HOLIDAYS ASSIGNMENT
CLASS XII
ECONOMICS
SESSION 2016-17

UNIT 1
INTRODUCTION

3 -4 MARKS QUESTIONS

Q.1 Why is a production possibilities curve concave? Explain. (V. Imp)

Q. 2 Explain properties of a production possibilities curve.

Q. 3 Explain the problem of .what to produce.

Q. 4 What is Marginal Rate of transformation.? Explain with the help of an example. (V. Imp)

Q. 5 Explain the problem .How to produce.

Q.6 What is meant by scarcity of resources?

Q.7 Explain the problem of What to produce?

Q. 8 What does a point below PPC indicate?

Q. 9 Mention the assumptions of PPC.

Q. 10 Explain how scarcity and choice go together.

Q. 11 Why PPC is downward sloping? (V. Imp)

Q.12 Explain the central problem of distribution of income.

Q. 13 Discuss the Scope of economics.

Q. 14 Explain the meaning of Micro Economics. Give example.

15. Distinguish between microeconomics and macroeconomics. Give example.
16. Why does an economic problem arise? Explain the problem of 'How to Produce'? (V. Imp)
17. Explain the problem of 'What to Produce' with the help of an example.
18. ’For whom to produce’. is a central problem of an economy. Explain.
19. Why is a production possibility curve concave? Explain.
20. Define opportunity cost with the help of an example, how does it differ from marginal opportunity cost?

CONSUMER’S EQUILIBRIUM AND DEMAND
UNIT 2

3 - 4 MARKS QUESTIONS

Q.1 Distinguish between ‘increase in demand’ and ‘increase in quantity Demanded’ of a commodity.

Q. 2 Given price of a good, how does a consumer decide as to how much of that good to buy?

Q. 3 A consumer consumes only two goods X and Y. State & explain the conditions of consumer's equilibrium with the help of utility analysis. (V. Imp)

Q. 4 Explain how the demand for a good is affected by the price of its related goods. Give examples.

Q. 5 Distinguish between normal goods and inferior goods. Give example also.

Q. 6 Explain any four factors that affect price elasticity of demand. (V. Imp)

Q. 7 Explain relationship between total utility and marginal utility with the help of a schedule.

Q. 8 Define marginal utility. State the law of diminishing marginal utility.

Q. 9 Show that TU is maximum when MU is zero.

Q. 10 Discuss the properties of Indifference curve. (V. Imp)

Q. 11 What is the difference between ordinal and cardinal utility? (V. Imp)

Q.12 Define Budget line and how it is derived.

Q.13. Explain the law of diminishing marginal utility with the help of a utility schedule.

Q.14. Explain consumer's equilibrium with utility approach in case of single good.

Q.15. What do you mean by budget line? What are the reasons of change in budget line?

Q.16. Explain the relationship between total utility and marginal utility with the help of schedule.

Q.17. State three features of indifference curve.

Q.18. Why does two indifference curves not intersect each other?

Q.19. Under what situations there will be parallel shift in budget line?

Q.20. Explain the effect of a rise in the prices of .related goods. on the demand for a good X.

6 MARKS QUESTIONS

Q.1 Explain the three properties of indifference curves.

Q. 2 Explain the conditions of consumer's equilibrium using indifference curve analysis. Use diagram. (V. Imp)

Q.3 Explain consumer equilibrium in case of single commodity with the help of utility schedule. (V. Imp)

Q. 4 explain consumer equilibrium in case of two commodities case with the help of schedule and diagram

Q. 5 How equilibrium is achieved with IC approach?

Q.6 . Explain the conditions of consumer's equilibrium with the help of the indifference curve analysis. Represent the same in a diagram.

Q.7. Explain the determination of consumers equilibrium with the help of a schedule in case of two commodities by using utility approach. (V. Imp)

Q.8. Why does demand curve slope downward?

Q.9. Explain the determinants of price elasticity of demand. (V. Imp)

Q.10. With the help of diagrams, explain the effect of following changes on the demand of a commodity.

(a) A fall in the income of its buyer.
(b) A rise in price of complementary good.

Q.11. What are the conditions of consumer's equilibrium under the indifference curve approach? What changes will take place if the conditions are not fulfilled to reach equilibrium? (V. Imp)

Q12. Price elasticity of demand is (-1). The consumer buys 50 units at price Rs 2 per unit. How many units will he buy if price rises to Rs 4 per unit? Answer this with the help of total expenditure method of determining price elasticity of demand.

PRODUCER BEHAVIOUR AND SUPPLY
UNIT III

3 - 4 MARKS QUESTIONS

Q. 1 Explain the likely behaviour of total product under the stage of increasing return to a factor with the help of numerical example.

Q. 2 With the help of example distinguish between total fixed cost and total variable cost.

Q. 3 Draw average cost, average variable cost and marginal cost curves on a single diagram and explain their relations.

Q. 4 Draw average cost, average variable cost and average fixed cost curves on a single diagram and explain their relation. (V. Imp)

Q.5 Explain the relation between average revenue and marginal revenue when a firm can sell an additional unit or a good by lowering the price. (V. Imp)

Q. 6 Distinguish between change in quantity supplied and change in supply. (V. Imp)

Q. 7 Explain how does change in price of input affect the supply of a good.

Q. 8 Explain how changes in prices of other products influence the supply of a given product.

Q. 9 Explain how technological advancement influence the supply of a given product.

Q.10 Why does the law of diminishing returns apply? (V. Imp)

Q.11.How does total product behave with change in marginal product?

Q.12. Briefly explain the causes of increasing returns to a factor with the help of marginal product.

Q.13. Explain the likely behaviour of total product. When only the unit of a variable factor is increased to increase the output. Use numeric example.

(V. Imp)

Q.14. Distinguish between total fixed cost and total variable cost.

Q.15. Explain with the help of a diagram the relationship between Average cost, Average variable cost and Marginal cost.

Q.16. Why is short run average cost curve 'U' shaped?

Q.17. Explain diagrammatically the relationship between Average cost, Average variable cost and Average fixed cost. (V. Imp)

Q.18. What changes will take place in total revenue when
(a) Marginal revenue is falling but remains positive.
(b) Marginal revenue is zero.
(c) Marginal revenue is negative.

Q.19. A seller of potatoes sells 80 quintals a day when the price of potatoes is Rs. 4 per kg. The price elasticity of supply of potatoes is known to be 2. How much quantity of potatoes will the seller supply when the price rises to Rs. 5 per kg.

Q.20. The coefficient of elasticity of supply of a commodity is 3. A seller supplies 30 units of the commodity. How much quantity of this commodity will the seller supply. When price rises by Rs. 2 per unit?

Q.21. The ratio of elasticity of supply of commodities A and B is 1 : 1.5. 20 percent fall in price of A results in a 40 percent fall in its supply. Calculate the percentage increase in supply of B if its price rises from Rs. 10 per unit to Rs. 11 per unit.

Q.22. How does change in price of related goods affect the supply of given good.

Q.33. Total Fixed costs of a firm are Rs 100. Its average variable cost at different levels of output is given. Calculate total cost and marginal cost.

Output(units)	1	2	3	4
AVC (Rs.)	60	56	60	64

Q. 34. Explain the relationship between MC and AC with the help of schedule and diagram.

(V. Imp)

Q. 35. Explain the relationship between TC and MC with the help of schedule and diagram.

(V. Imp)

6 MARKS QUESTIONS

Q. 1 Explain the law of variable proportion with the help of diagram and schedule. (V. Imp)

OR

What is the likely behaviour of total product/marginal product when only one input is increased for increasing production? Use diagram/schedule.

Q. 2 What is producer's equilibrium? Explain the conditions of produce's equilibrium through the 'marginal cast and marginal revenue' approach. use diagram/schedule.

Q..3 Explain diagrammatically the effect on total output when units of one factor is increased and all other inputs are held constant. (V. Imp)