

SAMPLE PAPER - 2014
ECONOMICS
Class – XII

General Instructions:

- All the questions in both the sections are compulsory.
- Marks have been indicated against each question.
- Question nos. **1 - 5** and **17 - 21** are very **short answer questions** carrying **1 mark** each. They are to be answered in **one sentence** each.
- Question nos. **6 - 10** and **22 - 26** are **short answer questions** carrying **3 marks** each. Answers to them should normally not exceed **60 words**, each.
- Question nos. **11 - 13** and **27 - 29** are also **short answer questions** carrying **4 marks** each. Answers to them should normally not exceed **70 words**, each.
- Question nos. **14 - 16** and **30 - 32** are **long answer questions** carrying **6 marks** each. Answers to them should normally not exceed **100 words**, each.
- Question no. **15** is value-based question.
- Answers should be brief and to the point and the above word limits should be adhered to as far as possible.

SECTION-A

- Q 1) Give two examples of growth of resources. (1)
- Q 2) What is the shape of AP curve? (1)
- Q 3) Define MOC. (1)
- Q 4) What do you mean by producer's equilibrium? (1)
- Q 5) The airfare between Delhi and Raipur has increased. How will it affect the supply curve of air travel? (1)
- Q 6) Explain the various points of relationship between marginal utility and total utility. (3)
- Q 7) Explain any three factors affecting elasticity of demand. (3)
- Q 8) Find out the producer's equilibrium from the following schedule. (3)

Quantity Sold	1	2	3	4	5
AR	12	11	10	9	8
AC	4	5	6	7	9

- Q 9) Which cost ,fixed or variable ,determines marginal cost? Give reasons. (3)
- Q 10) Distinguish between expansion in supply and increase in supply. (3)
- Q 11) Explain the problem of 'for whom to produce'. (4)
- Q 12) Distinguish between an inferior good and normal good.Explain the effect of change in income on each ,giving suitable examples. (4)

OR

Explain four factors that can bring about an increase in the market demand for a commodity.

- Q 13) Explain the relation between marginal revenue and average revenue when a firm is able to sell more quantity of output – (4)
- a) At the same price b)
- b) Only by lowering the price.

- Q 14) Explain the effect on equilibrium price and equilibrium quantity when: (6)
 a) Demand curve shifts to the left.
 b) Supply curve shifts to the left and demand is perfectly elastic.
- Q 15) Explain the various reasons that lead to emergence of monopoly. How is monopoly a necessary evil from the society point of view? (6)
- Q 16) State any four causes of a leftward shift of demand curve of a commodity. (6)

SECTION-B

- Q17) Define economy. (1)
- Q18) What is the general profit maximizing condition for a producer(MR-MC approach)? (1)
- Q19) Define supply. (1)
- Q20) What is long run? (1)
- Q21) Can PPC be convex to the origin. (1)
- Q22) Explain the conditions of Consumer's Equilibrium in case of single commodity. (3)
- Q23) The price elasticity of demand of good X is half the price elasticity of demand of good Y. A 25% rise in the price of good Y reduces its demand from 400 units to 300 units. Calculate percentage rise in demand of good X when its price falls from Rs 10 to Rs 8 per unit. (3)

OR

Demand for a product is elastic .Its price falls .What will be its effect on total expenditure? Give a numerical example.

- Q24) Complete the following table. (3)

Output(Units)	Average Cost(Rs.)	Total Cost (Rs.)	Marginal Cost (Rs.)
0	_____	50	_____
1	_____	_____	20
2	_____	100	_____

- Q25) Briefly discuss the conditions of producer's equilibrium by MR-MC approach in case of perfect competition market. (3)
- Q26) Explain the various degrees of elasticities of supply. (3)
- Q27) Explain the concept of PPC. (4)
- Q28) Explain the geometric method of measuring elasticity of demand. (4)
- Q29) Compare the AR-MR curves of monopoly market and monopolistic competitive market. (4)
- Q30) How is equilibrium price of a commodity determined? Explain with the help of a demand and supply schedule. (6)

OR

Explain through diagrams, the effect of a rightward shift of both demand and supply curves on the equilibrium price and quantity.

- Q31) Explain the features of perfect competition market. (6)
- Q32) Why more is demanded when price is less? (6)