AMRITA VIDYALAYAM
AMRITA PRE BOARD EXAMINATION 1 - 2018 - '19

Class : XII　　　　　　　　　　　　　　　　　　　　　　**Marks : 80**

　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　Time : 3 hrs

ECONOMICS

GENERAL INSTRUCTIONS:
1. All questions in both the sections are compulsory.
2. Question nos 1-4 and 13-16 are very short answer questions carrying 1 mark each.
3. Question nos 5-6 and 17-18 are short answer questions carrying 3 marks each.
4. Question nos 7-9 and 19-21 are also short answer question carrying 4 marks each.
5. Question nos 10-12 and 22-24 are long answer questions carrying 6 marks each.

SECTION - A

1.　Which of the following is statement of normative in economics?
　　a) Economics is study of choice / alternative.
　　b) Government should be concerned with how to reduce unemployment.
　　c) Accommodation of refugees is posing a big problem for Europe.

2.　A firm is operating with a total variable cost of ` 500 when 5 units of the given output are produced and the total fixed cost is ` 200. What will be the average total cost of producing 5 units of output?
　　a) 140　　　　　　b) 100　　　　　　c) 120　　　　　　d) 300

3.　If the marginal rate of substitution is increasing throughout, the indifference curve will be _____.
　　a) Downward sloping convex　　　　　　　　b) Downward sloping concave
　　c) Upward sloping convex　　　　　　　　　d) Downward sloping straightline

4.　Ceteris paribus, if the government provides subsidies on electricity bill, what would be the likely change in the market demand of desert coolers?

5.　Explain any three factors affecting the price elasticity of demand.

6.　Why do central problems of an economy arise? Explain the central problems for whom to produce.

7.　Suppose the demand and supply curve of a commodity –x is given by the following two equations simultaneously.

　　$q_d = 200 - p$　　　　　　　　　　　　　　$q_s = 50 + 2p$

　　a) Find the equilibrium price and equilibrium quantity.
　　b) Suppose that the price of one of the factors of production producing the commodity has changed, resulting in the new supply curve given by the equation.
　　　$Q_S = 80 + 2P$

Analyse the new equlibrium price and new equilibrium quantity as against the original equilibrium price and equilibrium quantity.

OR

Explain the chain of effect of excess supply of good on its equilibrium price.

8.　Explain the properties of indifference curve.

OR

A consumer consumes two goods x and y. Explain what happens if mu_x / p_x is greater than mu_y / p_y.

9.　When price of a commodity x falls by 10%, its demand rises from 150 units to 180 units. Calculate the elasticity of demand. How much should be the percentage fall in its price so that its demand rises from 150 to 210 units?

10.　What is the different phases in the law of variable proportion in terms marginal product? Give reason behind each phase. Use diagram.

11. Explain the implications of the following feature of perfect competition.
    a) Very large number of buyers and sellers.
    b) Homogeneous product.

<center>OR</center>

Explain the implication of the following features of monopolistic competition.
    a) Differentiate product.
    b) Freedom of entry and exit of the firm.
12. Explain the conditions of producers equilibrium and terms of MR and MC using diagram.

SECTION - B

13. What is the value of multiplier when marginal propensity to save is zero?
14. State two sources of Non-Tax Revenue receipts.
15. What is called Green GNP?
16. Borrowing in Government Budget is _____.
    a) Revenue Deficit   b) Fiscal Deficit   c) Primary Deficit   d) Deficit in Taxes
17. Why must aggregate demand to be equal to aggregate supply at the equilibrium level of income and output?

<center>OR</center>

Explain how the level of effective demand in an economy is if aggregate demand is more than the aggregate supply.
18. Discuss briefly the Circular Flow of Income in a two-sector economy with the help of a suitable diagram.
19. An economy is in equilibrium. Find investment expenditure when National Income - 1200 Autonomous Consumption Expenditure -150; MPC - 0.8.
20. Define.
    a) Inflationary Gap   b) Deficient Demand   c) Reverse Repo Rate   d) LRR
21. Differentiate Revenue Receipts and Capital Receipts.

<center>OR</center>

Elaborate 'Economic Growth' as objective of government budget.
22. Calculate Gross Value Added at factor cost from the following data.
    a) Indirect Tax (GST)   20
    b) Sales   1000
    c) Purchases   400
    d) Excise duty   30
    e) Changes in stock   - 40
    f) Import of raw materials   12
    g) Depreciation   9

<center>OR</center>

What is meant by problem of Double Counting? How this problem can be avoided?
23. Briefly discuss the following functions of Central Bank.
    a) Currency authority   b) Banker to the Government   c) Banker's Bank
24. Devaluation and Depreciation of currency is one and the same thing. Do you agree? How do they affect the exports of a country?

<center>2 - XII Eco</center>