

KENDRIYA VIDYALAYA SANGTHAN

REGIONAL OFFICE VARANASI

Second Pre -Board 2016-17

SUBJECT: Economics (030)

CLASS: XII

TIME ALLOWED: 3 Hrs

MAX. MARKS: 100

UNIT WISE WEIGHTAGE

SECTIONS	UNITS	MARKS
Part A	Introductory Microeconomics	
	Introduction	6
	Consumer's Equilibrium and Demand	16
	Producer Behaviour and Supply	16
	Forms of Market and Price Determination under perfect competition with simple applications	12
SUB TOTAL		50
Part B	Introductory Macroeconomics	
	National Income and Related Aggregates	15
	Money and Banking	8
	Determination of Income and Employment	12
	Government Budget and the Economy	8
	Balance of Payments	7
SUB TOTAL		50
TOTAL		100

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Sl.No	Content Units	Unit Title	Forms of Questions			Total
			Very Short Answer (1 Mark)	Short Answer (3,4 Marks)	Long Answer (6 Marks)	
01	Unit 1	Introduction		3(2)		06
02	Unit 2	Consumer's Equilibrium and Demand	1(2)	4(2)	6(1)	16
03	Unit 3	Producer Behaviour and Supply	1(1)	3(1)	6(2)	16
04	Unit 4	Forms of Market and Price Determination under perfect competition with simple applications	1(2)	4(1)	6(1)	12
05	Unit 5	National Income and Related Aggregates	1(1)	4(2)	6(1)	15
06	Unit 6	Money and Banking	1(2)		6(1)	08
07	Unit 7	Determination of Income and Employment		3(2)	6(1)	12
08	Unit 8	Government Budget and the Economy	1(2)		6(1)	08
09	Unit 9	Balance of Payments		3(1) 4(1)		07
Sub-Total			1x10=10	3x6=18 4x6=24	6x8=48	100

Notes: 1) Figures within brackets indicate the number of questions and figures outside the brackets indicate marks for each question.

2) The question paper will include Values based questions to the extent of five marks.

KENDRIYA VIDYALAYA SANGTHAN

KENDRIYA VIDYALAYA CHOPAN

First Pre -Board 2016-17

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Time: 3 Hours

Maximum Marks: 100

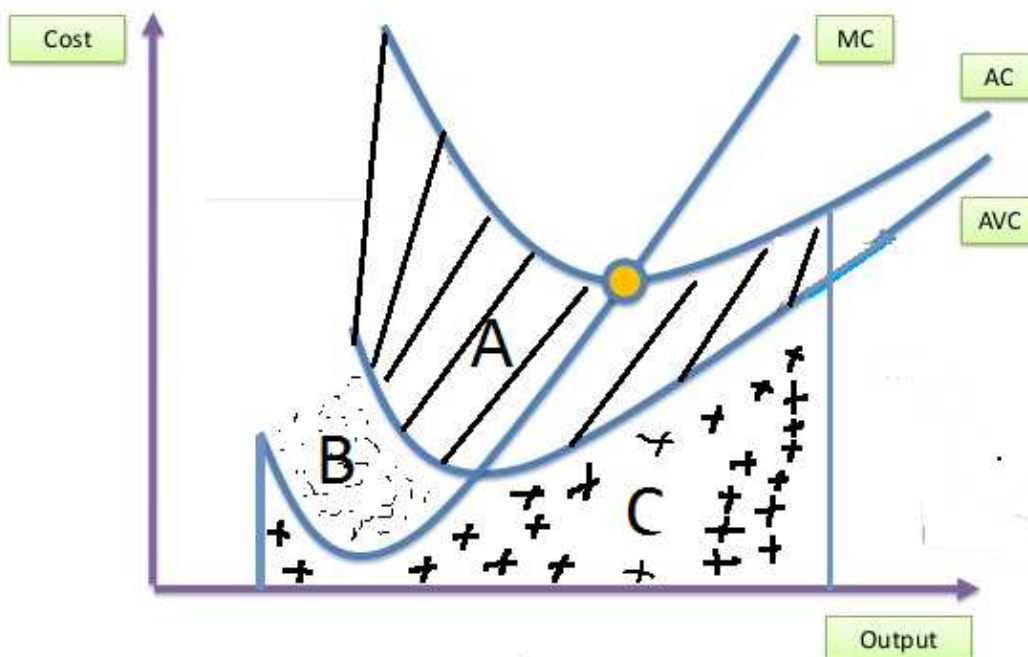
Instructions:

1. All questions in both sections are compulsory. However, there is internal choice in some questions.
2. Marks for questions are indicated against each question.
3. Question No.1-5 and 16-20 are very short answer questions carrying 1 mark each. They are required to be answered in one sentence.
4. Question No.6-8 and 21-23 are short answer questions carrying 3 marks each. Answers to them should not normally exceed 60 words each.
5. Question No.9-11 and 24-26 are also short answer questions carrying 4 marks each. Answers to them should not normally exceed 70 words each.
6. Question No.12-15 and 27-30 are long answer questions carrying 6 marks each. Answers to them should not normally exceed 100 words each
7. Answers should be brief and to the point and the above word limit be adhered to as far as possible.

SECTION A

- (1) What will the condition of marginal utility, when total utility is maximum? 1
(A) Negative (B) Diminishing (C) Increasing (D) Zero
- (2) What is monotonic preference of a consumer? 1
- (3) Which of the shaded area in the diagrams given below represents total fixed cost1
(A) Area of B (B) Area of A (C) Area of C (D) Area of B + c

Average Cost, and Marginal Cost in the Short Run



- (4) In which kind of market, the policy of product differentiation is adopted by the producers? 1
(A) Monopoly (B) Monopolistic Competition
(C) Perfect Competition (D) Oligopoly

- (5) What will be the effect on equilibrium price and equilibrium quantity, when demand increases in the market? 1
- (6) Discuss the economic problem 'what is to be produced'. 3
- (7) Explain the Marginal Rate of Transformation with the help of table and diagram. 3
- (8) What will impact on supply of agricultural product when government decides to provide more subsidies to the farmers? 3
- (9) What is consumer equilibrium? Explain condition of consumer equilibrium in case of single Commodity through utility analysis. 1+3= 4
- (10) If a consumer consume two commodity X and Y which price is Rs 4 and 2 respectively? Is the consumer in equilibrium when the marginal rate of substitution of X and Y (MRS_{xy}) is 6? If not what will be reaction of consumer? 2+2=4
- (11) Why is the average revenue curve (AC) of a firm under perfect competition parallel to X-axis and negatively sloped under monopoly? 2+2=4
- (12) What will impact on equilibrium price and quantity when:
 (A) Supply is perfectly inelastic and increase in demand.
 (B) Demand is perfectly elastic and decrease in supply. 3+3=6
- (13) Explain the concept of short run and long run production function. Giving reasons explain nature of total product in short run? 2+4=6
- (14) What is condition of producer equilibrium in terms of Marginal cost and Marginal revenue? Explain the Break-even point and Shut-down point with the help of diagram. 2+4=6
- (15) What is extension of demand? A consumer buys 200 units of good X at Rs 10 per unit. The price elasticity of demand for the good is -2. At what price will he be willing to buy 280 units of good X? 3+3=6

SECTION – B

- (16) What is cash reserve ratio? 1
- (17) Measurement of money supply M_3 is equal to: 1
 (A) M_1 + saving deposits with post office saving banks.
 (B) M_1 + net time deposits with Banks
 (C) M_1 + total deposits with post office saving organization.
 (D) M_1 + other deposits with RBI.
- (18) Which of the following is not a variable factor? 1
 (A) Income (B) Capital formation
 (C) Money supply in a country (D) water in a river
- (19) Which one of the following is the revenue expenditure of the government?
 (A) Payment of Interest. (B) Purchase of building
 (C) Purchase of machinery (D) Loans granted to a state government
- (20) If value of fiscal deficit is Rs 8000 crores and total expenditure of government are Rs 12000 crores with Borrowing Rs 2000 crores. What is the value of total receipt?
 (A) 20,000 crores (B) 4000 crores (C) 2000 crores (D) 10,000 crores
- (21) In an economy the saving function is $C = -50 + 0.5 Y$ where S is saving expenditure and Y is income. Calculate the equilibrium level of income when investment expenditure is 7000. 3
- (22) Explain the inflationary gap with suitable diagram. 3
- (23) When foreign exchange rate in a country is on the rise, what impact is it likely to have on imports and how? 3
- (24) How will the following be treated while estimating national income of India? Give reasons.
 (A) Old age pension given by the government.
 (B) Commission received from sale of second hand goods.

(25) Calculate the Gross Value Added for factor cost from the following data.

Items	(Rs in lakh)
A. Sale	500
B. Opening stock	30
C. Closing Stock	20
D. Purchase of intermediate products	300
E. Purchase of machinery	150
F. Subsidies	40

(26) What do you understand by Balance of payment? Explain the main components of Balance of payment. 2+2=4

(27) Explain any three quantity measures used by central bank to control credit in the economy. 3x2=6

(28) From the table given below:

1x6=6

Income	Consumption	Saving	Investment
100	120	-20	40
200	200	0	40
300	280	20	40
400	360	40	40
500	440	60	40
600	520	80	40

(A) Calculate Aggregate Demand (AD) and Aggregate Supply (AS) at each level of income.

(B) Identify the break-even point.

(C) Locate the equilibrium level of income.

(D) Calculate MPC when income changes from 400 to 500.

(E) Find out the multiplier by the calculated MPC.

(F) Calculate MPS at level of income 500.

(29) Calculate 'National Income' and 'Private Income' from the following data.

3+3=6

Items	(Rs in Crore)
A. Net current transfer to rest of the world	10
B. Private final consumption expenditure	600
C. National debt interest	15
D. Net export	(-) 20
E. Current transfer from government	5
F. Net domestic product at factor cost accruing to government	25
G. Government final consumption expenditure	100
H. Net indirect tax	30
I. Net domestic capital formation	70
J. Net factor income from abroad	10

(30) What is meant by fiscal deficit? Write its two impact on economy. Suggest two measures to reduce fiscal deficit.

2+2+2=6