



Second Term-2071
Subject: Economics

Grade: XII
Time: 3:00 hrs.

F.M.:100
P.M.:40

Candidates are required to give their answers in their own words as far as practicable. The figure in the margin indicates full marks.

Set A
Group A

1. What is price elasticity of demand? Explain various degrees of price elasticity of demand. [2+8]
2. Define TU and MU. Explain law of diminishing marginal utility. [2+8]
3. Critically explain Malthusian theory of population. [10]
4. Explain law of variable proportion. [10]

OR

How equilibrium price and output are determined under monopoly market? Explain. [10]

5. Answer any **four** questions [4×5 = 20]
 - i. Explain law of demand.
 - ii. What are the importances of consumer's surplus? Explain.
 - iii. Define capital formation and explain the process of capital formation.
 - iv. Derive all short run total cost curves.
 - v. Discuss about classical theory of interest.
6. Answer **all** questions [5×2= 10]
 - a. State law of supply.
 - b. What are features of land?
 - c. Define TR, AR and MR.
 - d. Distinguish between nominal and real wage.
 - e. Define rent.

Group B

7. Explain quantity theory of money in detail. [10]
- OR
- Define commercial bank. Explain the functions of commercial bank. [2+8]

8. Answer any **two** questions [2×5 = 10]
 - i. Explain the functions of money.
 - ii. Describe the steps of construction of price index number.
 - iii. Discuss about the importance of public expenditure.

9. Answer **all** questions [5×2= 10]
 - a. Define money.
 - b. What is meaning of value of money?
 - c. Define money market and capital market.
 - d. What is meaning of bank?
 - e. Define public finance.



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Set B

Group A

1. Define price elasticity of demand? Explain total outlay method of measuring the price elasticity of demand. [2+8]
2. Explain law of substitution. [10]
3. Explain Optimum theory of population. What are its criticisms? [7+3]
4. Define TP, AP and MP. Explain their relationship under short run. [3+7]
OR
How equilibrium price and output are determined under perfect competition market? Explain. [10]
5. Answer any **four** questions [4×5 = 20]
 - i. Explain law of supply.
 - ii. What are the criticisms of consumer's surplus? Explain.
 - iii. Explain about the feature of capital.
 - iv. Derive AR and MR from TR under monopoly market.
 - v. Discuss about Ricardian theory of rent.
6. Answer **all** questions [5×2= 10]
 - a. Define composite demand with example.
 - b. What are the merits of division of labour?

- c. Define fixed cost and variable cost.
- d. Distinguish between net interest and gross interest.
- e. Define profit.

Group B

7. Critically explain quantity theory of money. [10]
OR
Define central bank. Explain the functions of central bank. [2+8]
8. Answer any **two** questions [2×5 = 10]
 - i. Explain the importance or roles of money.
 - ii. Explain the difficulties of construction price index number..
 - iii. Discuss about the objectives of public expenditure.
9. Answer **all** questions [5×2= 10]
 - a. Define barter exchange system.
 - b. What is meaning of demand pull inflation?
 - c. Distinguish between money market and capital market.
 - d. What are the roles of banking system?
 - e. What is the meaning of public finance?