of trade" account. (4)

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25. State the important precautions should be taken to calculate national income under Income Method. (4)

OR

State any four precautions that need to be kept in mind when using the prodcution method for calculating national income.

26. In the government of India's budget for the year 2012-13, the Finance Minister proposed to raise the excise duty on mobile handsets above Rs 10,000. He also proposed to increase income tax on individual earning more than Rs. 1 crore per annum.

Identify and explain the types of taxes proposed by the Finance Minister. Was the objective only to earn revenue ? (6)

What possible welfare objective could the Government be considering?

27. Explain the concept of investment multiplier with the help of schedule and diagram . (6)

28. a) What is meant by Money multiplier ?

(3+3)

b) What is meant by CRR? How does it reduce the money supply in the economy?

29. Calculate Net National Product at Factor Cost and Gross National Disposable Income from the following :

(i) Saving of non-departmental enterprises
(ii) Income from property and entrepreneurship
accruing to the government administrative departments
(iii) Personal tax
(iv) National debt interest
(v) Retained earnings of private corporate sector
(vi) Current transfer payments by government
(vii) Consumption of fixed capital
(viii) Corporation tax
Ox) Net indirect tax
(x) Net current transfers from rest of the world
(xi) Personal disposable income

OR

Calculate *(a)* 'Net Domestic Product at Factor Cost' and *(b)* 'Private Income' from the
following:
1-Domestic product accruing to government 300
2-Wages and salaries 1000
3-Net current transfers to abroad (-20)
4-Rent 100
5-Interest paid by the production units 130
6-National debt interest 30
7-Corporation tax 50
8-Current transfers by government 40
9-Contribution to social security schemes by employers 200
10-Dividends 100
11-Undistributed profits 20
12-Net factor income to abroad= 10

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