

SAMPLE PAPER (2015)
CLASS – XII
ECONOMICS

Time: 3 hrs.

M.M:100

General instruction

- 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. Answers to them should normally not exceed 60 words each.
- v)* Questions No. 11-13 and 27-29 are also short-answer question & carrying 4 marks each. Answers 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. Answers to them should 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.

SECTION A:INTRODUCTORY MICRO-ECONOMICS

- 1.What would be the shape of demand curve so that total revenue curve is positively Straight line originating from origin? [1]
- 2.What do you mean by cross demand? [1]
3. Define microeconomics. [1]
- 4.If the demand curve is rectangular hyperbola, what is its elasticity? [1]
- 5.Draw the effect of increase in input price on the supply curve? [1]
6. If a product price increases, a family spending on the product has to increase. defend or refute. [3]
7. If the price of a commodity increases from ₹ 10 per unit to ₹ 20 per unit and e_s of the commodity is 2.5, when the seller was supplying 100 units at ₹ 10 per unit. Find out new supply after change in price. [3]
8. Explain the relationship between TR and MR under perfect competition with a schedule. [3]

OR

- Explain the relationship between TR and MR under non-competitive markets with a schedule.
9. A monopoly seller is a price maker with constraint. Explain. [3]

10. Explain the demand by an individual and market demand with the help of a schedule. [3]

11. (a) What does a movement from one point to another along PP curve shows?

(b) What does a rightward shift of PP curve shows? Draw diagram. [2+2]

12. The Indian Govt. has decided to open Indian economy for FDI in multi-brand retail sector. There is a chance of foreign investors dumping cheap goods from China, Taiwan and Korea in shops wiping away the small Indian retail producers (toys industries eg. Leo toys). In your opinion what would be the consequence of this decision of Govt. on small Indian retail producers? [4]

13. From the following data relating to the cost of a firm, calculate the AFC & AVC Of producing 4 units. [4]

Output	0	1	2	3	4
Total cost (₹)	80	102	122	140	156

14. Explain any four factors that influence elasticity of demand for a commodity. [6]

OR

A consumer wants to consume two goods. The prices of the goods are ₹ 4 and ₹ 5. The consumer's income is ₹ 20.

(a) Write down equation of budget line.

(b) What is the slope of budget line?

(c) How much Good 1 can the consumer consume if he spends the entire income on that good?

(d) How does the budget line change if the consumer income increases to ₹ 40, But prices remain unchanged?

15. (a) Account for the causes of diminishing returns to a variable factor. [3+3]

(b) Differentiate between collusive & non-collusive oligopoly.

16. In general, how is the equilibrium price & equilibrium quantity determined if both demand & supply decrease? [6]

SECTION B: INTRODUCTORY MACRO-ECONOMICS

17. Mention two components of government budget. [1]

18. What is the deficit financing? [1]

19. How much would be the aggregate saving in an economy at zero level of income? [1]
20. Give two examples of non-debt capital receipts. [1]
21. Industrial waste causes waterpollution in river Yamuna resulting in loss of social Welfare .The GDP calculated will be unreliable. Why ?How can we correct the situation. [1]
22. 'Balance of Payment always balances'. Elaborate. [3]
23. From the following data calculate national income : [3]

ITEMS	(₹ CRORES)
(i) Compensation of employees	800
(ii) Rent	200
(iii) Wages and salaries	750
(iv) Net exports	(-)30
(v) Net factor income from abroad	(-)20
(vi) Profit	300
(vii) Interest	100
(viii) Depreciation	50

OR

On the basis of following information, calculate Personal Disposable Income.

		(₹ in Lakhs)
1. Private income		2000
2. Income accruing to corporations	500	
3. Personal Income tax	100	
4. Dividend		50
5. Miscellaneous receipts of Govt. administrative dept.		50

24. Distinguish between the current account and capital account of balance of payments account. Is import of machinery recorded in current account or capital account? Give reasons for your answer. [2+1]
25. Explain the inconveniences of Barter exchange. [3]
26. Differentiate between plan expenditure and non-plan expenditure. [3]
27. Explain the 'medium of exchange' and 'measure of value' function of money. [4]
28. What is the difference between APC and MPC? Does MPC affect level of income? [1+3]

OR

(a) If disposable income is ₹ 500 and saving is ₹ 100, find APC. [2+2]

(b) Calculate change in income when MPC = 0.8 and change in investment = ₹ 1000.

29. Complete the following table-

[4]

MPC	MPS	K(Multiplier)
0	—	—
—	1/2	—
—	—	3
3/4	—	—

30. What is excess demand in macroeconomics? Explain with the help of a diagram.

What are the impact of excess demand on output, prices and employment. [6]

31. Explain the sources or components of domestic income. [2x3]

OR

(a) What does economic territory includes. [3+3]

(b) Define the concept of 'normal resident'

32. With the help of the following data, calculate : [2x3]

(i) Gross domestic product at market price (GDP_{MP}) (ii) Private income

(iii) Personal income.

(in crores)

(a) Net indirect taxes	7,500
(b) Net factor income from abroad (NFIA)	(-) 200
(c) Savings of the private corporate sector	2,800
(d) Gross National Product at factor cost	39,500
(e) Income from domestic product accruing to private sector	31,000
(f) Corporate tax	2,200
(g) Interest on national debt	900