

# CLASS XII

## SAMPLE PAPER

### ECONOMICS

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#### INTRODUCTORY MICRO ECONOMICS

##### *General Instructions*

***Questions No.1-3 are required to be answered in one sentence each.***

***Questions No.4-10-answers should not exceed 60 words each.***

***Questions No.11-13-answers should not exceed 70 words each.***

***Questions No.14-19-answer should not exceed 100 words each.***

- 1) A consumer consumes only two goods. If price of one of the goods falls, the indifference curve: (Choose the correct alternative)  
(a) Shifts upwards. (b) Shifts downwards. (c) Can shift both upwards and downwards. (d) Does not shift.
- 2) What are monotonic preferences?
- 3) If with the rise in price of good Y, demand for X rises, the two goods are: (Choose the correct alternative)  
(a) Substitutes.(b)Complements. (c) Not related. (d) Jointly demanded.
- 4) Distinguish between normal good and inferior good. Give one example of each.
- 5) Giving reason, comment on the shape of Production Possibilities Curve based on the following table:

Good X(units)	Good Y(units)
0	20
1	18
2	14
3	8
4	0

- 6) Explain the problem for whom to produce with a suitable example.
- 7) Production in an economy is below its potential due to unemployment. Government starts employment generation schemes. Explain its effect using production possibility curve.
- 8) Explain any three features of monopoly.
- 9) Explain the significance of large number of buyers and sellers under perfect competition.
- 10) Explain the significance of the feature 'product differentiation' in monopolistic competition.
- 11) Explain law of supply with the help of a supply schedule.
- 12) What is change in quantity supplied? Use diagram.
- 13) A consumer spends Rs. 200 on a good priced at Rs. 5 per unit. When the price falls by 20 percent, he continues to spend Rs. 200. Find the price elasticity of demand by percentage method.
- 14) Market for a good is in equilibrium. Supply of the good 'decreases'. Explain the chain of effects of this change.
- 15) Explain the rationale behind the conditions of equilibrium of a producer.
- 16) What are the different phases in the law of Variable Proportions in terms of Marginal Product? Give reasons behind each phase. Use diagram.
- 17) Explain any six factors affecting price elasticity of demand.
- 18) Explain geometrical method of measuring price elasticity of demand.
- 19) Explain the concept of marginal diminishing marginal rate of substitution with the help of a schedule. What does it mean along an indifference curve?