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SET-A

GF-6-450

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NEW GREEN FIELDS SCHOOL
HALF YEARLY EXAMINATION, 2015-16

ECONOMICS

Time : 3 hrs.

Class – XII

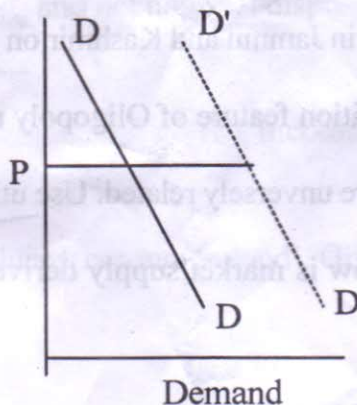
M.M. : 100

General Instructions—

- (1) All questions are compulsory.
- (2) Answer should be brief to the point.

SECTION—A (MICRO ECONOMICS)

- 1 If FDI increases in India which curve will shift to the right— 1
 - (a) Demand
 - (b) Revenue
 - (c) PPC
 - (d) Supply
- 2 The Demand Curve of a good shifts from DD to D'D'— 1



- (a) due to fall in its own price
- (b) rise in price of complementary goods
- (c) Increase in price of substitute goods
- (d) all the above

[P.T.O.]

3 When 5 units of goods are sold TR is ₹ 100. When 6 units are sold MR is ₹ 8. At what price are 6 units sold— 1

- (a) ₹ 28 (b) ₹ 20
(c) ₹ 18 (d) ₹ 12

4 Suggest any one Economic measure by which the Government can promote consumption of Khadi. 1

5 When TVC increases will MC only rise ? Give reason. 1

6 Draw supply curve showing price elasticity of supply— 3

- (a) Zero (b) One
(c) Greater than one

7 Distinguish between explicit cost and implicit cost. 3

8 Why does government fix 'Support price' for some crops ? 3

9 What is the effect of flood in Jammu and Kashmir on its production possibility frontier ? 3

10 Explain non-price competition feature of Oligopoly market. 3

11 Show price and demand are unversely related. Use utility analysis. 4

12 Define market supply. How is market supply derived from individual supply curves ? Explain. 4

13 Complete the following table— 4

Output	1	2	3	4	5
(TFC) AFC	<input type="checkbox"/>	<input type="checkbox"/>	40	<input type="checkbox"/>	24
MC	<input type="checkbox"/>	20	16	<input type="checkbox"/>	20
TC	<input type="checkbox"/>	164	<input type="checkbox"/>	198	<input type="checkbox"/>

Handwritten calculations:

MC = $\frac{\Delta TC}{\Delta Q}$

TC = $\int MC \cdot Q + TFC$

For Q=1, MC=20, TC=164

For Q=2, MC=16, TC=198

For Q=3, MC=20, TC=240

For Q=4, MC=24, TC=280

For Q=5, MC=28, TC=320

- 14 Give reason explain whether following statement are true or false— 4
- (a) Increasing total product always implies increasing returns to factor.
- (b) When diminishing returns to factor set in both MP and AP fall.
- 15 Give two properties of budget line. Give two properties of indifference curve. 6
- 16 Explain the significance of freedom to enter and exit of a firm. *normal profit* 6
- 17 (a) If demand function is expressed as $D_x = a - bp$, $D_x = 40 - 10p$. Derive demand function for 50 consumer. Calculate the Individual Demand at $P = 2$ and $P = a/b$. What is demand? 3+3
- (b) Give three factors responsible for demand curve to shift leftwards.
- 18 Draw the demand curve of three markets and explain their elasticity. 6

SECTION—B

- 19 Can GNP_{MP} less than GDP_{FC} ? 1
- 20 Is corporate tax included in National Income? 1
- 21 Define Nominal National Income. 1
- 22 Distinguish between NNP_{MP} and net national disposable income. 1
- 23 Which are stock and flow— 3
- (a) Capital (b) Income
- (c) Investment
- 24 'Smart mobile phone are always consumer good'. Give reason. 3
- 25 Calculate sales— 3
- | | |
|----------------------------------|-------|
| (a) Intermediate costs | 700 |
| (b) Consumption of fixed capital | 80 |
| (c) Change in stock | (-)50 |
| (d) Subsidy | 60 |
| (e) NVA at FC | 1300 |
| (f) Exports | 50 |

- 26 Are the following included in National Income. Give reason— 3
- Food purchased by a foreign tourist at a hotel in New Delhi.
 - Profits of R. K. Company from its business in Australia. [R. K. Co. is a resident company of India].
 - Profits of Foreign Bank of India.
- 27 (a) Interest received by household from Commercial Bank. 4
- (b) Interest paid by household to Commercial Bank.
- Give reason and state if they are included in National Income.
- 28 Explain the circular flow of income. 4
- 29 Explain how externality affect GDP. 4
- 30 Calculate National Income and GNDI— 6
- Current transfer from Govt. 15
 - Private final consumption expenditure 400
 - Net current transfer from abroad 20
 - Govt. final consumption expenditure 100
 - Net factor income from abroad (-)10
 - Net domestic capital formation 80
 - Consumption of fixed capital 50
 - Net exports 40
 - Net indirect taxes 60
- 31 Explain the steps involved in estimating NI with the help of value added method. 6