

SUBJECT: ECONOMICS
CLASS: 12th

TIME: 3 HOURS
M. MARKS: 80

S. No	General Instructions	Marks
	There are total of four sections in the question paper. All questions are compulsory	
1	Section-A contains 10 Objective Type Questions of 1 Mark each	1 x 10 = 10 marks
	Section-B contains 10 Very Short Answer Type Question of 2 Marks each to answered in 20 to 30 words	2 x 10 = 20 marks
	Section-C contains 8 Short Answer Type Questions of 4 Marks each to be answered in 50 to 70 words.	4 x 8 = 32 marks
	Section-D contains 3 Long Answer Type Questions of 6 Marks each to be answered in 100 to 150 words.	6 x 3 = 18 marks

Section-A
Objective Type Questions (1 Mark each)

Q1: Which of the following is an example of a positive economic statement?

- a) Pollution is one of the most serious economic problems.
- b) Higher interest rates will encourage more savings.
- c) The pricing policies of monopolies should be strictly supervised.
- d) Unemployment is more harmful than inflation.

Q2: Which of the following concepts can be used to explain why production possibility frontiers slope downwards?

- a) Scarcity
- b) Sunk costs
- c) Trade
- d) Increasing marginal costs.

Q3: The demand for a good like salt is

- a) Elastic
- b) Inelastic
- c) Unitary elastic
- d) Perfectly elastic

Q4: What is the shape of the MU Curve.

- a) Concave to origin
- b) Downward sloping
- c) Upward sloping
- d) Convex to origin.

Q5: Which of the following is variable factor of production?

- a) Machinery
- b) Building
- c) Computer system
- d) Labour



Q6: Average Revenue (AR) is equal to

- a) TC/Q
- b) TR/Q
- c) TP/Q
- d) TFC/Q

Q7: Which of the following agency is responsible for issuing 1 currency note in India?

- a) RBI
- b) Ministry of Finance
- c) Ministry of Commerce
- d) Niti Aayog

Q8: If an economy is to control recession like most of the Euro Zone nations, which of the following can be appropriate:

- a) Reducing Repo rate.
- b) Reducing CRR
- c) Both (a) and (b)
- d) None of (a) and (b)

Q9: When $MPC=0.8$ what would be MPS

- a) -0.2
- b) 0.2
- c) -1.5

Q10: Can APC be greater than 1 (T/F)

Section-B

Short Answer Type Questions (2 Marks each)

Q11: What are different Central Problems of an economy?

Q12: What are the leakages in the circular flow of Income?

Q13: What are the components of aggregate demand?

Q14: What is Repo rate?

Q15: Draw the diagram of three sector model of circular flow?

Q16: Explain briefly any three objective of the Govt. Budget?

Q17: What is managed floating exchange rate?

Q18: Define the term money? Explain briefly any two functions of money?

Q19: Give the difference between stock and flow?

Q20: Define Giffen goods?

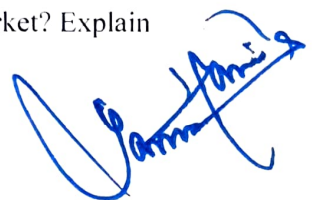
Section-C

Answer the following Questions (4 Marks each)

Q21: Differentiate between Capital Account and Current account?

Q22: How is the price of the commodity determined in a perfectly competitive market? Explain with the help of a diagram?

Q23: What is real flow and money flow of Income?



Q24: What is perfect competition? Highlights various features of perfect competitive markets?

Q25: What are the exceptions to the law of demand?

Q26: Give monetary measures to correct the problem of excess demand?

Q27: Difference between fiscal deficit and revenue deficit?

Q28: Explain the relationship between Average Cost and Marginal Cost?

Section-D

Answer the following Questions (6 Marks each)

Q29: Explain the Law of variable proportions with the help of a diagram? In which stage a rational producer shall produce and why?

Or

Explain the consumer's equilibrium in case of one commodity with the help of table and diagram?

Q30: What is Investment multiplier? Explain the working and Mechanism of Investment multiplier?

Or

Explain the Determination of Income and employment through the saving and Investment approach?

Q31: Define Producer's equilibrium? Explain diagrammatically the producer's equilibrium to the MR and MC approach.

Or

Explain the Relationship between TR (Total Revenue), AR (Average Revenue) and MR (Marginal Revenue) with diagram.

