



ANANDALAYA
FIRST PRE-BOARD EXAMINATION
CLASS -XII

Subject : ECONOMICS
Date : 07/12 /2015

M.M : 100
Time : 3 Hours

SECTION A

OR

What is an economic problem? Explain its root cause

- 7 Unemployment is reduced due to the measures taken by the government like 'NREGA'. Explain its effects on production possibility curve of the Indian economy. 3

8 When the price of the commodity falls from ₹ 20 per unit to ₹ 18 per unit, its quantity supplied falls by 40%. Calculate its price elasticity of supply. 3

9 Explain how the factor 'distribution of income among people' affects the market demand. 4

10 Complete the given table: 4

Units	TU	MU
1	15	-----
2	-----	13
3	38	-----
4	-----	6

- 11 AR curve of a firm is a straight line under perfect competition. Explain using diagram. 4

OR

Under monopoly, AR curve of a firm is a steeper, downward sloping curve. Why? Use diagram to explain.

12 Define ‘demand’. Explain the effect of an increase in income of the consumer of a normal good. Use diagram. 6

13 i) Price elasticity of supply of a commodity is 2. When its price falls from ₹ 10 to ₹8 per unit. Calculate the quantity supplied at reduced price. 6

ii) Draw supply curves with price elasticity of supply throughout equal to (a) one and (b) infinity.

- 14 Draw TFC, TVC and TC curves in one diagram and also establish their relationship with each other. 6

15 Why does the government impose price ceiling at a price lower than the equilibrium price? 6

OR

Explain the following features of the perfect competition:

- i) Large number of buyers and sellers
 - ii) Homogeneous product

SECTION B

OR

Explain how the equilibrium level of income is determined by $S = I$ approach. Give relevant schedule.

- 22 Calculate NNDI from the given data: 3

	(₹ crores)
i) Net current transfer from rest of the world	40
ii) Net factor income from abroad	(-) 20
iii) Consumption of fixed capital	60
iv) Net indirect taxes	80
v) NNPmp	480

23 An economy is in equilibrium. Calculate marginal propensity to save from the following: 3

National Income = ₹ 1000 crores

Autonomous consumption = ₹ 100 crores

Investment Expenditure = ₹ 200 crores

24 What is mixed income? Explain it with the help of an example 4

25 State whether the following statements are true or false. Give reasons for your answer: 4

OR

Calculate NDPfc from the following data:

(₹ in crores)

i)	GNPmp	14,000
ii)	Depreciation	600
iii)	Indirect taxes	1,000
iv)	Subsidies	200
v)	Factor income received from abroad	400
vi)	Factor income paid abroad	500

- 26 Explain any two precautions to be taken while estimating National Income by the income method. 4
- 27 If government increases the slab of the direct tax (income tax) being paid by the top bracketed people (income wise), explain which objective of budget government is fulfilling and why? 6
- 28 In the budget for the year 2013-14, the government proposed to raise the excise duty on cement. It is also proposed to raise the income tax on individuals earning more than rupees one crore per annum.
- i) Identify and explain the type of taxes proposed by the government.
 - ii) Was the objective only to earn revenue for the government?
 - iii) What possible welfare objectives could the government be considering?
- 29 Distinguish between APS and MPS. Can the value of APS be negative? If yes, when? 6

OR

Distinguish between APC and MPC. The value of which one of the two can be greater than one?

- 30 Calculate GNPfc' NDPmp' and NNPfc from the given data: 6
- (₹ crores)
- | | | |
|------|--|--------|
| i) | Indirect tax | 50 |
| ii) | Consumption of fixed capital | 60 |
| iii) | Net factor income received from abroad | (-) 10 |
| iv) | NDPfc | 120 |
| v) | Net current transfers paid to R.O.W. | 30 |
| vi) | Subsidies | 25 |