Guess Paper – 2011
Class – XII
Subject -Economics

Practices Paper No.2

SECTION - A

Q. 1.   State any two causes of an economic problem.   1x5

Q. 1.   Define demand schedule.

Q. 3   What is equilibrium price?

Q. 4   Draw average revenue curve of a firm under perfect competition.

Q.5   Under which market form, is a firm a price-taker?

Q. 6   Explain the central problem of 'for whom to produce'.   3

Q. 7   Define utility. Describe the law of diminishing marginal utility.   3

Q. 8   Price elasticity of demand of a good is (-)2. 40 units of this good are bought at a price of Rs. 10 per
unit. How many units will be bought at a price of Rs. 11 per unit? Calculate.   3

Q. 9   Explain the effect of 'technological changes' on the supply of a product.   3

Q. 10   Define marginal revenue. State the relation between total revenue and Marginal revenue.   3

Q. 11   Complete the following table: 4

Output (units)	Total Cost (Rs.)	Average Variable Cost (Rs.)	Marginal Cost (Rs.)
0	60	--------	--------
1	110	--------	--------
2	150	--------	--------
3	180	--------	--------
4	220	--------	--------

Q. 12   Explain the feature 'large number of buyers and sellers' of a perfectly competitive market.   4
Or
Explain the feature 'differentiated products' of a market with monopolistic competition.

Q. 13.   Distinguish between 'change in supply' and 'change in quantity supplied' of a commodity.
(Use diagrams)   4

Q. 14.   Explain the law of demand and the reasons behind it. Use diagram.   6

Q. 15.   Explain the chain of effects on demand, supply and price of a commodity caused by a leftward shift
of its demand curve. Use diagram.   6

Q. 16.   Distinguish between fixed cost and variable cost and give one example of each. Draw Average Total
Cost, Average Variable Cost and Marginal Cost Curves in a single diagram.   3, 3

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SECTION - B

Q. 13. Define macroeconomics.   1X5

Q. 14   Give one example showing the difference between micro- economics and macroeconomics.

Q. 14   What is a government budget?

Q. 15   A country's balance of trade is Rs. 100 crores and value of export of goods is Rs. 175 crores. Find out value of import of goods.

Q. 16   What is meant by balance of payments account?

Q. 17. Calculate Gross Value Added at Factor Cost from the following data: 3

		(Rs. lakhs)
(i)	Consumption of fixed capital	5
(ii)	Sales	100
(iii)	Subsidies	2
(iv)	Closing stock	10
(v)	Purchases of raw materials	50
(vi)	Opening stock	15
(vii)	Indirect taxes	10

Q. 18. State the meaning and components of aggregate demand.   3

Q. 19. Complete the following table: 3

Level of income	Consumption expenditure	MPC	MPS
300	300	-------	-------
400	375	-------	-------
500	445	-------	-------
600	510	-------	-------

3

Q. 20. Distinguish between revenue receipts and capital receipts in a government budget. Give one example of each.   3

Q. 21. Explain the 'medium of exchange' function of money.   3

Or

Explain the 'measure of value' function of money.

Q. 22. State any three main functions of a central bank. Describe any one of them   4

Q. 23. Explain the concept of 'revenue deficit' in a government budget. What does this deficit indicate? 4

Q. 24. State two sources of demand and two sources of supply of foreign exchange.   4

Q. 25. Differentiate between factor payment and transfer payment. Explain briefly the concept of 'mixed income of self-employed'.   3+3

Q. 26. Calculate (i) Net Domestic Product at Factor Cost, and (ii) Personal Income from the following data:

3+3

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(Rs. crores)

a)	Private final consumption expenditure	700
b)	Savings of non-departmental enterprises	20
c)	Net domestic fixed capital formation	100
d)	Undistributed profits	5
e)	Change in stock	10
f)	Corporation tax	35
g)	Net exports	40
h)	Income from property and entrepreneurship accruing to the government administrative departments	30
i)	National debt interest	40
j)	Government final consumption expenditure	150
k)	Current transfers from government	25
l)	Net factor income from abroad	(-)10
m)	Net current transfers from the rest of the world	10
n)	Net indirect taxes	60
o)	Personal taxes	35

Q. 26. Explain with the help of a numerical example how an increase in investment in an economy affects its level of income.   6

                         Or

Why should planned savings and planned investment be equal at equilibrium level of income?

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