

GURU GOBIND SINGH PUBLIC SCHOOL
SECTOR 5B , B.S. CITY
IMPORTANT QUESTION SESSION 2018-19
ECONOMICS

CLASS 12

1. Define Flexible Exchange rate?
2. What will be the effect on exports, if foreign exchange rate increases?
3. What will be the effect on imports if foreign exchange rate increases.?
4. Define Devaluation of Domestic Currency.
5. What is meant by Depreciation of Domestic Currency?
6. What is meant by Appreciation of Domestic Currency?
7. Explain the distinction between Autonomous and Accommodating transactions in balance of payments. also explain the concept of balance of payments deficit in this context.
8. What is balance of payments accounts? Name three components each of its current account and capital account.
9. How is balance of trade different from balance of payments? State the items not included in balance of trade.
10. What is the difference between revenue budget and capital budget?
11. What is meant by revenue receipts? Explain the components of revenue receipts of the Govt. budget.
12. Distinguish between direct tax and indirect tax.
13. What do you mean by capital receipts? What are the main components of the capital receipts?
14. Give the meaning of revenue deficit and fiscal deficit. What problems can the fiscal deficit create?
15. What is fiscal deficit? What are its implications?
16. Distinguish between revenue expenditure and capital expenditure with an example of each.
17. Explain the redistribution of income objective of Govt. budget.
18. Explain the Economic stability objective of Govt. budget.
19. State the meaning of consumption of fixed capital?
20. State the meaning of injection in income flow, with the help of an example.
21. Explain the process of credit creation or money creation by commercial banks with the help of numerical example.
22. Define Central Bank. What are the functions of Central Bank?
23. Define aggregate demand. State its components.
24. What do you mean by full employment equilibrium? Explain with the help of diagram.
25. Explain with the help of diagram the concept of under-employment equilibrium.
26. Explain the working of multiplier with the help of a numerical example.
27. Draw on a diagram a straight line saving line curve for an economy. From it derive the consumption curve, explaining the method of derivation. Show a point on the consumption curve at which APC is equal to 1.
28. Explain the step taken in derivation of the saving curve from the consumption curve use. Use diagram.
29. How increase in investment will effect income level of an economy? Explain with the help of an example and diagram.
30. Distinguish between microeconomics and macroeconomics. Give example.
31. Why does an economic problem arise? Explain the problem of 'How to Produce'?
32. Explain the problem of 'What to Produce' with the help of an example.
33. For whom to produce is a central problem of an economy. Explain.
34. Why is a production possibility curve concave? Explain.
35. Define opportunity cost with the help of an example, how does it differ from marginal opportunity cost?
36. What is Marginal Rate of Transformation.? Explain with the help of an example.
37. State three features of indifference curve.
38. State the factors of rightward shift of demand curve. Explain any one.
39. State the factors of leftward shift of demand curve. Explain any one.
40. State four determinants of price elasticity of demand.
41. Why does demand curve slopes downwards?
42. Differentiate between :
 - (i) Normal goods and Inferior goods
 - (ii) Complementary goods and substitute goods
43. Define market supply. Explain its two determinants.
44. Distinguish between Change in Supply and change in quantity supplied.
45. Differentiate between contraction in supply and decrease in supply.
46. How does change in price of inputs affect the supply of a good .
47. Explain the likely behaviour of total product. When only the unit of a variable factor is increased to increase the output. Use numeric example.
48. What do you mean by producers equilibrium? State the conditions of Producer's equilibrium with Marginal Revenue and Marginal Cost
49. Explain the characteristics of monopolistic competition.
50. Market for a good is in equilibrium. There is simultaneous increase both in demand and supply of the good. Explain its effect on market price.