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CLASS XII SAMPLE PAPER ECONOMICS

Time allowed: 3 hours Maximum Marks: 100

General instructions:

- (i) All questions in both the sections are compulsory,
- (ii) Marks for questions are indicated against each.
- (iii) Questions carrying 1 mark for each part are required to be answered in one sentence each.
- (iv) Questions carrying 3 marks are required to be answered not exceed 60 words each.
- (v) Questions carrying 4 marks are required to be answered not exceed 70 words each.
- (vi) Questions carrying 6 marks each are required to be answered not exceed 100 words each.
- (vii) Answers should be brief and to the point and the above word limits should be adhered to as far as possible.
- (viii) All parts of a question should be answered at one place.

1. What do you mean by the term scarcity?

Section - A

т.	vviiat do you meai	i by tite t	CIIII SC	ucity:				1
2.	What are the fixed factors of production?							1
3.	What do you mear	by mar	ket peri	od?				1
4.	What is monopoly	?						1
5.	What are giffen good	ds?						1
6.	Depict a production possibility curve. Also show the distinction between an unattainable combination							
	and an attainable co	mbinatio	n.				(1+2=3)	
7.	How does the dema	and for t	he comi	modity c	hange v	with a cl	nange in a ho	usehold's level of income?
								3
8.	If the price elasticity	of dema	and for	milk is ed	qual to	unity (=:	1) and if at th	e price of Rs. 12 per liter a
	household demands	40 liters	of milk,	how mu	ch milk	will be o	demanded at t	he price of Rs. 18 per liter?
								3
9.	How will the equili	brium pr	ice and	quantity	y be af	fected if	f the followin	g two changes take place
	simultaneously: (i) d	emand fo	or the c	ommodit	y increa	ases, and	d (ii) supply of	the commodity increases?
							3	
10.	What is law of dema	nd? Are t	here an	y excepti	ons to t	he law o	f demand?	(1+2)
7	Illustrate the relation	•				_	•	4
	Can there be a range	-					s? Why?.	4
13.	The output and Tota	I cost dat	a for a f	irm are g	iven bel	ow:		4
	Output (Units)	0	1	2	3	4	5	
	Total Cost (Rs.)	60	95	105	130	160	200	





Compute the firm's schedules of average fixed cost, average variable cost, average cost, marginal cost.

14. What are the factors that determine the supply of a commodity? Use graph to explain the distinction between the increase in supply and extension in supply. (3+3)

15. What are the features of monopolistic competition? How do they differ from those of monopoly?

6

16. a) Distinguish between normal good and an inferior good.

b) Why does a supply curve always slope upwards? Are there any exception?

(3+3)

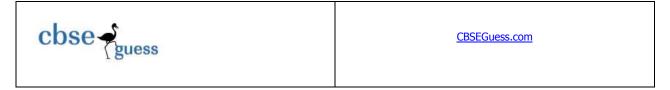
Section - B

17. Give two examples of a macro economics variable.	X	1
18. Define government budget.		1
19. Define flexible exchange rate.		1
20. State any two major sectors in a circular flow of income.		1
21. What do you mean by fiscal deficit?		1

- 22. What is a saving function? Derive the saving function from the following consumption function. C = a + bY.
- 23. When does situation of excess demand and deficient demand arise in an economy? What is the effect on output, price and employment under both the situations?
- 24. Distinguish between revenue expenditure and capital expenditure in government budget. Give two examples of each.
- 25. Explain the concept of 'leakages and injections in the circular flow of income. 3
- 26. Distinguish between direct and indirect taxes. Give two examples of each.
- 27. Enumerate the principal functions of a central bank.
- 28. Differentiate between commercial bank and central bank.
- 29. State the main components of balance of payments on capital account. 4
- 30. Explain how the aggregate demand and aggregate supply can be in equilibrium at less than full employment.
- 31. What do you mean by investment multiplier? Illustrate graphically.
- 32. Calculate Gross National Disposable Income and Personal Income from the given data: 6

(Rs crores)

(i) Personal tax	120
(ii) Net indirect tax	100
(iii) Corporation tax	90
(iv) National income	1000
(v) Net factor income from abroad	5
(vi) Consumption of fixed capital	50
(vii) National debt interest	70
(viii) Retained earnings of private corporate sector	40
(ix) Net current transfers to the rest of the world	(-)20



(x) Current transfers from government(xi) Share of government in national income80
