

CBSE UNIT TEST PAPER-24

CLASS - XII (ECONOMICS)

Time :3 Hours

M.M.100

General Instructions:-

- i) All questions in both the sections are compulsory.
- ii) Marks for questions are indicated against each.
- iii) Q. Nos. 1-5 and 17-21 are very short-answer each.
- iv) Q. Nos. 6-10 and 22-26 are short-answers questions carrying 3 marks each. Answers to them should not normally exceed 60 words.
- v) Q Nos. 11-13 and 27-29 are also short-answer questions carrying 4 marks each. Answer to them should not normally exceed 70 words.
- vi) Q. Nos. 14-16 and 30-32 are long-answer questions carrying 6 marks each. Answer to them should not normally exceed 100 words.
- vii) Answer should be brief and to the point and the above word limit be adhered to as far as possible.

Section - 'A'

- Q1. Define market economy. [1]
- Q2. What is a budget set. [1]
- Q3. What is the relation between change in income and change in demand of an inferior good? [1]
- Q4. What is the meaning of decrease in supply? [1]
- Q5. What is meant by equilibrium price? [1]
- Q6. Explain the problem of 'how to produce' with an example. [3]
- Q7. State three properties of indifference curve. [3]

Or

Explain the concept of marginal rate of substitution.

- Q8. Define utility Describe the law of diminishing marginal utility. [3]

Q9. Total fixed cost of a firm is Rs. 12/-. Given below its marginal cost schedule. [3]

Calculate total cost and average variable cost for each level of output.

Output (units)	1	2	3	4	5	6
MC	9	7	2	4	8	12

Q10. Write the difference between monopoly market and oligopoly market. [3]

Q11. Explain the difference between “change in demand” & “change in quantity demanded”. [4]

Q12. At a price of Rs. 8 per unit, the quantity supplied of a commodity is 200 units. Its price elasticity of supply is 1.5. If its price rises to Rs. 10/- per unit, calculate its quantity supplied at the new price. [4]

Q13. Explain the law of variable proportions. Use diagram [4]

OR

What is meant by returns to factor? State the law of diminishing returns to a factor.

Q14. What is consumer’s equilibrium? State its conditions under Indifference curve analysis? [6]

Q15. Explain producer’s equilibrium using a schedule use TC and TR approach. [6]

OR

Explain producer’s equilibrium using a schedule use MR and MC approach.

Q16. Explain with the help of a diagram the effect of right ward shift of supply curve of a commodity on its equilibrium price and quantity. [6]

Section – ‘B’

Q17. Give the meaning of ‘store of value’ function of money. [1]

Q18. State m_1 measure of money supply in India. [1]

Q19. What is meant by “Investment multiplier” [1]

Q20. Write the difference average propensity to consume and marginal propensity to consume. [1]

Q21. State 2 merits of fixed exchange rate. [1]

Q22. Distinguish between: [3]

- i) consumption goods & capital goods
- ii) Intermediate goods & Final goods.

Q23. State the steps taken in estimation national income by the production method. [3]

OR

Calculate Net Value added at market price from the following data:

	(Rs crores)
Depreciation	5
Sales	100
Opening stock	20
Intermediate consumption	70
Excise duty	10
Change in stock	(-) 10

Q24. State three limitations of GDP as an indicator of welfare. Explain anyone [3]

Q25. How is foreign exchange rate determined? Explain with the help of a diagram. [3]

Q26. State any items of each current account and capital account of Balance of Payment account. [3]

Q27. Explain components of Aggregate Demand. [4]

OR

Explain the meaning of consumption function.

Q28. Explain the meaning and objectives of government budget. [4]

Q29. Calculate [4]

- a) Private income and
- b) Personal disposable income from the following data:

		Rs. Crores
i)	Savings of private corporate sector	500
ii)	Current transfers from rest of the world	60
iii)	Corporation tax	80
iv)	Current transfers from Govt. administrative department	170
v)	Direct personal taxes	150

vi)	Income from domestic product accruing to private sector	4,500
vii)	Savings of non-departmental public enterprises	250
viii)	Net factor income from abroad	(-) 30
ix)	Net exports	(-) 50

OR

From the following calculate National Income by:

- Income method and
- Expenditure method

		Rs. Crores
i)	Private final consumption expenditure	2,000
ii)	Net capital formation	400
iii)	Change in stock	50
iv)	Compensation of employees	1,900
v)	Rent	200
vi)	Interest	150
vii)	Opening Stock	720
viii)	Net indirect tax	400
ix)	Employee's contribution to social security schemes	100
x)	Net exports	20
xi)	Net factor income from abroad	(-)20
xii)	Govt. final consumption expenditure	600
xiii)	Consumption of fixed capital	100

- Q31. Explain credit control function of Central Bank. [6]
- Q32. Write the difference between inflationary gap and deflationary gap. How do you solve deflationary gap. [6]