CBSE Class 12 Economics 2015 - Set 58/2

Question Paper

Conducted by the Central Board of Secondary Education (CBSE)

Time Allowed: 3 Hours **Maximum Marks: 100**

General Instructions

(i) This question paper contains 29 questions.

(ii) All questions in both sections are compulsory. Marks are indicated against each question.

(iii) Questions 1–3 and 15–19 carry 1 mark each. Answer in one sentence.

(iv) Questions 4–8 and 20–22 carry 3 marks each. Answer in 60 words.

(v) Questions 9–10 and 23–25 carry 4 marks each. Answer in 70 words.

(vi) Questions 11–14 and 26–29 carry 6 marks each. Answer in 100 words.

(vii) Keep answers brief and to the point, and follow the word limits and internal choices printed with the questions.

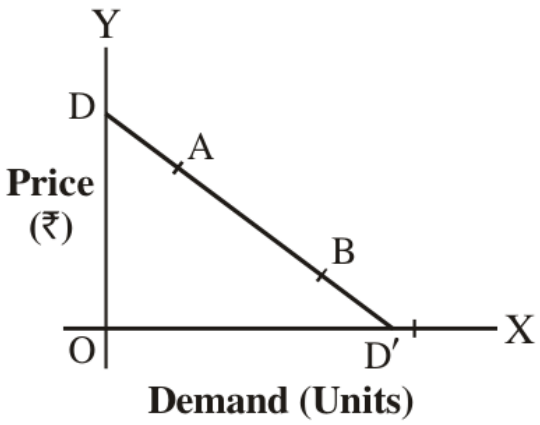
Section A

1. What economic measure can the Government take to reduce demand for commodity x which is harmful for health ?

2. The average fixed cost at 4 units of output is ₹ 20. Average variable cost at 5 units of output is ₹ 40. Average cost of producing 5 units is : (Choose the correct alternative)

(A) ₹ 20
(B) ₹ 40
(C) ₹ 56
(D) ₹ 60

3. DD' is a demand curve, A and B are two points on it.



Price elasticity of demand at point A is : (Choose the correct alternative)

(A) less than elasticity of demand at B.
(B) equal to elasticity of demand at B.
(C) greater than elasticity of demand at B.
(D) less than 1.

4. Describe the problem of 'how to produce'.

5. The Government establishes a large number of Institutes of science and technology. How will it affect the production possibility frontier ? Explain.

6. Explain the meaning and need for 'maximum price-ceiling'.

7. Explain the changes that take place in total product and marginal product under increasing returns to a factor.

8(a). Explain the 'inter dependence of firms' feature of oligopoly.

OR

8(b). Explain 'homogeneous products' feature of perfect competition.

9. Explain the difference between 'change in demand' and 'change in quantity demaned'.

10(a). Explain with the help of a numerical example, the meaning of diminishing marginal rate of substitution.

OR

10(b). Explain the Law of Diminishing Marginal Utility with the help of an example.

11. Giving reasons, state whether the following statements are true or false :

(i) The supply curve of a good shifts to the right when prices of other goods rise.

(ii) The difference between average cost and average variable cost is always constant.

12. Explain the effect of the change in the prices of related goods on the demand for a given good.

13. Explain with the help of a diagram the chain of effects of a rightward shift in demand curve of a good on its equilibrium price, quantity demanded and supplied.

13-VI. The following question is for blind candidates only in lieu of Q. No. 13.

Explain the meaning of excess demand of a good. Explain its chain of effects on equilibrium price.

14(a). Explain the effect of the following on market supply of a good :

(i) Increase in input prices

(ii) Reduction in per unit tax

OR

14(b). State the relationship between :

(a) Marginal cost and average variable cost

(b) Total cost and marginal cost

Section B

15. Which of the following is a correct measure of primary deficit ? (Choose the correct alternative)

(A) Fiscal deficit minus revenue deficit
(B) Revenue deficit minus interest payments
(C) Fiscal deficit minus interest payments
(D) Capital expenditure minus revenue expenditure

16. What are time deposits ?

17. Which of the following is a stock ? (Choose the correct alternative)

(A) Wealth
(B) Saving
(C) Exports
(D) Profits

18. Which of the following is not a revenue receipt ? (Choose the correct alternative).

(A) Recovery of loans
(B) Foreign grants
(C) Profits of public enterprises
(D) Wealth tax

19. Who regulates money supply ? (Choose the correct alternative)

(A) Government of India
(B) Reserve Bank of India
(C) Commercial Banks
(D) Planning Commission

20(a). Describe any three sources of demand for foreign exchange.

OR

20(b). Give the meanings of 'devaluation and depreciation' of domestic currency.

21. In an economy 20 percent of increased income is saved. How much will be the increase in income if investment increases by 10,000 ? Calculate.

22. Explain the meaning of under-employment equilibrium.

23. In the context of balance of payments account, state whether the following statements are true or false. Give reasons for your answer.

(i) Profits received from investments abroad is recorded in capital account.

(ii) Import of machines is recorded in current account.

24(a). Explain the circular flow of income.

OR

24(b). What any four precautions should be taken while estimating national income by income method ?

25. Calculate net value added at market price.

		(₹ in crores)
(i)	Intermediate consumption	1000
(ii)	Consumption of fixed capital	50
(iii)	Net indirect taxes	150
(iv)	Sales	2000
(v)	Exports	200
(vi)	Net factor income to abroad	100
(vii)	Change in stock	(–) 50

26(a). Explain any two functions of money.

OR

26(b). Explain any two main functions of Central Bank.

27. In an economy planned spending is greater than planned output. Explain all the changes that will take place in the economy.

28(a). From the following data calculate Gross national product at market price :

		(₹ in crores)
(i)	Dividends	300
(ii)	Compensation of employees	3000
(iii)	Rent	500
(iv)	Depreciation	200
(v)	Interest	800
(vi)	Net factor income to abroad	100
(vii)	Mixed income	5000
(viii)	Net indirect taxes	400
(ix)	Profit	1500
(x)	Net current transfers to abroad	(–) 50

28(b). From the following data calculate Net national disposable income :

		(₹ in crores)
(i)	Dividends	300
(ii)	Compensation of employees	3000
(iii)	Rent	500
(iv)	Depreciation	200
(v)	Interest	800
(vi)	Net factor income to abroad	100
(vii)	Mixed income	5000
(viii)	Net indirect taxes	400
(ix)	Profit	1500
(x)	Net current transfers to abroad	(–) 50

29. The Government decides to give budgetary incentives to investors for making investments in backward regions. Explain these possible incentives and the reasons for the same.

- End of Question Paper -