INTERNATIONAL INDIAN SCHOOL, RIYADH

ECONOMICS-GRADE 12

MICRO ECONOMICS

1. Why production possibility curve is concave to origin?
2. Explain the central problem of what to produce?
3. What is the root cause of all economic problem?
4. Define demand.
5. Explain consumer's equilibrium in case of single commodity using utility approach.
6. Distinguish between change in demand and change in quantity demanded.
7. What are factors affecting demand?
8. What are factors affecting elasticity of demand?
9. Write properties of indifference curve.
10. Explain Marginal rate of substitution with the help of schedule and diagram.
11. What is slope of budget line?
12. Distinguish between market demand and individual demand.
13. Explain the law of diminishing marginal utility.
14. The quantity demanded of a commodity at a price of Rs.8 per unit is 600 units. Its price falls by 25 percent and quantity demanded rises by 120 units. Calculate its price elasticity of demand.
15. Explain with the help of diagram the effect of following changes on the demand of a commodity.
i) A fall in the price of substitute good.
ii) A fall in the income of buyer if the good is inferior.
16. Explain three factors which lead to increase in demand.
17. Distinguish between inferior good and normal good.

MACRO ECONOMICS

18. Distinguish between microeconomics and macroeconomics.
19. Explain circular flow of income.
20. What is green GNP?
21. Differentiate between private income and private sector income.
22. How is personal disposable income derived from private income?
23. Is bread a final good? Give reason for your answer.
24. Explain the concept of leakages and injections in the circular flow of income.
25. Can GDP taken as adequate indicator of welfare of the people? Give reason for your answer.
26. Distinguish between stock and flow.
27. What are the components of aggregate demand?
28. Distinguish between APS and MPS.
29. Explain paradox of thrift.
30. Derive saving function from consumption function.
31. What is investment multiplier? Explain with the help of diagram. Explain the relationship between MPS and multiplier.
32. What is excess demand? Explain inflationary gap with the help of diagram. Give four measures to control.