

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. If MRT is constant, then:

- a) PP curve is convex
- b) PP curve is concave
- c) PP curve is a straight line
- d) All of the above.

Q2. A rise in price of a complement will lead to:

- a) Decrease in demand for a good
- b) Increase in demand for a good
- c) no change in demand
- d) None of the above

Q3. Suppose 10,000 laborers migrate from India to US. India's PPC would move:

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

Q4. Which of the following is not a property of indifference curve?

- a) I.C. is convex to the origin
- b) I.C. slopes downwards to the right
- c) two I.C.'s can cross each other
- d) none of the above.

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

- a) Nature of the good
- b) availability of close substitutes
- c) level of income
- d) prices of inputs

Q6. What changes in total revenue will result in

- (a) decrease in marginal revenue
- (b) an increase in marginal revenue?

Q7. Explain the law of diminishing marginal utility with the help of a utility schedule.

Q8. Explain the geometric method of measuring price elasticity of supply.

Q9. Which of the following have inelastic demand: a) salt b) medicines c) mobile phones.

Q10. **Suppose that the demand curve for XYZ co. slopes downwards to the right. Would you conclude that the firm is a price taker or a price maker. Give reasons.**

Q11. How does TU change with the change in MU of a commodity? Explain.

Q12. Trace the effects of demand shifts on equilibrium price and quantity. Use diagram.

Q13. Explain the relationship between price elasticity of demand and marginal revenue with the help of a diagram.

Q14. What is the relationship between elasticity of demand and change in expenditure on a good?

Q15. Explain the concept of marginal rate of substitution with the help of a schedule and diagram. Give reasons behind diminishing MRS_{XY} .

SECTION B

Q16. NNP is:

- a) $NDP + NFIA$
- b) $GDP - depreciation$
- c) $NDP + depreciation$
- d) none of the above.

Q17. GNI is another name for:

- a) GNP_{FC}
- b) National Income
- c) GNP_{MP}
- d) GNP

Q18. Which of the following is not a general utility service provided by commercial bank?

- a) Locker facility
- b) term loans
- c) gift cheques
- d) underwriting securities.

Q19. How is equilibrium output of final goods determined under short-run fixed price?

Q20. Explain the term 'compensation of employee' and its components.

Q21. What is the difference between real GDP and nominal GDP?

Q22. In an economy, the actual level of income is Rs 500 crore whereas the full employment level of income is Rs 800 crore. The MPC is 0.75. calculate the increase in investment required to maintain the full employment level of income.

Q23. What is meant by investment multiplier? Explain its relationship with MPC.

Q24. Distinguish between demand deposit and time deposit.

Q25. Does public debt impose a burden? Explain.

Q26. Explain the concept of 'leakages' and 'injections' in the circular flow of income.

Q27. State the qualitative instruments of credit control by the central bank. Explain any 3.

Q28. Explain the concept of underemployment equilibrium with the help of a diagram. show on the same diagram the additional investment expenditure required to reach full employment equilibrium.

Q29. Distinguish between balance of trade and balance of payment on current account (or current account balance).