



Brilliant Public School

Seepat Road Bahatarai, Bilaspur (C.G.)

Pre Board - I, 2017-18

Class –XII Comm.

Subject – Economics

Time: 3:00 Hours

Date: 12.12.2017

M.M.: 80

Tuesday

General Instructions:

- All questions are compulsory.
- The question paper comprises of two sections, A and B. You are to attempt both the sections.
- Questions 1 to 4 in section A and 13 - 16 in section B are VSA's of one mark each. Choose the correct option.
- Questions 5 – 6 in section A and 17 to 18 in section B are three marks questions. These are to be answered in about 30 words each.
- Questions 7 - 9 in section A and 19- 21 in section B are four marks questions. These are to be answered in about 50 words each.
- Questions 10-12 in section A and 22-24 in section B are six marks questions. These are to be answered in about 70 words each.

Section A Micro Economics

- Define marginal opportunity cost.
- What is the general shape of the MP curve?
- For a perfectly competitive market, price would be equivalent to:
(a) Average revenue (b) marginal revenue (c) Total revenue (d) Both (a) and (b)
- Which of them following is not determinants of supply.
(a) Change in Excise duties (b) income of the consumer
(c) Change in future price (d) Goal of producer
- State and discuss any two factors that will be shift the production possibility frontier to the right.
Or
Draft a hypothetical schedule for a straight line production possibility curve.
- Giving reason, state the impact of each of the following on demand curve of a normal good 'X' if
(i) A rise in the price of substitute good
(ii) Income of a consumer decreases
- At a price of ` 50 per unit, the quantity demanded of a commodity is 1000 unit .when its price falls by 10 %, its quantity demanded rise of 1080 units. Calculate its price elasticity of demand.is its demand inelastic? Give reason for your answer.
- What is meant by price floor? Discuss in the brief, anyone consequences of imposition of floor price above equilibrium price with help of an diagram.

Or

How is the price of commodity determined in perfect competitive market? Explain with the help of diagram.

9. Explain how the following factors affect the supply of the commodity.
- (a) A price of factor input
 - (b) State of technology
10. (a) A customer, Mr. Aman is in state of equilibrium consuming two goods X and Y, with given prices P_x and P_y . What will be happened if $MU_x/P_x < MU_y/P_y$?
- (b) Show diagrammatically the condition of the consumers 'equilibrium, in Hicksian analysis of demand.
11. (a) Why is Total variable Cost curve inverse s-shaped?
- (b) What is average fixed cost curve of a firm? Why is an average fixed cost curve a rectangular Hyperbola? Explain with help of a diagram.
- Or
12. What do you mean by excess demand? What will be the effect of an excess demand on the price of the commodity?

Section –B
Macro Economics

13. Define the capital receipts of a government.
14. State the fiscal measures that can be used to reduce the gap between rich and poor.
15. Which of the following item is not included in money supply of a country?
- (a) Time deposits
 - (b) Coins and currency
 - (c) Demand deposits
 - (d) none of these
16. Borrowing in government budget is:
- (a) Revenue deficit
 - (b) Fiscal deficit
 - (c) primary deficit
 - (d) deficit in tax
17. Distinguish between marginal propensity to consume and marginal propensity to save.
18. There is increases in investment of ₹ 1000 crores in an economy. Marginal propensity to consume is zero. What is the total increase in income? Calculate.

OR

From the following data about firm 'X' calculate gross value added at factor cost by it:

Particulars	₹ in Crores
i. Sales	500
ii. Opening stock	30
iii. Closing stock	20
iv. Purchase of intermediate products	300
v. Purchase of machinery	150
vi. Subsidy	40

19. Explain the economic stability objective of a government budget.
20. Giving reasons explain how the following should be treated in estimation of national income:
 (i) Payment of interest by an individual to a bank
 (ii) Payment of corporate tax by a firm
21. How will the 'Reserve Repo Rate' and 'open market Operation' control excess money supply in an economy?

Or

Illustrate with the help of a hypothetical numerical example the process of credit creation.

22. Distinguish between current account and capital account of balance of payments.
23. Explain the meaning of inflationary gap. Mention any two measures to correct it.

Or

Explain with the help of a diagram the concept of deficient demand in macroeconomics.

24. Calculate National income by Income and Expenditure method.

	Particulars	₹ in Crores
i.	Government final consumption expenditure	7,000
ii.	Indirect taxes	9,000
iii.	Subsidies	1,800
iv.	Mixed income of self-employed	28,000
v.	Gross fixed capital formation	13,000
vi.	Net addition to stocks	10,000
vii.	Rent	6,000
viii.	Consumption of fixed capital	4,000
ix.	Private final consumption expenditure	44,000
x.	Exports of goods and services	4,800
xi.	Interest	4,000
xii.	Imports of goods and services	5,600
xiii.	Net factor income from abroad	(-) 300
xiv.	Compensation of employees	24,000

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