
CBSE SAMPLE PAPER-1(Unsolved)

ECONOMICS

Class – XII

Time allowed: 3 hours

Maximum Marks: 100

General Instructions:

- a) All questions are compulsory.
 - b) The question paper comprises of two sections, A and B. You are to attempt both the sections.
 - c) Questions 1 to 6 in section A and 17 to 18 in section B are one mark questions. These are to be answered in one word or in one sentence.
 - d) Questions 7 to 10 in section A and 19 to 22 in section B are three marks questions. These are to be answered in about 30 words each.
 - e) Questions 11 to 12 in section A and 23 to 25 in section B are four marks questions. These are to be answered in about 50 words each.
 - f) Questions 13 to 16 in section A and 26 to 29 in section B are six marks questions. These are to be answered in about 70 words each.
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Section A

1. When is the demand for a commodity said to be elastic?
2. What is meant by market period?
3. Mention one determinant of demand for a commodity other than the price of the commodity.
4. What is the value of elasticity of demand on a rectangular hyperbola demand curve?
5. Draw a demand curve with unitary price elasticity.
6. When does a demand curve shift?
7. Explain the problem of “how to produce”.
8. Discuss three properties of Indifference curve.
9. Differentiate between movement along the supply curve and shift in supply curve with the help of diagrams.
10. What is substitution effect? How does number of substitutes of a commodity affects its price elasticity?
11. Explain four causes of the leftward shift of the supply curve.
12. An ice-cream seller sells ice-creams for Rs 40 each. Rahul, who loves ice-cream has already eaten 4. His marginal utility from eating 4 ice-creams is 120. Suppose that the marginal utility of one rupee is 4. Should he eat more ice-cream or should he stop?
13. Define Oligopoly. Explain the features of Oligopoly.

14. How is equilibrium price of a good determined? Explain with the help of diagram a situation when both demand and supply curve shift to the right but equilibrium price remains the same.
15. Explain the relationship between ATC, AVC, and MC with the help of suitable illustration.
16. What will be the effect of the following on the demand for the commodity:
 - a) A change in the income of the consumers.
 - b) A change in the price of related goods.
 - c) A change in taste and preferences of the consumers ?

SECTION B

17. How is personal disposable income derived from private income?
18. What is a bank rate?
19. Distinguish between intermediate and final goods using examples.
20. Explain the concept of inflationary gap. Explain two fiscal measures to reduce this gap.
21. Explain two monetary policy measures to correct the problem of excess demand in the economy.
22. **India is suffering from the problem of inequalities in the distribution of income and wealth. How can budget be used as an instrument?**
23. From the following data:

(Rs. in crores)

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|-------------------------------|----------|
| GNP _{FC} | 1,13,882 |
| Indirect taxes | 6,744 |
| Subsidies | 2,839 |
| Depreciation | 8,048 |
| Net Factor income from abroad | 298 |

Calculate: (a) GNP_{MP} (b) NNP_{MP} (c) NDP_{MP} (d) NDP_{FC}

24. What is a balanced government budget? Explain the multiplier effect of a balanced budget.
25. What is meant by 'Investment multiplier'? Explain the relationship between marginal propensity to consume and investment multiplier.
26. Explain the circular flow of income in a two sector economy.
27. Explain the main functions of the central bank.
28. Explain four causes of disequilibrium in Balance of Payment.
29. Explain the determination of equilibrium level of income in the economy using Savings-Investment approach. Use diagram.