CBSE 12th Economics 2008 Unsolved Paper

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TIME - 3HR. | QUESTIONS - 32

THE MARKS ARE MENTIONED ON EACH QUESTION

SECTION-A

Q. 1. Define 'Marginal Rate of Transformation'. *1 marks*

Q. 2. What is a demand schedule? *1 marks*

Q. 3. Define 'production function'. *1 marks*

Q. 4. What is 'market supply'? *1 marks*

Q.5. Define 'equilibrium price'. *1 marks*

Q.6. Explain the central problem of 'choice of technique'. *3 marks*

Q. 7. Price elasticity of demand of a good is (-) 1. At a given price the consumer buys 60 units of the good. How many units will the consumer buy if the price falls by l0 percent? *3 marks*

Q. 8. Given the market price of a good, how does a consumer decide as to how many units of that good to buy? Explain. *3 marks*

Q. 9. What is the likely effect on the supply of a good if the prices of the inputs used in production of that good fall? Explain. *3 marks*

Q. 10. Explain what happens to the profits in the long run if the firms are free to enter the industry. *3 marks*

OR

Explain what happens to losses in the long run if the firms are free to leave the industry.

Q. 11. Explain producer's equilibrium using a schedule. Use total cost and total revenue approach. *4 marks*

OR

Distinguish between:
(i) Fixed Cost and Variable Cost giving examples
(ii) Average Cost and Marginal Cost giving an example.

Q. 12. Draw supply curves with price elasticity for supply throughout equal to: *4 marks*
 (i) zero,
(ii) one,
(iii) infinity and
(iv) less than one.

Q.13. Complete the following table: *4 marks*

Price (Rs)	Output (units)	Total revenue (Rs)	Marginal Revenue (Rs)
-	1	6	-
4	-	-	2
-	3	6	-
1	-	-	(-)2

Q.14. Explain, with the help of numerical examples, the effect on total output of a good when all the inputs used in production of that good are increased simultaneously and in the same proportion. (Out of syllabus, for 20l2exsmination & onwards). *6 marks*

Q. 15. Explain the effect of the following on demand for a good: *6 marks*
 (i) Rise in income.
 (ii) Rise in prices of related goods.

Q.16. Given market equilibrium of a good, what are the effects of simultaneous increase in Both demand and supply of that good on its equilibrium price and quantity. *6 marks*

OR
Explain the implications of the following:
(i) The feature 'differentiated products' under monopolistic competition.
(ii) The feature 'large number of sellers' under perfect competition.

SECTION-B

Q.17. Define 'aggregate supply'. *1 marks*

Q. 18. Give meaning of deficient demand. *1 marks*

Q.19. What is a Commercial Bank? *1 marks*

Q. 20. Define government budget. *1 marks*

Q. 21. What is Fixed Exchange Rate System? *1 marks*

Q.22. calculate Net Value Added at factor cost from the following data: *3 marks*

	(Rs lakhs)
(i) Depreciation	20
(ii) Intermediate cost	90
(iii) Subsidy	5

(iv) Sales   140
(v) Exports   7
(vi) Change in stock   (-)10
(viii) Imports of raw materials   3

Q. 23. When exchange rate of foreign currency falls, its demand rises. Explain, how. *3marks*

Q. 24. Distinguish between balance of trade and balance on current account. *3 marks*

Q. 25. Explain the 'medium of exchange' function of money. *3 marks*

<center>**OR**</center>

Explain the evolution of money.

Q.26.Give meaning of Capital Expenditure and Revenue Expenditure in a Government Budget. *3 marks*

Q.27. ln an economy an increase in investment leads to increase in national income which is three times more than the increase in investment. Calculate marginal propensity to consume. *4 marks*

Q. 28. Explain the lending function of commercial banks. *4 marks*

<center>**OR**</center>

Explain 'banker to the government' function of Central Bank.

Q. 29. What is revenue deficit? What are its implications? *4 marks*

Q. 30. Calculate 'National Income' and 'Private Income' from the following data:

	(Rs crores)
(i) Net current transfers to the rest of the world	10
(ii) Private final consumption expenditure	600
(iii) National debt interest	15
(iv) Net exports	(-)20
(v) Current transfers from government	5
(vi Net domestic product at factor cost accruing to government	25
(vii) Government final consumption expenditure	100
(viii) Net indirect tax	30
(ix) Net domestic capital formation	70
(x) Net factor income from abroad	10

Q. 31. Explain 'consumption function' with the help of a schedule and diagram. *6 marks*

<center>**OR**</center>

Explain 'saving function' with the help of a schedule and diagram.

Q. 32. Giving reasons, explain how the following are treated in testimating National Income: *6 marks*

(i) Wheat grown by a farmer but used entirely for family's consumption.

(ii) Earnings of the shareholders from the sale of shares.

(iii) Expenditure by government on providing free educatio

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