

HSC 12th Standard

Economics

Model Question Paper - 2

Time : 2.30 Hours

MARKS : 90

Part - I

I. Choose the Correct Answer

20x1=20

1. Polis in Greek means a _____.

- a) State b) Man c) Economics d) None

2. Our wants are _____

- a) Limited b) Unlimited c) Necessity d) None.

3. Indifference curves are _____ to the origin.

4. _____ are the advantages enjoyed within the firm.

- a) Internal economies of scale b) External economies of scale
b) Technical economies d) Labour economies

5. Price rigidity is an important feature of _____

- a) Perfect competition b) Monopoly c) Monopolistic competition d) Oligopoly

6. Exceptional demand curve slopes _____

- a) Downward b) Upward c) Horizontal d) Vertical

7. The author of the rent theory of Profit _____.

- a) Prof. Walker b) Prof. Clark c) Schumpeter d) Prof. Knight

8. Liquidity preference was given by _____

- a) J.M. Keynes b) Marshall c) Samuelson d) Knight

9. Currency notes in circulation are normally referred to as _____

- a) Reserve Money b) Post office savings deposits c) Time deposits d) Fiat Money

10. Bank rate is raised during _____

- a) Deflation b) Inflation c) Stable prices d) Unemployment

11. VAT refers

- a) Property tax b) House tax c) Value Added Tax d) None

12. Land and Labours are called _____ factors.

- a) Primary factors b) Derived factors c) Both of the above d) None of the above

13. Which of the following statement is correct to denote inflation?

- a) The price level will rise b) Supply of goods will decrease
c. Value of money is increasing d) None of these

15. Canon of equity is also called _____ principle of taxation.

- a) Ability to pay b) Canon of certainty c) Canon of Convenience
d. Canon of economy

16. Which one of the following is levied by central government _____

- a) Land Revenue b) Taxes on Consumption of Electricity
c. Entertainment tax d) Customs duties

17. Bank rate is reduced during _____

- a) Deflation b) Inflation c) Stable Price d) Disguised unemployment

18. The proportion of income not spent on consumption is _____

- a) Investment b) Marginal propensity to save c) Consumption function
d) Saving

19. Most important form of selling cost is _____
- a) Advertisement b) Sales c) Homogeneous product d) None
20. If a want can be satisfied by two or more goods, it is called
- a) Substitutes b) Economic good c) free goods d) None

Part – II

Answer any seven questions

7x2=14

21. Name the important general Economic systems.
22. Define 'Consumer's Surplus'.
23. What is Elasticity of Demand?
24. Write a short note on market period.
26. Give two examples of Money Cost.
27. What is Average Revenue?
28. What is Monopoly?
29. Define Public Finance.
30. What are the kinds of Budget?

Part-III

Answer any seven questions.

7x3=21

31. Write a note on traditional Economy.
32. Distinguish between micro economics and macro economics.
33. What are the assumptions of Law of Diminishing Marginal Utility?
34. What are the characteristics of Physical Capital?

35. What are economic costs?
36. Write about the classification of market according to competition.
37. Write any 3 criticisms of Say's Law?
38. Write any five tax revenue of the state government.
39. Write a note on Giffen paradox. Give example.
40. What are the three phases of returns to scale?

Part-IV

Answer all the questions

7x5=35

41. Explain any five characteristics of human wants.

(or)

Explain the shift in demand with the help of a diagram.

42. Write any five functions of an entrepreneur.

(Or)

Define Monopoly. Explain the advantages of Monopoly.

43. Critically examine Ricardian Theory of Rent.

(Or)

Describe the consumption function with a diagram.

44. Discuss the causes and remedies for Inflation.

(Or)

What are the assumptions of Keynes's simple income determination?

45. Explain the point method of measurement of price elasticity of demand with a diagram and formula.

(or)

Explain the indifference curve approach.

46. Explain Consumer's surplus assumptions, importance and criticism.

(or)

What are the main divisions of Economics? Explain.

47. What are the merits and demerits of a mixed economy?

(or)

What are the peculiarities of Land?