Subject: Economics **Time: 3 Hours** **CLASS: XII** **Max. Marks: 100**

General Instructions

All questions in both the sections are compulsory.

1. Marks for questions are indicated against each.

2. Question number 1-5 and 17 – 21 are very short answer questions carrying one mark each. They are required to be answered in one sentence each.

3. Question number 6-10 and 22 – 26 are short-answer questions carrying three marks each. Answers to them should not normally exceed 60 words each.

4. Question number 11-13 and 27 - 29 are also short-answer questions carrying 4 marks each. Answers to them should not normally exceed 70 words each.

5. Question numbers 14-16 and 30 – 32 are long answer questions carrying 6 marks each. Answers to them should not normally exceed 100 words.

6. Answers should be brief and to the point and above word limit be adhered to as far as possible.

SET 1

1 What does rightward shift of production possibility curve indicate? 1

2 Give the meaning of Marginal utility. 1

3 Explain Inferior Goods. 1

4 What change will take place in marginal product, when total product increases at diminishing rate? 1

5 Under which market form the firms are interdependent? 1

6 Explain the central problem of 'How to produce' with the help of an example. 3

7 State any three causes of rightward shift of demand curve. 3

OR

State any three factors determining elasticity of demand, and explain any one of them.

8 When price of a commodity rises from Rs. 4 per unit to Rs.5 per unit, total revenue increases from Rs.600 to Rs. 900. Calculate its price elasticity of supply. 3

9 Explain the relationship between Average cost and Marginal cost with the help of a schedule. 3

10 Explain the implication of differentiated product in monopolistic competition. 3

11 Explain the effect of a rise in the price of related goods on the demand for a good X. 4

12 Differentiate change in demand and change in quantity demand with the help of diagrams. 4

Explain how elasticity of demand is measured with the help of straight line demand curve.

13 Given below is the cost schedule of a firm. Its average fixed cost is Rs. 30 when it produces 3 units. Calculate marginal cost and average cost at each given level of output.

Output (units) 1 2 3

Average variable cost (Rs) 30 28 32

14 Explain consumer's equilibrium with the help of Indifference curve approach. 6

15 There is a simultaneous decrease in demand and supply of a commodity. When will it result in: 6

(a) No change in equilibrium price.

(b) A fall in equilibrium price. Use diagrams.

16 Explain the law of variable proportions with the help of a diagram 6

OR

Explain producer's equilibrium with the help of MR and MC Approach?