

**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 9**

**Section A**

1. Define Indifference Curve Map. (1)
2. The total cost at 5 units of output is Rs 30. The total fixed cost is Rs 5. (1)  
Find the average variable cost at 5 units of output?
3. How does fall in total product affects marginal product? (1)
4. Which cost curve is parallel to ox-axis? Why? (1)
5. Explain " Price of other goods" in the concept of demand for a commodity. (3)
6. What is worth of a Rupee? Give an example. (3)

OR

If IC is not convex at the point of equilibrium, the consumer cannot reach the point of stable equilibrium. Comment.

7. Draw a transformation curve, given the following possibilities of production. (4)  
Also find the marginal opportunity cost when more and more guns are produced in place of bread.

Guns( units):	0	1	2	3	4	5
Bread(unit):	30	28	24	18	10	0

8. Should production be discontinued when  $AR = AVC$ ? Explain. (4)

OR

MR of a firm fall from Rs. 20 to (-) Rs. 20. Find the corresponding TR, if  $AR = MR = Rs. 20$  Corresponding to specific output of 500 units.

9. Perfect competition is no competition. How? (4)
10. Define Oligopoly form of market. Bring out the difference between Collusive and Non- Collusive oligopoly. (6)
11. Equilibrium price never changes in a situation of perfectly elastic supply, no matter What the demand is. Is it true? Explain diagrammatically. (6)
12. How is equilibrium of the consumer affected when MU of money happens to rise, and  $P_x$  is constant?

OR

Demand equation is given as:  $Q_d = a - b_p$

- a) What is there in this equation that makes the demand curve a straight line?
- b) What happens to demand curve in case 'a' increase?
- c) What makes the demand curve slope downward?

**Section B**

13. Why is recovery of loan treated a capital receipt? (1)
14. What is a balanced budget. (1)
15. In which circumstances, the devaluation of currency will be in favour of economy? (1)
16. What is meant by unilateral transfer? (1)
17. Explain any three Fiscal measures to control excess demand in an economy. (3)
18. Briefly explain the relationship between MPC and MPS. (3)

OR

Given marginal propensity to save equal to 0.25, what will be the increase in national income if investment increases by Rs. 125 crore. Calculate multiplier.

19. Name the components of Domestic Factor Income. (4)

OR

Briefly outline the steps of Income Method.

20. What are the basis of classifying receipts into revenue receipts and capital receipts? (4)

21. When exchange rate of foreign currency falls, its demand rises. (4)

Explain with the help of a diagram.

22. Money acts as a yardstick of standard measure of value to which all other things can be compared. Discuss it. (6)

23. In what respect foreign trade will be useful in removing the adverse economic effects of deficient demand? Explain with the help of diagram. (6)

24. What is meant by a normal resident? State and give reasons which of the followings are treated as normal resident of India.

(i) An American working in the office of WHO located in India.

(ii) Indian working in U.S.A. embassy located in India.

OR

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.

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