

SAMPLE PAPER
SUBJECT: ECONOMICS
CLASS: XII

Time: 3 Hrs.

M.M.:100

Instructions:

- (i) *All questions in both the sections are compulsory.*
- (ii) *Marks for questions are indicated against each.*
- (iii) *Question No. 1 –5 and 17 –21 are very short answer questions carrying 1 mark each.*
- (iv) *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.*
- (v) *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.*
- (vi) *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.*
- (vii) *Answers should be brief and to the point and word limit be adhered to as far as possible.*

SECTION - A

- Q.1 Give the meaning of opportunity cost? (1)
- Q.2 Define Budget Line. (1)
- Q.3 What is the shape of the total revenue curve in perfect competition? (1)
- Q.4 Define oligopoly. (1)
- Q.5 Define fixed costs. (1)
- Q.6 Define utility. Explain the relationship between TU and MU with the help of a schedule and diagram. (3)
- Q.7 Explain the relationship between total revenue and marginal revenue with the help of a revenue schedule and diagram. (3)
- Q.8 Explain the central problem of ‘what to produce’ with the help of an example. (3)
- Q.9 When is a good called (i) normal good, and (ii) an inferior good. (3)
- Q.10 Distinguish between perfect competition and monopolistic competition. (3)
- Q.11 At a price of Rs. 50 per units the quantity demanded of a commodity is 1000 units. When its price falls by 10%, its quantity demanded rises to 1080 units. Calculate its price elasticity of demand. Is its demand inelastic? Give reasons for your answer. (4)
- Q.12 Explain how the supply of a commodity affected by the change in price of other commodities.(4)
- Q.13 The elasticity of supply of a commodity is 3. An increase in its price from Rs. 20 to Rs. 21 per unit results in a rise in its quantity supplied by 150 units. Calculate its quantity supplied at the increased price. (4)

OR

The MR schedule of a monopoly firm is given below. Derive the TR and AR schedules.

Out Put (Units)	0	1	2	3	4	5	6	7
MR(In Rs.)	-	14	10	7	5	0	-3	-5

- Q.14 Draw Average Total cost, Average Variable cost and Marginal cost in a single diagram. Also explain the relation between marginal cost and average total cost with its help. (6)
- Q.15 When will (a) simultaneous increases, and (b) simultaneous decrease in both demand and supply not affect the equilibrium price? Explain with the help of diagram. (6)
- Q.16 How is equilibrium achieved with the help of Indifference curve approach? (6)

OR

Explain with the help of diagrams the effect of the following changes on the demand of a commodity-

- (a) A fall in the price of substitute good.
- (b) A favourable change in the taste of the buyer.

SECTION-B

- Q.17 What is meant by full employment? (1)
- Q.18 Give the formula of investment multiplier in terms of MPS. (1)
- Q.19 What is meant by currency depreciation? (1)
- Q.20 Give the narrow definition of money. (1)
- Q.21 Define open market operations. (1)
- Q.22 Calculate 'private income' from the following data. (3)

(Rs. In crores)

- | | |
|---|-------|
| (i) National debt interest | 30 |
| (ii) Gross national product at market price | 400 |
| (iii) Current transfers from government | 20 |
| (iv) Net indirect taxes | 40 |
| (v) Net current transfers from the rest of the world | (-)10 |
| (vi) Net domestic product at factor cost accruing to government | 50 |
| (vii) Consumption of fixed capital | 70 |

- Q.23 Distinguish between private income and personal income. (3)
- Q.24 Will the following be included or not in the domestic factor income of India? Give reasons for your answer. (3)

- (1) Wages paid to a non-resident Indian working in an Indian company in Singapore.
- (2) Salaries of non-resident working in Indian embassies.
- (3) Profits earned by company in India owned by the non-residents.
- (4) Profits earned by a branch of State Bank of India in England.

- Q.25 Explain how foreign exchange rate is determined in a foreign exchange market? Use diagram.(3)
- Q.26 Distinguish between current account and capital account of balance of payments account. State two components of each. (3)
- Q.27 Explain the meaning and implications of revenue deficit in a government budget. (4)
- Q.28 Distinguish between revenue expenditure and capital expenditure in a government budget. Give two examples of each. (4)
- Q.29 Give the meanings of average propensity to consume & marginal propensity to consume. (4)

OR

Explain the concept of inflationary gap. Explain two fiscal measures to reduce this gap.

- Q.30 Explain the process of money creation by the commercial banking system with the help of suitable example. (6)
- Q.31 Explain (6)
- (1) the problem of excess demand in an economy.
 - (2) Underemployment equilibrium with the help of diagrams.

OR

How can the problems of excess demand and deficient demand be combated with the help of fiscal policy?

- Q.32 From the following data calculate national income by (a) income method, and (b) expenditure method. (6)

	(Rs. In crores)
(i) Compensation of employees	2,500
(ii) Private final consumption expenditure	2,800
(iii) Profits	500
(iv) Employers' contribution to social security schemes	200
(v) Rent	200
(vi) Mixed income of self-employed	450
(vii) Government final consumption expenditure	800
(viii) Net domestic capital formation	400
(ix) Change in stock	60
(x) Interest	150

(xi)	Net factor income from abroad	(-)50
(xii)	Net exports	(-)40
(xiii)	Net currents transfers from rest of the world	20
(xiv)	Net indirect tax	160