

Class: XII

Preliminary Exam 2022

Date: 08/01/2022

Sub: Economics

Time: 3 Hrs.

Marks: 80

**\* Instructions -**

- 1) All questions are compulsory
- 2) Draw graph / diagrams where necessary
- 3) Full marks of the questions are shown on the right side
- 4) Solve new question on the new page

**Question 1 A) Choose the correct option**

(5)

- 1) Method adopted in microeconomics analysis

- a) Lumping method
- b) Aggregative method
- ☒ c) Slicing method
- d) Inclusive method

Options -

- 1) A C and D
- 2) A B and D
- ☒ 3) Only C
- 4) Only A

- 2) Utility created due to a change in the shape of structure of an existing material eg. Furniture from wood

- a) Place utility
- b) Service utility
- c) Form utility
- d) Knowledge utility

Options -

- 1) A and B

- ☒ 2) Only C

- ☒ 3) Only D

- 4) A B and C

- 3) The demand for a commodity which can be put to several uses

- a) Direct demand
- b) Indirect demand
- c) Complementary demand
- ☒ d) Composite demand

Options -

- 1) Only C

- 2) A and B

- ☒ 3) Only D

- 4) A B and C

4) Under perfect competition, seller is

- a) Price maker
- ~~b) Price taker~~
- c) Price discriminator
- d) None of these

Option -

1) A, B and C

2) Only B

3) Only C

4) A and C

5) Statement that are incorrect in relation to index number

a) Index number is a geographical tool

b) Index number measures changes in the air pressure

c) Index number measure relative changes in the economic variable

d) Index numbers are specialised averages

Option -

1) C and D

2) A and B

3) B and C

4) A and D

**Question 1B) Complete the correlation:**

(5)

1) Pen and ink: Complementary Goods::tea and coffee: substitute

2) Expansion of supply: price falls :: Contraction of supply: price falls

3) free entry and exit :: monopoly: barriers to entry.

4) Laaspeyre's index: current year quantities :: Paasches index: current year quantities

5) Income tax , wealth tax , indirect tax :: good and service tax: indirect tax

(5)

**Question 1 C) Give economic terms**

1) A situation where more quantity is demanded at lower price elasticity

2) Elasticity resulting from proportionate change in quantity demanded due to a proportionate change in price unitary

3) Net addition made to total cost of production total cost

4) The cost incurred by the firm to promote sales sales promotion

5) When a government borrows from foreign governments, foreign bank or institutions international organisation like International Monetary Fund, World Bank etc. is known as IMF

**Question 1 D) Find odd one out**

(5)

1) Quantitative tools: Bank rate, open market operations, foreign exchange rate, variable reserve ratio

2) Selling cost: free gifts, advertisement hoarding, window display, patents

3) Transfer incomes: scholarship, donation, salary, unemployment allowance.

4) Exceptions to the law of diminishing marginal utility: hobbies, miser, money, Apple

5) Features of perfect competition: large number of seller and buyer, homogeneous products, price discrimination, perfect knowledge of market.

**Question 2A) Identify and explain the concepts from the given illustrations (any 3)**

(06)

1) Nikita purchased sweater for her father in winter season. Seasonal demand

2) Vrinda receives monthly pension of rupees 5000 from the State Government Transfer income

3) Suresh purchases vegetables from the market where they are locally produced Local market

4) Tina deposited a lumpsum amount of rupees 50000 in the bank of a period of one year Fixed deposit

5) In Ajay's factory, the net addition made to total cost is crossed by rupees 20 by producing one more unit of output.

**Question 2B) Distinguish between (any 3)**

(6)

- 1) Total utility and marginal utility
- 2) Expansion of demand and contraction of demand
- 3) Relatively elastic demand and Relatively inelastic demand
- 4) Stock and supply
- 5) Money market and capital market

**Question 3) Answer the following questions (any 3)**

(12)

- 1) Explain the four features of utility
- 2) Explain the features of oligopoly
- 3) Explain the two sector model of circular flow of a National income
- 4) Explain the role of capital market in India
- 5) Calculate the price index number from the given data

Commodity	Prices in 2010	Prices in 2019
A	20	45
B	30	55
C	40	85
D	50	95

**Que. 4) State with reasons whether you agree or disagree with the following statements (Any 3)**

(12)

- 1) Commercial bank accept deposits only
- 2) Microeconomics deals with the study of individual behaviour
- 3) Index numbers can be constructed without the base year
- 4) Law of demand is based on certain assumptions
- 5) There are many theoretical difficulties in the measurement of National income

**Que. 5) Study the following table, figure, passage and answer the questions given below it (any 2)**

(8)

- 1) Observe the following table and answer the questions:  
Supply schedule of masks

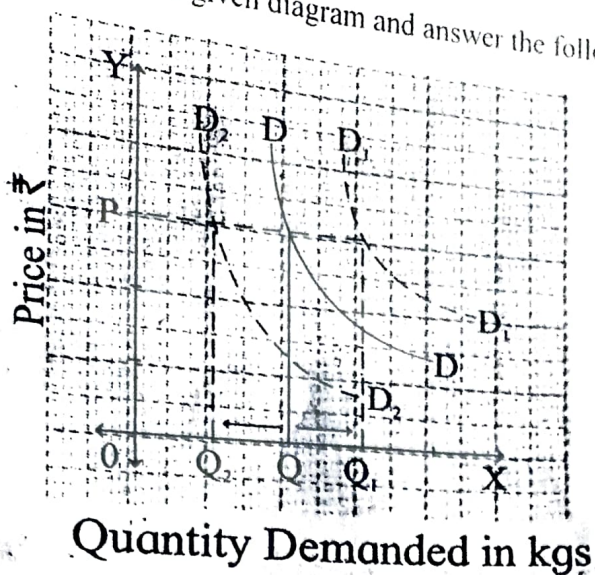
Price in	Quantity Supplied in units
10	200
15	250
20	300
25	350
30	400
35	450
40	500

Questions –

- a) Complete the above supply schedules
- b) Draw a diagram for the above supply schedule and also explain it
- c) State the relationship between price and quantity supplied



2) Observe the given diagram and answer the following questions



- Rightward shift in the demand curve
  - Leftward shift in demand curve
  - Price remains
  - Explain the concept of increase in the demand and decrease in demand
- 3) Read the following passage and answer the questions given below
- Indian rupees - history

In the past barter system was a form of exchange of money, not just money but commodity money like primary ivory, animal hair, tree, bark, seeds, shells mussels etc. were used to exchange. After the battle of Buxar in the year 1764 - 65 (British East India company) started to issue coins of Mughal Empire Shah Alam. In India those days coins were made with the hand so they did not had a perfect circular shape, molding and sides. In the year 1790 machines were ordered for this purpose in India. The coins made with the machines become very beautiful.

In India James Princep is credited with creating a round, beautiful, uniformly weighted, standard coin James Princep is a considered to be the father of Indian Numismatic. He made an in depth study of Indian coin and prepared a report that Indian coins should be molded and B of equal weight.

#### Question -

- Who is a known as the father of Indian Numismatics?
- Which company started to issue the coin of Mughal Empire Shah Alam?
- In which year the machines were ordered to produce molded coins?
- In ancient time which commodities were used as commodity money

#### Question 6) Answers the following questions in detail (any 2)

(16)

- Explain the income method and expenditure method of measuring national income?
- Explain the various reasons for the growth of public expenditure?
- Explain the concept of price elasticity and also explain the types of price elasticity of demand
- Define Central Bank explain the functions of RBI?