**Guess Paper- 2013**

**Subject: ECONOMICS**

**Class 12th**

***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.*

**Section – A**

1. How will a consumer attain equilibrium when MUx > Px.? 1
2. If a firm can neither change its labour, raw material nor can it change its plant and machinery then in which economic time period is the firm operating? 1
3. How does elasticity of demand different from elastic demand? 1
4. Give the meaning of an economy. 1
5. What do you mean by related goods of a good? 1
6. When will a consumer demand more of a good at the same price? 3
7. How does a producer solve the difficulty in deciding the optimum level of output? 3
8. A consumer buys 14 units of a good at a price of Rs. 8 per unit. At price Rs. 7 per unit he spends Rs. 98 on the good. Calculate price elasticity of demand by percentage method. Comment upon the shape of demand curve based on this information. 3
9. For the consumer to maximize satisfaction why should not he buy a bundle at any point on an indifference map? 4
10. Derive the demand curve of a commodity using a utility schedule. 4
11. Increasing and decreasing returns to a factor respectively imply downward and upward sloping portion of the aerage cost curve. Defend or refute giving reasons. 4
12. Explain the concept of break even point and shut down point with the help of a diagram.

 4

1. Calculate ‘total variable cost’ and ‘total cost’ from the following cost schedule of a firm whose fixed costs are Rs. 10. 4

Output (units) : 1 2 3 4

Marginal cost (Rs.) : 6 5 4 6

1. Market for a good is in equilibrium. A strike called by al sellers has a profound impact on the market supply of good X. identify the effect and what adjustments will subsequently occur in the market to normalize the situation? Explain with the help of a schedule. 6
2. With the help of a demand and supply schedule, explain the various types of market disequilibrium in case of a single commodity. Also explain their effect on the price of a commodity. 6
3. Suppose a free competitive market has identical goods but also free entry and exit. Market demand function and the supply functions of a single firm are given below. 6

Qd=590-P

Qs= 8+5P for p>10=0 for P<10

1. What is the significance of P=10?
2. At what price will the market be in equilibrium? State the reason.
3. Calculate the equilibrium quantity.
4. How many firms are required in the market?

**SECTION B**

1. Define FDI. 1
2. Define Flow variable. 1
3. Define Consumption goods. 1
4. Find out the maximum possible output from the production function (Q= 4L+2K), when 15 units of labour and 10 units of capital are employed. 1
5. What are time deposits. 1
6. For whom are the MNCs producing in India and why? 3
7. Given the following information find out the government’s borrowings: 3

 **(Rs. Crores)**

**Capital Receipts 120**

**Interest Payments 60**

**Primary Deficit 200**

**Revenue Receipts 380**

**Budget expenditures 710**

1. Explain with a suitable graph, what adjustments will occur in the economy’s income and employment if planned savings by households are more than planned investment by firms. 3
2. Explain the concept of fiscal deficit in the government budget. What does it indicate? 3
3. Explain the components of legal reserve ratio. 3
4. When the people are granted loans by the banks then why and what is the process of credit creation by the commercial banks? 4
5. Explain any two importance of public expenditure. 4
6. Giving reasons explain how the following should be treated while estimating the national income. 4
7. Expenditure on free services provided by the government
8. Payment of interest by a government firm
9. Payment of Internet bills by a firm
10. Payment of electricity bill by a school
11. School fees paid by a family
12. Find out i) National Income ii) Net National Disposable Income 6

a)Net transfers to abroad 30

b) Net Domestic fixed investment 100

c) Autonomous consumption expenditure 100

d) Depreciation provision 600

e) Net increase in semi finished goods -50

f) Expenditure by the state governments on social welfare 200

g) Net factor Income paid by non residents to residents 20

h) Gross domestic Capital Formation 110

i) Net Indirect taxes 70

k) MPC 60%

l) Factor Income from ROW 10

1. What do you understand by the term ‘Normal Resident’? 6
2. Give the meaning of foreign exchange and foreign exchange rate. Giving reason, explain the relation between foreign exchange rate and demand for foreign exchange. 6

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  *Marching Towards Perfection*