

CLASS XII

SAMPLE PAPER

ECONOMICS

MICRO ECONOMICS (TOTAL MARKS 50)

(There will be internal choice in one question of 6 marks, one question of 4 marks, and one question of 3 marks)

UNIT I - AN INTRODUCTION (marks allotted -4)

1. How scarcity and choice go together? Explain briefly.
2. Which factors lead to a shift of the PPC?
3. Draw a PPC showing the following situations : (i) full employment of resources (ii) under employment of resources (iii) growth of resources.
4. Define Marginal rate of transformation.
5. Explain briefly 'How to produce'. Use suitable example. (V.IMP)
6. Explain Production possibility curve with suitable example. (V.IMP)
7. Explain briefly the central problem of 'for whom to produce' with suitable example.
8. Explain briefly problem of 'what to produce'. Use example.
9. Why does Marginal opportunity cost increase?
10. What is meant by opportunity cost? Explain with the help of suitable example.

UNIT II ---- CONSUMER'S CHOICE AND DEMAND ANALYSIS (marks -13)

11.
 - a) Define Utility.
 - b) Define Marginal and Total utility.
 - c) What is law of diminishing marginal utility?

- d) Define Demand.
 - e) Define demand function.(V.IMP)
 - f) Define market demand.
 - g) Define normal goods.(V.IMP)
 - h) Define inferior goods.
12. Establish the relationship between total utility and marginal utility.
13. What is meant by consumer's equilibrium? State its condition in case of single commodity.
14. Define substitute goods and complementary goods. .(V.IMP)
15. Define market demand. State two factors that affect it.
16. Explain with the help of diagrams the affect of the following changes on the demand of a commodity:
- a) A fall in the price of substitute goods.
 - b) A fall in the income of its buyer. .(V.IMP)
17. Differentiate between Extension in demand and Increase in demand. .(V.IMP)
18. Define Law of demand. Use schedule and diagram.
19. What is meant by Elasticity of Demand? How is it measured? .(V.IMP)
20. Explain Total outlay method of measuring elasticity of demand.
21. Explain concept of consumer equilibrium in case of single commodity with one use.
22. Explain Geometric method of measuring elasticity of demand.
23. Differentiate between Contraction in demand and Decrease in demand.
24. Differentiate between change in demand and change in quantity demanded.
25. Explain the following factors that affect elasticity of demand:
- a) nature of the commodity
 - b) price level of commodity
26. Explain with the help of diagrams the affect of the following changes on the demand for a commodity:
- a) An unfavorable change in taste of the buyer for the commodity.
 - b) A fall in the income of its buyer, if the commodity is inferior..(V.IMP)
27. Explain briefly why does a consumer buy less of a commodity at a given price?

28. Find in total expenditure of the commodity when $E_d = -0.4$ and quantity demanded of the commodity decreases by 10%.

UNIT III ---- PRODUCER'S BEHAVIOUR AND SUPPLY (marks -23)

CONCEPT OF PRODUCTION

29. Define the following (IMP)

- ✓ Total physical product.
- ✓ Marginal product
- ✓ Average product
- ✓ Define Production function.(V.IMP)

30. Explain briefly relationship between MPP and APP. Use diagram.(V.IMP)

31. Explain relationship between TPP and MPP. Use diagram.

32. Explain Law of variable proportions. Use diagram and schedule.(V.IMP)

33. Differentiate between Returns to factor and Returns to scale.(V. IMP)

34. Explain Law of Diminishing returns to factor. Why does it operate?

35. Define short run and long run. How is production function specified for the two periods?

PRODUCER'S EQUILIBRIUM

36. Define producer's equilibrium. State main conditions of producer's equilibrium with the help of diagram.

37. What is the condition of producer's equilibrium for a competitive firm?

SUPPLY

38. What cause an upward movement along a supply curve of a commodity?

39. Give three causes of an 'Increase in supply' of a commodity.

40. Give any three causes of leftward shift of supply curve.

41. Define Law of supply. Use schedule and diagram.

42. What is meant by elasticity of supply? How is it measured?
43. Give two examples where technological progress leads to shift in the supply curve. .(V.IMP)
44. Differentiate between Extension in supply and Increase in Supply.
45. Differentiate between change in supply and Change in quantity supplied.
46. How does change in prices of inputs effect supply of a good. .(V.IMP)
47. What is meant by elasticity of supply? How is it measured?
48. Explain geometric method of measuring elasticity of supply. .(V.IMP)
49. Explain three causes of rightward (leftward) shift of supply curve.

REVENUE AND COST

50. Q.1 Define following briefly:
- a. Average cost
 - b. Marginal cost.(V.IMP)
 - c. Total cost.
 - d. Why does Average revenue is equal to Marginal revenue under Perfectly competitive market?
(V.IMP.)
51. Explain relationship between Average cost and Marginal cost.(V.IMP.)
52. Write a note on Average fixed cost. Use diagram.
53. Why does Marginal cost curve is U shaped?
54. Why does short run Average cost is U-shaped?
55. Give the meaning of explicit costs and implicit costs.
56. Write a brief note on Total fixed cost, Total variable cost and Total cost. Use diagram. .(V.IMP)
57. Explain the relationship between Average revenue and Marginal revenue.
58. Explain the relationship between Total revenue and Marginal revenue.

UNIT 5 -MARKET FORMS AND PRICE DETERMINATION(marks-10)

59. Explain features of perfectly competitive market.

60. Explain features of Monopoly market.
61. Explain features of Monopolistic competition.
62. Why does Demand curve under monopolistic competition is downward slopping?
63. Draw Demand curves under different market forms.
64. Differentiate between Monopoly market and Monopolistic competition. .(V.IMP)
65. Explain the following briefly:
- a) Patent copyright
 - b) Issue of franchise.
66. Why does revenue curve under Monopolistic competition is more elastic?
67. In the long run under perfectly competition firm get zero abnormal profit and zero abnormal losses. Explain.
68. Under Perfect competition Industry is price maker and firm is price taker. Discuss. .(V.IMP)
69. Show with the help of diagram how rationing and black-marketing can emerge in a price control system?
70. At a given price of a commodity, there is 'excess supply'. Is this an equilibrium price? If not, how will be the equilibrium price is reached? (Use diag.)
71. 'Change in both demand and supply of a commodity may or may not affect its equilibrium price.' Explain. .(V.IMP)
72. How is the equilibrium price and equilibrium quantity of a normal commodity affected by:
- a. An increase in income of the buyer.
 - b. An increase in price of substitute good. .(V.IMP)
73. How is the equilibrium price and equilibrium quantity of a good is affected when:
- a. A firm use advanced technology
 - b. Price of inputs used fall. .(V.IMP)
74. At a given price of a commodity, there is 'excess demand'. Is this price an equilibrium price? If not, how will the equilibrium price be reached?(use diagram)

(IMP. NOTE)

ALL QUESTIONS MENTIONED ABOVE ARE IMPORTANT FROM TEACHER'S EXPERIENCE AND BOARD PAPERS. THESE SHOULD BE CAREFULLY PREPARED IN ADDITION TO WHOLE SYLLABUS.

Points to remember:

If your diagrammatic presentation is neatly presented then you will score good.

If you are not doing untidy work then you can score good.

If you are concentrating on scoring high then only you can get maximum marks.