

CLASS XII (chapter 1, 2)

Q1. 'What to Produce' means the

- (i) Types of goods to be produced
- (iii) Both (a) and (b)

- (ii) quantity of goods to be produced
- (iv) neither (a) and (b)

Q2. Transformation curve is concave to the origin because of

- (a) Increasing MRT
- (c) Diminishing MRT
- (b) Constant MRT
- (d) None of these

Q3. Moving from one point on PPC to another point on PPC is known as_____.

- (a) Rotation
- (c) Shift in PPC
- (b) trade-off
- (d) none of the above

Q4. What does a production possibility curve show? When will it shift to the right?

Q5 Define Economics, normative economics, positive economics, marginal opportunity cost.

Q6. Explain two characteristics of resources that lead to economic problems.

Q7, Why PPC is concave? Explain

Q8. What will be the impact of "Education for all campaign" on PPC of the economy and why?

Q9. Defend or refute with reasons

1) "An economy always produces on but not inside a PPC."

2) PPC shows decreasing slope

3) If the economy is operating somewhere inside PPC, it is possible to increase production of one commodity without any decrease in the production of another commodity.

Q10 Complete the following table

PRODUCTION POSSIBILITY	P	Q	MOC/MRT
A	0	25	NA
B	1	----	1:7
C	----	12	1:6
D	3	---	1:5
E	4	3	----
F	----	---	1:3

CLASS XII (chapter 3, 4)

Q1. Budget line will shift due to changes in income of the consumer. True /false. Give reasons

Q2. IC is concave due to decreasing MRS. True/false. Give reasons

Q3. Give the equation of budget line and budget set

Q4. Explain the reaction of the consumer when price ratio is higher than MRS.

Q5. A consumer is in equilibrium and buys commodities X and Y. when price of X falls, he starts buying more of X than Y. (true/false with reason)

Q6. Using utility analysis explain how will a consumer decide as to how much quantity of the good to buy?

Q7. TU starts diminishing when MU begins to diminish. (true/false with reason)

Q8. Explain the conditions of consumer equilibrium using indifference curve analysis

Q9. A consumer consumes only two goods X and Y whose prices are Rs 5 and Rs 4 respectively. And if price of X is 4 and that of Y is 5 per unit, is the consumer in equilibrium? What will the further reaction of the consumer? Explain.

Q10 All attainable combination of good X and good Y are below the budget line of a consumer. Defend or refute.