

**Tapiben Chaganlal Lalji Valia Jr. College**

**PRELIMINARY EXAMS**

Time: 3 Hours

Date : 07 / 01 / 2022

Std: XII Arts and commerce

ECONOMICS

Marks : 80

Q.1 (A) Choose the correct option. (5 marks)

- 1) The book "Principles of Economics" is written by  
a) Adam Smith      b) Alfred Marshall      c) Ragnar Frisch      d) Lord Keynes
- 2) Demand Curve is parallel to Y axis in case of \_\_\_\_\_.  
a) Unitary elastic demand                      b) Perfectly inelastic demand  
c) Perfectly elastic demand                      d) Relatively inelastic demand.
- 3) At present, National Income estimation is done by \_\_\_\_\_.  
a) Finance Department                      b) National Income Committee  
c) Reserve Bank of India                      d) Central Statistical Organisation.
- 4) Optional Functions of Government  
a) Protection from external attack              b) Provision of education and health services  
c) Collection of Tax                                      d) Maintaining Law and Order
- 5) Reserve Bank of India was nationalised in the year \_\_\_\_\_.  
a) 1937      b) 1934      c) 1935      d) 1949.

Q.1 (B) Complete the correlation (5 marks)

- 1) Land :  :: Entrepreneur : Profit
- 2) Money Market : Short Term Funds :: Capital Market :
- 3)  : Single Variable :: Composite Index : Group of Variables.
- 4) Perfect Competition : No selling cost ::  : Selling cost.
- 5) Bank Rate :  :: Moral Suasion : Qualitative Method.

Q.1 (C) Find the odd one out

(5 marks)

- 1) Co-operative Credit Structure:  
State Level, District Level, Secondary Level, Primary Level.
- 2) Miser, Drunkard, Power, Rational Consumer.
- 3) Desire, Ability to Pay, Uselessness, Willingness to Buy.
- 4) Public Expenditure, Public Park, Public Revenue, Public Debt.
- 5) Peculiarities of Perfect Competition:  
Many Buyers, Few Sellers, Price Taker, No Transport Cost.

Q.1 (D) Give Economic Term

(5 marks)

- 1) Import value greater than Export value.
- 2) The demand for the factors of production like Land, Labour, Capital, Entrepreneur.
- 3) Cost incurred on Fixed Factor.
- 4) Degree of responsiveness of a change in quantity demanded of one commodity due to change in the price of another commodity.
- 5) Utility created when personal services are rendered by various professionals.

Q.2 (A) Identify the concepts and explain them. (Any Three)

(6 marks)

- 1) Japan imports raw diamonds and exports finished diamonds to other countries.
- 2) 50% fall in price of a commodity leads to 50% rise in quantity demand.
- 3) Jasmine collected data regarding the money value of all final goods and services produced in the country for the financial year 2020-2021.
- 4) Due to improvement in technology, supply of cell phones has increased even though price remains same.
- 5) Suresh makes a monthly contribution to a fund jointly created by his friends. The collected fund is given to the chosen member through lucky draw.

Q.2 (B) Distinguish Between (Any Three)

(6 marks)

- 1) Relatively Elastic Demand and Relatively Inelastic Demand
- 2) Slicing Method and Lumping Method
- 3) Internal Debt and External Debt
- 4) Price Index and Quantity Index
- 5) Contraction in Demand and Decrease in Demand.

Q.3) Answer the following (Any Three)

(12 marks)

- 1) Explain any four features of Oligopoly Market.
- 2) Explain any four reasons for growth in Public Expenditure.
- 3) Explain the subject matter of Micro Economics.
- 4) Explain any four features of Utility.
- 5) Explain any four exceptions to the Law of Supply.

Q.4) State with reasons whether you 'agree' or 'disagree' with the following statements (Any Three)

(12 marks)

- 1) Fines and Penalties are a major source of revenue for the Government.
- 2) Trade is an engine of growth of an Economy.
- 3) The Law of Diminishing Marginal Utility can be explained with schedule and graph.
- 4) Index Numbers are indispensable tools of economic development.
- 5) Macro Economics studies individual economic units.

Q.5) Study the following table, figure and answer the following questions (Any Two)

(8 marks)

1) Construct Price Index Number using the following data:

(4 marks)

Commodity	Price (2005)	Price (2010)
A	40	50
B	50	70
C	30	60

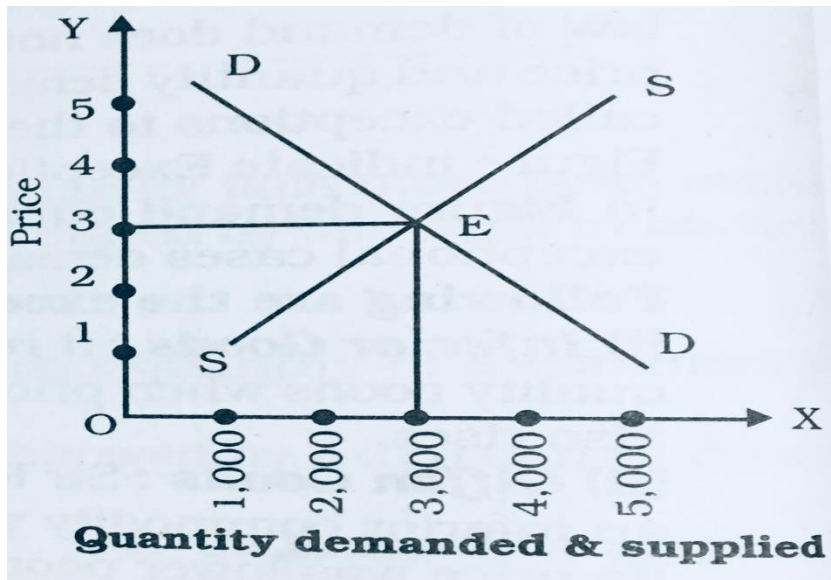
2) Observe the market supply schedule of onions and answer the following questions: (4 marks)

Price in Rs.	Firm A	Firm B	Firm C	Market Supply
10	10	_____	20	45
20	20	20	_____	70
30	30	_____	40	95
40	40	30	50	_____

- a. Complete the above table. (2 marks)
- b. Draw the market supply curve from the above schedule and explain it. (2 marks)

3) Study the diagram and answer the questions given below.

(4 Marks)



- a) What does this diagram show? (1 Mark)
- b) What is the Equilibrium price in the above diagram? (1 Mark)
- c) Explain the diagram. (2 Marks)

Q.6) Answer in Detail (Any Two)

(16 marks)

- 1) State and explain the Law of Demand with its exceptions.
- 2) Explain the difficulties in measuring National Income.
- 3) Explain the Ratio method and Expenditure method for measuring Price Elasticity of Demand.