

INTERNATIONAL INDIAN SCHOOL, RIYADH

**ECONOMICS
CLASS – XII**

ONE MARK QUESTIONS

1. APC is one. What is the value of APS?
2. MPS is zero. What is the value of MPC?
3. What is the maximum value of multiplier?
4. If MPS is 0.2 What is the value of K?
5. Define MRT
6. What is market demand?
7. State two characteristics of PP curve?
8. State two characteristics of resources?
9. What is budget constraint?
10. Name two determinants of demand.
11. When is the demand of a commodity said to be inelastic?

THREE MARK QUESTIONS

1. How market demand curve is derived with the help of individual demand?
2. Distinguish between Budget set and Budget line.
3. State the relationship between TU and MU.
4. State 3 reasons for rightward shift of demand curve.
5. Calculate depreciation for the following data.

	Rs. Crore
1. Subsidies	20
2. Intermediate cost	100
3. Net value added at factor cost	400
4. Opening stock	30
5. Indirect taxes	50
6. Gross value of output	600
7. Net change in stocks	10

6. While estimating national income, how will you treat the following? Give reasons.
 - (i) Profits earned by an Indian Bank from its branch in Singapore
 - (ii) Interest received on debentures.
7. Explain the central problem of ‘ how to produce ’ with examples.

Four Mark Questions

1. Why PP curve is concave to the origin?

2. Why indifference curve is convex?
3. The Revenue of a producer is Rs. 900 when the price of the product is Rs. 3. His revenue falls to Rs. 600 when the price of the product falls to Rs. 2. Find out price elasticity of supply.
4. The total expenditure of a consumer on a product is Rs. 400 when the price of the product is Rs. 2 per unit. His expenditure increases to Rs. 800 when the price of the product is Rs. 4. Find out price elasticity of demand by percentage method.
5. Explain the law of demand with the help of a schedule.
6. Explain the conditions of consumers equilibrium by utility approach
7. Explain the function of investment multiplier with the help of numerical example.
8. Calculate GNP at FC from the following data by (a) income method (b) expenditure method.

	Rs in crores
1. Private final consumption expenditure	1000
2. Net domestic capital formation	200
3. Profits	400
4. Compensation of employees	800
5. Rent	250
6. Consumption of fixed capital	60
7. Govt. final consumption expenditure	500
8. Interest	150
9. Net current transfers from the rest of the world	(-) 80
10. Net exports	(-) 20
11. Net factor income from abroad	(-) 10
12. Net indirect taxes	80

6 mark questions

Calculate (a) Net National Disposable income and (b) private income from the following data

	(Rs in crores)
(1) Net Exports	-20
(2) Net indirect taxes	90
(3) Private final consumption expenditure	450
(4) Personal taxes	100
(5) Net domestic capital formation	170
(6) Net current transfers to rest of the world	40
(7) National debt interest	70
(8) Govt. final consumption expenditure	500
(9) Income from domestic product accruing to govt	40
(10) Current transfers from govt.	60
(11) Net factor income from abroad	-60

