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**CBSE SAMPLE PAPER 2 (Unsolved)**

**ECONOMICS**

**Class – XII**

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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 5 in section A and 16 to 18 in section B are MCQ's of one mark each. Choose the correct option.
  - d) Questions 6 to 8 in section A and 19 to 23 in section B are three marks questions. These are to be answered in about 30 words each.
  - e) Questions 9 to 11 in section A and 24 to 25 in section B are four marks questions. These are to be answered in about 50 words each.
  - f) Questions 12 to 15 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**

Q1. The central problems of the economy can be explained with the help of:

- |                       |                       |
|-----------------------|-----------------------|
| a) P.P.C.             | b) Budget line        |
| c) indifference curve | d) None of the above. |

Q2. If an increase in income is offset by a change in price of the goods, budget line would:

- |                       |                      |
|-----------------------|----------------------|
| a) Shift to the right | b) shift to the left |
| c) will not change    | d) all of the above  |

Q3. With an increase in the supply of resources, PPC would move:

- |                    |                      |
|--------------------|----------------------|
| a) To the right    | b) to the left       |
| c) Does not change | d) None of the above |

Q4. If all the resources are fully and efficiently utilized, the economy would produce:

- |                |               |
|----------------|---------------|
| a) On PPC      | b) Inside PPC |
| c) outside PPC | d) at origin  |

Q5. Which of the following is not a determinant of demand?

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|---------------------------|-------------------------------|
| a) Price of the commodity | b) income of the consumer     |
| c) price of inputs        | d) price of substitute goods. |

- Q6. Why is the total revenue curve of a price taking firm an upward sloping straight line? Why does the curve pass through the origin.
- Q7. How is PPC affected by unemployment in an economy? Explain.
- Q8. Explain the effect of technological changes on the supply of a commodity. Use diagram.
- Q9. **If the market demand for agricultural commodities is price-elastic, would a bad harvest lead to an increase or a decrease in the incomes of the farmers as a group? Why?**
- Q10. Complete the following table:

Output (units)	Price (Rs)	MR	TR
1			10
2		4	
3			15
4		-3	

- Q11. Give the meaning of perfectly elastic and perfectly inelastic demand for a commodity. Show their respective demand curves.
- Q12. Explain the features of monopolistic competition.
- Q13. Prepare a schedule based on imaginary data about TR, AR and MR assuming that the price is same at all the levels of output.
- Q14. If at a given price, there is excess demand for a commodity, how will equilibrium price be reached? Explain with the help of a diagram.
- Q15. Explain consumer's equilibrium using indifference curve analysis.

## SECTION B

- Q16. When net factor income from abroad is negative:
- NDP < NNP
  - NNP < NDP
  - NDP = NNP
  - none of the above
- Q17. Which of the following is a method of calculating national income?
- Value added
  - income distribution
  - final expenditure

- d) all of the above.
- Q18. Which of the following is a function of money?
- a) Measure of value
  - b) store of value
  - c) medium of exchange
  - d) all of the above.
- Q19. Explain the components of  $S = -a + (1-b)Y$ .
- Q20. Distinguish between personal income and personal disposable income.
- Q21. Explain the term compensation of employees and its components. Giving reasons state whether the following are treated as compensation of employees:
- a) Gift by employers
  - b) bonus
- Q22. **India is suffering from the problem of fiscal deficit for the last many years. Explain any two steps.**
- Q23. What is deficit demand? How does it affect the income, output and employment in an economy?
- Q24. Distinguish between limited and unlimited legal tender.
- Q25. What are the different sources of non-tax revenue receipts in a government budget?
- Q26. Can GDP (or real GDP) be taken as an adequate index of welfare of the people? Explain giving reasons.
- Q27. Define money supply. Explain the different measures of money supply used by RBI in India.
- Q28. What is money multiplier? How will you determine its value? What ratios play an important role in the determination of the value of the money multiplier?
- Q29. State the rules of recording transactions in BOP account.