

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 No.1-5 and 17-21 are very short-answer questions carrying 1 mark each. They are required to be answered in one sentence each.
- (iv) Questions No.6-10 and 22-26 are short-answer questions carrying 3 marks each. Answer to them should normally not exceed 60 words each.
- (v) Questions No.11-13 and 27-29 are also short-answer questions carrying 4 marks each. Answer to them should normally not exceed 70 words each.
- (vi) Questions No.14-16 and 30-32 are long-answer questions carrying 6 marks each. Answer to them should normally not exceed 100 words each.
- (vii) Answer should be brief and to the point and the above word limits should be adhered to as far as possible.

Section-A

(Introductory Micro-Economics)

1. What do you mean by economizing resources?
2. What is the general shape of demand curve?
3. Express total cost in terms of FC and VC.
4. Define marginal revenue.
5. Define market equilibrium.
6. Explain the relationship between MC and TVC.

OR

Why is AC curve U-shaped?

7. 'Massive unemployment shifts the PPC to the left'. Defend or refute.
8. A consumer buys 25 units of goods at a price of Rs 5 per unit. When the price rises, he buys 20 units. If the price elasticity of demand is unity, find out the new price.
9. Bring out the difference between extension of demand and increase in demand.
10. Describe the nature of revenue curves of a perfectly competitive firm.

11. What factors lead to increasing returns to a factor?
12. The fixed cost of a firm is Rs 120. Its marginal cost at different levels of output is given below. Calculate the total cost and average variable cost at each level.

Output (units)	1	2	3	4
Marginal cost (Rs)	60	52	56	64

13. Explain the causes behind the leftward shift in the demand curve.
14. Compare the equilibrium price and output under monopoly with that of equilibrium price and output under perfect competition.
15. How is the equilibrium price and equilibrium quantity determined if
 - I. demand increases
 - II. supply decreases
16. Explain the determinants of price elasticity of demand.

Section-B
(Introductory Macro-Economics)

17. Mention two components of government budget.
18. What is deficit financing?
19. What monetary system does India follow?
20. Give two examples of non-debt capital receipts.
21. Define foreign exchange rate.
22. Differentiate between current account and capital a/c of balance of payment. Is import of machinery recorded in the current a/c or capital a/c. Give reasons in support of your answer.
23. Explain the short coming of barter exchange.
24. Distinguish between plan expenditure and non plan expenditure.
25. "Balance of payment" always balances. Elaborate.
26. From the following data calculate national income.

Items	Rs(cr.)
1) Compensation of employees	800
2) Rent	200
3) Wages and salaries	750
4) Net exports	-30
5) Net factor income from abroad	-20
6) Profit	300
7) Interest	100
8) Depreciation	50

OR

On the basis of following information calculate personal disposable income.

Items	Rs(Lacs)
1) Private income	2000
2) Income accruing to corporation	500
3) Personal Income tax	100
4) Dividend	50
5) Miscellaneous receipts of govt. administrative dept.	50

27. Explain the importance of money.
 28. Bring out the difference between APC and MPC? Does MPC affect level of income.
 29. Compare the following table:-

MPC	MPS	K (Multiplier)
0	-	-
-	$\frac{1}{2}$	-
-	-	3
$\frac{3}{4}$	-	-

30. Explain the impact of excess demand on output, prices and employment.
 31. Explain the sources or component of domestic income.

OR

Explain the term economic territory and also explain what it includes and excludes.

32. With the help of the following data calculate :-
 a) Gross domestic product at market prices.(GDP_{MP})

- b) Private income
- c) Personal income

Items	Rs(Cr)
a. Net indirect taxes	7500
b. Net factor income from abroad (NFIA)	-200
c. Savings of the private corporate sector	2800
d. Gross national product at factor cost	39500
e. Income from domestic product accruing to private sector	31000
f. Corporate tax	2200
g. Interest on national debt	900