

NGFS, SE

GF-32-400

Half Yearly Examination (2016-17)

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Subject : Economics (Set B) Class : XII

Time : 3:00 hrs. Maximum Marks : 100

General Instructions :

- (i) All questions in both sections are compulsory.
- (ii) Marks for questions are indicated against each question.
- (iii) Questions carrying 1 mark to be answered in one sentence each.
- (iv) Questions carrying 3 marks to be answered in 60 words each.
- (v) Questions carrying 6 marks to be answered in 100 words each.
- (vi) Questions carrying 4 marks to be answered in 80 words each.
- (vii) Answers should be brief, to the point and adhere to word limits as far as possible.

Section – A (Micro Economics)

70

1. The right *ward* shift of PPC indicates : 1
 - (a) Excess utilisation of resources.
 - (b) Increase in resources.
 - (c) Higher level of output of both good.
 - (d) 'b' & 'c' only.
2. Give the difference between Cardinal & Ordinal utility. 1
3. How will the psychology of a child be affected if he consumes his favourite chocolate in excess? 1

4. Factors affecting the demand of a commodity are : 1
- (a) Own price of a good. (b) Income of consumer
(c) Price of related goods. (d) All of the above.
5. A consumer buys more of a commodity even when MU of every successive unit tends to decrease. Why? 1
6. Why is co-efficient of price elasticity of demand negative. 1
7. 'Cartels' are formed with the purpose of : 1
- (a) legal agreement among few big firms.
(b) enjoying better control over price & output policy.
(c) to give each other tough competition.
(d) None of the above.
8. Input prices have increased. What will be the impact on suppliers / producers. 1
9. Draw MC, ~~AR~~ P, Demand curve under perfect competition. 1
10. Identify the root cause of economic problems. 3
11. Give your opinion on ^{impact} "input of economic decisions" on growth and development of a welfare state. 3
12. For a commodity, $\Delta P = -0.2$ and $E_d = -0.5$. Find quantity ~~P~~ demanded after a fall in price when initially it was 60 units. 3
13. Mention the causes of increases in demand. Briefly explain any three. 3
14. Explain the "Law of variable proportions" in terms of behaviour of TP. 3
15. Find the maximum profit position from the following data. Is the maximum profit level normal or abnormal? Give reasons. 3

Output (Units)	TR	TC
1	10	12
2	18	20
3	24	24
4	21	36
5	18	50

$$Ed = \frac{\Delta Q}{\Delta P} \times \frac{P}{Q} = \frac{20}{-0.2} \times \frac{60}{20} = -300$$

16. What is the price elasticity of 'S' when :

3

- (a) 'S' passes through origin.
- (b) 'S' is a vertical straight line.
- (c) 'S' is a horizontal straight line.

17. Complete the following table :

4

P (Rs.)	Q	TR	MR
7	—	7	—
—	2	10	—
—	3	—	(-) 1
1	—	—	(-) 5

18. Differentiate between micro and macro Economics.

4

19. Explain the reaction of the consumer when

4

- (i) Price ratio is higher than MRS.
- (ii) Price ratio is lower than MRS.

20. Differentiate between :

4

- (a) Product differentiation and price discrimination.
- (b) Perfect competition & oligopoly.

OR

Explain the law of diminishing MU with the help of a utility schedule.

21. Calculate AFC of

6

- (a) Producing 3 units
- (b) AVC of producing 4 units.

Quantity	TC	FC
0	150	150
1	300	150
2	420	150
3	600	150
4	790	150
5	1000	150
6	1260	150

FFA

22. What do you understand by consumer's equilibrium ? Explain it in case of single commodity. 6

23. What do you mean by maximum price ceiling. What are its implications. 6

OR

What do you mean by returns to scale ? Mention any four external economics of returns to scale.

24. Explain the effect of simultaneous decrease in both demand and supply on equilibrium price and quantity. 6

Section – B (Macro Economics)

30

25. Goods can be classified as : 1

- (a) Final and intermediate goods
- (b) Consumer and capital goods
- (c) Both 'a' and 'b'.
- (d) None of the above.

26. Differentiate between intermediate & final goods. 3

27. Explain circular flow of income in a 2 sector economy. Use diagram. 4

28. How should the following be treated in NI. Give reasons : 4

- (a) Scholarship to students
- (b) Income received from gambling.
- (c) Farm production utilised for self consumption.
- (d) Retirement pension.

29. Define the following aggregates of NI. 4

- (a) Private Income
- (b) Personal Income

30. Define GDP. How can it be treated as index of welfare. 4

31. Calculate value of output & GDP_{FC}. 4

Particulars	Rs. in crores
(i) Sales	1000
(iii) Change in stock	200

(iv) ✓ Sales Tax	70
(v) ✓ Purchases	500
(vi) ✓ Excise duty	50
(vii) Export	200

32. Calculate NNP_{fc} by Income and Expenditure method.

6

Rs. (In Crores)

(i) ✓ Compensation of employees.	5200
(ii) ✓ Government final consumption expenditure	1500
(iii) Subsidy	-1400
(iv) ✓ Operating Surplus	2000
(v) ✓ Net Export	-400
(vi) ✓ Gross Domestic fixed capital formation	2500
(vii) ✓ Change in stock	400
(viii) ✓ Income paid to abroad	-400
(ix) ✓ Depreciation	1000
(x) ✓ Mixed Income	6400
(xi) ✓ Private final consumption expenditure.	12000

$$\begin{array}{r} 1200 \\ 6800 \\ \hline 14000 \end{array}$$

$$\begin{array}{r} 1200 \\ 620 \\ \hline 580 \end{array}$$

$$\begin{array}{r} 1200 \\ 6800 \\ \hline 14000 \end{array}$$