

HOME WORK

CLASS: XII A & XII D

ECONOMICS

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1. The following table depicts the production possibilities of commodities A and B:

Possibility	A	B	C	D	E
Commodity A	0	1	2	3	4
Commodity B	10	9	7	4	0

- Show these production possibilities through the PPC
- What do the points in the curve indicates?
- Label a point F inside the curve. What does this point indicates?
- Label a point G outside the curve. What does this point indicates?
- What must occur so that the economy can attain the level of production as indicated by point G?

2. Draw a PPC and show the following situations:

- under utilization of resources
- Unattainable combination of resources
- Outward shift of PPC
- Rotation of PPC with the increase in resources and technology favouring commodity X

3. Mr. Abhinand is working as a sales manager with a salary of Rs. 1 lakh per month.

He received more job offers. He got an offer of Rs. 70,000 from Reliance India and an offer of Rs.120, 000 from Tata Industries. What is the opportunity cost of Abhinand to continue as sales manager?

4. What do you mean by Labour intensive technique of production?

5. What does an increase in marginal opportunity cost along a PPC mean?

6. Give examples of increase in resources and decrease in resources.

7. A country produces 2 goods: A and B. Its production possibilities are shown in the table. Calculate the value of MRT. Construct PPC with the help of the given possibilities and discuss the shape of the PPC.

Possibilities	A	B	C	D	E	F
Good A	0	1	2	3	4	5
Good B	100	95	85	70	50	25