O.P.JINDAL SCHOOL , SAVITRI NAGAR, TAMNAR

CLASS - XII COMMERCE
SUBJECT - ECONOMICS (030)

Date – 08/8/2020

WORK- SHEET

M.M. 25

1.Calculate the value of multiplier if the entire increase in income is saved. (1)

2. Multiplier is _____ related to MPC. (1)

(a) Directly (b) Not

(c) Indirectly (d) Rarely

3.If the planned saving are greater than planned investments, What will be its effect on Inventories? (1)

4.What is meant by full employment equilibrium? (1)

5.Why AD curve also known as " C+I" curve? (1)

6. Explain the paradox of thrift. (3)

7. In an economy, investment is increased by Rs. 300 crore. If Marginal Propensity to Consume is 2/3, Calculate increase in national income. (3)

8. What is multiplier ? Explain the working of multiplier with the help of numerical Example. (4)

9. " When MPC is equal to MPS, increase in income will be two times the increase in Investment" Explain. (4)

10. Derive the two alternative conditions of expressing national income equilibrium. Show these equilibrium conditions on a single diagram. (6)