

BHARATIYA VIDYA BHAVAN'S V.M.PUBLIC SCHOOL, VADODARA
SESSION 2017-18

Class : XII

Max Marks:80

Subject : ECONOMICS

Time Allotted: 3 hrs

Answer the following questions:

Sample paper 1
Section A

1. What is meant by utility? (1)
2. Which cost curve is parallel to ox-axis? Why? (1)
3. Define production function. (1)
4. What do you mean by fixed factors of production? Give example. (1)
5. How is market demand schedule derived with the help of individual demand schedules? (3)
6. Why does higher indifference curve give more satisfaction? (3)

OR

How is Total utility derived from marginal utilities? Explain with diagram.

7. Define opportunity cost with the help of an example, how does it differ from marginal opportunity cost? (4)

OR

What is PP Frontier? Explain it with the help of an imaginary schedule and diagram. (4)

8. How does marginal revenue effect total revenue when price decreases to increase sale. Use Schedule. (4)

9. Explain the implication of large number of buyers and sellers in Perfect competition (4)

10. Whether the following statements are true or false? Give reason. (6)

- i. Two indifference curves never intersects each other.
- ii. Income effect of inferior good is positive.
- iii. Change in quantity demanded is the explanations of law of demand.

11. Explain the geometric method of measuring price elasticity of supply with the help of diagram. (6)

OR

Bring out the difference between change in quantity supplied and change in Supply

12. There is simultaneous decrease in demand and supply of a commodity. (6)

when it result in (i) no change in equilibrium price (ii) a fall in equilibrium price.

Section B

13. What is meant by currency depreciation? (1)
 14. Define foreign exchange. (1)
 15. What is a government budget? (1)
 16. Name the two categories of budget receipts. (1)
 17. Find National Income from the following: (3)
- Autonomous consumption:Rs.100

MPC : 0.8 and Investment : Rs. 50.

18. Savings and investment are always equal discuss.
(3)

OR

Define aggregate demand. State its components.

19. Distinguish between 'factor income' and 'transfer income'.
(4)

OR

Explain the meaning of "Domestic Territory of a country".

20. Explain the "redistribution of income" objective of Govt. budget.
(4)

21. Write any four points of difference between BOT and BOP. (4)

22. Explain the process of money creation by commercial banks
(6)

23. Why must aggregate demand be equal to aggregate supply at the equilibrium

level of income and output? Explain with the help of a diagram? (6)

OR

Explain the equilibrium level of income with the help of saving and investment curves. If saving exceed planned investment, what changes will bring about the equality between them?

24. How will you treat the following while estimating national income of India.
(6)

(a) Dividend received by an Indian from his investment in shares of a foreign company.

(b) Money received by a family in India from relatives working abroad.

(c) Interest received on loan given to a friend for purchasing a car.

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