



INDIAN SCHOOL MUSCAT
SAMPLE PAPER - UNSOLVED -1
SUBJECT : ECONOMICS

CLASS: XII

Sub. Code: 030

Time Allotted: 3 Hrs

Max. Marks: 80

SECTION A (MICRO ECONOMICS)

1	Which of the following is an example of Normative Economics statement? a) Scarcity is the root cause of all economic problem b) Distribution Of national product should be equal or unequal c) India is the second populous country in the world. d) All of the above.	1
2	Point out one difference between cardinal and ordinal utility?	1
3	Demand curve is same as : a) Indifference curve b) Production possibility curve c) Marginal utility curve d) Both A and C	1
4	What are Monotonic Preferences?	1
5	How does level of technology influences the supply of a commodity. Or What happens to the supply curve of a commodity when government reduces the GST rates?	3
6	Explain the problem What to Produce. Give reasons.	3
7	A consumer spends Rs. 180 to buy 18 units of a commodity. How many units of that commodity consumer buys if its price falls by Rs . 2 per unit and its price elasticity is (- 1.5)	4
8	Write the relationship between Marginal Product and Average Product using numerical example. Or Write the relationship between Marginal Cost and Average Cost using numerical example	4

9	Define Perfect Oligopoly. Explain the feature interdependency among the firm under oligopoly market.	4
10	Market determined rent for apartment is too high that common people cannot afford. What can government do through market forces to ease this situation? Explain the chain of effects in the market using diagram.	6
11	Why Must Marginal revenue be equal to Marginal cost for equilibrium of a producer. Explain	6
12	Distinguish : a) Changes in demand and changes in quantity demand b) Budget line and Budget Set.	6

SECTION B (MACRO ECONOMICS)

13	What are time deposits?	1
14	Which of the following value can never be zero: a) Average propensity to Consume. b) Marginal Propensity to Consume c) Average Propensity to Save d) Marginal Propensity To Save	1
15	Define inflationary gap.	1
16	Currency notes and coins are: a) Fiat money b) Bank Money c) High powered money d) Both A and C	1
17	Explain the allocation function of Government Budget.	3
18	Write the meaning and implication of revenue deficit, Or What does Fiscal deficit imply? Explain	3

19	How does Central Bank control Money supply using Margin requirement. Or Discuss the term 'Bank Of Issue'	4																		
20	In an economy every time national income increases 20 % of increased income is saved. If there is an additional investment of Rs.400 crore, calculate:	4																		
21	Calculate Gross National Product at Factor cost: <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: center;">ITEMS</th> <th style="text-align: center;">Rs. (Arab)</th> </tr> </thead> <tbody> <tr> <td>No. Of units produced</td> <td style="text-align: center;">120</td> </tr> <tr> <td>Price per unit</td> <td style="text-align: center;">Rs. 80</td> </tr> <tr> <td>Changes in stock</td> <td style="text-align: center;">1200</td> </tr> <tr> <td>Purchase of raw material</td> <td style="text-align: center;">1860</td> </tr> <tr> <td>Subsidy</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Consumption of fixed capital</td> <td style="text-align: center;">40</td> </tr> <tr> <td>Net Factor Income to Abroad</td> <td style="text-align: center;">(- 75)</td> </tr> <tr> <td>Import of raw material</td> <td style="text-align: center;">150</td> </tr> </tbody> </table>	ITEMS	Rs. (Arab)	No. Of units produced	120	Price per unit	Rs. 80	Changes in stock	1200	Purchase of raw material	1860	Subsidy	100	Consumption of fixed capital	40	Net Factor Income to Abroad	(- 75)	Import of raw material	150	4
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22	The nominal national income of India has increased 18% while real national income increased by only 8% .Population of India has increased 3%. i) Name the price index with reference to real and nominal national income and write its formula. ii) What has caused the difference in changes in the real national income and nominal national income?	6																		
23	With reference to Balance of Payment discuss the following: a) Surplus in balance of payment b) Current account transaction	6																		
24	Explain the steps to derive saving curve from consumption curve. Use diagram	6																		

