

# CLASS XII GUESS PAPER ECONOMICS

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Time: 3hrs

MM: 80

1. All questions are compulsory
2. Question no. 1-4 and 13-16 are one mark each- one sentence
3. Question no. 5-6 and 17-18 are 3marks each- 60 words
4. Question no. 7-9 and 19-21 are 4 marks each- 70 words
5. Question no. 10-12 and 22-24 are 6 marks each-100 words
6. No word limit for numerical question

1. Define marginal revenue.
2. Give two reasons for the problem of choice.
3. Define production function.
4. Define equilibrium quantity.
5. Complete the following:-

Output.	AR.	MR.	TR
1.	10.	10.	10
2.	___	8.	___
3.	8.	___.	___
4.	___.	0.	___

6. Define marginal cost. Explain the relationship between MC and AC.

Or

Explain the relationship between MP and AP.

7. Explain the central problem of distribution of income.
8. Explain the implications of the following features:-

- a. Homogeneous goods
  - b. Perfect knowledge about inputs and output
9. Given the market price of a good, how does a consumer decide to how many units of that good to buy.
10. Distinguish between change in supply and change in quantity supplied. Which of these causes a shift in the supply curve.

Or

Define supply curve. Draw supply curves with the elasticity of supply equal to one, zero, infinite, less than one

11. Giving reasons state whether the following are true or false:-
- a. Indifference curve is concave to the origin
  - b. Consumer has monotonic preferences when he is indifferent between the bundles (10,10) and (10,8).
  - c. Marginal utility is negative when total utility falls
  - d. A budget set is a collection of all bundles that a consumer want to buy.

Or

A consumer consumes two goods X and Y. Explain that conditions of consumer's equilibrium using utility analysis.

12. The equilibrium market wage rate is Rs14000 per month. The government finding is low, fixes a minimum wage rate of RS 18000 per month. Examine the implications of this decision. Use diagram

Or

At a given price of a commodity there is excess supply. Is it an equilibrium price? If not, how equilibrium price will be reached. Use diagram.

### Section-B

13. Can the value of APS be negative. Give reasons.
14. Give the meaning of Keynesian psychological law of consumption.
15. State any two objectives behind devaluation of domestic currency.
16. Balance of trade shows a deficit of RS 2500 crores and value of imports of goods is RS 4500. Find the value of exports of goods.
17. Define deposit multiplier. The commercial bank receives a new deposit of RS RS 10000 crores. If in such a a economy, the central bank maintains a legal reserve ratio of 20%, calculate the maximum amount of deposits that can be created by commercial banks
18. Explain the function of central bank as a banker to the government.

Or

State the quantative methods of credit control by the central bank of a country. Explain anyone.

19. Calculate National Income by expenditure method and GNPmp by income method from the following data:-
- |  |     |
|--|-----|
| a. Net factor income from abroad _____.            | -20 |
| b. Government final consumption expenditure _____. | 200 |
| c. Wear and tear allowance _____.                  | 10  |
| d. Rent _____.                                     | 40  |
| e. Net domestic capital formation _____.           | 100 |

f. Private final consumption expenditure_____.	800
g. Compensation of employees_____.	700
h. Interest_____.	60
i. Profit tax_____.	30
j. Dividend_____.	90
k. Retained earnings_____.	5
l. Net exports_____.	50

Or

Differentiate between:-

- A. Factor payments and transfer payments
- B. Domestic product and national Income

20. Explain the concept of deflationary gap with the help of diagram and also explain two fiscal measures to overcome it.
21. State whether the following are true or false give reasons for your answer:-
- a. Deficit in balance of trade is caused by high rate of inflation in the economy.
  - b. Compensation of employees from rest of the world is a credit component of capital account of balance of payment account.
22. A. Through its budget proposals, government of India, aims to bring down economic stability by controlling fluctuations mainly in price, explain two ways in which government can control fluctuations.

B Define fiscal deficit. Is fiscal deficit is always inflationary in nature. Give reasons for your answer.

23. Complete the following:-

MPC.	$\Delta S.$	$\Delta C.$	K.	$\Delta Y.$	MPS.	$\Delta I$
0.8.	—.	—.	—.	—.	—.	200
—.	—.	—.	10.	1000.	—.	—
—.	—.	400.	—.	800.	—.	—
—.	—.	—.	—.	—.	0.25.	1000

24. Can GDP be used as an index of welfare of the people. Give two reasons.