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Date:

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NORTHWEST ACCREDITATION COMMISSION, USA
SR. SECONDARY/12TH
2017-2018

Subject- ECONOMICS

Question Paper No. :

E	C	4	8
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Subject Code : EC1208

Question Paper Code:

E	C	1	8
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Total Time: 03.00 Hours.

Total Marks: 100

GENERAL INSTRUCTIONS

1. OPENING AND CHECKING OF THE QUESTION-BOOKLET

Break open the seal of the Question-Booklet only when the announcement is made by the Invigilator. After breaking the seal and before attempting the questions, student should immediately check for:

- a) The number of the printed page in the Question-Booklet is the same as mentioned on the cover page of the Booklet and
- b) Any printing error in the Booklet pages, if any.
Any discrepancy or error should be brought to the notice of the Invigilator who will then replace the Booklet. No additional time will be given for this.

2. No student, without the permission of the Superintendent or the Invigilator concerned, is to leave his/ her seat or the Examination Room.

3. FILLING UP THE REQUIRED INFORMATION ON QUESTION-BOOKLET AND ANSWER SHEET

After breaking open the seal and checking the Booklet, student should:

- a) Fill up the **Question Paper No.** and **Question Paper Code** (mentioned on the cover of Question-Booklet) in the space provided on the First Answer Sheet.
- b) Fill up his/her Roll Number on the First Answer Sheet and on each Supplementary Answer Sheet, if taken.
- c) Student should mention the total number of **Supplementary Answer Sheet**, if taken, in the space provided on the First Answer Sheet and also fill up the Serial Number mentioned on each **Supplementary Answer Sheet** along with his/her Roll Number in the register maintained by the Invigilator. Student must tie all the Answer Sheets with the thread provided by the Invigilator.

4. INSTRUCTIONS ABOUT QUESTION PAPER

This Question Paper is divided into three Sections – A, B and C. All Sections are compulsory. Attempt all Sections as per instructions.

- a) Section A question No. 1 to 8 are very short questions carrying 3 marks each in approximately 30-40 words.
- b) Section B question No. 9 to 18 are short questions carrying 4 marks each in approximately 50-70 words.
- c) Section C question No. 19 to 24 are long questions carrying 6 marks each in approximately 90-100 words.

5. Student found in possession of Cellular Phone / Mobile Phone / Pager or any other Communication Device and/or any Book/Note whether using or not, will be liable to be debarred for taking examination(s) either permanently or for specified period or/and dealt with as per law or/and ordinance of the School/SERI according to the nature of offence, or/and he/she may be proceeded against and shall be liable for prosecution under the relevant provision of the Statutory Law.

THE ANSWER SHEET IS TO BE RETURNED ON COMPLETION OF THE TEST

This Question Paper MUST be attached with Answer Sheet

SECTION A

Total number of questions: 8

Marks allocated to each question: 3

Total marks: 24

- Question 1.** What causes an upward movement along a demand curve of a commodity?
- Question 2.** Give the meaning of marginal cost.
- Question 3.** What change will take place in marginal product, when total product increases at a diminishing rate?
- Question 4.** What is meant by foreign exchange rate?
- Question 5.** How is primary deficit calculated?
- Question 6.** State two sources of supply of foreign currency.
- Question 7.** What is meant by balance of trade?
- Question 8.** When 5 units of a goods are sold, total revenue is Rs. 100. When 6 units are sold, marginal revenue is Rs. 8. At what price are 6 units sold? (Choose the correct alternative)
- (a) Rs. 28 per unit (b) Rs. 20 per unit
(c) Rs. 18 per unit (d) Rs. 12 per unit

SECTION B

Total number of questions: 10

Marks allocated to each question: 4

Total marks: 40

- Question 9.** How is production possibility curve affected by unemployment of resources in the economy? Explain.
- Question 10.** From the following data calculate price elasticity of demand:
- | Price (Rs.) | Quantity Demanded |
|-------------|-------------------|
| 9 | 100 |
| 9 | 150 |
- Question 11.** Distinguish between explicit costs and implicit costs and give examples.

Question 12. What is “market” demand? State four factors causing “increase” in market demand.

OR

Explain the implications of the feature 'barriers to entry' under monopoly.

Question 13. Explain how 'non-monetary exchanges' are a limitation in taking GDP as an index of welfare.

Question 14. Define foreign exchange rate. How is it determined under flexible exchange rate system?

Question 15. Find out Net Value Added at Factor Cost:

(i) Price per unit of output (Rs.)	25
(ii) Output sold (units)	1000
(iii) Excise duty (Rs.)	5000
(iv) Depreciation (Rs.)	1000
(v) Change in stocks (Rs) (-)	500
(vi) Intermediate costs (Rs.)	7000

Question 16. What does the Law of Variable proportions show? State the behavior of marginal product according to this law.

OR

Explain how changes in prices of inputs influence the supply of a product.

Question 17. Define marginal cost. Explain its relation with average cost.

Question 18. State any three points of distinction between Central Bank and Commercial Banks.

OR

How is foreign exchange rate determined? Use diagram.

SECTION C

Total number of questions: 6

Marks allocated to each question: 6

Total marks: 36

Question 19. Explain the conditions of producer's equilibrium.

OR

What is the relationship between:

- Marginal revenue and Average revenue
- Total revenue and Marginal revenue

Question 20. Explain the law of variable proportions with the help of marginal product and total product curves.

OR

Define consumer's equilibrium. Explain its conditions under indifference curve analysis.

Question 21. Describe any two main functions of a central bank.

OR

How do changes in Bank Rate affect the money supply in an economy ? Explain.

Question 22. Explain the changes that take place when aggregate demand and aggregate supply are not equal.

OR

Explain the need for reduction in inequalities of income and wealth. Explain any two budgetary measures by which it can be done.

Question 23. Giving reasons, state whether the following statements are true or false:

- (a) The supply curve of a good shifts to the right when prices of other goods rise.
- (b) The difference between average cost and average variable cost is always constant.

OR

Explain the effect of the following on the demand for a good:

- (a) Increase in income of its consumer
- (b) Rise in price of its substitute good

Question 24. Given consumption function $C = 100 + 0.75 Y$ (where C = consumption expenditure and Y = national income) and investment expenditure Rs. 1000, calculate:

- (a) Equilibrium level of national income.
- (b) Consumption expenditure at equilibrium level of national income

OR

What changes will take place to bring an economy in equilibrium if

- (a) Planned savings are greater than planned investment and
- (b) Planned savings are less than planned investment.