B–2–X

Roll No.

Total No. of Questions : **31**]

[Total No. of Printed Pages : **8**

12th ARF(SZ)JKUT2024–25

302–X

ECONOMICS

Time : 3 Hours]

[Maximum Marks : 80

***General Instructions* :**

(i) Section–A contains Very-Very Short Answer Type Questions of 1 mark each. (1×10=10)

(ii) Section–B contains 10 Very Short Answer Type Questions of 2 marks each to be answered in **20** to **30** words. (2×10=20)

(iii) Section–C contains 8 Short Answer Type Questions of 4 marks each to be answered in **100** to **150** words. (4×8=32)

(iv) Section–D contains 3 Long Answer Type Questions of 6 marks each to be answered in **150** to **200** words. (6×3=18)

SECTION–A

(VERY-VERY SHORT ANSWER TYPE QUESTIONS) 1 each

1. What type of science is economics ?

   (A) Positive

   (B) Normative

   (C) Both (A) and (B)

   (D) None of these

2. Economic problems mainly arises due to :

   (A) Scarcity of resources

   (B) Unlimited wants

   (C) Alternative use of resources

   (D) All of these

3. Want satisfying power is known as :

   (A) Consumption

   (B) Utility

   (C) Production

   (D) Exchange

4. Which of the following is determinant of demand ?

(A) Price of a good

(B) Taste

(C) Income of the consumer

(D) All of these

5. Demand curve of a firm under perfect competition is perfectly elastics. (True/False)

6. When income of buyers rises, equilibrium price falls. (True/False)

7. Income from exports is a part of net factor income from abroad. (True/False)

8. Remittances by NRIs are a part of our national income. (True/False)

9. .... market deals with current sale and purchase of foreign exchange.

10. Balance of trade includes only .... items.

SECTION-B

(VERY SHORT ANSWER TYPE QUESTIONS) 2 each

11. Why PPC is concave to origin ?

12. Give two exceptions of law of demand.

13. In which period law of variable proportion operate ?

14. What causes a movement along a supply curve of a good ?

15. In which market form AR and MR of a firm are always equal ?

16. What is cash reserve ratio ?

17. Write primary functions of money.

18. Name the two components of LRR.

19. Give two examples of non-tax revenue receipts.

20. Give the formula for calculating GNP deflator.

SECTION–C

(SHORT ANSWER TYPE QUESTIONS) 4 each

21. Distinguish between individual demand and market demand.

Or

Explain the effect of rise in prices of related goods on demand for a good.

22. The fixed costs of firm are ₹ 60, its ATC at different levels of output is given below. Calculate AVC and MC.

Output (units)	1	2	3	4
ATC (₹)	90	58	48	44

Or

What is the relationship between marginal cost and average cost ?

23. How is price determined in the market ?

Or

Explain the conditions of Perfect Competition. Why is the demand curve facing a firm under perfect competition perfectly elastic ?

24. Give the meaning of Marginal propensity to save and Average propensity to save. Can the value of APS be negative ? If yes, when ?

Or

How would you show working of multiplier ?

25. How equilibrium level of income and output achieved ?

Or

Explain briefly the concepts of involuntary unemployment and voluntary unemployment.

26. Explain the role of taxation in reducing excess demand.

Or

What is consumption function ? Give its algebraic expression.

27. What is the difference between revenue budget and capital budget ?

Or

Distinguish between fiscal deficit and revenue deficit. What does fiscal deficit indicate ?

28. What is current account ? Explain its components.

Or

Distinguish between devaluation and depreciation of domestic currency.

SECTION–D

(LONG ANSWER TYPE QUESTIONS) 6 each

29. State and explain law of diminishing marginal utility.

Or

Explain various degrees of price elasticity of demand.

30. What is elasticity of supply ? How is it measured by percentage method ? Give example.

Or

Differentiate between (i) Extension of supply and Increase in supply (ii) Contraction of supply and Decrease in supply.

31. Explain the circular flow of income in a simple economy.

Or

Explain the income method of measuring national income.