

**CBSE TEST PAPER 21**

**Class XII (Economics)**

**Time 3 Hours.**

**M.M. :100**

**Section – A**

1. Production function. [1]
2. Law of variable proportions. [1]
3. Break-even point. [1]
4. Indifference Curve. [1]
5. When is Demand said to be price-inelastic? [1]
6. Explain the effect of rise in input prices on supply of a commodity? [3]
7. What are the factors determining Price Elasticity of Demand for a good? [3]
8. Distinguish between Returns to factor and returns to scale? [3]
9. Distinguish between micro economics and macro economics. [3]
10. What is budget line? Explain why the budget line is downward sloping? [3]
11. Draw a supply curve showing :- [4]
  - (a) Elasticity of supply more than unity.
  - (b) Elasticity of supply less than one.
12. Explain producer's equilibrium using 'total revenue and total Cost' approach. [4]  
Use diagram.
13. Define marginal cost. State the relation between MC and CA. [4]
14. What are marginal Revenue and Average Revenue curves look like under monopoly and monopolistic competition? [4]
15. Distinguish between contraction and decrease in supply. [4]
16. Explain Price Ceiling and Price Floor with diagram. [6]
17. What is meant by market equilibrium? Explain change in Demand and [6]

Equilibrium price :-

(a) when supply of the commodity is perfectly elastic.

(b) when supply of the commodity is perfectly inelastic.

18. Differentiate between perfect competition and monopolistic competition. [6]

19.a. List the 3 different ways in which oligopoly firms may behave ? [6]

19.b. How are the equilibrium price and quantity affected when :-

(i) both demand and supply curves shift in the same direction.

(ii) Demand and supply curves shift in opposite directions.

20.a. A seller of potatoes sells 80 quintals a day when the price of potatoes is Rs. 4 per kg. The elasticity of supply of potatoes is known to be 2. How much quantity will this seller supply when the price rises to Rs. 5 per kg. [6]

20.b. Consider the demand for a good. At price Rs. 4, the demand for the good is 40 units. Suppose price of the good increases to Rs. 5 and as a result, the demand for the good falls to 20 units. Calculate the price elasticity.

#### Section - B

Define :- ( Do any five)

1. Gross domestic product at market price. [1]

2. Gross national product at factor cost . [1]

3. Gross domestic product at factor cost. [1]

4. Gross national product at market price. [1]

5. Net National product at market price. [1]

6. Personal Income. [1]

7. Explain the circular flow of income in a two sector economy. [3]

8. What are the features of a capitalist economy? [3]

- 9.a. Distinguish between final goods and intermediate goods with example. [4]
- 9.b. Distinguish between consumption goods and capital goods with example.
10. Explain the significance of injections and leakages in circular flow of income with examples. [4]
11. Explain the interdependence between micro economic and macro economic giving suitable examples. Also explain the Emergence of macro economics? [5]
12. Write notes on :- [6]
- (a) Depression of 30's.
  - (b) Four sectors of the economy from the macro point of view.