



**Maheshwari Public School, Ajmer**  
**Pre mid Test; Session: 2018-2019**  
**Class: XII, Subject: Economics**

**Time allowed: 45 minutes.**

**Max Marks: 20**

- i) All 11 questions in this paper are compulsory to attempt.
  - ii) Marks are indicated against each question.
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- Q1 Define marginal opportunity cost ? (1)
- Q2 Define budget line also give its equation? (1)
- Q3 Define perfectly inelastic demand? (1)
- Q4 What is meant by margin requirement? (1)
- Q5 State law of demand? (1)
- Q6 A consumer consumes two goods X and Y .What will happen if  $MU_x/P_x$  is greater than  $MU_y/P_y$  ? (2)
- Q7 Describe any two methods by which central bank can regulate money supply? (2)
- Q8 The price elasticity of demand for a good is -0.4. If its price increases by 5 percent  
By what percent will its demand falls? Calculate (2)
- Q9 Describe production possibility curve and state its assumption? (3)
- Q10 Explain briefly the working of money multiplier? (3)
- Q11 State and explain the conditions of consumer equilibrium in indifference curve  
analysis ? (3)