

## XII

## Modern Public School

Topic Summer Holiday Homework Date Economics.  
Session: - 2018-19

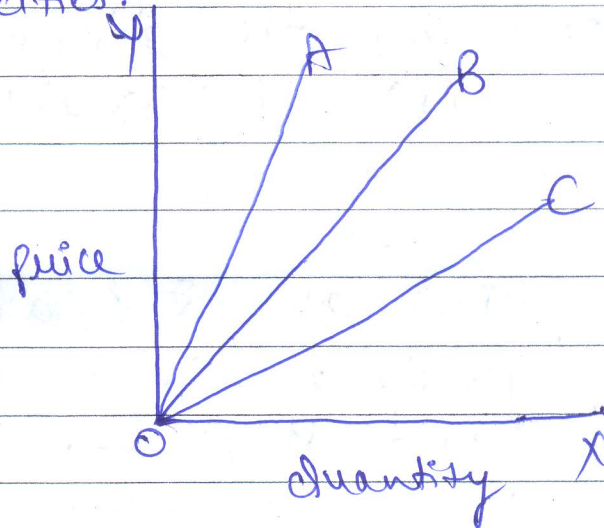
1. When will PPC be a straight line, concave and convex to the origin.
2. Explain with the help of a numerical example, law of equi-marginal utility.
3. Why is an indifference curve negatively sloped? Explain.
4. Explain that price of a commodity and demand are inversely related.
5. What will be the effect of 'demonetisation' announced by the government of India on the PPC of India? Give reasons. Use diagram.
6. Rohan consumes two goods X and Y whose prices are ₹ 8 and ₹ 12 per unit respectively. Is he in equilibrium when  $MU_x = 3$  and  $MU_y = 2$ . Explain.
7. When price of a commodity X falls by 10 percent, its demand rises from 150 units to 180 units. Calculate its price elasticity of demand. How much should be the percentage fall in its price so that its price so that its demand rises from 150 to 210 units?
8. Explain the effect of 'Government policy' on supply of a commodity. Use diagram.
9. The market price of a good changes from ₹ 5 to ₹ 20. As a result, the



quantity supplied by a firm increases by 15 units. The price elasticity of the firm's supply curve is 0.5. find the initial and final output levels of the firm.

10. Distinguish between increase in quantity demanded and increase in demand.

11. The following diagram shows the supply curve of three commodities. Rank their price elasticities.



12. Complete the following table :-

units of labour	AP (units)	MP (units)
1	16	—
2	20	—
3	—	20
4	18	—
5	—	8
6	14	—

13. State and discuss any two factors that will shift the PPF to the right.

14. Giving reason, state the impact of each of the following on demand curve of a good X if :-

- (i) Price of its complementary good falls.
- (ii) Income of consumer rises.
- (iii) News reports claims that consumption of product X has harmful effect on human health.

15. Giving reasons, state whether the following statements are true or false :-

- (i) Average product will increase only when marginal product increases.
- (ii) Under diminishing returns to a factor, total product continues to increase till marginal product reaches zero.

16. Give the behaviour of marginal product and total product as more and more units of only one input are employed while keeping other inputs as constant.

17. Explain the effect of following factors on elasticity of demand of a commodity :-

- (i) nature of the commodity.
- (ii) Time period
- (iii) Number of substitutes
- (iv) Habits of the customer

18. Comment upon the degree of elasticity of demand for commodity X, if the price



of the Commodity falls from ₹ 28 per unit to ₹ 23 per unit and its quantity demanded rises from 50 units to 100 units.

Note :-

1. Revise all the syllabus done in the class.
2. Last date of submission of holidays homework is 4.7.18.