

ECONOMICS - MODEL QUESTION PAPER

XII STD

Time : 3 hrs

Maximum Marks : 200

SECTION - A

Answer all questions

50 X 1 = 50

I. Choose the best answer :-

1. Economics is a _____ science
 - a) Natural b) Physical
 - c) Social d) Behavioural
2. Indian Economy is a _____ economy
 - a) Socialist b) Capitalist
 - c) mixed d) traditional
3. Utility may be defined as
 - a) usefulness of a commodity
 - b) the desire for a commodity
 - c) the units of a commodity consumed
 - d) the power of a commodity to satisfy human wants.
4. Demand means
 - a) the readiness to buy a commodity
 - b) the ability to pay for a commodity
 - c) the desire to buy and the decision to buy backed by purchasing power
 - d) a mere desire to buy
5. The concept of equilibrium is always explained with reference to
 - a) price b) supply
 - c) demand d) time
6. The concept 'Division of labour' was introduced by
 - a) Alfred Marshall b) Adam Smith
 - c) J. M. Keynes d) J. R. Hicks
7. Private cost is called
 - a) Explicit and Implicit costs b) Social cost
 - c) explicit cost d) implicit cost

8. Monopoly exists when there is
- a) a single producer b) a single buyer
 c) a few producers d) many producers
9. Rent is the price paid for the use of
- a) capital b) organization
 c) labour d) land
10. The statement ‘Supply creates its own Demand’ was given by
- a) Adam Smith b) J. M. Keynes
 c) J. B. Say d) Stonier
11. Monetary policy is implemented by
- a) Central Government b) Central and State Governments
 c) Central Bank of the country d) Private enterprises
12. Income tax is a _____
- a) Direct tax b) Indirect tax
 c) both direct tax and indirect tax d) customs duty
13. The relationship between inputs and outputs is known as
- a) Cost function b) Production function
 c) Profit function d) Revenue function
14. Social cost is borne by
- a) firm b) producer c) seller d) society

II. Fill in the blanks:-

15. If the cost of borrowing is raised, such policy is known as _____
16. Modern Governments are _____ states.
17. ‘Wealth definition’ was given by _____
18. A Capitalist economy is also called _____ economy.
19. Utility depends upon the state of _____ of the consumer.
20. Quantity demanded of a commodity varies inversely with its _____
21. Internal economies arise from _____ the firm.
22. In the long run all factors of production are _____

23. A firm pays _____ for the labour.
24. In Monopolistic Competition the products are similar but not _____
25. The Marginal Productivity Theory of distribution is known as theory of _____ pricing.
26. Macro economics studies the behaviour of _____ variables.

III. Match the following :-

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|---------------------------------------|-------------------------------|
| 27. Oikos | a. C.W. Cobb and P.H. Douglas |
| 28. 12th Finance Commission | b. perfect competition |
| 29. Utils | c. two sellers |
| 30. Increase in real income | d. J. M. Keynes |
| 31. Market period | e. Household |
| 32. Homogenous production function | f. Dr C. Rangarajan |
| 33. Absence of transport cost | g. Effect of fall in price |
| 34. Duopoly | h. Utility measured in units |
| 35. Exploitation of labour | i. Very short period |
| 36. Liquidity preference theory | j. Karl Marx |
| 37. Demand pull inflation | k. Amartya Kumar Sen |
| 38. First Nobel Laureate in Economics | l. Excess demand |

IV. Answer each one of the following questions in a word or two :-

39. Who gave the wealth definition of Economics?
40. What was the prize awarded to Amartya Kumar Sen for his outstanding contribution to economics?
41. What is the other name for Marshallian utility analysis?
42. Name the French Mathematician who first stated the Law of Demand.
43. Can the size of plant and technology employed be changed in the market period?
44. Is 'Capital' a man - made productive resource?
45. What is the price paid for the use of the power of land according to David Ricardo?
46. What is the difference between revenue receipts and revenue expenditure called?
47. What should be added to a three sector model to make it a four sector model or open economy?

48. What is the ratio of total consumption to total income called?
49. Who developed the Residual Claimant Theory?
50. Name the concept introduced by Prof. E.M. Chamberlin

Section - B

i) Answer any ten question

10 x 3 = 30

ii) Answer for each question should be about four or five lines.

51. State Alfred Marshall's definition of Economics.
52. What is a mixed economy?
53. What is consumer's surplus?
54. State the Law of Demand.
55. Write a note on 'Equilibrium Price'.
56. Give the meaning of 'division of labour'.
57. What are money costs?
58. Distinguish between a firm and an industry.
59. What is normal profit?
60. State Say's Law of Market.
61. Explain - What is money?
62. Define public finance.
63. What is micro economics?
64. What are the four factors of production?
65. What is Marginal Revenue Product?

Section - C

i) Answer any Six questions.

6 X 10 = 60

ii) Answer for each question should be about a page.

66. Mention any three points of criticism of the Wealth Definition.
67. Distinguish between total utility and marginal utility.
68. State briefly the Law of Supply with diagram.
69. Explain dynamic equilibrium.
70. Enlist the internal and external diseconomies of scale.

71. Explain 'Opportunity Cost' .
72. What are the features of monopolistic competition?
73. Explain the Innovations Theory of Profit.
74. What are the differences between direct taxes and indirect taxes?
75. Explain Ricardo's Theory of rent.

Section - D

i) Answer any THREE questions :

3 X 20 = 60

ii) Answer for each question should be about three pages.

76. Explain the merits and demerits of mixed economy.
77. Describe the law of diminishing marginal utility with diagram.
78. Explain the different types of elasticity of demand with diagrams.
79. How are price and output determined under conditions of perfect competition in the short run and long run? Give suitable diagram.
80. How did J.M. Keynes criticise the Classical Theory of Employment and Output?
81. Describe the meaning and objectives of Monetary Policy.

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