V.IMP Sample 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 Cost at 5 units of output is Rs 10. The fixed cost is Rs 20. The average variable cost at 5 units of output is:

   (1)

   a) Rs 15

   b) Rs 6

   c) Rs 8

   d) Re 1

2. What strategy can the new BJP govt. undertake to increase the supply of hand made goods in the country? Mention any one.

   (1)

3. The area under MC is called as. (1)
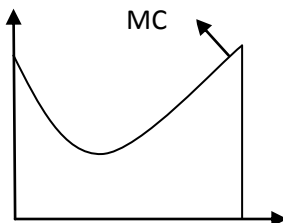
   a) AVC

   b) TFC

   c) TC

   d) AC

4. Using a diagram explain what will happen to the PPC of Gujrat if the earthquake causes destruction of industries? (3)

5. Explain the problem of allocation of resources. (3)

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

   a) The difference between ATC and AVC is constant.
   b) As soon as marginal cost starts rising average variable cost also starts rising.
   c) With increase in level of output, average fixed cost goes on falling till reaches zero.

7. Explain the effects of a 'price rigidity'. (3)

OR

   Explain the effects of a 'price discrimination'.

8. Explain the implications of 'perfect knowledge about the market' under perfect competition. (3)

9. A good is a perfect substitute of another good and it effect directly to the demand of another good when it price changes. Do you agree? Explain with the help of an example. (4)

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

<div align="center">**OR**</div>

A consumer consumes two goods M and N. What will happen if MUm/Pm is less than MUn/Pn?

11. Explain the of producer's equilibrium with the help of an numerical under MR and MC approach. (6)

12. What is meant by movement in quantity supply and shift of supply? (6)

13.

The following headline appeared in the Economics Times on 9 nov 2014: (6)

"India Nepal to sign deal for 900MW power project."

Use a diagram and economic theory to analyse the statement.

<div align="center">**OR**</div>

On 23 november 2014, the following news item was printed in the Economic Times:

"Government increases the subsidies on lpg"

Use a diagram and economic theory to analyse the impact of increase in subsidy on the demand of LPG.

14. Explain the law of equi-marginal utility. With the help of schedule (6)

Section B: Macroeconomics

15. Read the following dialogue between two people (1)

Raju : I want 1kg of sugar

Ravi: What will you give in exchange?

Raju : I can give you 2 litres of oil in return for the sugar.

Ravi: I don't need oil. I want a trouser

Which of the following problem is being faced by Raju and Ravi in their exchange process?

a)   Lack of double coincidence of wants

b)   Absence of common units of value

c)   Lack of store of value

d)   Lack of standard of deferred payment

16. What is SLR ? (1)

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

a)   wages

b)   commission

c)   Production

d)   Charity

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

   A. It create liabilities

   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)   C and D

19. Which of the following statement is true for fiscal deficit? (1)

A fiscal deficit:

a)   represents the borrowing of the government.

b)   is the difference between revenue expenditure and revenue receipts of the government

c)   is the difference between total expenditure and revenue receipts

d)   increases the future assets of the government

20. What is the role of a Central Bank as? (3)

a)   controller of credit

b)   banker's bank

21. In an economy the autonomous investment is 200 and the consumption is C=100+0.5Y. Is the economy in equilibrium at an income level 1000? Justify your answer. (3)

OR

In an economy the autonomous investment is 100 and the marginal propensity to consume is 0.1. If the equilibrium level of income is 500, then the autonomous consumption is 50. True or False? Justify your answer.

22. In an economy planned saving is smaller than planned investment. Explain how the economy achieves equilibrium level of national income. (3)

23. Only one Product X is produced in the country. Its output during the year 2011 and 2012 was 1000 units and 1100 units respectively. The market price of the product during the year was Rs 500 and Rs 550 per unit respectively. Calculate the percentage change in real GDP and nominal GDP in year 2012 using 2011 as the base year. (4)

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

25. State the various components of the Expenditure Method that are used to calculate national income. (4)

OR

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

26. In the government of India's budget for the year 2013-14, the Finance Minister proposed to raise the excise duty on alcohol. 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 working of investment multiplier and also show the investment multiplier graphically. (6)

28. a)   What is meant by Margin Requirement? How does it increase the money supply in the economy?

(3+3)

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

29. From the following data, calculate "national income" by *(a)* income method and *(b)* expenditure method : (6)

1-Interest 150
2-Rent 250
3-Government final consumption expenditure 600
4-Private final consumption expenditure 1200
5-Profits 640
6-Compensation of employees 1000
7-Net factor income to abroad 30
8-Net indirect taxes 60
9-Net exports (-40)
10-Consumption of fixed capital 50
11-Net domestic capital formation 340
OR

Calculate Gross National Product at market price and Personal Disposable income from the following data :

(i) Subsidy 20

(ii) Net factor income from abroad (-60)

(iii) Consumption of fixed capital 50

(iv) Personal tax 110

(v) Savings of private corporations 40

(vi) Dividend 20

(vii) Indirect tax 100

(viii) Corporation tax 90

(ix) Net national disposable income 1000

(x) National debt interest 30

(xi) Net current transfers from abroad 20

(xii) Current transfers from government 50

(xiii) Miscellaneous receipts of the government administrative departments 30

(xiv) Private income 700

(xv) Private final consumption expenditure 380

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