

Sample Paper-2015
Class XII
Subject: 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 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. What do you mean by the term scarcity? 1
2. What are the fixed factors of production? 1
3. What do you mean by market period? 1
4. What is monopoly? 1
5. What are giffen goods? 1
6. Depict a production possibility curve. Also show the distinction between an unattainable combination and an attainable combination. (1+2=3)
7. How does the demand for the commodity change with a change in a household's level of income? 3
8. If the price elasticity of demand for milk is equal to unity (=1) and if at the price of Rs. 12 per liter a household demands 40 liters of milk, how much milk will be demanded at the price of Rs. 18 per liter? 3

9. How will the equilibrium price and quantity be affected if the following two changes take place simultaneously: (i) demand for the commodity increases, and (ii) supply of the commodity increases? 3
10. What is law of demand? Are there any exceptions to the law of demand? (1+2)
11. Illustrate the relationship between average product and marginal product. 4
12. Can there be a range of output in which MC rises while AC falls? Why? 4
13. The output and Total cost data for a firm are given below: 4
- | | | | | | | |
|------------------|----|----|-----|-----|-----|-----|
| Output (Units) | 0 | 1 | 2 | 3 | 4 | 5 |
| Total Cost (Rs.) | 60 | 95 | 105 | 130 | 160 | 200 |
- Compute the firm's schedules of average fixed cost, average variable cost, average cost, marginal cost.
14. What are the factors that determine the supply of a commodity? Use graph to explain the distinction between the increase in supply and extension in supply. 3+3)
15. What are the features of monopolistic competition? How do they differ from those of monopoly? 6
16. a) Distinguish between normal good and an inferior good.
b) Why does a supply curve always slope upwards? Are there any exception? (3+3)

Section – B

17. Give two examples of a macro economics variable. 1
18. Define government budget. 1
19. Define flexible exchange rate. 1
20. State any two major sectors in a circular flow of income. 1
21. What do you mean by fiscal deficit? 1
22. What is a saving function? Derive the saving function from the following consumption function. $C = a + bY$. 3
23. When does situation of excess demand and deficient demand arise in an economy? What is the effect on output, price and employment under both the situations? 3
24. Distinguish between revenue expenditure and capital expenditure in government budget. Give two examples of each. 3
25. Explain the concept of 'leakages and injections in the circular flow of income. 3
26. Distinguish between direct and indirect taxes. Give two examples of each. 3
27. Enumerate the principal functions of a central bank. 4
28. Differentiate between commercial bank and central bank. 4

29. State the main components of balance of payments on capital account. 4
30. Explain how the aggregate demand and aggregate supply can be in equilibrium at less than full employment. 6
31. What do you mean by investment multiplier? Illustrate graphically. 6
32. Calculate Gross National Disposable Income and Personal Income from the given data: 6

	(Rs crores)
(i) Personal tax	120
(ii) Net indirect tax	100
(iii) Corporation tax	90
(iv) National income	1000
(v) Net factor income from abroad	5
(vi) Consumption of fixed capital	50
(vii) National debt interest	70
(viii) Retained earnings of private corporate sector	40
(ix) Net current transfers to the rest of the world	(-)20
(x) Current transfers from government	30
(xi) Share of government in national income	80