

**SAMPLE PAPER
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 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.

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?

- 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. State the conditions of consumer's equilibrium if a consumer consumes (a) one good (b) two goods, using utility 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
 - all of the above.
- Q18. Which of the following is a function of money?
- Measure of value
 - store of value
 - medium of exchange
 - 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:
- Gift by employers
 - 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 components of money supply .
- 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. List the components of current and capital accounts of BOP.