

SAMPLE PAPER

ECONOMICS

CLASS: XII

SET - B

Time: 3 Hrs.

M.M.:100

Instructions:

1. All questions in both the sections 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.
4. Question No. 6 – 10 and 22 – 26 are short answer questions carrying 3 marks each. Answer to them should not normally exceed 60 words each.
5. Question 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. Question No. 14 –16 and 30 – 32 are long answer questions carrying 6 marks each. Answer to them should not normally exceed 100 words each.
7. Answers should be brief and to the point and word limit be adhered to as far as possible.

- Q.1 What do you mean by monotonic preferences? (1)
- Q.2 What is meant by marginal physical product? (1)
- Q.3 What causes a movement along the supply curve of commodity? (1)
- Q.4 How does average fixed cost behave as output is decreased? (1)
- Q.5 What is equilibrium price? (1)
- Q.6 Explain the inverse relationship between the price of a commodity and its demand. (3)
- Q.7 Explain the effect of ‘technological changes’ on the supply of a commodity. (3)
- Q.8 The supply of a commodity at a price of Rs. 20 per unit is 500 units. A 10 % rise in its price results in a 15% in its supply. Calculate its price elasticity of supply. Is its supply elastic? (3)
- Q.9 Explain the relationship between AR and MR. (3)
- Q.10 Explain the implication of ‘product differentiation’ feature of monopolistic competition. (3)

OR

Explain the implication of ‘homogenous product’ feature of perfect competition.

- Q.11 Explain the effects of increase in income of the buyers of a good on its demand. (4)
- Q.12 Distinguish between: (4)
- (i) Positive and Normative economic perspectives in economics.
 - (ii) Microeconomics and Macroeconomics.

OR

Explain the central problem of distribution in an economy.

- Q.13 Consider the following straight-line demand curve. Mark the elasticities at points A,B,C,D and E on the demand curve. (4)

- Q.14 Explain the likely behavior of total product and marginal product when for increasing production only one input is increased while all other inputs are kept constant. (6)
- Q.15 What do you mean by excess demand? Explain with the help of a diagram as to what will be the effect of an excess demand on the price of the commodity. (6)
- Q. 16 Explain the equilibrium of a consumer in case of two commodities with the help of utility analysis. (6)

OR

Explain the following:

- (a) Why is an indifference curve convex to the origin?
- (b) Why does a higher indifference curve represent a higher level of satisfaction?

Section-B

- Q.17 What is meant by 'Balance of Payment'. (1)
- Q.18 What is meant by Statutory Liquidity Ratio? (1)
- Q.19 Define fiscal deficit in a government budget. (1)
- Q.20 What is meant by currency depreciation? (1)
- Q.21 Name two sources of demand for foreign exchange. (1)
- Q.22 Distinguish between average propensity to consume and marginal propensity to consume. The value of which of these two can be greater than one and when? (3)
- Q.23 In an economy income increases by 10,000 as a result of a rise in investment expenditure by 1000. Calculate: (3)
- (a) Investment multiplier (b) Marginal propensity to consume.
- Q.24 What role of RBI is known as 'lender of last resort'? (3)
- Q.25 Distinguish between revenue expenditure and capital expenditure in a government budget. Give two examples of each. (3)
- Q.26 Calculate 'private income' from the following data. (3)
- | | (Rs. In Crores) |
|--|-----------------|
| 1. National debt interest | 30 |
| 2. Gross National product at market price | 400 |
| 3. Current transfers from government | 20 |
| 4. Net indirect taxes | 40 |
| 5. Net current transfers from rest of the world | (-)10 |
| 6. Net domestic product at factor cost to government | 50 |
| 7. Consumption of fixed capital | 70 |
- Q.27 What are the implications of a large revenue deficit? Give two measures to reduce this deficit. (4)
- Q.28 Explain the 'store of value' function of money. (4)
- Q.29 Make a distinction between accommodating and autonomous items in BOP. (4)
- Q.30 Giving reasons, state whether the following are included in national income. (6)
- (i) Transport expenses by a firm.
- (ii) Expenditure on construction of a house.
- (iii) Gift received from employer.

- (iv) Purchase of a machine by a factory.
(v) Salary received by an Indian resident working in US embassy in New Delhi.
(vi) Interest paid on loan taken to buy a personal car.
- Q.31 Explain the equilibrium level of income with the help of saving and investment, what changes will bring about the equality between them? (6)
- Q.32 Calculate Gross National Product at Market Price and Net National Disposable Income from the following date. (6)

	(Rs. In crores)
(i) Current transfer from government	25
(ii) Compensation of employees	600
(iii) Net current transfer from the rest of the world	20
(iv) Rent	100
(v) Consumption of fixed capital	50
(vi) Interest	120
(vii) Net indirect tax	110
(viii) Profit	80
(ix) Mixed income of the self employed	200
(x) Net factor income from abroad	(-) 10