

**KENDRIYA VIDYALAYA SANGATHAN
GUWAHATI REGION**



SPECIAL STUDY MODULE – ECONOMICS
FOR
CLASS – XII (2015-16)

CHIEF PATRON:
SH. SANTOSH KUMAR MALL, IAS
(COMMISSIONER, KVS)

PATRON:
MR. C. NEELAP
(DEPUTY COMMISSIONER, GUWAHATI REGION)

GUIDE:
Sh. J. PRASAD, ASSISTANT COMMISSIONER, GUWAHATI REGION
Sh. D. PATLE, ASSISTANT COMMISSIONER, GUWAHATI REGION
Dr. S. BOSE, ASSISTANT COMMISSIONER, GUWAHATI REGION

COORDINATOR
Mr. SHESHANUJ SARKAR, PRINCIPAL, K.V. IOC NOOMATI

SUBJECT EXPERT
MR. B.P. CHOUDHURY, PGT (Eco), KV IOC NOONMATI

TARGET 50

EASY & SCORING AREAS FOR BLOOMERS

SUB: ECONOMICS

CLASS: XII

Section A: Micro Economics 50 Marks

Unit I: Introduction: 6 marks

1. Define PPC and explain its two properties. 3
2. Explain the problem of What to Produce with example. 3
3. Define Economy and what are the economic activities? 3
4. Differentiate between Micro and Macro Economics. 3
5. Define Marginal Opportunity Cost. Why does it increase with the increase in the production of one good in the society? 3

Unit II: Consumer Equilibrium and Demand: 16 marks

1. Define Demand and discuss any three factors which influence the demand for a good. 4
2. When does a consumer maximize its satisfaction in case of purchase of a good? Use diagram. 4
3. Define Indifference Curve and discuss any three properties of Indifference curve. 4
4. Define Price elasticity of Demand. Explain total expenditure method of measuring elasticity of demand. 4
5. When price of a good is Rs10, a buyer buys 100 units of a good. If price falls to Rs. 5, the demand falls to 50 units. Calculate elasticity of demand. 5
6. Define Budget Line. What does the combinations below the budget line show? 4

Unit III: Theory of Production and Supply: 16 marks

1. Define Production. Explain the Law of Variable Proportion with the help of a diagram. 6
2. Define Total Cost, Average Cost & Marginal Cost. Explain the relationship between AC & MC with the help of diagram. 6
3. Define producer equilibrium. Explain when a firm maximizes its profits with the help of a diagram in a perfect competition market. 6
4. Define Supply. Explain how advancement of technology and rise in tax affects the supply of a good? 6
5. Define Revenue. Discuss the relationship between AR and MR with the help of diagrams in a competitive and non-competitive market. 6
6. Define Price elasticity of Supply. Explain any two factors which influence the price elasticity of supply. 6

Unit IV: Forms of Market & Price determination in Perfect competition market: 12 marks

1. Define perfect competition market and explain its any three characteristics. 6
2. Differentiate between perfect competition market & Monopoly market. 6
3. Define Monopolistic Competition Market. Discuss the implications of any three characteristics of this market. 6
4. Define Oligopoly market. Explain any of three characteristics of Oligopoly market. 6

5. Define Equilibrium price. Explain how equilibrium price is determined with the help of a schedule & diagram. 6
6. Explain the effect on equilibrium price and quantity when there is simultaneous increase in Demand & Supply of a good. 6

Section B: Macro Economics 50 Marks

Unit I: National Income Accounting: 15 Marks

1. Define Injection and withdrawal of money flow, and state their components. 4
2. Differentiate between Domestic Product & National Product. 4
3. Define Domestic Income and its state its components. 4
4. Define Operating Surplus, and state its components. 4
5. Differentiate between GDP_{MP} & GDP_{FC} . 3
6. Differentiate between Real GDP & Nominal GDP. 3
7. Calculate National Income by Income and Expenditure Method from the following data: 6

Items	Amount (in Rs Crores)
1. Private Final Consumption Expenditure	3000
2. Depreciation	200
3. Net Indirect Tax	500
4. Compensation of Employees	2000
5. Net Factor Income from Abroad	500
6. Operating Surplus	5000
7. Mixed Income	1000
8. Govt. Final Consumption Expenditure	2000
9. Net Domestic Capital Formation	2800
10. Net Exports	1000

8. Differentiate between Private Income & Personal Income. 4

Unit II: Money & Banking: 8marks

1. Define Money and explain its primary functions. 4
2. Define Commercial Bank and explain how it creates Credit with the help of an example. 6
3. Define Central Bank and explain its role as Government's Banker and Banker's Bank. 6
4. Define Money Supply, State its Components. 4
5. Explain how Central Bank use Bank rate and Legal Reserve Ratio as tools to control credit. 6

Unit III: Theory of Income determination: 12 marks

1. Define Inflationary Gap. Explain excess demand situation with the help of a diagram. 6
2. Define Investment Multiplier. Explain its working with the help of a schedule. 6
3. Define Consumption function and saving function. Show how saving curve is derived from a Consumption curve.6
4. Define Deficient Demand. How can Government control this situation. 6
5. Explain what happens when Planned Investment exceeds Planned Savings in an economy. use Diagram. 6

Unit IV: Govt. Budget & the Economy: 8marks

1. Explain any four objectives of Govt. Budget. 4
2. Differentiate between Revenue and Capital Expenditure with example. 4
3. On what basis tax is differentiated into Direct & Indirect Tax. 4
4. Define Fiscal Deficit and Revenue Deficit. Explain their implications. 4
5. Differentiate between Revenue & Capital Receipts. 4

Unit V: Balance of Payments: 7 marks

1. Define Balance of Payments and how is it different from Balance of trade.
2. Differentiate between BOP on Current and Capital Account.
3. Explain how flexible exchange rate is determined with the help of diagram.
4. Differentiate between Accomodating & Autonomous items.
5. Define Depreciation and Appreciation with the help of diagrams.
