

Guru Gobind Singh Public School

PART 'A' MICRO ECONOMICS

- Marginal utility of a particular commodity at the point of saturation is
 - Zero
 - Unity
 - greater than unity
 - less than unity
- If the demand for CNG increases as price of petrol increase, how are these two goods related ?
- As we move down the indifference curve left to right, the slope of IC tends to
 - Unity
 - rise
 - Zero
 - decline.
- What do you mean by Average Revenue ?
- A consumer spends Rs.400 on a good priced at Rs.8 per unit. When its price rises by 25 percent, the consumer spends Rs.500 on the good. Calculate the price elasticity of demand by the percentage method.

OR

How does nature of the commodity affects price elasticity of demand.

- Draw total variable cost, total cost and total fixed cost curves in a single diagram, and explain properly.
- The government has started promoting foreign capital. What is its economic value in the context of production possibilities frontier?

OR

What is production possibility curve, why it is concave?

- Explain the central problem 'how to produce'?
- From the following table, find out the level of output at which the producer will be in equilibrium. Give reason for your answer.

<u>Output (units)</u>	<u>Marginal Revenue(Rs.)</u>	<u>Marginal cost(Rs.)</u>
1	8	10
2	8	8
3	8	7
4	8	8
5	8	9

- A consumer consumes only two goods X and Y, both priced at Rs.5 per unit. If the consumer chooses a combination of the two goods with marginal rate of substitution equal to 5, is the consumer in equilibrium? Why or why not? What will a rational consumer do in this situations? Explain.

OR

What is budget line? Why the budget line is downward sloping, explain properly with the help of schedule and diagram.

- A consumer consumes only two Goods X and Y and is in equilibrium. Show that when the price of good –X rises, the consumer buys less of Good-X. Use utility analysis.
- Explain the law of variable proportion with the help of total product and marginal product curves.

PART 'B' MACRO ECONOMIC

- Define stock.
- What is investment?
- Which of the following is a semi-durable goods?
 - Radio
 - Clothes
 - Milk
 - Petrol
- Consumption function is a functional Relationship between.
 - Income and saving
 - Price and consumption
 - Consumption and income
 - Income, consumption, and saving.

17. Differentiate between intermediate goods and final goods, with examples.

OR

Distinguish between final consumer goods and final producer goods, with examples.

18. What is marginal propensity to consume? How is it related to marginal propensity to save.

19. Find Net value Added at factor cost

Items

i.	Intermediate cost (Rs.)	15,000
ii.	Output sold (Units)	9,000
iii.	Price per unit of output (Rs.)	4
iv.	Consumption of fixed capital (Rs.)	2,000
v.	Excise duty (Rs.)	4,000
vi.	Change in stock (Rs.)	(-) 1,000

20. What are the primary functions of money. Explain properly.

OR

What is the barter system. Write any three drawbacks of it.

21. What is 'deficient demand'? Explain the role of 'bank rate' in removing it.

22. Explain the following function of central bank

- a. Bankers' bank
- b. Bank of issue

23. Explain the concept of AD using a suitable schedule and diagram.

OR

Explain the concept of Saving function, with the help of schedule and diagram.

24. Calculate (a) Gross National Product at Market Price by Income Method, and (b) National Income by Expenditure Method on the basis of the following data.

Items	(Rs. In lakh)	
i.	Net export	10
ii.	Rent	20
iii.	Private final consumption expenditure	400
iv.	Interest	30
v.	Dividend	45
vi.	Undistributed profit	5
vii.	Corporate tax	10
viii.	Government final consumption expenditure	100
ix.	Net domestic capital formation	50
x.	Compensation of employees	400
xi.	Net indirect tax	50
xii.	Net factor income from abroad	(-)10
xiii.	Consumption of fixed capital	10
