

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 2
Section A

1. When demand for a good falls due to rise in its own price, what is the change in demand called and why? (1)
2. Define Revenue. (1)
3. What is variable cost? (1)
4. Define short run concept. (1)
5. Explain any three characteristics of Indifference Curve. (3)
6. Explain the causes behind the law of demand. (3)

OR

Bring out the relation between TU and MU.

7. Explain the central problem of economics of choosing the technique of production. (4)
8. Suppose that the demand curve for XYZ Co. slopes downwards to the right. Would you conclude that the firm is a price maker or a price taker? Give reason. (4)
9. Explain four causes of the rightward shift of the supply curve. (4)

OR

Complete the following table:

Output (units)	1	2	3	4
TR (Rs.)	4	6	6	4
MR (Rs.)				
AR (Rs.)				

10. Explain the Break-even and the Shut-down point under producer's Equilibrium. (6)

OR

Distinguish between AFC and AVC. How are these calculated?

Show With the help of a Schedule.

11. Market for a good is in equilibrium. What is the effect on equilibrium price and quantity if increase in market demand is less than the increase in market supply? Use diagram. (6)
12. Explain the effect of following changes on the demand for the commodity with the help of diagram: (6)
 - a) a fall in price of substitute goods
 - b) a favourable change in the taste of buyer.

Section B

13. What is meant by Spot market? (1)
14. When is there a deficit in the balance of trade? (1)
15. Define Budget. (1)
16. What is meant by non-tax receipts. (1)
17. Distinguish between Average Propensity to Consume and Average Propensity to Save with the help of numerical examples. (3)

18. What is meant by investment multiplier? Explain the relationship between MPC and K? (3)

OR

State briefly the effect of excess demand on output, employment and price.

19. Give difference between the autonomous and accommodating items included in BOP. (4)

OR

Give four reasons why people desire to have foreign exchange.

20. What do you mean by capital receipts? What are the main components of the Capital Receipts? (4)

21. Calculate 'private income' from the following data. (4)

(Rs. In crores)

(i) National debt interest	30
(ii) Gross national product at market price	400
(iii) Current transfers from government	20
(iv) Net indirect taxes	40
(v) Net current transfers from the rest of the world	(-10)

22. How can Statutory Liquidity Ratio and Cash Reserve Ratio be used to control money supply in the economy? (6)

23. Explain the working of multiplier with the help of a numerical example. (6)

OR

When planned investment is more than planned savings, what will be its impact on income and employment. Explain with the help of diagram.

24. From the following data calculate national income by (a) income method, and (b) expenditure method. (6)

(Rs. In crores)

(i) Compensation of employees	2,500
(ii) Private final consumption expenditure	2,800
(iii) Profits	500
(iv) Employers' contribution to social security schemes	200
(v) Rent	200
(vi) Mixed income of self-employed	450
(vii) Government final consumption expenditure	800
(viii) Net domestic capital formation	400
(ix) Change in stock	60
(x) Interest	150

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