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Name: \_\_\_\_\_ R. No. \_\_\_\_\_ Class/ Sec: \_\_\_\_\_ Date: \_\_\_\_\_ Invig. Sign \_\_\_\_\_

**ATOMIC ENERGY CENTRAL SCHOOL, NARORA**  
**CLASS XII ECONOMICS HALF YEARLY EXAMINATION 2018-19**

MM: 80

TIME: 3 Hr.

**General Instructions:**

- All questions are compulsory and marks are mentioned in front of each question.
- Electronic devices are prohibited to use in the examination.
- Use Blue or Black Pen only.

**SECTION -A**

1. Define production function. 1
2. In case resources of an economy are reduced, the PPC will (Choose the correct alternative) 1
  - (a) shift rightwards
  - (b) shift leftwards
  - (c) rotate along x-axis
  - (d) rotate along y-axis
3. If due to fall in the price of good X, demand for good Y rises, the two goods are (Choose the correct alternative) 1
  - (a) substitutes
  - (b) compliments
  - (c) not related
  - (d) competitive
4. Define indifference curve. 1
5. Why do central problems of an economy arise? Explain the central problems 'for whom to produce'. 3

**OR**

Distinguish between fixed cost and variable cost and give examples.

6. Complete the following table: 3

Output(units)	TVC	AVC	MC
1	20	---	---
2	---	16	12
3	54	---	---
4	---	20	26

7. A consumer spends Rs. 200 on a good priced at Rs.5 per unit, when the price falls by Rs.20 percent, he continues to spend Rs.200. Find the price elasticity of demand by percentage method. 4
8. Give the meaning of cost. Explain the relationship between average cost and marginal cost. 4

**OR**

Distinguish between: (a) Budget set and budget line

(b) Cardinal utility and ordinal utility

9. Define demand. Explain the law of demand with the help of a diagram. 4
10. Explain the law of variable proportions, use diagram. 6
11. Explain the effect of the following on demand of a good. 6
  - (a) Change in income of the consumer



- (b) Change in the price of related goods
12. Distinguish between movement along the demand curve and shift in demand curve. Use diagram

6

OR

Write true or false with a reason.

- (a) When total products falls, average product with also fall
- (b) Average product will increase only when marginal product increases
- (c) Under diminishing returns to a factor, total product continues to increase till marginal product reaches zero.

### SECTION-B

13. What is aggregate demand in macro economics? 1
14. What are term deposits? 1
15. Demand deposits include (Choose the correct alternative) 1
- (a) Saving account deposits and fixed deposits
- (b) Saving account deposits and current account deposits
- (c) Current account deposits and fixed deposits
- (d) All types of deposits
16. Repo rate is the rate at which 1
- (a) commercial banks purchase government securities from the central bank
- (b) commercial banks can take loans from the central bank
- (c) commercial banks can keep their deposits with the central bank
- (d) short term loans are given by commercial banks
17. Explain circular flow of income. 3
18. What is a barter system? What are its drawbacks? 3

OR

Explain "difficulty in storing wealth" problem faced in the barter system of exchange.

19. Distinguish between stock and flow variables with suitable examples. 4
20. Giving reasons, explain how the following are treated in estimating national income. 4
- (i) Bonus paid to employees
- (ii) Payment of interest by a bank to an individual
- (iii) Salaries of Indian working in the American Embassy in India
- (iv) Payment of corporate tax by a firm

21. Calculate National Income: 4

Items	(Rs. in crore)
(i) Compensation of employees	2,000
(ii) Profit	800
(iii) Rent	300
(iv) Interest	250
(v) Mixed income of self-employed	7,000
(vi) Net current transfers to abroad	200
(vii) Net exports	(-) 100
(viii) Net indirect taxes	1,500

- (ix) Net factor income to abroad 60  
(x) Consumption of fixed capital 120

OR

Define the following:

- (i) Money supply (ii) Gross investment  
(iii) Bank rate (iv) Cash reserve ratio
22. Define a central bank. Explain the following functions of central bank. 6  
(a) Banker's bank and supervisor  
(b) Lender of last resort
23. What precautions should be taken while estimating national income by expenditure method. 6

OR

Distinguish between:

- (a) Consumer's goods and capital goods  
(b) Intermediate goods and final goods
24. From the following data calculate National Income by (a) Income Method and (b) Expenditure method. 6

	(Rs. in crore)
(i) Compensation of employees	2,000
(ii) Net factor income from abroad	(-) 20
(iii) Net Indirect Tax	120
(iv) Profit	800
(v) Private final consumption expenditure	2000
(vi) Net domestic capital formation	770
(vii) Consumption of fixed capital	130
(viii) Rent	400
(ix) Interest	620
(x) Mixed income of self-employed	700
(xi) Net exports	(-) 30
(xii) Government final consumption expenditure	1100