

SAMPLE PAPER-2015
CLASS – XII
SUBJECT: ECONOMICS

Time: 3 Hrs

MM: 100

General instructions:

- a) All questions in both the sections are compulsory.
- b) Marks for questions are indicated against each.
- c) Questions carrying **1** mark for each part are required to be answered in one sentence each.
- d) Questions carrying **3** marks are required to be answered in not more than **60** words each.
- e) Questions carrying **4** marks are required to be answered in not more than **70** words each.
- f) Questions carrying **6** marks are required to be answered in not more than **100** words each.
- g) Answers should be brief and to the point and the above word limits should be adhered to as far as possible.
- h) All parts of a question should be answered together.

Section – A (50 Marks)

1. How is total utility derived from marginal utility? (1)
2. What is production function? (1)
3. Why VSNL has monopoly in India to provide international telephone service? (1)
4. What is the relationship between TR, price and quantity sold? (1)
5. What do you mean by patent right? (1)
6. What is the problem of choice? Why does the problem of choice arise? Give three reasons. (3)
7. What does AFC curve look like? Why does it look so? (3)
8. How does unfavourable change in taste of consumer affect the demand for commodity? (3)
9. Complete the following table: (3)

Units	1	2	3	4	5	6
TU	10	-	-	25	-	26

MU	-	8	5	-	1	-
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10. The cyclone in the coastal area reduces the productivity of land. How will it affect the supply curve of that region? (3)

11. Calculate MC and AVC at each level of output. (4)

Output (Units)	0	1	2	3	4
TC (Rs.)	100	160	212	280	356

12. Explain how price exceeds MC in monopolistic competition. (4)

13. Distinguish between an inferior good and normal good. Explain the effect of change in income on each giving suitable example. (4)

14. How is the firm under perfect competition a price maker? (6)

15. Why people purchase more at less price? (6)

16. Giving reasons, state whether the following statements are true or false: (6)

- (a) Increase in total product always indicates that there are increasing returns to factor.
- (b) Marginal revenue is always the price at which the last unit of a commodity is sold.
- (c) When there is diminishing return to factor marginal and total product both always fall.

Section – B (50 Marks)

17. What can be the maximum value of multiplier? (1)

18. Can consumption exceed income? If yes then what is the saving then? (1)

19. Is the study of Reliance India Ltd. a micro or macro economic theory? (1)

20. Why are subsidies treated as revenue expenditure? (1)

21. In what ways high population growths of poor countries affect the BOP? (1)

22. Define current account of BOP. What does the deficit in current account indicate? (3)

23. Giving reasons explain how the following are treated while estimating national income: (3)

- (a) Transport expenses by a firm.
- (b) Expenditure on construction of a house.
- (c) Gift received from employer.

24. Explain the meaning of (a) crawling peg (b) Managed floating and (c) Adjustable peg system. (3)

25. Differentiate between Balance of trade and Balance of payment. (3)

26. Calculate Net value added at factor cost from the following: (3)

- (i) Subsidy **Rs. Crore**
40

(ii) Sales	800
(iii) Depreciation	30
(iv) Exports	100
(v) Closing Stock	20
(vi) Opening Stock	50
(vii) Intermediate consumption	500

27. Explain the concept of inflationary gap with the help of a diagram (4)
28. Explain the impact of excess demand on output, prices and employment. (4)
29. "The best way to tackle the problem of poverty in our country is to ask RBI to print and circulate more currency. Defend or refute. (4)
30. Explain the working of investment multiplier with the help of a numerical example. (6)
31. In an economy $S = -50 + 0.5Y$ is the saving function, (where S = saving and Y = Income) and investment is 7000. Calculate: (6)
- (a) Equilibrium level of national income
- (b) Consumption expenditure at equilibrium level of national income.
32. Calculate (a) Private income and (b) Personal Disposable income from the following: (6)

	Rs. Crore
(i) Saving of private Corporate sector	500
(ii) Saving of non-departmental public enterprise	200
(iii) Capital transfers from rest of the world	50
(iv) Current transfers from the Govt. departments	100
(v) Corporation tax	150
(vi) Income from domestic product accruing to private sector	3500
(vii) Net indirect taxes	300
(viii) NFIA	(-) 30
(ix) Current transfers from rest of the world	40
(x) Direct personal taxes	110