

Roll Number		
-------------	--	--

Code Number	C
-------------	---



INDIAN SCHOOL MUSCAT SECOND PERIODIC TEST



ECONOMICS

CLASS: XII

Sub. Code: 030

Time Allotted: 50 mts

09.09.2018

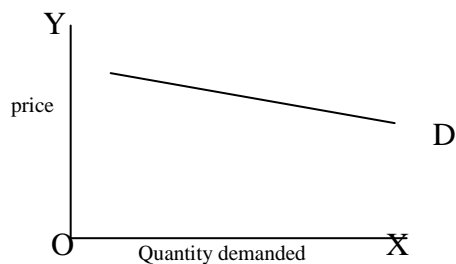
Max. Marks: 20

General Instructions:

- i. All questions of both the sections are compulsory.
- ii. Marks for questions are indicated against each.
- iii. Questions 1 & 2 and 7 & 8 are very short answer questions carrying 1 mark each. These are to be answered in one sentence each.
- iv. Questions 3 to 5 and question 9 are short answer questions carrying 3 marks each. Answers to them should not normally exceed 60 words each.
- v. Question 6 carry 4 marks each. Answer to this should not normally exceed 70 words each.
- vi. Answers should be brief and to the point and the above word limits to be adhered to as far as possible.

SECTION A

1



1

In the demand curve shown above, the absolute value of price elasticity of demand is: (choose correct alternative)

- i. Equal to one
 - ii. More than one
 - iii. Less than one
 - iv. Infinity
- 2 What can you say about the marginal product when total product is constant? 1
- 3 How does increase in price of substitute good affect demand for a given good? Explain using diagram. 3
- 4 Price elasticity of demand for a good is -2. A consumer buys 60 units of the good at a price of Rs. 8 per unit. How many units of this good will this consumer buy if its price falls by Rs. 2 per unit. 3

- | | | |
|---|--|---|
| 5 | How do the following influence price elasticity of demand for a good? | 3 |
| | a. Time Period. | |
| | b. Availability of close substitute. | |
| 6 | A firm increases the employment of one variable input. Explain how total product changes in its different stages. Use diagram as illustration. | 4 |

SECTION B

- | | | |
|---|---|---|
| 7 | If Legal Reserve Ratio is 25%, what could be the value of deposit multiplier? | 1 |
| 8 | What makes the difference between M2 and M3 measures of money supply? | 1 |
| 9 | How does central bank use 'Open Market Operation' to control credit and money supply? | 3 |

End of the Question Paper