

**Guru Gobind Singh Public School  
Sector V/B,B.S.City**

**Std.XII**

**Subject :Economics**

**Level - I**

1. Define microeconomics.
2. Give two examples of microeconomics studies.
3. Give the meaning of economy. Explain the difference between a planned economy and a market economy.
4. What do you mean by average revenue.
5. Define Marginal Utility (MU).
6. Explain the Law of Diminishing Marginal Utility with the help of a utility schedule.
7. Explain the difference between cardinal utility and ordinal utility. Give example.
8. Define an indifference map.
9. What are monotonic preference?
10. Explain why is an indifference curve (a) downward sloping, and (b) convex.
11. Explain three properties of indifference curve.
12. Explain the conditions of consumer's equilibrium with the help of utility analysis.
13. A consumer consumes only two goods x and y and is in equilibrium. Price of x falls. Explain the reaction of the consumer through the utility analysis.
14. What is budget set? Explain what can lead to change in budget set.
15. What is a budget line? Why is it downward sloping?
16. Explain the conditions of consumer's equilibrium under indifference curve approach.
17. When is the demand for a good said to be inelastic?
18. When a good is called a normal good?
19. What is meant by inferior goods in economics?
20. What is marginal cost?
21. What is Production Possibility curve, what are its properties?
22. Define Marginal Revenue and Average Revenue.
23. In the following table, find out the level of output, at which the producer will be in equilibrium. Give reason for your answer.

<b>Output units</b>	1	2	3	4	5
<b>Marginal Revenue (Rs.)</b>	8	8	8	8	8
<b>Marginal Cost (Rs.)</b>	10	8	7	8	9

24. What does the Law of Variable Proportion show? State the behaviour of Marginal Product according to this law.
25. Explain the conditions of a producer's equilibrium in terms of Marginal Cost and Marginal Revenue. Use diagram.
26. Define real flow.
27. Define flow variable.
28. Define depreciation.
29. Calculate sales from the following data :-

<b>S.No.</b>	<b>Contents</b>	<b>Rs.(in lakhs)</b>
(i)	Subsidies	200
(ii)	Opening Stock	100

(iii)	Closing Stock	600
(iv)	Intermediate Consumption	3000
(v)	Consumption of Fixed Capital	700
(vi)	Profit	750
(vii)	Net Value Added at Factor Cost	2000

30. Define money supply and explain its components.
31. Explain barter system of exchange with its drawbacks.
32. What are demand deposits?
33. What are time deposits?
34. Define Cash Reserve Ratio.
35. Define Statutory Liquidity Ratio. Explain the currency authority function of Central Bank.
36. Explain lender of the last resort function of the Central Bank.
37. What are the components of Aggregate demand.
38. Explain the banker to the government function of the Central Bank.
39. State any three points of distinction between Central Bank and commercial banks.
40. Explain any two functions of a Central Bank.
41. Differentiate between intermediate goods and Final goods.
42. State three methods of credit control used by the Central Bank. .Explain the credit creation role of commercial banks with the help of a numerical.
43. Explain the banker's bank function of Central Bank.
44. Explain any two methods of credit control used by Central Bank.
45. Define Marginal Propensity to Consume.
46. Give the meaning of Marginal Propensity to Save.
47. Define Average Propensity to Consume.
48. What is ex-ante Aggregate Demand?
49. When is an economy in equilibrium? Explain with the help of saving and investment function. Also, explain the changes that take place in an economy when the economy is not in equilibrium. Use diagram.
50. Explain National Income equilibrium through Aggregate Demand and Aggregate Supply. Use diagram. Also explain the changes that take place in an economy when the economy is not in equilibrium.