

AMRITA VIDYALAYAM

AMRITA PRE BOARD EXAMINATION 2 - 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.
6. Answers should be brief and to the point and the above word limit be adhered to as far as possible.

SECTION - A

1. Define MOC.
OR
Why does an economic problem arise?
2. How is Marginal Utility derived from Total Utility?
3. A firm is operating with a TVC of ` 500 when 5 units of the given output are produced and Total Fixed Costs are ` 200. What will be the ATC of producing 5 units of output?
a) 140 b) 100 c) 120 d) 300
4. Forming cartel is a feature of:
a) Perfect competition b) Monopoly c) Oligopoly d) Monopolistic competition
OR
Zero degree of product differentiation is found under _____.
5. Why does PPC curve is downward sloping and concave to origin?
OR
Why does the problem of what to produce arise?
6. Define the meaning of quantity demand of a good? State the law of demand with the support of a schedule and diagram.
7. Calculate price elasticity of demand for a commodity when its price rises by 25% and quantity demanded falls from 150 units to 120 units?
OR
Explain the factors influencing price elasticity of demand.
8. Explain the implications of the following features of perfect competition.
a) Large number of buyers and sellers. b) Freedom of Entry and Exit.
9. On the basis of information given below determine the level of output at which the producer will be in equilibrium. Use $MC = MR$ approach. Give reason for your answer.
Output - 1, 2, 3, 4, 5, 6.
AR - 7, 7, 7, 7, 7, 7.
TC - 8, 15, 21, 26, 33, 41.
OR
Explain the change in supply and change in quantity supplied with the support of a diagram.
10. Explain the consumer's equilibrium with Indifference Curve Analysis.
OR
A consumer consumes two goods x and y and is in equilibrium. Show that when the price of goods x rises consumer buys less of goods x. Use utility analysis.

11. Suppose the market for goods x is in equilibrium. Explain the chain effect.
 - a) Increase in demand of goods x.
 - b) Increase in supply of goods x.
 - c) Simultaneous increase in demand and supply.
12. Explain the law of variable proportions. State the reasons behind the law with help of a diagram and schedule.

OR

State the relation between TC, TVC, and TFC. Explain it with the help of a single diagram.

SECTION - B

13. What is money supply?

OR

What is meant by repo rate?

14. What is managed floating exchange rate?
15. Interest payments are included in _____.
16. When US dollar exchange for 40 instead of 50 earlier the domestic currency shows _____.
17. How do Commercial Banks create credit? Explain with the help of an example.

- a) revenue deficit b) fiscal deficit c) primary deficit d) none of the above
- a) currency appreciation b) currency depreciation
- c) currency devaluation d) none of the above

OR

Explain the role of Central Bank as the 'Banker's Bank'.

18. Discuss briefly the circular flow of Income in a two sector economy. Write with the help of a suitable diagram.
19. Calculate Investment expenditure from the following data about an economy which is in equilibrium. National Income = 1000, MPS = 0.25 and Autonomous consumption = 200.

OR

Given consumption function $C = 100 + 0.75 y$ and investment expenditure = 1000.

Calculate.

- a) Equilibrium National Income.
- b) Consumption Expenditure at Equilibrium level of National Income.
20. Differentiate between Autonomous and Accommodating Balance of Payment.
21. From the following data calculate gross value added at factor cost.

	` in lakhs
Sales	7000
Change in Stock	100
Subsidies	200
Intermediate consumption	6000
Indirect tax	100
Consumption of fixed capital	300
Rent	500

22. When is the economy in equilibrium? Explain with the help of a diagram that aggregate demand equals aggregate supply and savings equal investment approach.

OR

Explain the meaning and components of aggregate demand.

23. Explain and evaluate the objectives of government budget in an economy.

24. Calculate the national income from the following.

	in crores
Private final consumption expenditure	500
Net factor income to abroad	-10
Consumption of fixed capital	-20
Government final consumption expenditure	200
Net indirect tax	100
Net domestic capital formation	120
Net Imports	30
Change in stock	-20