

## CBSE -2004 CLASS XII ECONOMICS (Set-II)

### General Instructions:

1. All questions in both the sections are compulsory.
2. Marks for questions are indicated against each.
3. Question Nos. 1 and 13 are very short answer questions carrying 1 mark for each part. They are required to be answered in one sentence each.
4. Question Nos. 2-5 and 14-17 are short answer questions carrying 3 marks each. Answer to them should not normally exceed 60 words each.
5. Question Nos. 6-9 and 18-21 are also short answer questions carrying 4 marks each. Answer to them should not normally exceed 70 words each.
6. Question Nos. 10-12 and 22-24 are long answer questions carrying 6 marks each. Answer to them should not normally exceed 100 words each.
7. Answers should be brief and to the point and the above word limits be adhered to as far as possible.
8. All parts of a question should be answered at one place.

Except for the following questions, all the remaining questions have been asked in [Set I](#).

### SECTION - A

**Q. 1.** Answer the following questions: **1X4**

- (i) Under which market form, a firm is a price-taker?
- (ii) Define marginal cost.
- (iii) What causes an upward movement along a supply curve of a commodity?
- (iv) Why does the problem of choice arise?

**Q. 4.** The price elasticity of supply of a commodity is 2.5. At a price of Rs. 5 per unit, its quantity supplied is 300 units. Calculate its quantity supplied at a price of Rs. 4 per unit.

**3**

**Q. 6.** What is meant by 'change in supply'? State three factors that can cause a 'change in supply'. **4**

**Q. 8.** From the following table, calculate average variable cost of each given level of output: **4**

Output (units)	1	2	3	4
Marginal cost (Rs.)	80	70	72	78

## SECTION - B

**Q. 13.** Answer the following questions: **1X4**

- (i) The balance of trade shows a deficit of Rs. 5,000 crores and the value of imports are Rs. 9,000 crores. What is the value of exports?
- (ii) Is the study of cotton textile industry a macro-economic study or a micro-economic study?
- (iii) Define a tax.
- (iv) Give two examples of macro studies.

**Q. 14.** Calculate Gross National Disposable Income from the following data: **3**

	Rs. (Crores)
(i) Net national product at factor cost	3,000
(ii) Net factor income from abroad	(-) 50
(iii) Consumption of fixed capital	150
(iv) Net indirect taxes	250
(v) Net current transfers from rest of the world	300

**Q. 16.** In an economy, investment expenditure is increased by Rs. 400 crores and marginal propensity to consume is 0.8. Calculate the total increase in income and savings. **3**

**Q. 17.** Distinguish between average propensity to save and marginal propensity to save. The value of which of these two can be negative and when? **3**

**Q. 22.** From the following data calculate Gross National Product Market Price by (i) income method and (ii) expenditure method. **3, 3**

	Rs. (Crores)
(i) Compensation of employees	400
(ii) Profits	250
(iii) Mixed income of self employed	300
(iv) Rent	80
(v) Interest	70
(vi) Private final consumption expenditure	700
(vii) Net domestic capital formation	120
(viii) Consumption of fixed capital	100
(ix) Net exports	(-) 10
(x) Government final consumption expenditure	350
(xi) Net indirect taxes	60
(xii) Net factor income from abroad	(-) 10

