

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 8

Section A

1. What is meant by budget set. (1)
2. If the price of a commodity falls by 10% and, consequently, the quantity supplied decreases by 20%. What will be its price elasticity of supply? (1)
3. What do you mean by marginal revenue? (1)
4. Why does the difference between average total cost and average variable cost falls with increase in output? (1)
5. If the market demand for agricultural commodities is price-elastic, would a bad harvest lead to an increase or a decrease in the incomes of the farmers as a group? Why? (3)

OR

Give the meaning of perfectly elastic and perfectly inelastic demand for a commodity. Show their respective demand curves.

6. What is a budget line? Why is it downward sloping? (3)
7. Show the following situation with PPF (a) Fuller utilisation of resources (4)
(b) Growth of resources (c) Under utilisation of resources.
8. Total Fixed costs of a firm are Rs 100. Its average variable cost at different levels of output is given. Calculate total cost and marginal cost. (4)
Output (units) 1 2 3 4
TVC(Rs.) 20 38 60 86
9. Explain the Basis of Market classification. (4)
10. 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)

OR

Explain the effects of a 'price ceiling' and a 'price floor'.

11. Explain the geometric method of measuring price elasticity of supply with the help of diagram. (6)
12. On 22 Dec 2014, the following news was printed in the Economics Times: (6)
" Narrow petrol - diesel price gap and higher price of diesel cars alter buyer preference".
Explain this statement linking it to the concept of elasticity of demand.

Section B

13. Which of the following is the example of capital receipts: (1)
(i) Non tax revenue (ii) Borrowings (iii) Licence fees (iv) Commercial tax
14. What is Direct Tax? (1)
15. Give meaning of managed floating exchange rate.
16. What is meant by invisible items? (1)
17. Which of the following is the policy of controlling Inflation in the economy and why? (1)
i- Decrease in the bank rate
ii- Increase in the margin requirement
iii- Decrease in the rate of CRR

18. What is the shape of APC and APS. (3)

OR

What do you mean by Fiscal Policy? Name the instruments used in the policy.
19. Giving reasons, categories following into transfer payment or factor payments. (3)
and define transfer payments.

(a) Financial help gives to flood victims (b) Old age pension. (c) Imputed rent.

20. Explain the three categories in which BOP transactions are classified. (4)

OR

Distinguish between the fixed exchange rate and the flexible exchange rate with merits and demerits.

21. Distinguish between revenue receipts and capital receipts in a government budget. (6)

Give two examples of each.

22. With the effect of demonetisation there is a huge rush in the front of commercial bank not in the front of RBI, explain all the necessary functions of the commercial bank which justify the importance of commercial bank for the society and for the economy. (6)

OR

Explain the step taken in derivation of the saving curve from the consumption curve use. Use diagram.

23. How will you treat the following while estimating national income of India? (6)

Give reason for your answer? (a) Dividend received by a foreigner from investment in shares of an Indian Company. (b) Money received by a family in India from relatives working abroad. (c) Interest received on loan given to a Friend for purchasing a car.

24. From the following table given below: (6)

INCOME	CONSUMPTION	SAVING	INVESTMENT	AD=C+I	AS=Y
100	120	-20	50		
200	160		50		
300	220		50		
400	280		50		
500	340		50		
600	400		50		

Answer the following questions:

i- Identify the break-even point

ii- Locate the equilibrium level of income

iii- Calculate MPS when income changes from Rs 400 to Rs 500

iv- Calculate APC at income level of Rs 100 crores

v- Calculate APS at income level of RS 500 crores

Ms. Nidhi Saxena

