

CLASS XII C

Worksheet 1

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1. Explain the central problem of 'how to produce'.
2. Define opportunity cost. Give examples.
3. State the condition of consumer equilibrium. (single commodity case)
4. State the law of demand.
5. Explain the impact of rise in future price on the demand of a commodity.
6. Why do people demand more at lower prices?
7. Differentiate between Micro and Macro economics.
8. Using the following schedule comment on the shape of PPC, Give Reasons:

Combination	Good X	GoodY
A	0	10
B	1	9
C	2	7
D	3	4
E	4	0

9. Demand for 'X' commodity may increase or decrease even when prices are constant. True or false. Give reasons.
10. Explain the impact on the PPC of Kashmir, if widespread flood have led to the destruction of human lives.
11. Differentiate between shifts in demand and movement along the same demand curve.
12. Explain the central problem of 'for whom to produce'.
13. If the demand of a good rises with the rise in the price of other good, which kind of related good is it?
14. Explain expansion in demand.
15. If price of tea rises what happens to the demand of coffee ?
16. What will happen to the demand for inferior good,if income of consumer rises?
17. Differentiate between decrease in demand and contraction of demand.
18. If disposable income of the people rises then the demand for all the goods rises. True or false. Explain.
19. Using the following schedule. Comment on the shape of PPC. Give reasons.

Combination	GoodX	Goody
A	0	10
B	1	9
C	2	8
D	3	7
E	5	6

20. Production in an economy is below its potential due to unemployment. Government starts employment generation schemes. Explain its effect on PPC.