

DESIGN OF QUESTION PAPER

SUBJECT: ECONOMICS

MAX MARKS: 100

CLASS XII

TIME : 3 hours

1. Weightage to objectives

Objectives	% of marks
Knowledge (K)	30%
Understanding (U)	50%
Application (A)	20%

2. Weightage to form of questions

Form of questions	No. of questions	Marks for each question	Total marks	Estimated time (in minutes)
Long answer (L.A.)	6	6	36	66 minutes
Short answer (S.A.I)	8	4	32	56 minutes
Short answer (S.A.II)	8	3	24	40 minutes
V. Short answer	2	1	8	8 minutes (Four parts each)
Total	<u>24</u>		<u>100</u>	<u>170 minutes + 10 minutes for revision</u>

1. Weightage of content

2.

SECTION A - Introductory Micro Economic Theory

1. Introduction	4
2. Consumer Behaviour and Demand	13
3. Producer Behaviour and Supply	23
4. Forms of Market and Price Determination	10

SECTION B - Introductory Macro Economic Theory

5. Introduction	2
6. National Income and related aggregates : Basic concepts and measurement	15
7. Determination of income and employment	12
8. Money and banking	8
9. Government Budget and the economy	8
10. Balance of payments.	5

3. Weightage of Difficulty Level

Estimated Difficulty Level	Percentage
DIFFICULT	15%
AVERAGE	70%
EASY	15%

4. Scheme of options –

SECTION A: Internal choice in two questions. One of 6 marks and one of 4 marks.

SECTION B: Internal choice in 2 questions one of 6 marks and one of 4 marks.

SAMPLE QUESTION PAPER SET I
ECONOMICS
CLASS XII

Time : 3 hours

Marks:100

General instructions:

1. *All questions are compulsory*
2. *Questions 1 and 13 are very short answer questions. Their each part is of one mark. Answer to each of these parts should be written in one set.*
3. *Questions 2 to 5 and 14 to 17 are short answer type questions of 3 marks each. Answer to each of these should not exceed 60 words.*
4. *Questions 6 to 9 and 18 to 21 also short answer questions of 4 marks each. Answer to each of these should not exceed 70 words.*
5. *Questions 10 to 12 and 22 to 24 are long answer questions of 6 marks each. Answer to each of these should not exceed 100 words.*
6. *Attempt all parts of questions at one place.*

SECTION A : INTRODUCTORY MICRO ECONOMIC THEORY

- | | | |
|---|---|-------|
| 1 | Answer the following questions: | 1x4=4 |
| | (i) Give the meaning of opportunity cost. | |
| | (ii) Define Marginal Revenue | |
| | (iii) What is meant by Producer's Equilibrium? | |
| | (iv) Define market supply. | |
| 2 | State the three central problems of an economy. | 3 |
| 3 | Explain the Law of Demand with the help of a demand schedule. | 3 |
| 4 | Draw the supply curves showing- | 3 |
| | (a) Elasticity of supply equal to 1 | |
| | (b) Elasticity of supply greater than 1 | |
| | (c) Elasticity of supply less than 1 | |
| 5 | State any three factors affecting supply of a commodity. | 3 |
| 6 | The quantity demanded of a commodity at a price of Rs.10 per unit is 40 units. Its price elasticity of demand is (-) 2. Its price falls by Rs.2 per unit. Calculate its quantity demanded at the new price. | 4 |

7 Complete the following table: 4

Output (In units)	Total cost (Rs.)	Marginal Cost (Rs.)	Average variable cost (Rs.)
0	60		
1	140	----	----
2	190	----	----
3	240	----	----
4	300	----	----

8 Distinguish between increase in quantity supplied (expansion of supply) and increase in supply. Use diagrams. 4

9 Explain any two main features of monopolistic competition.

OR

Explain any two main features of monopoly. 4

10 Explain the law of variable proportion in terms of the behaviour of Total Physical Product, with the help of a diagram. 6

11 Define equilibrium price. Explain with the help of a diagram the effect of an increase in demand of a commodity on its equilibrium price and equilibrium quantity. 6

OR

“If the demand and supply of a commodity both increase, the equilibrium price may not change, may increase, may decrease.” Explain using diagrams.

12 Explain any three factors other than the price of a commodity that affect its demand. 6

SECTION B – INTRODUCTORY MACRO ECONOMIC THEORY

13 Answer the following questions:-

- (a) Define microeconomics
- (b) Give two examples of macroeconomic variables
- (c) Define a government budget
- (d) What is meant by foreign exchange rate?

4

14 Calculate value added by firm X from the following data.

	Rs. (In lakhs)	
(a) Sales	600	
(b) Purchase of raw material	200	
(c) Import of raw material	100	
(d) Import of machines	200	
(e) Closing stock	40	
(f) Opening stock	10	3

15 Explain any three components of aggregate demand. 3

16 Distinguish between revenue expenditure and capital expenditure. Give an example of each. 3

17 In an economy, the level of income is Rs.2000 crores and marginal propensity to consume is 0.75. Calculate the total increase in income if investment increases by Rs.200 crores. 3

18 State the main objectives of budgetary policy. 4

19 State the main functions of money. 4

20 Describe any one method of quantitative credit control.

OR

Describe two main functions of Commercial Bank. 4

21 Name the main components of current account of Balance of Payments account. 4
What does a deficit in current account indicate?

22 Explain the concept of inflationary gap with the help of a diagram. Give any two measures of reducing it.

OR

Explain the concept of equilibrium level of income with the help of C + I curve.

Can there be unemployment at equilibrium level of income? Explain. 6

23 Will the following be included in Gross National Product? Give reasons for your answer:

1. Profits earned by a foreign company in India.
2. Money received from sale of shares.
3. Salary paid to Americans working in Indian embassy in America.
4. Money received from sale of old house.
5. Scholarships received by a student.
6. Remittances from abroad.

6

24 Calculate GNP by income method and expenditure method from the following data:

	Rs. (Crores)	
1. Rent	40	
2. Private final consumption expenditure	800	
3. Net exports	20	
4. Interest	60	
5. Profit	120	
6. Govt. Final Consumption expenditure	200	
7. Net domestic capital formation	100	
8. Compensation of employees	800	
9. Consumption of fixed capital	20	
10. Net indirect taxes	100	3,3
11. Net factor income from abroad.	(-) 20	

SAMPLE QUESTION PAPER SET II
ECONOMICS
CLASS XII

Time : 3 hours

Marks:100

General instructions:

1. *All questions are compulsory*
2. *Questions 1 and 13 are very short answer questions. Their each part is of one mark. Answer to each of these parts should be written in one set.*
3. *Questions 2 to 5 and 14 to 17 are short answer type questions of 3 marks each. Answer to each of these should not exceed 60 words.*
4. *Questions 6 to 9 and 18 to 21 also short answer questions of 4 marks each. Answer to each of these should not exceed 70 words.*
5. *Questions 10 to 12 and 22 to 24 are long answer questions of 6 marks each. Answer to each of these should not exceed 100 words.*
6. *Attempt all parts of questions at one page.*

SECTION A : INTRODUCTORY MICRO ECONOMIC THEORY

- 1 Answer the following:
 - (a) What is meant by equilibrium quantity?
 - (b) Define variable costs.
 - (c) What is meant by elasticity of demand?
 - (d) What does a rightward shift in production possibility curve indicate? 1x4=4
- 2 Mention three features of perfect competition. 3
- 3 With the help of a hypothetical table draw a Production Possibility Curve. 3
- 4 Distinguish between monopoly and monopolistic competition. 3
- 5 With the help of a suitable diagram, explain the process of determination of equilibrium price of a commodity under perfectly competitive market. 3
- 6 Explain the relationship between marginal cost and average variable cost with the help of diagram. 4

7 Calculate price elasticity of demand in the following cases; using total expenditure method:

(i)	Price (Rs.)	Quantity demanded
	8	100
	10	90

(ii)	Price (Rs.)	Quantity demanded
	8	100
	10	80

2, 2

8 Distinguish between decrease in quantity demanded (contraction of demand) of a commodity and decrease in demand. (Use diagrams). 4

9 How does a change in the price of related goods affect the demand of a commodity? Explain.

OR

Distinguish between:

(a) Normal good and inferior good.

(b) Complementary good and substitute good.

4

10 (a) Calculate Total Revenue and Marginal Revenue at each level of output from the following information and (b) Draw the Total Revenue and Marginal Revenue Curves from the obtained data.

Output (Units)	Total Revenue	Marginal Revenue	Average Revenue(Rs.)
1	--	--	5
2	--	--	5
3	--	--	5
4	--	--	5

6

11 Explain any four determinants of the Market supply of a Commodity.

OR

Define price elasticity of supply. Briefly explain the *two* methods of measuring it.

6

- 12 What is meant by returns to a factor? State the *three* phases of the law of variable proportion. 6

SECTION B : INTRODUCTORY MACRO ECONOMIC THEORY

13

Answer the following questions:

- a. Name *any* two-invisible items of current account of balance of payments.
- b. Give one point of difference between macro and micro-economics.
- c. Calculate the value of imports when balance of trade (merchandise) is Rs.(-) 400 crores and value of exports is 300 crores.
- d. Price determination of a commodity is a subject-matter of micro or macro economics. 1x4=4
- 14 Explain any *two* fiscal policy measures to remedy the problem of excess demand in an economy. 3
- 15 Distinguish between gross national income at market price and net domestic income at factor cost. 3
- 16 State *three* main sources of demand for foreign currency. 3
- 17 In an economy the actual level of income is Rs.500 crores whereas the full employment level of income is Rs.800 crores. The MPC is 0.75. Calculate the increase in investment to achieve the full employment level of income. 3
- 18 Give any *four* major functions of a Central Bank. 4

OR

State any *four*-agency functions of a Commercial Bank.

- 19 Explain any *two* drawbacks of the barter system. How does money help in removing these drawbacks? 4
- 20 Distinguish between: -
- (a) Direct and indirect taxes.
- (b) Revenue receipts and capital receipts 4
- 21 What is meant by fiscal deficit? What are the implications of a large fiscal deficit? 4

- 22 From the following information calculate gross national income by (a) income method (b) expenditure method.

	(Rs. in crores)	
1. Factor income from abroad	10	
2. Compensation of employees	150	
3. Net domestic capital formation	50	
4. Private final consumption expenditure	220	
5. Factor income to abroad	15	
6. Change in stock	15	
7. Employer's contribution to social security schemes	10	
8. Consumption of fixed capital	15	
9. Interest	40	
10. Exports	20	
11. Imports	25	
12. Indirect taxes	30	
13. Subsidies	10	
14. Rent	40	
15. Govt. final consumption expenditure	85	
16. Profit	100	3, 3

- 23 Explain the value added method of estimating national income with the help of a suitable example.

OR

Distinguish between:-

- (a) Domestic product and national product
 - (b) Intermediate goods and final goods
 - (c) Factor income and transfer receipt. 6
- 24 Explain with the help of diagrams that the equilibrium level of income and 6 employment is not necessarily at a full employment level.