

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 10

Answer the following questions:

Section A

1. How is Price line defined? (1)
2. What is the shape of the total revenue curve in perfect competition? (1)
3. Define fixed costs. (1)
4. How does fall in total product affects marginal product? (1)
5. 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? (3)

OR

Explain the three properties of indifference curve.

6. Explain the determination of consumer's equilibrium with the help of a schedule in case of two commodities by using utility approach. (3)
7. 'For whom to produce' is a central problem of an economy. Explain. (4)

OR

Differentiate between Actual and potential level of output in an economy.

8. Draw in a single diagram the average revenue and marginal revenue curves of a firm which can sell any quantity of the good at a given price. Explain. (4)
9. In which competition the availability of close substitutes is present? How does it effect the price? (4)
10. Explain the implication of 'freedom of entry and exit to the firms' under perfect competition. (6)
11. Following statements are true or false. Give reasons: (6)
 - (a) Diminishing returns to a factor is applicable only when average product starts falling.
 - (b) AC and AVC curves do not intersect each other.

OR

What is a supply schedule? Explain how does change in technology of producing a good affect the supply of that good.

12. Why does demand curve slope downward? (6)

Section B

13. Define capital expenditure. (1)
14. In a Govt. Budget primary deficit is Rs. 25,000 Cr. and interest payments are Rs. 15,000 Cr. How much is the fiscal deficit? (1)
15. In which circumstances the appreciation of currency will be non- favourable for the economy? (1)
16. Write the name of those economic transactions which are made by the government to make equilibrium in balance of payment. (1)
17. Give the meaning of excess demand? Explain any two fiscal measures to current Excess demand. (3)
18. Explain the concept of consumption function. (3)

OR

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

19. Discuss precautions of Income Method. (4)

OR

Distinguish between stocks and flows, with examples of each.

20. Classify the borrowings and recovery of loans into revenue and capital receipts of govt. budget. Give reason also. (4)

21. When exchange rate of foreign currency falls its supply also falls. Explain with the help of a diagram. (4)

22. Explain the importance of money in relation to barter system. (6)

23. What happens in an economy, when credit availability is restricted and credit is made costlier? Explain with the help of a diagram. (6)

24. Distinguish between real gross domestic product and nominal gross domestic product. Can gross domestic product be used as an index of welfare of the people? (6)

Give two reasons.

OR

Are the following included in the estimation of National Income a country?

Give reasons.

- (i) Services rendered by family members to each other.
- (ii) Wheat grown by a farmer but used entirely for family's consumption.
- (iii) Expenditure government on providing free education.
- (iv) Payment of fees to a lawyer engaged by a firm
- (v) Man of the match award to a player of the Indian cricket team.
- (vi) Payment of the match fee to players of Indian cricket team.

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