

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 3
Section A

- 1.If the demand for good Y increases as the price of good X rises, how are the two goods related? (1)
- 2.What is meant by elasticity of supply? (1)
- 3.Which cost curve is parallel to ox-axis? Why? (1)
- 4.What will be the behaviour of Average revenue when total revenue increases at constant rate? (1)
5. Explain any three determinants of demand for a commodity. (3)
- 6.What is the difference between ordinal and cardinal utility analysis? (3)

OR

Explain the concept of Consumer's Equilibrium using IC approach.

7. Discuss the central problems of an economy. (4)
8. Why is MC curve in the short-run U shaped? (4)

OR

Complete the table if AFC at one unit of production is Rs 60.

Output	1	2	3	4	5	6	7	8
TC	90	105	115	120	135	160	200	260

TVC

TFC

AVC

AFC

ATC

MC

9. Explain exceptions to the Law of supply. (4)
10. When will a) simultaneous increase and b) simultaneous decrease in both demand and supply not affect equilibrium price? Explain with the help of diagram. (6)

OR

Distinguish between perfect competition and Oligopoly.

11. Suppose a consumer wants to consume two goods which are available only in integer units. The two goods are equally priced at Rs 10 and the consumers income is Rs 40. (6)
a) Write down all the bundles that are available to the consumer.
b) Among the bundles that are available, identify those which cost her exactly Rs. 40.
12. Explain the Law of Variable Proportion with the help of schedule and diagram. (6)

Section B

13. What is meant by invisible items? (1)
14. What is meant by Forward market? (1)
15. Define revenue deficit. (1)
16. What are the two sources of capital receipts? (1)
17. State briefly any three measures to control excess demand in an economy. (3)

OR

Find consumption expenditure if – autonomous consumption = Rs. 100 marginal propensity to consume = 0.70 national income = Rs. 1000

18. What is monetary policy? Explain the role of (i) Bank rate and (ii) Margin requirements in influencing the availability of credit in an economy. (3)
19. Distinguish between: (i) Capital expenditure and Revenue expenditure (4)
(ii) Fiscal deficit and Primary deficit.

OR

Why is fiscal Deficit equal to borrowings?

20. What is the impact of appreciation of currency on the supply of foreign exchange? (4)
21. Which of the following is factor income from abroad for an Indian resident and why? (a) Interest income received by Indian resident on the bonds of companies operating in USA. (b) Remittances by Indians settled abroad to their families in India. (4)
22. Calculate private income, personal income, personal disposable income and National disposable income from the following data: (6)

(Rs. in Crores)

(i) National income	3000
(ii) Savings of private corporate sector	30
(iii) Corporate tax	80
(iv) Current transfer from government	60
(v) Income from property and entrepreneurship to government	150
(vi) Current transfers from rest of the world	50
(vii) Savings of non-departmental government sector	40
(viii) Net indirect taxes	250
(ix) Direct taxes paid by household	100
(x) Net factor income from abroad	(-) 10

23. What is barter? State the difficulties faced in barter system. (6)

OR

State and explain the four functions of Money.

24. What is 'deficient demand' in macroeconomics? Explain the role of open market operations in correcting it. (6)