

V.V.M's RAMACRISNA MADEVA SALGAOCAR HIGHER SECONDARY SCHOOL
First Term Examination (Oct. 2024)

Date: 19/10/2024

Subject: Economics

Maximum Marks: 80

Std :XII

Duration: 3 hours

INSTRUCTIONS:

- i. All questions in both sections are compulsory.
- ii. Question No. 1-16 are very short answer type carrying 1 mark each.
- iii. Question No.17-24 are short answer type carrying 2 Marks each. (Answer should be around 40 words.)
- iv. Question No. 25 – 30 are also short answer type carrying 3 marks each. (Answer should be around 60 words)
- v. Question No. 31 – 36 are long answer type carrying 5marks each (Answer should be around 100 words)
- vi. Internal choice to be exercised in question nos. 28 and 32
- vii. Word limit is not applicable to answers on differentiation, diagrams and those of numerical nature.
- viii. All diagrams should be drawn in black lead pencil.
- ix. Use of any calculating device is not allowed.

1. Which of the following statements is true about utility
 - It means usefulness
 - It refers to quality of a good
 - It refers to consumption of a good
 - It refers to want satisfying power of a good
2. Akshata Nayak gets job offer from three firms. Salary offered by the firms is as follows: Firm ABC Rs.30,000/month, Firm XYZ Rs. 40,000/month and Firm LMN Rs.25000/month. She accepts the job from Firm XYZ. What is her opportunity cost?
 - Rs. 30,000/month
 - Rs. 25000/month
 - Rs. 10,000/month
 - Rs. 40,000/month
3. A consumer having monotonic preference will prefer which of the following bundles
 - (3.1)
 - (3.0)
 - (3.3)
 - (4.1)
4. Method that measures elasticity at a point on a straight line demand curve
 - Percentage Method
 - Geometric Method
 - Proportionate Method
 - Total Outlay Method
5. What is the elasticity of the demand curve which is parallel to the 'x' axis
 - Perfectly elastic
 - Unitary elastic
 - Relatively elastic
 - Perfectly inelastic
6. A rise in price of groundnut oil, increases the demand for soya bean oil. How are both the goods related
 - Inferior goods
 - complementary goods.
 - Giffen goods
 - Substitute goods
7. Which of the following is a variable factor in the production process
 - Machinery
 - Raw material
 - Permanent employees
 - Building

8. When Total Revenue is increasing at a diminishing rate, Marginal Revenue will be
 - Decreasing
 - Increasing
 - Zero
 - Constant
9. Relationship between own price of the commodity and its quantity supplied
 - Inverse
 - Constant
 - Direct
 - No relationship
10. OPEC was set-up in 1960 by the world's Five major oil producing countries namely, Iran, Iraq, Kuwait, Saudi Arabia and Venezuela. They came into a formal agreement to avoid competition. In which market form Cartels are formed
 - Monopoly
 - Perfect Competition
 - Oligopoly
 - Monopolistic
11. When Demand increases, supply constant, how will equilibrium price and quantity change
 - Equilibrium price and quantity will decrease
 - Equilibrium price will increase and quantity will decrease
 - Equilibrium price will decrease and quantity will increase
 - Equilibrium price and quantity will increase
12. A market form in which the firm and industry are identical
 - Monopoly
 - Monopolistic
 - Oligopoly
 - Perfect competition
13. A set of two goods which offer the consumer the same level of satisfaction
 - Budget set
 - Indifference curve
 - Indifference set
 - Budget line
14. Which of the following measurements of money supply includes, total deposits with post offices.
 - M1
 - M2
 - M3
 - M4
15. Sale and purchase of government securities by the central bank
 - Bank rate
 - Cash Reserve Ratio
 - Statutory Liquidity Ratio
 - Open Market Operations
16. Which of the following will the central bank adopt to reduce the flow of credit
 - Purchase securities
 - Reduce CRR
 - Increase Bank Rate
 - Keep Repo rate constant
17. Construct budget set of a consumer, comprising of four consumption possibilities based on the following information. Income is Rs. 50, price of good 'x' is Rs. 10 and price of good 'y' is Rs. 5/.

18. Construct a Production Possibility Curve and mark a point showing inefficient utilisation of resources.
19. Construct a market demand schedule, assuming there are only Two buyers in the market
20. State any Four determinants of demand
21. A 5% rise in price causes a 15% increase in quantity supplied, calculate the elasticity of supply.
22. State any four features of Monopolistic market
23. Distinguish between central bank and commercial banks
24. Many Fishing trawler owners are incurring huge losses on account of a large fleet operating, than required. State any two qualitative instruments of monetary policy to restrict the flow of credit to the business activity.
25. Explain an indifference map with the help of a diagram
26. Explain any Three central problems of an economy
27. Explain contraction of demand with the help of a diagram
28. Define the following terms:
 - a) Total Product
 - b) Average Product
 - c) Marginal ProductOR
Define the following terms:
 - a) Total cost
 - b) Average cost
 - c) Marginal cost
29. Draw the following elasticity's of supply
 - a) Unitary elastic supply
 - b) Relatively elastic supply
 - c) Relatively inelastic supply
30. Due to excessive rains the onion crop has been destroyed. The demand for onions is the same. Draw a diagram to show its effect on equilibrium price and equilibrium quantity.
31. State and explain the law of diminishing marginal utility with the help of a schedule and diagram.
32. State and explain the law of demand with the help of a diagram and schedule
OR
State and explain the law of supply with the help of a diagram and schedule
33. Explain the determination of equilibrium price and quantity in a Perfectly Competitive market
34. Explain the functions of money (any five)
35. Explain increase and decrease in demand with the help of a diagram
36. Explain the functions of the central bank (any five)
