

**VIDYA VIKAS MANDAL'S
RAMACRISNA MADEVA SALGAOCAR HIGHER SECONDARY
SCHOOL
MARGAO-GOA**

Preliminary Examination December 2024

STD: XII

Duration: 3 hours

Date: 21/12/2024

Sub: Economics

Marks: 80

INSTRUCTION's:-

- I. All questions in both sections are compulsory.
- II. Marks for each question are indicated against each to the right.
- III. Question Nos. 1-8 and 19-26 are objective type questions carrying 1 marks each
- IV. Question Nos. 9-12 and 27-30 are short answer type questions carrying 2 marks each. (answer should be around 40 words)
- V. Question Nos. 13-15 and 31-33 are also short answer type questions carrying 3 marks each. (answer should be around 60 words)
- VI. Question Nos. 16-18 and 34-36 are long answer type questions carrying 5 marks each. (answer should be around 100 words)
- VII. Internal choice to be exercised in question 15, 18, 33, and 36.
- VIII. Word limit is not applicable to answers on differentiation, diagrams and those of numerical nature.
- IX. Use of calculators not allowed.
- X. All diagrams should be drawn in black lead pencil only.

SECTION -A

1. When a consumer spends his entire income, he can afford to buy 6 and 8 units of good 1 and good 2 respectively. If his income is Rs. 100 and price of good 1 is Rs 10/- per unit, what will be the price of good 2 ?
 - a. Rs 5
 - b. Rs 7
 - c. Rs 6
 - d. Rs 8

2. Marginal Utility derived from the consumption of 1st and 2nd unit of ice cream is 20 and 16 respectively. Find the total utility of the 2nd unit.
 - a. 20
 - b. 46
 - c. 36
 - d. 44

3. From the following pairs of goods, which is an example of unrelated goods
 - a. Tea and sugar
 - b. Tea and coffee
 - c. Pen and ink
 - d. Textbook and TV

4. At midpoint of straight line demand curve, price elasticity of demand is

- a. $ed = 1$
- b. $ed > 1$
- c. $ed < 1$
- d. $ed = 0$

5. When higher taxes are imposed on factor inputs used by a car manufacturer, the supply of his cars in the market will :

- a. increase
- b. decrease
- c. expand
- d. contract

6. A situation of profit maximization is achieved when:

- a. $TC > TR$
- b. $TC = TR$
- c. $TR > TC$
- d. $AR < TR$

7. The market structure which charges electricity bills at Rs 12 per unit for domestic use and Rs. 14 per unit for commercial use.

- a. Perfect competition
- b. Oligopoly
- c. Monopoly
- d. Monopolistic competition

8. The formal agreement which is formed in order to avoid competition is known as

- a. patent
- b. cartel
- c. interdependence
- d. trademark

9. Define opportunity cost.

10. Draw neat labelled diagram to show the type of elasticity for the following:

- a. A gas cylinder which is a necessity to households.
- b. Potato chips which has many brands in the market.

11. Explain with example fixed cost and variable cost.

12. Compute TR and MR from the following.

Quantity sold(units)	Price(rs)
1	10
2	9

13. Explain any three assumptions of law of diminishing marginal utility.

14. At a price of rs. 20 per unit the quantity demanded of a commodity is 300 units. If the price falls to rs. 18 quantity demanded rises to 360 units. find price elasticity of demand using percentage method.

15. Explain any three features of perfect competition.

OR

Explain any three features of Monopolistic competition.

16. Explain with the help of a neat labelled diagram increase in demand and decrease in demand.

17. With the help of a neat labelled diagram explain the law of variable proportion.

18. Explain the determination of equilibrium price under perfect competition with schedule and diagram.

OR

With the help of a neat labeled diagram explain the effect on equilibrium price and quantity in the following cases:

- a. increase in demand supply remaining constant
- b. decrease in supply demand remaining constant

SECTION –B

19. Income received by the individuals and households from all the sources in the form of factor income and current transfers is referred to as .

- a. private income
- b. personal income
- c. transfer payments
- d. personal disposable income

20. The sum total of expenditure on the domestically produced goods and services during the period of accounting year is called as

- a. demand function
- b. consumption function
- c. aggregate supply
- d. aggregate demand

21. Which of the following fiscal measures should be used in times of excess demand in the economy.

- a. increase in government expenditure
- b. increase in taxes
- c. decrease in public borrowing
- d. deficit financing

22. The type of deposit created by commercial bank when it gives loan to the people is known as

- a. Demand deposits
- b. Fixed deposits
- c. Secondary deposits
- d. Primary deposits

23. In order to bring stability in the economy, the central bank increases repo rate by 20%. What effect will it have on the economy?

- a. The demand for credit will increase in the economy
- b. Consumption expenditure will increase in the economy
- c. The demand for credit will decrease in the economy
- d. Aggregate demand will increase in the economy

24. Exchange rate which is determined by the demand and supply of currencies.

- a. Fixed exchange rate
- b. Managed floating
- c. Gold standard system of exchange rate
- d. Flexible exchange rate

25. Give an economic term to a tax which is levied on a commodity on the basis of its unit, size or weight.

- a. Specific tax
- b. Goods and service tax
- c. Progressive tax
- d. Regressive tax

26. The difference between fiscal deficit of the current year and interest payments on previous borrowings is referred to as:

- a. fiscal deficit
- b. Revenue deficit
- c. primary deficit
- d. capital deficit

27. What is meant by double counting?

28. Explain the terms:

Compensation of employees

ii) Operating Surplus

i)

29. construct a schedule and draw a neat diagram of consumption function.

30. Classify the following expenditure of the government into revenue expenditure and capital expenditure.

- a. Flood relief aid
- b. purchase of aircrafts
- c. construction of nuclear power plant
- d. loans given to foreign country.

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

32. Explain the three motives for holding money.

33. Explain any three fiscal policy measures to correct Deficient demand.

OR

Explain any three components of Aggregate demand.

34. Explain value added method of estimating National income.

35. Explain quantitative measures used by RBI to control credit in the economy.

36. Discuss any five sources of non tax revenue to the Government

OR

Explain the determination of exchange rate through demand for and supply of foreign exchange.

*****ALL THE BEST*****