

Class: XII

Sub: Economics

Topic:

1. Introduction to Economics and
2. Cardinal and ordinal utility

Questions:

1. When MRS is constant, the slope of indifference curve is:
 - (a) Constant
 - (b) Increasing
 - (c) Decreasing
 - (d) None of these
2. Define opportunity cost.
3. Why does an economic problem arise? Explain.
4. Why is Production Possibility Curve Concave? Explain.
5. Explain the law of diminishing marginal utility with the help of total utility Schedule.
6. Differentiate between Budget set and Budget line.
7. Higher consumption of a commodity may mean lower and lower marginal utility, but it never implies negative utility. Do you agree?
8. On what factors position of budget line depend?
9. What is meant by monotonic preferences?
10. Distinguish between attainable and non-attainable combinations of a set of two goods. Draw a suitable diagram.