

HERAMB COACHING CLASSES

XII/Economics

Marks: 80

Duration: 3 Hours

Date: 10-02-2019

Q.1 (A) Fill in the blanks with the proper alternatives given in the brackets: (5)

- 1) The term micro and macro economics were first used by _____.
(Marshall/ Ragnar Frisch/ Robbins/ Adam Smith)
- 2) The objective of a seller in monopoly market is _____ maximization.
(Loss/ profit/ negative profit/ zero profit)
- 3) Marginal propensity to consume + marginal propensity to save= _____.
(Zero/ one/ less/ more)
- 4) Method of withdrawing money without going to the bank is by _____.
(Cheque/ demand draft/ ATM/ mail transfer)
- 5) The term budget is derived from the _____ word 'bougette'.
(Greek/ German/ French/ Latin)

(B) Match the columns: (5)

Group 'A'

- a) Pen and ink
- b) Revenue
- c) Insurable risk
- d) Unemployment allowance
- e) Reverse repo rate

Group 'B'

- 1) Quantity price
- 2) Accident
- 3) Transfer income
- 4) Short period
- 5) Long period
- 6) Change in demand
- 7) Joint demand
- 8) Quantity × Price

(C) State the following statement is true or false: (6)

- 1) Demand for perishable goods is inelastic.
- 2) Total cost is the total expenditure incurred by a firm.
- 3) The seller is the price maker in the perfect competition.
- 4) Cheque is an optional money.
- 5) A bank is an institution which deals in money and credit.
- 6) The RBL was nationalized in the year 1935.

Q.2 (A) Define or explain the following concept: (any 3) (6)

- 1) Resource allocation.
- 2) Elasticity of supply.
- 3) Market.
- 4) Labour.
- 5) Macroeconomics.
- 6) Central bank.

(B) Give reasons or explain the following statements: (any 3) (6)

- 1) Microeconomics studies individual economic unit.

- 2) Change in the price of substitute goods affects the demand for another goods.
- 3) In order to avoid double counting, value added approach is used.
- 4) Effective demand is also called macroeconomic equilibrium.
- 5) The central bank may take direct action against the defaulting commercial banks.
- 6) Unpaid services are not included in national income.

Q.3 (A) Distinguish between the following: (any 3) (6)

- 1) Place utility and time utility.
- 2) Demand curve and supply curve.
- 3) Individual supply and market supply.
- 4) Slicing method and lumping method.
- 5) Convertible paper money and inconvertible paper money.
- 6) Revenue expenditure and capital expenditure.

(B) Write short note on: (any 2) (6)

- 1) Microscopic study.
- 2) Income elasticity of demand.
- 3) Determination of equilibrium price under perfect competition.
- 4) Functions of an entrepreneur.

Q.4 Write short answers for the following questions: (any 3) (12)

- 1) Explain the law of diminishing marginal utility.
- 2) Explain the features of monopoly.
- 3) Explain the features of macroeconomics.
- 4) Explain the various types of investment expenditure.
- 5) Explain the secondary functions of money.
- 6) Explain the different types of loans and advances provided by commercial banks.

Q.5 Explain, with reasons, whether you are agree or disagree with the following statements: (any 3) (12)

- 1) The law of equi-marginal utility is based on certain assumption.
- 2) Population is the only determinant factor of demand.
- 3) There are no exceptions to the law of supply.
- 4) Providing safe deposit vault facility is the only general function of commercial bank.
- 5) There is no difference between the central bank and commercial banks.
- 6) During the period of inflation surplus budget is advisable.

Q.6 Write explanatory answers: (any 2) (16)

- 1) Explain in details saving function with schedule and diagrams.
- 2) What is elasticity of demand? Explain the factors determining elasticity of demand.
- 3) What is national income? Explain the theoretical difficulties involved in the measurement of the national income.
- 4) State and explain the law of demand with its exceptions.

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