

EXAM

Pre Board II

Examination

Subject Economics Class XII

Time allowed.....

Max. Marks.....

S. No.		Marks Q wise
1. a)		1
2. b)		1
3. 18		1
4. d)		1
5. decrease in quantity		1
6. No difference		1
Explanation		2
7. Increase in Capital resources → rightward shift of PPC.		2
Diagram		1
or,		
↑ in resources → rightward shift		2
Diagram		1
8. Explicit cost- rent interest on loan.	Implicit labour of family members	1+1+1
9. Diagram		1
Explanation		3
or.		
	P TE Q	
	16 512 32	
	12 624 52	1

S. No.		Marks Q wise
	2	
	formula	1
	$e = \frac{20}{-4} \times \frac{16}{32} = -2.5$	1+1
10.	Gent can impose price ceiling	1
	Result (i) Excess demand	1
	(ii) Black marketing	1
	(iii) Rationing	1
11	$P_1 X_1 + P_2 X_2 = Y$	$1\frac{1}{2}$
	$6X_6 + 8X_8 = Y$	$1\frac{1}{2}$
	$100 = Y$	1
12	TPP - 20, 42, 60, 76, 90, 96	
	APP - 20, 21, 20, 19, 18, 16	$\frac{1}{2}$ each
13		
a)	$MC > MR$	
	Addition to TC > Addition to TR	1
	Profit margin \downarrow es.	1
	So a firm will not produce this level of Q	1
b)	$MC < MR$	
	Addition to TC < Addition to TR	1
	Profit margin \uparrow es.	1
	So, a firm will go on producing	1
14.		
	Excess SS \rightarrow Comp ⁿ among sellers \rightarrow push down price \rightarrow as price \downarrow es old \uparrow es & SS \downarrow es	

14a) Market form
Perfect Competition

Features

- 1) Large number of buyers & sellers
- 2) Free entry & exit
- 3) Perfect knowledge of market & technology differentiated product

Monopoly

Explanation

1+1+1=3.

15

or, Condition of equilibrium

$$\text{In this case, } \frac{MU_x}{P_x} > \frac{MU_y}{P_y}$$

So, the consumer is not in equilibrium (2)

↑ consumption of X & reduce consumption of Y
 $MU_x \downarrow, MU_y \uparrow$ due to Law of Diminishing Marginal Utility till equilibrium is established

4.

Teacher's Sign.

Re depreciated.	1
Difference	2

	Marks Q wise
till equilibrium is achieved	4
15. No	1
$MRS_{xy} > \frac{P_x}{P_y}$	1
↑ consumption of X & reduce consumption of Y	
$MU_x \downarrow, MU_y \uparrow$ due to law of DMU	
till equilibrium is estd.	4
16 d)	1
17 a)	1
18 c)	1
19 d)	1
20 $MS = \text{currency in hand} + \text{demand deposits in bank}$	1
21 Payment of international loan gifts & grants to rest of the world investment in foreign countries Purchase of foreign goods. Compensation of employers to foreigners, etc	1 pt. 1 mark
or.	"
Re depreciated.	1
Difference	2

