Hill Side School

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Parent's Signature

Full Name _____ Grade - 11 Section _____ 4th Quarter Final Exam

Subject –Economics Year: 2012 E.C Exam. Room: _____ ***Time allowed 1:30hrs***

I. Write True for correct statement and False for wrong statement.

1. The relationship between disposable income and consumption is known as propensity to consume.
2. Investment is the part of income which is used for the creation of new capital assets.
3. Demand for investment continues increasing as rate of interest increases.
4. At the breakeven point, consumption is more than income.
5. The value of APC can be greater than 1.
6. To correct excess DD, the central bank decreases the bank rate.
7. During depression, the central bank buys government securities.
8. Expansionary fiscal policies are adopted to reduce aggregate demand.
9. Government should reduce tax rates to increase aggregate demand.
10. Control of wages becomes necessary when there is a situation of inflation.

II. Choose the correct answers.

11. Important considerations for making investments are.
    A. Safety of funds C. Return on investment
    B. Rate of interest D. all of the above
12. Autonomous investment is
    A. Income – inelastic C. dependent up on rate of interest.
    B. Income – elastic D. dependent up on rate of corporate tax.
13. At the break – even point
    A. Disposable in come is equal to consumption.
    B. Income is less than consumption.
    C. Income is more than consumption.
    D. None of the above
14. Equality between exports and imports implies.
    A. Trade deficit B. trade surplus C. trade balance D. none of these
15. International trade increases
    A. Consumption of goods and service. C. specialization of labor
    B. Efficiency of an economy. D. all of these
16. The sum total of the money value of export and import is known as
    A. Volume of trade. B. Value of trade C. total trade D. none
17. Which of the following is soft currency?
    A. Indian rupee B. Us d dollar C. British pound. D. French France.
18. An increase in the international value of the currency of a country.
    A. Makes its import costlier C. Makes its exports cheaper
    B. Makes its import cheaper D. none

19. In case of inflationary gap
    A. AD > AS B. AD = AS C. AD < AS D. None
20. Aggregate demand is determined by
    A. Population of the country
    B. Cost of inputs
    C. managerial efficiency
    D. state of technology.

III. Match column "A" with column "B"

A	***B***
21. Determinant of AS	A. Contractionary monetary policy
22. Determinant of AD	B. Trade surplus
23. Macro-economic policy	C. cost of inputs
24. Increasing bank rate	D. Trade deficit
25. X > M	E. level of income
26. M > X	F. Revaluation
27. Fall in value of currency	G. Engine of economic growth
28. Rise in value of currency	H. S/Yd
29. International trade	I. C/Yd
30. APC	J. Depreciation
	K. income policy.

IV. Fill in the blank spaces.

31. _____Shows the relationship between consumption and income level.
32. Part of income which is not spent is _____.
33. Investment made with the motive of earning profit is _____.
34. The ratio between total saving and total income is _____.
35. _____ deals with a systematic record of all international economic transactions.
36. _____ is the rate at which is determined by force of supply and demand in foreign exchange mkt.
37. A hybrid of fixed and floating exchange rate' system is called _____.
38. _____ Policy is the expenditure and revenue (tax) policy of government.
39. _____ is the policy of the central bank related to supply availability.
40. _____ refers to the control by government over workers' wages"

V. From the following table find, S, APC and MPC.

Yd	C	S	APC	MPC
0	60			
100	110			
200	150			
300	180			
400	200			