

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

Class : XII
Subject : ECONOMICS

Max Marks:80
Time Allotted: 3 hrs

Sample Paper 4

Section A

1. Define Budget Line. (1)
2. What is the shape of the total revenue curve in perfect competition? (1)
3. Define oligopoly. (1)
4. Define fixed costs. (1)
5. Define utility. Explain the relationship between TU and MU with the help of a schedule and diagram. (3)
6. When is a good called (i) normal good, and (ii) an inferior good. (3)

OR

At a price of Rs. 50 per units the quantity demanded of a commodity is 1000 units. When its price falls by 10%, its quantity demanded rises to 1080 units. Calculate its price elasticity of demand. Is its demand inelastic? Give reasons for your answer.

7. Explain the central problem of 'For whom to produce' with the help of an example. (4)
8. Explain the relationship between total revenue and marginal revenue with the help of a revenue schedule and diagram. (4)

OR

Explain how the supply of a commodity affected by the change in price of other commodities.

9. Explain Producer's Equilibrium under perfect competition with MR and MC approach. (4)
10. Draw Average Total cost, Average Variable cost and Marginal cost in a single diagram. Also explain the relation between marginal cost and average total cost with its help. (6)
11. How is equilibrium achieved with the help of Indifference curve approach? (6)
12. Distinguish between perfect competition and monopolistic competition. (6)

OR

When will (a) simultaneous increases, and (b) simultaneous decrease in both demand and supply not affect the equilibrium price? Explain with the help of diagram.

Section B

13. What is disinvestment? (1)
14. What does zero primary deficit mean? (1)
15. Under which circumstances, the purchasing power of foreign currency increases in comparison to domestic currency? (1)
16. Does BOP always remain balanced? (1)
17. Giving reasons, state whether the following statements are true or false : (3)
 - (i) When marginal propensity to consume is zero, the value of investment multiplier will also be zero.
 - (ii) Value of average propensity to save can never be less than zero.

18. Does an excess of AD over AS always imply a situation of inflationary gap? (3)
Explain.

OR

Find out equilibrium level of income, when $S = -40 + 0.25 Y$ and investment is Rs. 60

19. Distinguish between consumer goods and capital goods. (4)

OR

Explain how distribution of G.D.P. is its limitation as a measure of economic welfare.

20. Giving reasons, classify the following as direct and indirect taxes. (4)

(i) Entertainment tax (ii) Corporation tax (iii) Excise tax (iv) Capital gains tax.

21. How is balance of trade different from balance of payments? State the items not included in balance of trade. (4)

22. Draw on a diagram a straight line saving line curve for an economy. (6)

From it derive the consumption curve, explaining the method of derivation.

Show a point on the consumption curve at which APC is equal to 1.

23. What are open market operations? What is their effect on availability of credit? (6)

24. Are the following included in the estimation of National Income a country? (6)

Give reasons. (i) Unemployment allowance under NREGA

. (ii) Indirect tax (Sale tax/excise duty). (iii) Salary received by the workers under NREGA.

(iv) Income tax. (v) Corporation tax. (vi) Travelling expenses paid to salesman the employer.

OR

Will the following be included in gross domestic product / Domestic Income of India?

Give reasons for each answer.

(i) Consultation fee received by a doctor.

(ii) Purchase of new shares of a domestic firm.

(iii) Profits earned by a foreign bank from its branches in India.

(iv) Services charges paid to a dealer (broker) in exchange of second hand goods.

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