

CLASS : Std. XII (Economics)

Question Bank from Syllabus of April, May and July

Answer in one sentence

[1 Marks]

1. What is an economy?
2. What are vital processes of an economy?
3. Define scarcity.
4. What do you mean by economizing of resources.
5. What is economic problem?
6. Write two features of Human Wants.
7. Write two features of resources
8. What is economics all about?
9. Define Micro Economics.
10. Define Macro Economics.
11. What is "What to produce"
12. What is meant by labour intensive technique?
13. Define opportunity cost.
14. Write two other names of PPC.
15. Define MOC.
16. When PPC be a straight line?

Answer in 60-70 words.

[3/4

Marks]

17. Briefly discuss the various reasons for economic problem.
18. Distinguish between Micro and Macro economics.
19. What are the three central problems of an economy? Why do they arise?
20. What is meant by the problem of an economy?
21. Explain the central problem of “how to produce”
22. Explain the concept of opportunity cost with the help of an example.
23. Draw PPC when the MOC is constant.
24. Draw PPC when the MOC is decreasing.
25. Draw PPC when the MOC is increasing.
26. Discuss the meaning of PPC with the help of a table and diagram.
27. Explain why a production possibilities curve is concave shaped.
28. What does a production possibilities curve show? When it shifts to the right.
29. Why is marginal opportunity cost increasing in case of PPC.
30. Give the various reasons for shift in PPC.
31. An unemployed person Mr. A is looking out for a job, he received 2 job offers. One for Rs. 20,000 from ICICI Bank and other offer of Rs. 15000 from HDFC Bank. What is the opportunity cost for Mr. A if he accepts the offer of ICICI Bank.
32. Calculate MOC from the given table.

Comicality X	0	1	2	3	4	5
Comicality Y	100	95	85	70	50	25

33. Calculate MOC from the given table

Automobiles	0	1	2	3	4
Guns	22	15	9	4	0

34. A country produces two goods A and B. Calculate MRT and construct PPC.

Possibilities	A	B	C	D	E	F
Good-A	0	1	2	3	4	5
Good-B	100	95	85	70	50	25

Write in 100 words

(5 Marks)

35. Discuss the subject matter economics.

36. Draw the shifts of PPC. (Rt ward and Lf Ward)

37. Scarcity and choice go together.

38. Although water is useful, yet it is cheap. On the contrary, demand is not much of use, still it is very expensive. Give an economic reason for this paradox.

39. "Only scarce goods attract price". Comment.

40. What does the slope of PPC indicate?

41. A farmer produces 100 kg of wheat on a piece of land with the help of a given quantity of resources. If this farmer can also produce 70 kg of rice with the same quantity of resources, then what is the opportunity cost of producing wheat?

1. TU_x is the addition of
2. $MU_x =$
3. TU_x becomes when MU_x is zero
4. When MU_x becomes negative TU_x starts to3
5. Demand & Price are related.
6. Increase in price demand.
7. Decrease in price demand.
8. When two goods complement each other they are called goods.
9. What is utility.
10. What is cardinal utility analysis?
11. Derive Marginal Utility Curve from TU curve.
12. Explain the significance of the assumptions of MU analysis.
13. Giving example explain negative utility of a commodity.
14. Explain fundamental law of consumption.
15. Explain consumer equilibrium in one commodity case.
16. Explain consumer equilibrium in two commodities case.

17. Draw a diagram using marginal utility schedule to show consumer's equilibrium when $P_x = 4$

$$M_u = 4$$

Units	MUX
1	20
2	16
3	10
4	0
5	-2

18. Define budget line.
19. Define indifference curve.
20. Why budget line slopes downward?
21. Write three properties of indifference curve.
22. "Two ICs never intersect each other" Give reason.
23. 'Higher ICs shows high level of satisfaction. Why?
24. What is demand?
25. Differentiate between individual demand and market demand. Use diagram.
26. Differentiate between demand and quantity demanded.
27. Explain the factor which affects demand.
28. Why demand curve slopes downward?
29. Distinguish between normal good & inferior good.
30. Explain law of demand. Use diagram.
31. When demand curve has positive slopes?

32. Distinguish between extension in demand and contraction in demand.
33. Give reason for the shift in demand curve.
34. When demand curve shifts rightward?
35. When demand curve shift leftward?
36. Give two examples of substitute goods.
37. Give two examples of complementary goods.
38. Explain change in demand when good are complementary. (in case of increase/decrease in price)
39. Explain change in demand when goods are substitute (in case increase/decrease in price)
40. Explain "Articles of Distinction". Give example.
41. What do you mean by Giffen paradox. Explain with example.
42. Why an indifference curve is convex to the origin?
43. Law of demand is applicable in limited situation. Explain.
44. What do you mean by cross-price effect?
45. Explain the assumption of the law of diminishing marginal utility.