

CBSE UNIT TEST PAPER-22
CLASS - XII (ECONOMICS)
FIRST TERM UNIT TEST – 2009-10

Time :3 Hours

M.M.100

General Instructions :

1. All questions in both the sections are compulsory.
2. Marks for questions are indicated against each.
3. Question No. 1-5 and 17-21 are required to be answered in one sentence each.
4. Q. No. 6 to 10 and 22 to 26 are answer to them should not normally exceed 60 words.
5. Q. No. 11-13 and 27-29 should not normally exceed 70 words each.
6. Q. No. 14-16 and 30-32 should not normally exceed 100 words each.
7. Answers should be brief and to the point and the above word limit be adhered to as far as possible.

PART - I

- Q1. When is a good called an Inferior good? [1]
- Q2. Define Marginal Cost? [1]
- Q3. What causes a downward movement along a supply curve? [1]
- Q4. What give rise to an economic problem? [1]
- Q5. What happens to equilibrium price of a commodity if there is decrease in its demand and increase in its supply? [1]
- Q6. Explain production possibility curve is concave? [3]
- Q7. When the price of a commodity rises from Rs. 10 per unit to Rs. 11 per unit its quantity demanded falls by 15 percent calculate its elasticity of demand? [3]
- Q8. Find the profit maximizing level of output from the following: [3]
- | Quantity sold (Units) | Price (Rs.) | Average Total cost (Rs.) |
|-----------------------|-------------|--------------------------|
| 7 | 10 | 6 |
| 8 | 9 | 5 |
| 9 | 8 | 6 |
| 10 | 7 | 7 |
- Q9. Why does the difference between average total cost and average variable cost [3]

decrease with increase in the level of output? Explain.

OR

Complete the following table?

Output	Total cost	AVC	MC
0	80	-	-
1	180	-	-
2	270	-	-
3	350	-	-
4	440	-	-

Q10. Explain the effect of increase in demand of a commodity on its equilibrium price and quantity. [3]

Q11. Complete the following table : [3]

Output (units)	Average Revenue	TR	MR
1	-	20	-
2	-	-	8
3	-	30	-
4	-	-	(-) 6

Q12. Explain any features of perfect competition? [4]

OR

Explain any four distinguish between Monopoly and Monopolistic competition?

Q13. Explain the effect of rise in income on demand for a good (use diagram). [4]

Q14. Define producer's equilibrium? Explain the condition it producer's equilibrium in terms of TR and TC? (use diagram) [6]

Q15. (a) Distinguish between decrease in supply and contraction in supply? [6]

(b) Explain the effect of the following on the supply of a commodity.

(i) Rise in price of inputs.

(ii) Rise in prices of other goods.

Q16. Explain the likely behaviour of TP and MP when only one input is increased while all the inputs are kept unchanged? [6]

PART - B

Q17. What is meant by Real Flow? [1]

Q18. Define Stock? [1]

- Q19. Define private income? [1]
- Q20. Give one example of Transfer payment? [1]
- Q21. Define Normal Residents? [1]
- Q22. Explain any 3 distinguish between Micro and Macro Economics. [3]
- Q23. Explain difference b/w Intermediate and Final goods. [3]
- Q24. Show how the sum of value added is equal to sum of factor income? [3]
- Q25. What is meant by double counting? Give one example. [3]
- Q26. Distinguish between factor income and transfer income? (Any three) [3]
- Q27. Explain the concept of leakage and injection in circular flow? Give two examples? [4]
- Q28. Write Short Note on following. [4]
- Corporate tax
 - Dividend
 - Undistributed Profit
 - Subsidy
- OR**
- Explain the components of compensation of Employee?
- Q29. Giving reason, classify the following into direct tax and indirect tax? [4]
- Wealth tax
 - Entertainment tax
 - Income tax
 - Sales tax
- Q30. Explain circular flow of income with four sector Model? [6]
- Q31. From the following data find out National income by income method and expenditure method? [6]

		(Rs in crores)
(i)	Govt Final consumption expenditure	100
(ii)	Subsidies	10
(iii)	Rent	200

(iv)	Wages and salaries	600
(v)	Indirect tax	60
(vi)	Private final consumption expenditure	800
(vii)	Gross domestic capital formation	120
(viii)	Social security contribution by employer	55
(ix)	Royalty	25
(x)	Net factor income Paid to abroad	30
(xi)	Interest	20
(xii)	Net domestic Capital formation	110
(xiii)	Profit	130
(xiv)	Net Exports	70
(xv)	Change in stock	50

OR

Explain the components of Net Factor income from abroad? Give one example each.

Q32. Calculate Private Income and Personal Disposable Income from the following data. [5]

		(RE. in crores)
(a)	Income from property and entrepreneurship accruing to govt. administrative departments	600
(b)	Saving of non-departmental public enterprises	100
(c)	Corporation tax	80
(d)	Income from domestic product occurring to private sector	4500
(e)	Current transfer from govt. administrative department	200
(f)	Net factor Income from abroad (-)	50
(g)	Direct personal taxes	150
(h)	Indirect tax	220
(i)	Current transfer from the rest of world	80
(j)	Saving of private corporate sector	500