

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

First Term Examination October 2025

STD: XII

Duration: 3 hours

Date: 6/10/2025

Sub: Economics

Marks: 80

INSTRUCTION:-

- I. All questions are compulsory.
- II. Marks for each question are indicated against each to the right.
- III. Question Nos.1-16 are objective type questions carrying 1 marks each
- IV. Question Nos. 17-24 are short answer type questions carrying 2 marks each.
- V. Question Nos. 25-30 are also short answer type questions carrying 3 marks each.
- VI. Question Nos. 31-36 are long answer type questions carrying 5 marks each
- VII. Internal choice to be exercised in question 28 and 32.
- VIII. Use of calculators not allowed.
- IX. All diagrams should be drawn in black lead pencil only

1. Marginal Utility derived from the consumption of 1st and 2nd unit of pizza is 20 and 16 respectively. Find the total utility of the 2nd unit.

- 20
- 46
- 36
- 44

2. Different consumption bundles on an indifference curve indicate _____

- zero level of satisfaction
- equal level of satisfaction
- unequal level of satisfaction
- negative level of satisfaction

3. 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 ₹100 and price of good 1 is ₹10/- per unit, the price of good 2 will be

- ₹5
- ₹7
- ₹6
- ₹8

4. A rise in price of Pepsi, increases the demand for coke. How are both the goods related.

- Complementary goods
- Giffen's goods
- Substitute goods
- Inferior goods

5. A consumer buys 5 units at ₹15 per unit, when price falls to ₹10 per unit, his quantity demand rises to 20 units. This is an example of _____.

- Contraction in demand
- Expansion in demand
- Increase in demand
- Decrease in demand

6. Method that measures elasticity at a point on a straight line demand curve

- Total outlay method
- Percentage method
- Proportionate method
- Geometric method

7. The type of elasticity of demand where demand curve is a straight line vertical to Y axis

- Unitary elastic demand
- Relatively elastic demand
- Perfectly elastic demand
- Perfectly inelastic demand

8. The amount a firm receives by selling a given quantity of output is termed as _____.

- Average revenue
- Total cost
- Total revenue
- Average cost

9. When GST rates are reduced on factor inputs used by a car manufacturer, the supply of his cars in the market will

- constant
- increase
- decrease
- contract

10. When total product is maximum, marginal product will be

- Decreasing
- Increasing
- Zero
- negative

11. A situation of profit maximization is achieved when:

- $TC > TR$
- $TC = TR$
- $TR > TC$
- $AR < TR$

12. Which of the following is an example of cartel?

- WTO
- IMF
- IFC
- OPEC

13. When demand increases and supply remains constant, what will be the effect on equilibrium price and quantity.

- Equilibrium price and quantity will decrease
- Equilibrium price will increase and quantity will decrease
- Equilibrium price will decrease quantity will increase
- Equilibrium price and quantity will increase

14. The difference between market value of the security offered by the borrower and the amount of loan granted .

- Open market operations
- Cash reserve ratio
- Statutory liquidity ratio
- Margin requirement

15. Which of the following instruments of money supply includes, total deposits with post offices.

- M1
- M2
- M3
- M4

16. The deposits which arise on account of loans given by the banks to the people.

- Fixed deposits
- Primary deposits
- Recurring deposits
- Secondary deposits

17. Define opportunity cost .

18. A consumer wants to consume two goods: Good A and Good B. Good A is priced at ₹2 per unit and Good B is priced at ₹4 per unit. The income of the consumer is ₹20. Write down any four bundles that are available to consumer.

19. What is production function?

20. State any four determinants of supply.

21. Classify the following into fixed factors and variable factors.

- a. expenditure on raw material b. rent c. wages of casual workers d. taxes

22. Define the terms:

a. Selling cost

b. Product differentiation

23. State any four features of perfect competition.

24. Define the terms:

a. Cash reserve ratio

b. Bank rate

25. Explain the three central problems of an economy.

26. Construct a market demand schedule and find total market demand where there are three consumers in a market.

27. When the price is ₹20 per unit, demand of a commodity is 500 units. When price falls to ₹15 per unit, demand increases to 700 units. Calculate price elasticity of demand.

28. Explain with the help of neat labelled diagram the concept of expansion in supply.

OR

Explain with the help of neat labelled diagram the concept of contraction in supply.

29. Define the following terms:

a. Total cost

b. Average cost

c. Marginal cost

30. Explain any three features of oligopoly market.

31. Explain consumers equilibrium using indifference curve analysis with the help of neat labelled diagram.

32. Explain the law of variable proportion with the help of schedule and neat labelled diagram.

OR

Explain the Law of supply with the help of schedule and neat labelled diagram.

33. Explain any five determinants of demand.

34. Explain Shifts in demand with the help of neat labelled diagram.

35. With the help of schedule and neat labelled diagram explain the determination of equilibrium price under Perfect competition.

36. Explain five functions of money.
