

DELHI PUBLIC SCHOOL, JAMMU

Sub: Economics

**Periodic Test-I Assignment
Session(2017-18)**

Class: XII

**Topic: 1. Introduction
2. Consumer Equilibrium**

Very short questions:

1. What is microeconomics and macroeconomics?
2. What is utility and total utility.
3. What is scarcity?
4. Define normal goods and inferior goods.

Short questions:

5. Why is the study of the problem of unemployment in India considered as a macroeconomic study?
6. Differentiate between micro and macroeconomics.
7. When is demand i) elastic ii)inelastic
8. Define indifference curve. Why is it convex to the right?
9. Why the central problem of 'choice of products' to be produced?
- 10.Explain the problem of 'whom to produce'.
- 11.Mention any two exceptions to the law of demand.
- 12.Define indifference curve. Why is it convex to the right?

Long answer questions:

13. Quantity demanded of a commodity rises by 6 units, when its price falls by Rs 1 per unit. Its price elasticity of demand is (-1). If the price before the change was Rs 20 per unit, calculate quantity demanded at this price.
14. Define price elasticity of demand.Explain the factors affecting elasticity of demand.
15. What do you mean by the production possibilities of an economy?

1. How to produce is a complex problem for less developed countries like India. Explain how.
2. "Massive employment shifts the PPC to the left." Defend or Refute.

Unit:2

Topic: Consumer equilibrium and demand

Very short questions (1 mark each)

1. Define marginal utility.
2. What is utility and total utility.
3. What is demand for a commodity?
4. Define normal goods and inferior goods.
Short answer questions(3/4marks each)
5. When is demand i) elastic ii)inelastic
6. Mention any two exceptions to the law of demand.
7. Explain the law of diminishing marginal utility with the help of utility schedule.
8. Explain the relationship between total utility and marginal utility.
9. Define indifference curve. Why is it convex to the right?

Long answer questions(6marks each)

10. Explain the properties of indifference curves.
11. Why is demand curve of the commodity negatively sloped?
12. Define price elasticity of demand.Explain the factors affecting elasticity of demand.
13. Explain the geometric method of measuring price elasticity of demand.

14. Quantity demanded of a commodity rises by 6 units, when its price falls by Rs 1 per unit. Its price elasticity of demand is (-1). If the price before the change was Rs 20 per unit, calculate quantity demanded at this price.

15. A consumer buys 10 units of a commodity at a price of Rs 10 per unit. He incurs an expenditure of Rs 200 on buying 20 units. Calculate price elasticity of demand by percentage method. Comment on the shape of demand curve based on this information.

HOTS

1. Higher consumption of a commodity may mean lower marginal utility, but it never implies negative utility. Do you agree?

2. Law of demand is derived from the law of diminishing marginal utility. Explain how. Give an example using single commodity equilibrium condition.

3. A commodity showing high elasticity of demand often has a large number of close substitutes in the market. Do you agree?

4. Suggest any two policy initiatives that the govt. can take through the market to decrease the consumption of diesel in the country, so that the environmental pollution is arrested.

5. On what factors, position of budget line depend?