



**OXFORD PUBLIC SCHOOL, RANCHI**  
**HALF YEARLY EXAMINATION**  
**SESSION 2016-2017**

Class – XII

Sub – Economics

Name \_\_\_\_\_

Class & Sec \_\_\_\_\_

Time: 3 Hrs

F.M.: 100

Roll No \_\_\_\_\_

**General Instructions**

- i. All questions in both the section are compulsory.
- ii. Marks for questions are indicated against each.
- iii. Question Nos. 1-5 and 17-21 are very short-answer question carrying 1 marks each. They are required to be answered in one sentence each.
- iv. Question Nos. 6-10 and 22-26 are short – answer questions carrying 3 marks each. Answer to them should normally exceed not 60 words each.
- v. Questions Nos. 11-13 and 27-29 are also short-answer questions carrying 4 marks each. Answer to them should normally not exceed 70 words each.
- vi. Questions Nos. 14-16 and 30-32 are long-answer questions carrying 6 marks each. Answer to them should normally not exceed 100 words each
- vii. Answer should be brief and to the point and the above word limits should be adhered to as far as possible.

**PART-A**

1. A country's resources are fully and efficiently employed. The problem of scarcity exists, what advice will be given to raise the efficiency level of the human resource to fight scarcity? [1]
  2. Why the budget line is downward sloping? [1]
  3. A perfectly elastic price-demand curve is parallel to the X-axis. Why or Why not? [1]
  4. Can there be some fixed cost in the long run? If not, why? [1]
  5. Define revenue of a firm. [1]
  6. Explain the conditions determining how many units of good the consumer will buy at a given price. [3]
  7. A consumer buys 10 units of a good at a price of ₹ 9 per unit. At price of ₹ 10 per unit he buys 9 units what is price elasticity of demand? Use percentage approach. [3]
  8. The following table gives the total cost schedule of a firm. It is also given that TFC is 20. Find the TVC and MC? [3]
- |    |    |    |    |    |     |     |
|----|----|----|----|----|-----|-----|
| Q  | 1  | 2  | 3  | 4  | 5   | 6   |
| TC | 50 | 65 | 75 | 95 | 130 | 185 |
9. What is the likely effect on the supply a good if the price of the inputs used in production of that good fall? Explain. [3]
  10. At a price of ₹ 5 per unit of commodity A, total revenue is ₹ 800. When its price rises by 20%, total revenue increases by ₹ 400. Calculate its price elasticity of supply. [3]
  11. Explain the distinction between:- [4]
    - a. Change in demand and 'Change in quantity demanded'
    - b. Budget set and Budget line
  12. Explain the relationship between TC, MC and AC with the help of a suitable diagram . [4]
  13. The market price of good change from ₹ 5 to ₹ 20 As a result, the quantity supplied by a firm increases by 15 units. The price elasticity of supply curve is 0.5. Find the initial and final output level of the firm. [4]
  14. What does the 'Law of Variable Proportions' show? State the behavior of marginal product according to this law. [6]

15. Draw total revenue curve and marginal revenue curve of a firm which is free to sell any quantity of the good at a given price. [6]
16. Explain why a producer will not be in equilibrium if the conditions of equilibrium are not met. [6]

**PART – B**

17. What is meant by normal residents of a country? [1]
18. What are the two basic components of personal disposable income? [1]
19. Retirement pension is :- [1]
- A kind of transfer payment
  - A kind of corporate tax
  - A kind of deferred wage
  - None of these
20. With an increase in market rate of interest cost of credit : [1]
- A. decreases    B. increase    C. remains contains    D. none
21. The rate at which commercial banks are allowed to park their surplus funds with the RBI is called : [1]
- A. bank rate            B. repo rate            C. currency rate            D. reverse repo rate
22. Calculate ' Sales' from following data :- [3]

Item	₹ in lakh
(i) NVA <sub>(FC)</sub>	500 /-
(ii) Depreciation	60 /-
(iii) Change in stock	(-) 30 /-
(iv) Intermediate cost	1000 /-
(v) Export	200 /-
(vi) Indirect Tax	60 /-

23. If the real GDP is ₹ 300 and Nominal GDP is ₹ 330 Calculate GDP deflator. [3]
24. Explain the concept of injections and leakages in the circular flow of income. [3]
25. What are the term deposit and demand deposit? [3]
26. Distinguish between central bank and commercial bank? [3]
27. How will the following be treated while estimating national income? Given reasons, [4]
- Expenditure on education of children by a family
  - Payment of electricity bill by a school.
  - Payment of excise duty by a firm.
  - Rent free house from an employer.
28. Imagine yourself the RBI Governor. How would you use the investment of CRR to increase investment in the economy? [4]
29. Explain the significance of the standard of deferred function of money. [4]
30. State briefly the various instrument of monetary policy? [6]
31. Calculate the National Income and Private Income from the following data: [6]

Items	₹ in Crore
(i) Net current transfer to rest of the world	10
(ii) Private final consumption expenditure	600
(iii) National debt Interest	15
(iv) Net Exports	-20
(v) Current transfers from government	5
(vi) Net domestic product at factor cost accruing to government	25

(vii)	Government final consumption expenditure	100
(viii)	Net indirect taxes	30
(ix)	Net domestic capital formation	70
(x)	Net factor income from abroad	10

32. Calculate 'Gross National Product at Market Price' and Personal Disposable Income' from the following :- [6]

	Item	₹ in Crore
(i)	Net Factor income to abroad	10
(ii)	Private income	1,000
(iii)	Opening surplus	600
(iv)	Corporate Tax	170
(v)	Undistributed profits	10
(vi)	Mixed income	500
(vii)	Consumption of fixed capital	100
(viii)	Personal Tax	150
(ix)	Compensation of employee	1,100
(x)	Net indirect taxes	250

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