



INDIAN SCHOOL SOHAR
UNIT TEST
ECONOMICS

Date: - 12.5.2015
STD: - XII

Marks: - 50
Time: - 2hrs

General Instructions:-

- 1) All questions in both the sections are compulsory.
- 2) Questions 1- 2 and 9 -11 are multiple choice questions carrying 1 mark for each part.
- 3) Questions 3- 4 and 12 are short answer questions carrying 3 marks each. Answer to them should not exceed 75 words each.
- 4) Questions 5 to 6 and 13 are also short answer questions of 4 marks each. Answer to them should not exceed 90 words each.
- 5) Questions 7 - 8 and 14 - 15 are long answer questions of 6 marks each. Answer to them should not exceed 150 words each.

SECTION A –MICRO ECONOMICS

1. Saturation point means 1
 - a. TU is rising and MU is falling
 - b. TU is maximum and MU is zero
 - c. TU is falling and MU is negative
 - d. MU is falling
2. The theory of distribution studies the problem of 1
 - a. What goods to be produced and how much.
 - b. For whom to produce.
 - c. How to produce.
 - d. All of the above
3. A consumer consumes only two goods X and Y and is in equilibrium. Price of X rises. Explain the reaction of the consumer through the utility analysis 3

OR

State and explain the conditions of consumer equilibrium in case of indifference curve.
Explain with the help of a diagram.

4. The demand for goods X and Y have equal price elasticity. The demand of X rises from 100 units to 250 units due to a fall in its price by 20%. Calculate the percentage rise in demand of Y, if its price falls by 8%. 3
5. An economy produces two goods X and Y. Its production possibilities are given in the table. Calculate marginal opportunity cost of good Y. What will be the shape of the PPC? Plot the PPC and give reasons for the shape of the PPC. 4

Production possibilities	Good X	Good Y
A	500	0
B	450	5
C	350	9
D	200	12
E	0	14

6. Explain the concept of movement along the demand curve. 4

OR

Differentiate between

- a. Ordinal utility approach and cardinal utility approach
 - b. Normal goods and inferior goods
7. Explain with the help of a schedule the law of demand? Why is there an inverse relationship between price and quantity demanded of a commodity? 6

OR

Explain demand function. What are the factors that affect the market demand of a commodity?

8. Define price elasticity of demand. What are the degrees of price elasticity of demand? 6

SECTION B –MACRO ECONOMICS

9. If the BOT shows a deficit of ₹5000 Crores and the value of the imports of goods is ₹9000 Crores, what will be the value of exports of goods? 1
- a. ₹ 5000 Crores
 - b. ₹ 9000 Crores
 - c. ₹ 4000 Crores
 - d. ₹15000 Crores

10. A deposit account on which a cheque can be written 1
- a. Recurring deposit
 - b. Fixed deposit
 - c. Demand deposit
 - d. None of these

11. The ₹ 1 notes are issued by 1
- a. Reserve Bank of India
 - b. Ministry of finance
 - c. State Bank of India
 - d. Ministry of external affairs

12. Define money supply. What are the measures of money supply? 3

OR

Explain the banker's bank and supervisor function of a Central Bank.

13. Differentiate between 4
- a. qualitative instruments of credit control and quantitative instruments of credit control
 - b. Fiat money and fiduciary money

14. a. Differentiate between autonomous and accommodating items of balance of payment account 6
- b. What do you mean by current account in the balance of payment and what are the components of current account?

15. Explain the process of credit creation by the commercial banking system with the help of an example. 6

OR

Explain

- a. Bank rate policy
- b. Open market operation