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Important Questions 2010
Class-XII (Economics)

Q. 1. Define aggregate demand. State its components.

Q. 2. What is meant by aggregate supply in macroeconomics?

Q. 3. What is the consumption function? OR , What is Propensity to Consume?

Q. 4. What is savings function? How does savings function derive from consumption function? (Math can be asked)

Q. 5. Define- APC,APS,MPC,MPS.

Q. 6. Prove:- APC+APS=1 ,MPC+MPS=1 .

Q. 7. What is the value of MPC when MPS is zero?

Q. 8. Math on APC,APS,MPC,MPS.

Q. 9. Explain the theory of determination of Income and employment with the help of aggregate demand and aggregate supply curves.

OR,

Why must aggregate demand be equal to aggregate supply at the equilibrium level of income and output? Explain with the help of a diagram.

Q. 10. Explain with the help of a diagram how equilibrium level of income in an economy is determined by saving and investment curves? Will there always be full employment at equilibrium level of income?

Q. 11. What happens to aggregate income in an economy in which intended saving exceeds intended investment?

OR,

If in an economy investment is greater than saving, what is the effect on the national income?

Q. 12. What is the difference between planned and actual investment? OR, What is the difference between Ex-ante and Ex-post Investment?

Q. 13. Explain the meaning of investment multiplier. What is the minimum value of the multiplier?

Q. 14. What is full employment?

Q. 15. What is Involuntary Unemployment ?

Q. 16. Define-Inflationary Gap, Deflationary Gap .

Q. 17. State briefly the measures to correct excess demand.

Q. 18. State briefly the measures to correct deficit demand.

Q. 19. In an economy an increase in investment leads to increase in national income which is three times more than the increase in investment. Calculate MPC and MPS.

Q. 20. C=100+0.75Y is a consumption function and investment expenditure is 800. On the basis of this information calculate- i) equilibrium level of national income, ii) saving at equilibrium level of national

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income. Iii) Savings function.