

XII ECONOMICS

Very Short Answer Question:-

1. Give two characteristics of human wants.(1)
2. What do you understand by scarcity.(1)
3. When will PP curve shift right wards.(1)
4. Define production possibility curve.(1)
5. Give two examples of under utilization of resources(1)
6. Define Marginal opportunity cost along a ppc.(1)
7. Give two examples of micro economics.(1)
8. When is pp curve a straight line .(1)
9. Define opportunity cost.(1)
10. Give two examples of growth of resources.(1)
11. What is meant by marginal utility.(1)
12. State Law of Diminishing marginal utility.(1)
13. What is consumer equilibrium?(1)
14. When does a consumer buy more or less of a commodity at a given price?(1)
15. Give meaning of demand.(1)
16. How is total utility derived from marginal utility.(1)
17. What do you understand by movement along a demand curve?(1)
18. Define market demand.(1)
19. In which direction the demand curve shifts when price of a complementary good increases?(1)
20. When is demand said to be elastic by expenditure method.(1)

Short –Answers questions of 3 or 4 marks each:

1. What are the central problems of an economy?Why do they arise.
2. Draw pp curve .Why is it downward sloping from left to right.
3. Explain the central problem of 'for whom to produce for examples.'
4. Distinguish between micro and macro economics.
5. Draw pp curve showing (i) full employment of resources (ii) underutilization of resources (iii) Growth of resources.
6. Suppose Good A is complementary to 'B' in consumption.How will an increase in the price of good 'B' affect the demand curve for good 'A'.
7. Differentiate between change in demand and change in quantity demanded.
8. Why do house holds buy more of good at a lower price ? Explain.
9. Explain Geometrical method of measuring elasticity of demand.
10. What factors cause decrease in demand.

Long Answer questions of 10 marks each.

1. State and explain Law of demand with the help of a demand schedule and a curve.State its assumptions and exceptions.
2. The consumer's optimum bundle is located at the point of tangency between the budget cone and an indifference curve.Explain.
3. Explain five factors determining price elasticity of demand.
4. Explain with the help of diagrams the effect of following changes on the demand of a commodity.
(i) A fall in the income of its buyer.
(ii)A rise in the income of its buyer.
5. (i) When price of a god falls from Rs 5 to Rs 3 per unit its demand increases by 40%. Calculate its price elasticity of demand.
(ii) At the price of Rs 4 per unit ,a consumer buys 50 units of good.Price Ed is -2.How many units will the consumer buy at Rs 3 per unit.
(3+3=6 Marks)

Part B Macro economics

Very Short – answer questions of 1 mark each.

1. Define National Disposable income.
2. When is national income less than domestic income.
3. What is meant by Green GNP?
4. Define Gross Domestic Product
5. What is the difference between personal income and personal disposable income.
6. Should aid be given by Russia to India be included in India's National income?
7. Should commission of a broken in sale of an old house be included in national income.
8. What is GNP Deflator?
9. How is NDp derived from GDP?
10. What is income from shares of a company called?
11. Define money.
12. What is meant by money supply?
13. Define a bank.
14. What is meant by banking?
15. Define a central bank.
16. Define a government budget.
17. Give two examples of non- tax revenue.
18. Define a tax.
19. Why is recovery of loan treated as a capital receipt.
20. Why is repayment of loan a capital expenditure.
21. What is meant by 'foreign exchange rate'.
22. Name three visible items of exports.
23. What does a change from \$1= Rs 48 to \$ 1= Rs 50 represent?
24. The BOT shows a deficit of Rs 5000 Crs and the value of imports are Rs. 9000 Crores. What is two value of exports.
25. What is meant by 'Balance of Trade.'

Short Answers Questions of 3/4 marks each.

1. Which of the three methods of measurements of a country's National income most appropriate and why?
2. Describe components of Domestic factor income.
3. Describe steps involved and precautions to be taken while calculating N.I by income method.
4. Describe circular flows of income with the help of diagram in a three sector economy.
5. What do you understand by the problem of double counting? Give examples.
6. Explain four functions of money.
7. Describe with examples three inconveniences of barter system.
8. Central bank's controller of credit –explain.
9. Describe agency services of commercial bank.
10. Distinguish between Revenue expenditure and capital expenditure. Give 2 examples.
11. What are the implications of fiscal deficit?
12. How is rate of foreign exchange determined?
13. Distinguish between balance of trade and balance of payment.
14. Give four reasons why people desire to have foreign exchange?
15. State and explain four items of capital account of BOP account.

Long –Answer questions of 6 Marks each.

1. Explain five main functions of central bank.
2. Write six points of comparison between a central bank and a commercial bank.
3. Explain different measures of money supply adopted by RBI in India.
4. Describe legal, functional and broad definition of money.
5. Give reasons; categorize the following into revenue receipts and capital receipts. (i) Recovery of loans (ii) corporation tax (iii) Dividend on investment (iv) sale of public sector undertakings (v) Interests received (vi) Borrowings.
6. What is meant by non – debt capital receipts .Give its two components.
7. Describe three advantages and disadvantages of fixed and flexible exchange rate system.
8. Distinguish between current and capital account of Balance of payment account.

9. Calculate (a) Private income and (b) Personal disposable income from the following data.

(Rs in Crores)

(i) Savings of private corporate sector	500
(ii) Savings of non –dept public enterprises	200
(iii) capital transfers from ROW	50
(iv) Current transfer from Government admin dept	100
(v) Corporation tax	150
(vi) Income from domestic product occurring to private sector	3500
(vii) Net direct taxes	300
(viii) Net factor income from abroad	(-) 30
(ix) Current transfer from ROW	40
(x) Direct personal taxes	110

-----Note: Ans : a) 3610 Crs b) 2850 Crs

10. Calculate National income by a) Income method b) expenditure method following data :

(Rs in Crores)

(i) Interest	250
(ii) Net factor income from abroad	(-) 50
(iii) Government final consumption expenditure	1400
(iv) Mixed income of self employed	1500
(v) Compensation of employees	3000
(vi) Private final consumption expenditure	4500
(vii) Profits	1000
(viii) Consumption of fixed capital	60
(ix) Rent	300
(x) Net domestic capital formation	600
(xi) Net exports	(-) 30
(xii) Net current transfer from ROW	40
(xiii) Net indirect taxes	20

-----Note : Ans a, b = 6000 Crs.

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