

BRAIN INTERNATIONAL SCHOOL

ECONOMICS ASSIGNMENT

CLASS-XII

October'2018

UNIT: Money and banking

- Q1 Explain any three functions of money.
- Q2 Describe the four measures of money supply.
- Q3 Central bank is a bank of note issue. Discuss.
- Q4 What is transaction demand for money? How is it related to the value of transactions over a specified period of time?
- Q5 Why is speculative demand for money inversely related to the rate of interest?
- Q6 Discuss the primary and secondary functions of Commercial Banks.
- Q7 Describe the three types of deposits held by commercial banks.
- Q8 Define CRRs and SLRs.
- Q9 What is 'liquidity trap'?
- Q10 What are the alternative definitions of money supply in India?
- Q11 What is a 'legal tender'? What is 'fiat money'?
- Q12 What is High Powered Money?
- Q13 Explain the functions of a commercial bank.
- Q14 Central bank is a custodian of cash reserves. Discuss.

UNIT: Income Determination and Multiplier

- Q1. When planned saving is greater than plan investment what is its effect on national income and employment. Explain.
[Hint: Explain adjustment mechanism when $S > I$]
- Q2. Discuss the components of Aggregate Demand.
- Q3. Can aggregate demand continue to rise beyond the level of full employment? What is its impact on the economy?
- Q4. Explain meaning of multiplier. What can be its maximum value and why?
- Q5. Describe the shape of Aggregate supply curve.
- Q6. Explain
 - (i) Average Propensity to consume.
 - (ii) Average Propensity to save
 - (iii) Marginal Propensity to consume
 - (iv) Marginal Propensity to Save
- Q7. When planned saving is less than plan investment what is its effect on national income and employment. Explain.
- Q8. Explain the equilibrium using AD – AS approach.
- Q9. Describe the mechanism of investment multiplier.

