

KENDRIYA VIDYALAYA I.I.T CHENNAI-36

Revision Questions

Std: XII

Sub: Economics

SECTION- A (Micro Economics)

1. Which of the following curve is rectangular hyperbola? 1
a) Total cost b) Total Fixed cost c) Average Fixed Cost d) Average Total Cost
 2. Goods X and Y are substitutes .What is the effect of fall in price of goody on the demand for X. 1
 3. Give two examples of variable costs? 1
 4. Give the meaning of Monopolistic competition. 1
 5. Define Marginal Revenue . 1
 6. Explain the concept of opportunity cost with the help of an example? 3
- OR
- Explain the problem of whom to produce.
7. Distinguish between decrease in demand and decrease 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 ?
 9. Explain briefly the three main features of Monopoly. 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 5 per unit of commodity 'A', total revenue is Rs 800, When its price rise by 20 percent total revenue increases by Rs 400. Calculate its price elasticity of supply 4
14. Explain the following :
 a) Consumer's equilibrium in case of one good with the help utility approach.
 b) Law of diminishing marginal utility. 6
15. Define producer's equilibrium. Determine the level of output at which producer will be in equilibrium 6
16. Distinguish between Monopoly and Perfectly competitive market. 6

SECTION - B (Macroeconomics)

17. What is meant by Bank Rate? 1
18. How is Revenue deficit calculated? 1
19. State two sources of supply of foreign exchange.
20. Give two examples of non-tax revenues. 1
21. If the value of MPC is 0.65 what is the value of MPS? 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 a government budget? Mention the four main objectives of government budget.
24. Give meaning of fixed, flexible and managed floating exchange rates. 3
26. Distinguish between current account and capital account of Balance of payments. 3
27. Explain the process of money creation by commercial banks. 4
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 receipts and Revenue receipts. Give two examples of each.

30. How will you treat the following while estimating National Income of India? 6
- (a) Profits earned by a branch of Indian Bank in Singapore
 - (b) Fess received from students.
 - (c) Scholarship given to India students studying in India by a foreign company.

31. Calculate NNP at FC and Gross NDI from the following date 6

	(Rs. In crore)
(i) Saving of non- departmental enterprises	50
(ii) Income from property and entrepreneurship accruing of the government administrative departments	70
(iii) Personal tax	90
(iv) National debt interest	20
(v) Retained earning of private corporate sector	10
(vi) Current transfer payments by government	40
(vii) Consumption of fixed capital	60
(viii) Corporation tax	30
(ix) Net indirect-tax	80
(x) Net current transfers from rest of the world	(-) 10
(xi) Personal disposable income	1000

[OR]

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

	(Rs. in crores)
(i) Compensation of employees	1,200
(ii) Net factor income from abroad	(-)20
(iii) Net indirect tax	120
(iv) Profit	800
(v) Private final consumption expenditure	2,000
(vi) Net domestic capital formation	770
(vii) Consumption of fixed capital	130
(viii) Rent	400
(ix) Interest	620
(x) Mixed income of self-employed	700
(xi) Net imports	30
(xii) Government final consumption expenditure	1,100

32. In an economy the equilibrium level of income is Rs. 12,000 crores. The ratio of MPC and MPS is 3: 1. Calculate the additional investment needed to reach new equilibrium level of income of Rs. 20,000 crores.