

Quarterly Examination 2017-2018

Std. : XII
Subject : ECONOMICS

Full Marks : 80
Time :

Part-I

(Answer all the questions)

[10x2=20]

- Q1.** (a) State any four macro economic variables.
(b) Define Demand.
(c) Discuss with the help of diagrams the concepts of increase of demand and Extension of demand.
(d) What is cardinal utility ?
(e) Why does the budget line slope down ward ?
(f) Draw a perfectly elastic demand curve.
(g) Define 'shift' in supply curve.
(h) What is equilibrium price ? What changes may take place in the market when the prevailing price is greater than the equilibrium price.
(i) Discuss the functions of money in trade.
(j) What is meant by monetary Policy ?

Part-II

(Answer any five)

[12x5=60]

- Q2.** (a) Differentiate between micro and macro economics. [3]
(b) Explain the determinants of demand. [3]
(c) Explain the factors affecting demand. [6]
- Q3.** (a) State the law of demand and illustrate it with help of demand curve. What are the exceptions of demand curve ? [6]
(b) Explain briefly any three factors which lead to rightward shift of a demand curve. [3]
(c) Explain the relationship between 'Total utility' and 'Marginal utility'. [3]
- Q4.** (a) Explain the law of equi marginal utility with the help of numerical examples. [6]
(b) Explain any two properties of the indifference curve with the help of a diagram. [3]
(c) State three methods of measuring price elasticity of demand. [3]

- Q5.** (a) How is the elasticity of demand of a commodity affected by a following factors.
- (i) Existence of substitute of a commodity. [6]
 - (ii) Nature of a commodity. [3]
 - (iii) Amount of income spent on a commodity. [3]
- (b) What is meant by price elasticity of supply ? How is it measured ? [3]
- (c) Distinguish between 'decrease in supply' and 'contraction of supply' with the help of suitable diagram. [3]

- Q6.** (a) Given the following information identify the equilibrium price and Quantity.

Price	Demand	Supply
10	1000	5000
9	2000	4000
8	3000	3000
7	4000	2000

What will happen if market price is [3]

- (i) Rs. 10
- (ii) Rs. 7

- (b) Explain how equilibrium price can be determined with the help of [6]
- (i) Demand and supply schedule.
 - (ii) Demand and supply curve.
- (c) Explain what happens when the market price is less than equilibrium price. [3]

- Q7.** (a) What is meant by money supply ? Explain various measures of money supply used in India. [6]
- (b) Explain the role of commercial bank in a modern economy. [6]