

JIYA LAL MITTAL DAV PUBLIC SCHOOL

GRADE – XII SA-I (SEPT, 2015)

SUBJECT – ECONOMICS

TIME: 3hrs.

M.M-100

General Instructions:

1. All questions in both the sections are compulsory.
2. Marks for questions are indicated against each question.
3. Questions 1-3 and 15-19 are very short answer questions carrying 1 mark each.
4. Questions 4-8 and 20-22 are short answer questions and carry 3 marks each.
5. Questions 9-10 and 23-25 are also short answer questions carrying 4 marks each.
6. Questions 11-14 and 26-29 are long answer questions carrying 6 marks.

Section-A

- 1) If X and Y are two commodities, Indifference curve shows
(a) X and Y are equally preferred (b) Y is preferred to X
(c) X is preferred to Y (d) None of them
- 2) The branch of economic theory that deals with the problem of allocation of resources is
(a) Micro economic theory (b) Macro economic theory
(c) Econometrics (d) None of them
- 3) The law of variable proportions is drawn under all the assumptions mentioned below except the assumption that:
(a) The technology is changing
(b) There must be some inputs whose quantity is kept fixed
(c) We consider only physical inputs and not economically profitability in monetary terms.
(d) The technology is given and stable.
- 4) Explain the relationship between TP, MP and AP.
- 5) Write differences between micro and macro economics.
Or
Why MC Curve is U-shaped during a short period?

- 6) Why is Indifference curve generally convex to the origin?
- 7) A consumer buys 14 units of a piece of goods at a price of Rs.8 per unit. At price Rs. 7 per unit he spends Rs. 98 on the price of goods. Calculate price elasticity of demand comment upon shape of demand curve based on this information.
- 8) Why does law of demand slope downward from left to right?
- 9) Explain the problem. How to produce.
- 10) Complete the following table

Output (units)	Total Cost (Rs)	Average Variable cost (Rs)	MC(Rs)
1	90	-	30
2	-	27	-
3	-	-	27
4	180	30	-

Or

Complete the following table:

Units of labour	TPP	MPP	APP
1	20	-	-
2	-	22	-
3	-	-	22

- 11) What is the shape of PPC when
 (a) MOC is constant
 (b) MOC is increasing
 (c) MOC is decreasing
- 12) What are the conditions of consumer's equilibrium under the Indifference Curve approach? What changes will take place if the conditions are not fulfilled to reach equilibrium.
 Or
 Explain consumer equilibrium with the help of equimarginal utility approach.
- 13) Explain the factors affecting demand.

- 14) Explain Law of variable proportion.

Section-B

- 15) Which function of foreign exchange market protects against the foreign exchange risk.
 (a) Credit function (b) Hedging function
 (c) Transfer function (d) all of them
- 16) Capital account may be ____
 (a) Private capital (b) Banking capital
 (c) Official capital (d) all of them
- 17) Broad money refers to
 (a) M₁ (b) M₂ (c) M₃ (d) M₄
- 18) Quantitative instrument of RBI can be
 (a) Bank rate policy (b) Cash reserve ratio
 (c) Statutory liquidity ratio (d) All of them
- 19) Which one of items comes under consumption goods?
 (a) Durable goods (b) semi durable goods
 (c) Non-durable goods (d) all of them
- 20) "All producer goods are not capital goods". Explain.
- 21) Budget deficit creates disequilibrium in every economy, but in developing countries like India. Why does government depend on it?
- 22) Difference between Developmental and non-developmental expenditure.
 Or
 Difference between Commercial and Central Bank.
- 23) Explain the merits of flexible exchange rate.
 Or
 Explain the objectives of Budget.
- 24) Explain disequilibrium in Balance of Payments.

- 25) Explain store of value and measure of deferred payments functions of money.
- 26) Give reasons whether the statements are True or False.
- (a) Foreign exchanges received on account of export of sugar will be recorded in current account.
 - (b) In spot market sale and purchase of foreign currency is settled on a specified future date.
 - (c) Fiscal deficit is non-inflationary.
- 27) Give the relationship between revenue deficit and fiscal deficit.
Or
Difference between Primary deficit and fiscal deficit.
- 28) Explain quantitative instruments of Central Bank.
- 29) Explain the disequilibrium conditions under equilibrium exchange rate.