

HSC 12th Standard

Economics

Model Question Paper - 1

Time : 2.30 Hours

MARKS : 90

Part - I

I Choose the correct answer

20 X 1 = 20

1. The author of wealth definition is _____
 - a) Alfred Marshall
 - b) Lionel Robbins
 - c) Adam smith
 - d) Samuelson
2. A successful entrepreneur is one who is ready to accept _____
3. The macroeconomic thinking was revolutionized by _____
 - a) David Ricardo
 - b) J.M.Keynes
 - c) Adam smith
 - d) Malthus
4. Currency with the public is known as _____
 - a) M_1
 - b) M_2
 - c) M_3
 - d) M_4
5. Law of demand establishes _____
 - a) Inverse relationship between price and quantity
 - b) Positive relationship between price and quantity
 - c) Both
 - d) None
6. A firm can achieve equilibrium when its

a) $MC=MR$

c) $MR=AR$

b) $MC=AC$

d) $MR=AC$

7. The author of the concept of quasi –rent is

a) Adam smith

c) Ricardo

b) Marshall

d) Samuelson

8. Single commodity consumption mode is _____

a) Production possibility curve

c) Law of supply

b) Law of equi – marginal utility

d) Law of Diminishing marginal utility

9. The initial supply price of land is _____

a) Zero

c) Less than one

b) Greater than one

d) Equal to one

11. The author of liquidity preference theory is _____

a) Lionel Robbins

c) Alfred Marshall

b) J.M.Keynes

d) Adam smith

12. An example for cosmopolitan wealth is _____

a) Tables

c) Chair

b) Ocean

d) Building

13. Production refers to _____

a) Destruction of utility

c) Exchange value

b) Creation of utility

d) None

14. Envelope curve is otherwise known as _____

- a) Planning curve
- b) Long run average cost curve
- c) Group of short run average cost curve
- d) All of the above

15. The perfect competitive firms are _____

- a) Price maker
- b) Price taker
- c) Both
- d) None of these

16. The marginal propensity to save is _____

- a) $\frac{\Delta S}{\Delta Y}$
- b) $\frac{c}{y}$
- c) $\frac{\Delta P}{\Delta Q}$
- d) $\frac{\Delta C}{\Delta Y}$

17. The world wide depression of 1930s was also caused by a _____

- a) Fall in investment
- c) Income and employment

- a) Demand curve
- b) Supply curve
- c) Indifference curve
- d) Production possibility frontier

19. _____ is an example for free goods

- a) Tea
- b) Coffee
- c) Sun
- d) Chair

20. Mixed economy is followed by _____

- a) India
- b) America
- c) China
- d) Russia

Part - II

Answer any seven question

7X2=14

21. What are the causes of wants?

22. Name the types of utility

23. State Alfred Marshall's definition of economics
24. What is the classification of goods?
25. What is equilibrium price?
26. Classify the time periods given by Alfred Marshall
27. What are the characteristics of a market?
28. What are the classifications of market according to area?
29. What is standard of living theory of wages?
30. What are the instruments of quantitative credit control?

Part - III

Answer any seven questions

7X3=21

31. Draw a suitable diagram and table for production possibility curve

34. Write any three functions of entrepreneur.
35. Draw the short run average cost curve
36. What are the assumptions of marginal productivity theory of distribution?
37. What are the types of inflation?
38. Explain the relationship between SAC and SMC. Draw the diagram.
39. What is meant by division of labour? Give example.
40. Write a short note on Veblen effect

Part - IV

Answer all questions

7X5=35

41. Examine Lionel Robbin's definition of economics

(or)

Discuss the relationship between economics and other social sciences

42. Explain the advantages and disadvantages of monopoly

(or)

Draw the flow chart to depict the essence of Keynes's theory.

43. Explain the canons of taxation

(or)

Explain the shift in supply with a diagram

44. Explain the types of elasticity of demand

(or)

Give a note on long run average cost curve

45. Explain the factors determining supply

(or)

Describe consumer's equilibrium with the help of indifference map.

46. Explain the merits of socialist economy

47. Differentiate the perfect competition from monopoly

(or)

Describe Loanable funds theory of interest.