

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

Class : XII
Subject : ECONOMICS

Max Marks:80
Time Allotted: 3 hrs

Answer the following questions:

Sample Paper 6
Section A

1. Define consumer's equilibrium. (1)
2. Define production function. (1)
3. What is the relation between average and marginal product when average product is falling. (1)
4. Define Real costs. (1)
5. What is meant by budget set. Explain with the help of a schedule. (3)

OR

How is budget line derived?

6. How does availability of substitute good affect the elasticity of demand? Explain with the help of a diagram. (3)
7. Why does an economic problem arise? Explain the problem of 'How to Produce'? (4)

OR

Explain the problem of "what to produce" with the help of PPC.

8. Giving reasons, state whether the following statements are true or false: (4)
 - (i) Average product will increase only when marginal product increases.
 - (ii) When there are diminishing return to a factor, TP first increases and then starts falling.

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

Output	0	1	2	3	4	5	6	
TC	150	300	420	600	790	1000	1260	(4)

Find (i) TVC of producing 6th unit

- (ii) AVC of producing 4th unit

(iii) AFC of producing 3rd unit

10. Why does a firm in perfect competition get only break-even price in the long run? (6)

OR

Giving reasons, state whether the following statements are true or false:

- (i) A monopolist can sell any quantity he likes at a price.
- (ii) When equilibrium price of a good is less than its market price, there will be competition among the sellers.

11. The following table shows the total cost schedule of a competitive firm. (6)

Given : price = 10.

calculate total profit at each level of output. find the profit maximizing level of output.

Output:	0	1	2	3	4	5	6	7	8	9	10
TC :	5	15	22	27	31	38	49	63	81	101	123

12. Define the price elasticity of demand. Discuss the factors affecting price elasticity of demand (6)

Section B

13. What is fiscal deficit? (1)

14. Which type of revenue receipts are treated as legally compulsory payment imposed on the people by the govt.? Give example also. (1)
15. What is current account of BOP? (1)
16. State which type of exchange rate has no official intervention in the foreign exchange market? How it is determined? (1)
17. In poor countries like India, people spend a high percentage of their income so that APC and MPC are high. Yet, value of multiplier is low. Why? (3)
18. What happens if $AD > AS$ prior to the full employment level of output? (3)

OR

State briefly any three measures to control excess demand in an economy.

19. Distinguish between (4)
- devaluation and depreciation
 - revaluation and appreciation

OR

Explain balance of trade, balance on current account, balance on capital account.

20. How tax revenue is different from administrative revenue? (4)

21. Calculate GDPmp & GNPmp (Rs. in 100 crores)

(i) NDPFC	300
(ii) NFIFA	5
(iii) Indirect Taxes	20
(iv) Consumption of fixed capital	30
(v) Subsidies	10

22. Central bank performs the function of a clearing house. How? (4)

23. Will the following be included National Income? Give reasons. (6)

- Free Medical facility to employees by the employer.
- Money received from sale of old house.
- Government expenditure on street lighting.
- Interest received by a household from a commercial bank.
- Receipts from sale of land
- Interest on public debt.

OR

(a) Write the precautions while calculating National Income by Income method.

(b) Calculate NDPFC & NI (Rs. in 100 crores)

(i) GNPmp	400
(ii) NFIFA	10
(iii) Consumption of fixed capital	30
(iv) Indirect Taxes	40
(v) Subsidies	10

24. Explain the step taken in derivation of the saving curve from the consumption curve use. Use diagram. (6)

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