Assignment Class 12 Economics

Chapter 7

Time Allowed: 45 mins. Maximum Marks: 20

Q-1 According to Keynesian Economics, the value of APC can never be\_\_\_\_\_\_\_\_\_

 A) Zero B)Unity C)More than one D)Less than one

 Q-2 Aggregate supply and \_\_\_\_\_\_\_\_\_\_are always equal.

Q-3 Slope of the consumption curve in the equation C=$\overline{c}$ +by is denoted by Which of the following is not a flow?

A)$\overline{c}$ B)Y C) b D)None of these

Q-4 If investment falls to zero, national income does not fall to zero because of

a) Autonomous consumption b) Induced investment c) Autonomous investment d) Multiplier

Q-5 Which of the following fact is correct about MPC?

a) Value of MPC varies between 0 and 1 b) MPC of poor is more than that of Rich

c) MPC falls with successive increase in income d) All of these

Q-6 The value of \_\_\_\_\_\_\_\_\_can never be negative, while \_\_\_\_\_\_\_can never be equal to one.

a) APS, APC b) MPC,APS c) APC, APS d)MPS, APC

 True/False

Q-7 Consumption depends upon investment in the economy.

 Q-8 MPC represents slope of economy.

 Q-9 Ex-post investment means fixed capital with production units during a particular period of time.

Q10. Higher the level of National income, higher is the level of autonomous consumption.

 Q-11. Average propensity to consume can be greater than one.

Q -12 What is disposable income?

Q-13 Write any two differences between induce investment and autonomous investment.

Q-14 Calculate MPC from the following figures

 Y C

 0 60

 100 110

 200 150

 300 180

 400 200

Assertion/Reason

Q-15 Assertion- MPS varies between 0 and infinity.

 Reason- Incremental income is either spent or consume or saved for future use.

Q-16 Assertion- At BEP consumption is equal to National Income.

Reason- APC falls continuously with increase in income as proportion of income spent on consumption keeps on decreasing.

Q-17 Can the value of MPC be greater than one?

Q-18 Differentiate the meaning of Ex-ante savings and Ex-post savings.

Q-19 Given below is the consumption function of an economy. C=100+0.5 y

 With the help of a numerical example show that in this economy, as income increases APC will increase.