

# CLASS XII SAMPLE PAPER-01 ECONOMICS

## Section: A -Micro Economics

**Duration : 3 Hrs**

- |                                                                                            |   |
|--------------------------------------------------------------------------------------------|---|
| 1. Define positive economics.                                                              | 1 |
| 2. Define inelastic demand                                                                 | 1 |
| 3. In which competition a firm is the price taker?                                         | 1 |
| 4. Why demand for water is inelastic?                                                      | 1 |
| 5. What is the shape of MR curve of a firm under competitive market.?                      | 1 |
| 6. Explain the problem of an economy related to “ distribution of product” . give example. | 1 |
| 7. Distinguish between increase in dd and increase in quantity demand.                     | 3 |

Or

Why demand curve of normal goods is negatively slopped downward?

- |                                                                                                                                                                                                         |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| 8. How does the change in income of buyer is related with the dd for a commodity?                                                                                                                       | 3 |
| 9. A consumer buys 10 units of good X at a price of Rs 5 per unit. The price elasticity of demand for this good is 2. Price falls to Rs 4/unit. How much units of good X will he now buy at this price? | 3 |
| 10. State whether the following statement are true or false. Give reason                                                                                                                                | 3 |
| A. Ist stage is the best stage of production.                                                                                                                                                           |   |
| B. Summation of MC is equal to TC.                                                                                                                                                                      |   |
| C. Minimum of AC lies on the left of the min of AVC.                                                                                                                                                    |   |
| 11. Why AR curve of a firm under oligopoly is indeterminate ?                                                                                                                                           | 4 |
| 12. A consumer consumes only two goods x and y at a certain level of consumption of these two goods he finds that MU of both commodity is not equal. Explain the reaction of the consumer.              | 4 |
| 13. Define AVC . How it is related with MC. use diagram.                                                                                                                                                | 4 |

Or

In perfect competition  $AR=MR$  whereas in imperfect competition  $AR>MR$ . Explain why?

- |                                                                                                                                                           |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| 14. Explain the effect of followings on supply curve of a commodity                                                                                       |   |
| a. Rise in input price                                                                                                                                    |   |
| b. Decrease in per unit tax                                                                                                                               | 6 |
| 15. Explain the condition of consumer equilibrium in case of 2 commodity by IC approach. What would happen if $MRS_{xy}$ is not equal to the price ratio. | 6 |
| 16. Explain the behaviour of output when firm changes only one input keeping other as fixed. Which is the best stage of production?                       |   |

Or

- |                                                                                                                   |  |
|-------------------------------------------------------------------------------------------------------------------|--|
| a. Explain the condition of producer equilibrium by using MR-MC approach. Why should MC be rising?                |  |
| b. Market for a good is in equilibrium. If govt. Decrease the subsidies, explain its effect on equilibrium price. |  |

3+3 =6

## Section B- Macro Economics



8. Direct tax paid on income	600	
9. Corporate profit tax	900	6
32. In an economy every time income rises		
Or		
Explain how can changes in a. Bank Rate and b. Public expenditure be helpful in correcting the situation of excess and deficient AD.		6

## CLASS XII SAMPLE PAPER-02 ECONOMICS

### Section A : Micro Economics

Duration : 3 Hrs

Time : 3 Hrs

1. Define marginal opportunity cost.		1												
2. Define budget line.		1												
3. What will you say about TE in situation of unitary elastic $E_d$ , if price are fallings?		1												
4. Define cost function.		1												
5. Define excess demand.		1												
6. Distinguish between positive and normative statements .Give one example of each.		3												
7. Define MU how it is related with TU? Use diag.		3												
Or														
Distinguish between decrease in demand and decrease in quantity demanded?														
8. On the basis of information given below , compare the price elasticities of good A and B														
<table border="0" style="display: inline-table;"> <tr> <td>Price per unit(Rs)</td> <td>TE</td> <td>Price per unit(Rs)</td> <td>TE</td> </tr> <tr> <td>4</td> <td>20</td> <td>3</td> <td>15</td> </tr> <tr> <td>5</td> <td>30</td> <td>4</td> <td>24</td> </tr> </table>	Price per unit(Rs)	TE	Price per unit(Rs)	TE	4	20	3	15	5	30	4	24		3
Price per unit(Rs)	TE	Price per unit(Rs)	TE											
4	20	3	15											
5	30	4	24											
9. i. What will be the rate of TPP if MPP is negative?														
ii. Is STC zero at zero level of o/p? (Y/N)														
iii. What would be the shape of price line if TR curve is a horizontal line.		3												
10. State three ways in which an oligopoly firm may behave		3												
11. Why is consumer equilibrium attained at that point where $M_{ux} = P_x \cdot MU$ of money?														
Or														
Let A and B are two related goods. How will the change in price of A effect the demand for good B?		4												
12. IS $MC = MR$ condition sufficient for determining producer equilibrium ?Explain.		4												

13. What does AFC look like? Why does it look so? Explain with diagram. 4
14. A. Define IC curve. Why it is -vly slopped downward?  
B. Explain the inverse relationship between the price of a commodity and its demand? 3+3=6
15. What are the different phases of the behavior of total product in the law of variable proportion .  
Use diagram. Also state the reason behind behavior of each phase. 6
16. i. Explain the implications of “ free entry and exit “ of a firm under the perfect market.  
ii. Explain the mutual inter dependency of a firm under the oligopoly. 3 +3=6

### Section2 : Macro Economics

17. Define transfer payments. 1
18. Name two components money supply. 1
19. Define legal reserve ratio. 1
20. Define investment demand function. 1
21. If exchange rate increase from Rs 40 to \$1 =R45 what will happen with exports? 1
22. Calculate compensation of employee
- | Item                                   | Rs    |   |
|----------------------------------------|-------|---|
| Wages and salaries paid in cash        | 20000 | 3 |
| Free accommodation and uniform         | 4000  |   |
| Insurance Premium paid by the employee | 500   |   |
| Employers contribution to PF           | 2000  |   |
| Income tax paid by the employee        | 1500  |   |
| Bonus                                  | 700   |   |

Or

Why should the aggregate expenditure of an economy be equal to the factors payment ?

23. Distinguish between intermediate goods and final goods. Give two example of each. 3
24. Define money supply explain its components. 3
25. Explain “lenders to the last resort” function of the central bank. 3
26. If value of domestic currency appreciate in comparison of German Mark. Explain its impact on exports and imports of domestic economy with Germany. 3
27. How is money supply is measured in India by RBI? 4
28. What are the basis used to classify the tax receipts into direct tax and indirect tax? 4
29. If mpc is 0.9. What will be the value of Investment multiplier. How much additional investment is required to increase the NY by Rs.5000 cr. 4

Or

Why equilibrium level of income/o/p and employment is occurred before or after the full employment is attained.

30. In an economy  $s = -50 + .5Y$  is the saving function and investment expenditure is Rs 7000 cr. Calculate
- Equilibrium level of national income
  - Consumption expenditure at equilibrium level of income
  - Value of investment multiplier

Or

Explain the concept of under employment equilibrium by using C,I approach.Show on the same diagram the additional investment expenditure required to reach full employment equilibrium. 6

31. A. Give the meaning of Nominal GDP and Real GDP. Which of these is the indicator of economic welfare.

B. Define revenue deficit. State its implications.

3+3=6

32. calculate (a) personal disposable income and ,(b) National income from the following data

6

Item	Rs in Cr.
1. Rent	1000
2. Mixed income of self employed	4000
3. Profit	1500
4. Income from domestic product accruing to private sector	3000
5. Compensation of employees	35000
6. Reimbursement to the employee for medical expenses	1000
7. consumption of fixed capital	500
8. Excess of fact or income to rest of the world	
Over factor income from rest of the world	1200
9. Excess of imports over exports	400
10. Corporate profit tax	200
11. Net retained earnings of private enterprises	1200
12. Interest	700
13. Net indirect tax	540
14. Direct personal tax	200

## CLASS XII SAMPLE PAPER-03 ECONOMICS

### Section A : Micro Economics

Duration : 3 Hrs

Time :3 Hrs

1. What do you mean by the opportunity cost? 1
2. Define budget constraints. 1
3. What will be the ED on the mid point of a straight line dd curve moving from left to right. 1
4. What is equilibrium market price? 1
5. Define explicit cost. 1
6. Give reason which one of the following are true or false- 3
  - A. An economy always produces on but not inside PPC
  - B. Massive unemployment shifts the ppc to the left.
  - C. An economy can not operate on any point outside the ppc.
7. What does a point on budget line indicate in terms of price ? State the relation between slope of

budget line and price ratio.

3

Or

Define the followings-----

A. Substitution effect , b. income effect, c. giffen goods

8. Commodity x and y have equal price elasticity of supply. The supply of X rises from 400 units to 500 units due to a 20% rise in its price. Calculate the percentage fall in supply of Y commodity if its price falls by 8% .

3

9. Explain the relationship between ATC and MC. Use diagram.

3

10. Define excess dd. How is equilibrium restored in situation of excess dd.

3

11. Draw a negative slopped dd curve touching both axis mark any 5 points on it and comparer the Ed on these points.

4

12. When a producer changes only one input keeping other as fixed in order to bring the change in output., why does MP of an input increase?

4

Or

Can MC rise when AC is falling? Explain( alternative--- can AC be above to the MC when MC is rising?

13. How will the change in price of substitute goods affect the supply curve of a commodity?

4

14. A. Why do people purchase more at same price?

B. What would be the shape of price line so that TR curve is-----

i. positively slopped straight line passing through origin.

ii. horizontal line

3+3=6

15. A. What is meant by price rigidity ? Why prices are rigid under oligopoly?

B. Explain the nature of AR curve under different market situations?

Or

At what level of price do the firm in a perfectly competitive mkt. supply when free entry and exit is allowed in the market? How is equilibrium qty is determined in such a market?

6

16. Define producer equilibrium. Calculate (a) Break even point ; (b) Maximum profit of a firm assuming that the firm sells all the units at Rs 5 per unit .....

6

Qty	0	10	20	30	40	50	60
TC (Rs)	50	100	130	150	160	170	200

### Section B: Macro Economics

17. Define involuntary unemployment.

1

18. The price of 1 dinar has fallen from Rs.40 to Rs 30. Has the Indian currency appreciated or depreciated?

1

19. Define SLR.

1

20. Define autonomous consumption.

1

21. If the disposable income is Rs 2000 and consumption expenditure is Rs300. Calculate APS.

1

22. From the following data relating to a firm calculate its NVA fc

3

Item	Rs
Subsidies	40
Sales	500
CFC	20
Exports	130

- |                                   |     |  |
|-----------------------------------|-----|--|
| C S                               | 20  |  |
| OS                                | 30  |  |
| Intermediate purchase             | 200 |  |
| Purchase of machinery for own use | 100 |  |
| Imports of raw material           | 40  |  |
23. Define transfer payments. Why these payments are not included in national income. Give two examples of transfer payments. 3
- Or
- Give the reason not to be included in NY
- A. Employers contribution  
B. Income received from the sale of share  
C. Windfall gain
24. Explain the effect of depreciation of domestic currency on exports and imports of domestic economy. 3
- Or
- Explain the affect of appreciation of domestic currency on exports and imports of domestic economy.
25. Define current account of BOP. How is it different from capital A/C of BOP. IS exports of machinery recorded in current account or capital A/C ? give reason. 3
26. How can budgetary policy be used for reducing inequalities in income and wealth. 3
27. Explain the clearance house function of central bank. 4
- Or
- Explain the reserve ratio method of credit control used by the central bank.
28. Is public debt always burdensome for an economy? 4
29. State the implications of a Revenue Deficit? Give two measures to reduce the revenue deficit. 4
30. State whether the following statement are true or false. Give reason for your answer.-----
- A. Capital formation is a flow  
B. A machine is always a capital good  
C. Nominal GDP can never be less than Real GDP  
D. Gross domestic capital is always greater than gross fixed capital formation. 6
31. The savings function off an economy is  $S = -200 + .25Y$ . The economy is in equilibrium when income is equal to 2000. Calculate-----
- A. Investment expenditure at equilibrium level of economy  
B. Autonomous consumption  
C. Investment multiplier
- Or
- How does a. Margin requirement of loan and , b. public expenditure is helpful to combat the problem of excess and deficient AD. 6
32. Calculate GNPmp and NET national Disposable income 6
- | Item                                           | Rs  |
|------------------------------------------------|-----|
| 1. Current transfer from government            | 35  |
| 2. Compensation of employees                   | 400 |
| 3. Net current transfer from rest of the world | 45  |
| 4. Rent                                        | 800 |
| 5. Consumption of fixed capital                | 50  |

6. Interest	150
7. Net indirect tax	60
8. Profit	200
9. Mixed income of self employed	100
Net factor income from abroad	35

# CLASS XII

## SAMPLE PAPER-04

### ECONOMICS

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#### Section A: Micro Economics

Duration : 3 Hrs

Time :3 Hrs

- |                                                                                        |   |
|----------------------------------------------------------------------------------------|---|
| 1. Which economic system is based on market mechanism?                                 | 1 |
| 2. Define monotonic preference.                                                        | 1 |
| 3. What would be the elasticity of dd if with increase in price total outlay decrease? | 1 |
| 4. Define production function.                                                         | 1 |
| 5. In which market situation a firm have partial control over price?                   | 1 |
| 6. How does central problem “ what to produce” solved under different economic system? | 3 |
| 7. If a consumer is indifferent b/w combinations A and B , what does it imply?         | 3 |

Or

How does Law of dd take determinants of dd into account?

- |                                                                                                                                                               |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| 8. Ed of a commodity is -1. The consumer buys 50 units of that good when price is Rs 2 / unit. How many units will the consumer buy if the price rise by 25%. | 3 |
| 9. i. What will be the rate of TPP if MPP falls but positive?<br>ii. If APP is greater than MPP what happen will with MPP?                                    | 3 |
| 10. Can MPP falls when APP is rising .Give reason.                                                                                                            | 3 |
| 11. If there is a situation of excess dd ,Is it a situation of equilibrium price. How can equilibrium price be restored?                                      | 4 |
| 12. How does the following determinants affect the Ed of a commodity-----<br>A. Price level b. Income level                                                   | 4 |
| 13. Why the difference between AC and AVC goes on diminishing ? can they join with each other?                                                                | 4 |

Or

- |                                                                                                                                                            |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| a. Explain the behavior of TR-MR When firm is a price taker.<br>B. Distinguished between decrease in quantity supplied and decrease in supply. use diagram |        |
| 14. A. Define opportunity cost with the help of suitable example and PPC.<br>B. Define market demand curve. How it is derived from Individual dd curve.    | 3+3= 6 |
| 15. Define producer equilibrium. How does a firm decide its output and price under imperfect market use TR-TC approach.                                    |        |

Or

Explain the followings-----

- |                                                                                                                                               |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------|---|
| A. free entry and exit of a firm under perfect market<br>B. Implications of a product differentiation under monopoly                          | 6 |
| 16. Market for good is in equilibrium. Explain that equilibrium price may or may not change due to simultaneous change in both dd and supply. | 6 |

#### Section B: Macro Economics

17. Define investment multiplier. 1
18. Can value of mpc be greater than 1? 1
19. Define demand deposits . 1
20. What do you mean by deficit financing? 1
21. Give two examples of above line items of BOP. 1
22. calculate personal income 3

Item	Rs in laks
1. Retained earnings of pvt. Corporate	20
2. Miscellaneous receipts of govt. admin department s	50
3. Personal disposable income	200
4. Personal tax	30
5. Corporate profit tax	10

Or

Explain the components of net domestic fixed capital formation.

23. Distinguish b/w fixed exchange rate and flexible exchange rate. 3
24. Explain the "Unit of value " function of money. 3
25. "People demand more of foreign currency when exchange rate decrease "why. Use example 3
26. Determination of equilibrium 3
27. Giving reason categorized into direct tax and indirect tax 4
- A. Entertainment tax , b. Wealth tax c. Corporation tax
- D. Excise duty
28. Is fiscal deficit necessarily inflationary. Justify . 4

Or

Why public goods are to be provided by government?

29. Following is the budget of central government of India for a particular year. Find out 4
- (i) Total govt. revenue, (ii) Total govt. expenditure ,(iii) Fiscal deficit, (iv) Primary deficit

Revenue	Amount (Rs)	Expenditure	Amount(Rs)
1. Tax revenue	42,978	1. Current expenditure	73516
2. No tax revenue	11978	a. Interest payments	21498
3. Capital receipts	31971	b. Subsidies	9581
a. Recovery of loans	5712	c. Defence exp.	10874
b. PSU disinvestment	Nil	2. construction of power projects and bridge	24756
c. Borrowings & other liabilities	26259		

30. From the following data calculate (a) GDP fc , (b) Factor income to abroad 6

Item	Rs in cr.
1. Compensation of employee	400
2. Dividend	300
3. GNPmp	1500
4. Profit	200
5. Interest	100
6. Rent	150
7. Net fixed capital formation	300
8. Change in stock	50

9. Gross domestic capital formation      400  
 10. Factor income from abroad            60  
 11. Net indirect tax                            120
31. How will you treat the following while estimating domestic factor income of India? Give reason  
 For your answer 6
- a. Remittance by a NRI to their families in India.  
 b. Rent received by resident of India from Russian embassy in India.  
 c. Non marketable goods.
- Or
- a. What is meant by consumption of fixed capital? Why is it deducted from gross capital to get net capital ?  
 b. Explain how externalities are a limitation of in taking GDP as an index of welfare.
32. A. Distinguish between APC and MPC . The value of which can be greater than and when?  
 B. How does Reserve ratio are used to combat the problem of deficient AD? 3+3=6

## CLASS XII

# SAMPLE PAPER-05

## ECONOMICS

### Section A : Micro Economics

Duration : 3 Hrs

Time :3 Hrs

1. What do you mean by production possibilities of an economy? 1
  2. Define budget set. 1
  3. If Ed is more than unitary. What would happen with price if TE is decreasing. 1
  4. Define normal profit. 1
  5. What do you mean by price discrimination? 1
  6. How does the "massive unemployment" affect the PPC? Explain 3
  7. IC curve is always convex to the origin, Why? 3
- Or
- Starting from the point of consumer equilibrium, suppose MU of rupees increase .How it will affect the quantity demanded?
8. A 5% fall in price of a commodity leads to 10% rise in its demand. A consumer buys 40 units of the good at a price of Rs 10 per unit. How many units will the consumer buy at a price of Rs12 units? 3
  9. What is the relation between market price and AR of a price taking firm? 3
  10. Distinguish between monopoly and oligopoly competition. 3
  11. Which of the following commodity have inelastic demand . give reason in support of your answer  
 A. Salt, b. Rent , c. School uniform, d. medicine 4
  12. A. If TPP is parallel to the x-axis, what would be the shape of APP? 4  
 B. What would be the rate of TPP if MPP falls but remain positive?  
 C. If MC is rising What you will say about TVC?  
 D. Is TC zero at zero level of output in short run? Give reason.

Or

- A. Give the relationship between TR , market price and quantity sold by a firm.  
 B. When a firm is able to sell more of o/p at same price ,what will be the relation between TR and MR  
 C. If MR is negative what would happen with price?
13. Distinguish between gross profit and net profit. 4  
 14. Define MRSxy . Why does it diminishes? Use diagram and schedule. 6  
 15. State whether the following statements are true false. Give reason  
 A. When MR is constant and not equal to Zero then TR will also be constant.  
 B.As soon as MC start rising AVC also start rising  
 C.TP always increase whether there is Increasing returns or diminishing returns to a factor.

Or

With the help of following information find out the level of max. profit by MR-MC approach

Q	1	2	3	4	5	6	
AR	7	7	7	7	7	7	
TC	8	15	21	26	33	41	6

16. Given market equilibrium of a good what are the affect of simultaneous increase in both dd and supply of that good on its price and quantity. 6

### Section2 Macro Economics

17. Define autonomous consumption. 1  
 18. Define investment dd function. 1  
 19. What do you mean by SLR ? 1  
 20. Purchase of a machinery is recorded in which account of BOP. 1  
 21. Define spot Exchange rate. 1  
 22. Does equilibrium of National income always strike at full employment level ? 3  
 23. Calculate value of output from the following data 3

Item	Rs
1. Subsidies	20
2. Intermediate consumption	110
3. Net addition to stock	(-)13
4. Consumption of fixed capital	30
5. Excise duty	20
6. Net value added at factor cost	250

24. Are the followings transactions entered on the debit side or the credit side in BOP a/c? Give reason 3  
 a. Exports  
 b. Imports  
 c. Borrowings from the rest of the world

Or

- Are the concept of demand for domestic goods and domestic demand for godds same? Use example.
25. Distinguish between legal money and demand deposits. Give two example of each. 3  
 26. Define Official Reserve transactions. Explain their importance in BOP account. 3  
 27. Explain with the help of numerical example how an increase in investment in an economy effects its level of income output and employment 4

28. Explain the reallocation function of budget.

Or

Giving reason categorized the followings into direct tax and indirect tax

4

- a. Corporate profit tax
- b. Profit tax
- c. Entertainment tax
- d. Gift tax

29. A. Distinguish between Developmental and non developmental expenditure

4

B. Distinguish between Fiscal deficit and primary deficit

30. Calculate (i) NDPfc , (ii) gross national disposable income

6

Item	Rs in cr.
1. Government final consumption expenditure	2000
2. Net factor income to abroad	- 50
3. Gross domestic capital formation	700
4. Change in stock	- 40
5. Net domestic capital formation	650
6. Net indirect tax	200
7. Net current transfers from rest of the world	700
8. Net exports	-600
9. Profit	700
10. Private final consumption expenditure	6000

31. Will the following included in National income. Give reason in support of your answer

6

- i. Brokage payment on sale of share.
- ii. School fee paid by students
- iii. Expenditure on the construction of office building
- iv. Festival gift to its employee by employer

32. Define Inflationary gap. How can problem of deficient AD be combated by using public expenditure?

6

Or

- a. In an economy planned savings are greater than planned investment. How can equality between two be achieved? Explain
- b. Explain the meaning of investment multiplier? What can be its minimum value and why?