

V.V.M's RAMACRISNA MADEVA SALGAOCAR HIGHER SECONDARY SCHOOL

Preliminary Examination (Jan. 2024)

Date: 20/1/2024

Subject: Economics

Std:- XII

Maximum Marks: 80

Duration: 3 hours

INSTRUCTIONS:

- i. All questions in both sections are compulsory.
- ii. Marks for each question are indicated against each to the right.
- iii. Question No. 1-8 and 19 -26 are very short answer type carrying 1 mark each.
- iv. Question No.9-12 and 27 -30 are short answer type carrying 2 Marks each. (Answer should be around 40 words.)
- v. Question No. 13 – 15 and 31-33 are also short answer type carrying 3 marks each. (Answer should be around 60 words)
- vi. Question No. 16 – 18 and 34 -36 are long answer type carrying 5marks each (Answer should be around 100 words)
- vii. Internal choice to be exercised in question nos. 15, 18, 33 and 36
- viii. Word limit is not applicable to answers on differentiation, diagrams and those of numerical nature.
- ix. All diagrams should be drawn in black lead pencil.
- x. Use of any calculating device is not allowed.

SECTION A

1.Value of a factor in its next best alternative use is known as

- prime cost
- opportunity cost
- supplementary cost
- overhead cost

2.What is measured on the two axis, while drawing the production possibility curve.

- Quantity of a commodity on one axis and its price on the other axis
- Quantity of a commodity on one axis and resources on the other axis
- Quantity of one commodity on one axis and quantity of another commodity on the other axis
- Quantity of a commodity on one axis and technology on the other axis.

3.When total utility is increasing at a diminishing rate, marginal utility will be

- Decreasing
- Constant
- Increasing
- Negative

4. Ms. Naya Kamat got a promotion at her workplace, as a result there was a 30% raise in her salary. With the increase in her income, her demand for certain goods decreased. How would you classify these goods with negative income effect.

- Complementary goods
- Substitute goods
- Normal goods
- Inferior goods

5. Mr. Aryan Kumar has the habit of eating chocolates after lunch. What will be his price elasticity of demand for chocolates.

- Relatively inelastic
- Unitary elastic
- Relatively elastic
- Perfectly inelastic

6. The addition made to the total product from employment of an additional unit of variable input, is known as

- Average Product
- Marginal Product
- Total Product
- Variable product

7. Which of the following explains short run production function

- All factors variable
- One factor fixed, other factors variable
- Increasing returns to scale
- Returns to Scale

8. Price discrimination is the characteristic of which market form?

- Monopoly
- Oligopoly
- Monopolistic Competition
- Perfect competition

9. Draw a budget line based on the following information. Income is Rs. 100, price of good 'x' is Rs. 10 and price of good 'y' is Rs. 20.

10. State the economic term for each statement:

- An upward movement along the same demand curve.
- Downward movement along the same demand curve.

11. Draw a diagram to show the effect on equilibrium price. A reduction in the output of onions due to floods, demand of onions remaining the same.

12. At a given price of the commodity, there is excess supply. With the help of a diagram show how equilibrium price will be reached.

13. Explain the three Central problems of an economy.

14. Calculate price elasticity of demand using percentage method for the following:

Price (Rs/unit)	Quantity demanded (units)
10	50
12	40

15. What is the meaning of the following terms?

- Average Cost
- Total Revenue
- Fixed Cost

OR

Explain any three determinants of supply

16. Explain any five features of Perfect Competition.

17. Explain the Law of Variable proportions with the help of schedule and a neat labelled diagram.

18. Explain the law of demand with the help of a schedule and diagram

OR

Explain the shifts in demand curve with the help of neat labelled diagrams.

Section B

19. Priya wins a lottery of INR 5 Lakhs. How will you treat this while calculating national income.

- It will be included as domestic income from other sources
- It will be included as domestic factor income
- It will be included as earned income
- It will be excluded from the calculation of national income

20. What is a consumption function?

- It is a relation between consumption and prices
- It is a relation between consumption and income
- It is a relation between consumption and savings
- It is a relation between consumption and employment

21. What is an investment multiplier?

- Ratio between change in income and change in investment
- Ratio between income and investment
- Ratio between change in consumption and change in investment
- Ratio between consumption and investment

22. The central bank initiates rationing of credit to construction activity. What effect will it have on the flow of credit

- Flow of credit will expand

- Flow of credit will remain same
- Flow of credit will increase
- Flow of credit will be restricted

23. Measurement of money supply which includes, total deposits with post offices

- M1
- M2
- M3
- M4

24. What is fiscal deficit?

- Excess of revenue expenditure over revenue receipts
- Excess of capital receipts over capital expenditure
- Excess of total expenditure over total receipts
- Excess of revenue receipts over total expenditure

25. The value of Indian Rupee in terms of 1 US Dollar has changed from Rs. 80 to Rs. 85, due to fluctuations in foreign exchange rate, it means

- Rupee has appreciated
- Rupee has depreciated
- Devaluation
- Revaluation

26. The government of India sold Air India to the Tata group. The money obtained from the sale is a capital receipt of the government as it satisfies which of the following characteristic

- The receipt created a liability for the government
- The receipt did not create any reduction in assets for the government
- The receipt caused a reduction in assets of the government
- The receipt did not create a liability for the government

27. Explain the real flows in the circular flow of National Income.

28. calculate value added for each producer:

Producer	Product/service	Value of output	Intermediate consumption
Farmer	wheat	500	100
Miller	flour	700	500
Baker	bread	1000	700
Shopkeeper	Sale	1200	1000

29. Name the following non-tax receipts of the government:

- Payment for land registration
- Income of the state which arises out of the property left by the people without a legal heir
- Payment made by the owners of those properties whose value has appreciated due to developmental activities of the government.

30. Explain any two functions of foreign exchange market

31. Explain any three objectives of government budget.

32. The country is experiencing a rise in prices of goods and services as a result it is pushing the common man into poverty. Explain any three monetary measures that central bank can implement to correct the above situation.

33. Explain saving function with the help of neat labelled diagram.

OR Explain any three fiscal measures to correct deficient demand.

34. What is meant by aggregate demand? Explain four components of aggregate demand.

35. Explain any five precautions of income method in the estimation of National Income.

36. Explain any five functions of central bank.

OR Explain any five functions of money