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Code Number	A
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INDIAN SCHOOL MUSCAT

Class : XII

SECOND PERIODIC TEST

Time Allotted: 50 mts

09.09.2018

Economics (030)

Max. Marks: 20

General Instructions

1. All questions in both the sections are compulsory.
2. Marks for questions are indicated against each.
3. Question Nos. **01 to 02** and **07** are very short answer questions /MCQ's of 1 mark each.
4. Question Nos. **03 to 05** and **09** are short answer questions of 3 marks each. These are to be answered in about 60 words each.
5. Question No. **06** is a short answer question of 4 marks. This is to be answered in about 70 words each.
6. Answer should be brief and to the point and the above word limit be adhered to as far as possible.

Section A: Introductory Microeconomics

1. Define the term substitute goods. 1
2. Increase in total production with employment of an additional unit of variable factor input is called: (Choose the correct alternative) 1
 - (a) Total Product
 - (b) Average Product
 - (c) Marginal Product
 - (d) None of the above
3. Explain any three properties of indifference curve. 3
4. Distinguish between 'expansion of demand' and 'increase in demand'. 3
5. Briefly explain as how 'availability of close substitutes' influences the price elasticity of demand. 3
6. Explain the relationship between total product and marginal product with the help of a schedule & diagram. 4

Section B: Introductory Macroeconomics

7. What is barter system? 1
8. Define the term money supply. 1
9. Explain the process of credit creation (money supply) by banks with a suitable example. 3

End of question paper