12th ARNKD(W/Z) JKLUT-2025

1102-B

ECONOMICS

Time : 3 Hours] **[Maximum Marks : 80**

***Note:*- "Attempt any 68 Marks out of 80 Marks".**

SECTION-A

(Very Very Short Answer Type Questions)

(1 mark each)

1. Scarcity is the root of all economic problems in an economy. (True/False)

2. The problem of choice is a result of scarcity of resources. (True/False)

3. In case of single commodity, consumer's equilibrium is reached when MU = Price . (True/False)

4. When income of consumer rises, demand for .... goods increases.

(normal/inferior)

5. When there are a large number of buyers and sellers, selling homogeneous goods at a single price is known as ....

(perfect competition/monopolistic competition)

6. The minimum price fixed by government for a product ....

(Minimum support price/controlled price.)

7. Broad money (M3) includes:

(a) M1 + Time deposits with banks

(b) Only currency with public

(c) Only demand deposits

(d) Gold reserves

8. Monopoly of note issue in India is with:

(a) Ministry of Finance

(b) State Bank of India

(c) Reserve Bank of India

(d) Indian Government Mint

9. When MPS = 0.4, What would be MPC?

(a) 0.3

(b) 0.4

(c) 0.5

(d) 0.6

10. What are the components of aggregate supply?

(a) Consumption

(b) Saving

(c) Both (a) and (b)

(d) None of above

SECTION-B

(Very Short Answer Type Questions)

(2 marks each)

11. What is the problem of "How to produce"?

12. What is meant by total utility?

13. Draw a perfectly elastic supply-curve.

14. How does change in technology affect supply?

15. Define Price Ceiling.

16. What does M1 include?

17. What is meant by the monopoly of note issue?

18. What is meant by Average Propensity to Consume?

19. What is direct Tax?

20. Define Foreign Exchange Rate.

SECTION-C

(Short Answer Type Questions)

(4 marks each)

21. Explain the relationship between total utility and marginal utility.

OR

Distinguish between normal Good and inferior Good.

22. Distinguish between change in quantity supplied and change in supply. Use diagram.

OR

Explain the effect of following on supply of a commodity

(a) Fall in price of factor inputs

(b) Rise in price of other commodity.

23. Define Perfect Competition. What are its main characteristics.

OR

How are equilibrium price and quantity affected when income of the consumers?

(a) increases

(b) decreases

24. Explain the leakages and injections in the circular flow of income with examples.

OR

What is difference between Private Income and Personal Income?

25. What is aggregate demand? State its components.

OR

Define Investment Multiplier. Explain its relationship with MPC. What can be the minimum size of multiplier?

26. Explain involuntary unemployment and distinguish it from voluntary unemployment.

OR

Explain the concept of deficient demand in macroeconomics. Also explain the role of bank rate in correcting it.

27. What are the objectives of budget.

OR

Distinguish between revenue expenditure and capital expenditure.

28. On what grounds Balance of Trade and Balance of Payments are distinguished from each other.

OR

Discuss briefly Fixed exchange rate and flexible exchange rate.

SECTION-D

(Long Answer Type Questions)

(6 marks each)

29. What is meant by demand function? Explain its determinant.

OR

Explain in detail the different degrees of price elasticity of demand with suitable diagram.

30. Explain the law of variable proportions with the help of a schedule and diagram.

OR

Why short run average cost curve is U-shaped. Explain with the help of suitable diagram.

31. Explain the double counting problem in measuring National Income. How it can be avoided?

OR

Explain in brief the expenditure method of measuring national income. What are its precautions?

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