

CLASS XII

GUESS PAPER

ECONOMICS

TIME ALLOWED: 3 HOURS

MAX MARKS: 100

GENERAL INSTRUCTIONS:

- I- ALL QUESTIONS IN BOTH SECTIONS ARE COMPULSORY. HOWEVER, THERE IS INTERNAL CHOICE IN SOME QUESTIONS.
- II- MARKS FOR QUESTIONS ARE INDICATED AGAINST EACH QUESTIONS
- III- QUESTION NO 1-5 AND 16-20 ARE VERY SHORT ANSWER QUESTIONS CARRYING 1 MARK EACH. THEY ARE REQUIRED TO BE ANSWERED IN ONE SENTENCE.
- IV- QUESTION NO 6-8 AND 21-23 ARE SHORT ANSWER QUESTIONS CARRYING 3 MARKS EACH. ANSWERS TO THEM SHOULD NOT NORMALLY EXCEED 60 WORDS EACH.
- V- QUESTION NO 9-11 AND 24-26 ARE ALSO SHORT ANSWER QUESTIONS CARRYING 4 MARKS EACH. ANSWERS TO THEM SHOULD NOT NORMALLY EXCEED 70 WORDS EACH.
- VI- QUESTION NO 12-15 AND 27-30 ARE LONG ANSWER QUESTIONS CARRYING 6 MARKS EACH. ANSWERS TO THEM SHOULD NOT NORMALLY EXCEED 100 WORDS EACH.
- VII- ANSWERS SHOULD BE BRIEF AND TO THE POINT AND THE ABOVE WORD LIMIT BE ADHERED TO AS FAR AS POSSIBLE.

SECTION –A

Q1- When a consumer is ready to purchase 20 units of a commodity at a price of Rs 15 per unit and 21 units at a price of Rs 15 per unit, so what is the MR at this situation.

Q2- What happens to AFC when AC is in U-shape.

- i- AFC is constant.
- ii- AFC is decreasing at increasing rate.
- iii- AFC is decreasing at decreasing rate.
- iv- AFC is falling initially and constant afterward.

Q3- A rise in the level of technology is shown on supply curve by:

- i- Rightward shift of supply curve
- ii- Leftward shift of supply curve
- iii- Upward movement in the same supply curve
- iv- Downward movement in the supply curve

Q4- In how many situations PPC curve are not in a concave shape ?

Q5- Write down the derivation of the demand function.

Q6- “ Consumer’s equilibrium is a situation where consumer is getting maximum satisfaction out of his limited income and he has no tendency to make any change in his existing expenditure”.

So with the reference of the above stated definition explain the key factors involved in the consumer’s equilibrium.

Q7- Complete the following table:

OUTPUT	TC	TFC	TVC	AC	AFC	AVC	MC
1						8	
2						7	
3						6	
4						5	
5					2	4	
6						6	
7						8	

Q8- Represent the diagrammatic phase of the supply curve on the basis of the intersection of the supply curve on the x-axis, y-axis and originated from the origin.

Q9- Two IC’s never intersect each other because of the different satisfaction level on both the IC. Explain this property of IC with the help of proper diagram.

Q10- Explain the relationship between TC, TFC and TVC.

Q11- Observe the following condition:

“Water purity is a big issue in some major cities and it create the demand of packaged mineral water bottle but the price of these water bottle are really high”, which ultimately raises the burden of expenditure on consumers budget. Suggest some remedies to overcome the situation of high priced water bottle.

Q12- Explain the general condition of firms equilibrium with the help of schedule and diagram.

Q13- Reaction of consumers are different in different market situation and it depend on the following conditions:

- i- Explain the reaction of consumer under the oligopoly market when the goods are not comes under the category of usable.
- ii- Explain the reaction of the consumer under the situation of monopolistic when two or more firms equally launches the wide variety of similar products but under the different segmentation.

Q14- What can you say about the condition of elasticity of demand when the price of a commodity increases from Rs 10 to Rs 50 for good A and the price of good B increases from Rs 20 to Rs 50 in the case of change in the quantity of good A from 200 to 150 and change in the quantity of good B from 300 to 200.

Q15- Explain the effect of following changes of the demand and supply of the commodity on the equilibrium price and equilibrium quantity.

- i- Change in the nature of technology
- ii- Change in the price of the commodity in the near future
- iii- Changes in the price of raw material
- iv- Changes in the price of complimentary goods

SECTION-B

Q16- When $C=100+0.5(1000)$: calculate the value of MPC.

Q17- Which of the following is the example of capital receipts:

- i- Non tax revenue
- ii- Borrowings
- iii- Licence fees
- iv- Commercial tax

Q18- Which of the following is the policy of controlling Inflation in the economy.

- i- Decrease in the bank rate
- ii- Increase in the margin requirement
- iii- Decrease in the rate of CRR
- iv- Decrease in the repo rate

Q19- What is the shape of APC and APS.

Q20- Why borrowings by the government are capital receipts?

Q21- Explain the derivation of the consumption function with the saving function with the help of equation and graphical representation?

Q22- Now days our respected Prime Minister Shri Narendra Modi Ji announces the “START-UP” INDIA, a new and innovatice policy to define the new dimensions in the field of self employment, What is the objectivity of this initiative taken by the Prime Minister in the situation of controlling many economic issues.

Q23- from the following, calculate gross value added at factor cost:

particulars	Rs in lakhs
sales	5000
Intermediate consumptions on primary stage of the production process	3500
profit	700
Tax relief	400
Consumption of fixed capital	600
Opening stock	600
Closing stock	200

Q24- Explain the underemployment equilibrium with the help of schedule and diagram.

Q25- Distinguish between revenue receipts and capital receipts in a government budget. Give two examples of each.

Q26- With the effect of demonetisation there is a huge rush in the front of commercial bank not in the front of RBI, explain all the necessary functions of the commercial bank which justify the importance of commercial bank for the society and for the economy.

Q27- How are the following treated in the estimation of national income?

- i- Old age pensions
- ii- Income tax
- iii- LPG subsidies
- iv- Commission received from sale of second hand goods
- v- Non marketable goods
- vi- Educational aid from the side of government

Q28- Explain the three categories in which BOP transactions are classified.

Q29- Distinguish between the fixed exchange rate and the flexible exchange rate with merits and demerits.

Q30- from the following table given below:

INCOME	CONSUMPTION	SAVINGS	INVESTMENT	$AD=C+I$	$AS=Y$
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100	120	-20	50		
200	160		50		
300	220		50		
400	280		50		
500	340		50		
600	400		50		

Answer the following questions:

- i- Identify the break-even point
- ii- Locate the equilibrium level of income
- iii- Calculate MPS when income changes from Rs 400 to Rs 500
- iv- Calculate APC at income level of Rs 100 crores
- v- Calculate APS at income level of RS 500 crores

SUBMITTED BY-

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UGC NET –ECONOMICS

UGC NET –EDUCATION

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