KENDRIYA VIDYALAYA I.I.T CHENNAI-36

Revision Questions

Std: XII
Sub: Economics

SECTION- A (**Micro Economics)**

1. What is meant by Production possibility frontier ? 1

2. Goods X and Y are Complementary goods .What is the effect of fall in price of good Y on the demand for X. 1

3. Give two examples of fixed costs? 1

4. Give the meaning of monopolistic competition. 1

5. Define Marginal Cost. 1

6. Explain the concept of opportunity cost with the help of an example? 3

OR

Explain the problem of ' How to produce'.

7. Distinguish between increase in demand and 'increase in quantity demanded' (Expansion) of a commodity. 3

8. Define price elasticity of demand .How does the nature of the commodity influence its price elasticity of demand ? 3

9. Explain briefly the three main features of oligopoly market. 3

10.State the law of supply. Explain it with the help of a diagram and schedule. 3

11. Given below is the cost function of a firm. Its average fixed cost is Rs. 20 when it produces 3 units. Calculate its MC and AC 4

Output (units)	0	1	2	3
Total cost (Rs.)	30	45	56	69

12.Explain the effect of the following on the supply of a commodity.

a) Rise in price of factor inputs b) Use of Out dated technology

Or

What will be the price elasticity of supply at appoint on a positively sloped , straight line supply curve.

13. At a price of Rs 8 per unit of commodity ,the quantity supplied of the commodity is 200units .Its price elasticity of supply is 1.5. When its price rise Rs 10 per unit .calculate its quantity supplied at the new price supply.

14. Explain the following :

a) Conditions of Consumer's equilibrium in case of one good and two goods in case of utility approach.

b) Relationship between MU and TU with a schedule 6

15. Define producer's equilibrium. Determine the level of output at which producer will be in equilibrium. From the table given below 6

Price(Rs)	10	9	8	7	6	5
Output	1	2	3	4	5	6

16. Distinguish between Monopoly and Perfectly competitive market.(six main differences).

SECTION - B (Macroeconomics)

17. What is meant by Cash reserve ratio? 1

18. How is Revenue deficit calculated? 1

19. State two sources of supply of foreign exchange. 1

20. Give two examples of non-tax revenues. 1

21. If the value of MPS is 0.85 what is the value of MPC? 1

22. Explain briefly any three limitations of GDP as an indicator of welfare 3

[OR]

Distinguish between real and nominal gross domestic product. Which of these is the indicator of economic welfare.

23.What is the meaning of government budget. Mention the four main objectives of government budget. 3

. Explain the meaning of deficient demand with the help of a diagram. 3

25.Give the meaning of fixed, flexible and managed floating exchange rates. 3

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26. Distinguish between current account and capital account of Balance of payments. 3

27. Explain the process of money creation by commercial banks. 4

Or

Explain any four main functions of central bank.

28. State the main functions of Money. Explain any two functions. 4

29. Explain with the help of suitable examples the basis of classifying taxes in direct and indirect taxes. 4

[OR]

Distinguish between Capital expenditure and Revenue expenditure .Give two examples of each.

30. How will you treat the following while estimating National Income of India? 4

(a) Expenditure on electricity by a factory.

(b) School Fees paid by students. .

(c) Old age pension given by government.

(d) Brokerage on sales of shares

31. From the following data calculate National Income by (a) Income method and (b) Expenditure method:

	(Rs. in crores)
(i) Compensation of employees	500
(ii) Net factor income from abroad	(-) 20
(iii) Net indirect tax	100
(iv) Profit	350
(v) Private final consumption expenditure	900
(vi) Net domestic capital formation	280
(vii) Rent	100
(viii) Interest	150
(ix) Mixed income of self-employed	400
(x) Net exports	(-)30
(xi) Government final consumption expenditure	450

32. In an economy C=800+0.5Y and I=2000 .Calculate i) the equilibrium level of income ii)Saving at equilibrium level of income.

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