

**Model Question Paper**  
**Theory of Consumer Behaviour - Part I**  
12th Standard  
**Economics**

Reg.No. : 

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- I. Answer all the questions.
- II. Use Blue pen only.
- III. Question No 15 is compulsory

Time : 01:40:00 Hrs

Total Marks : 120

5 x 1 = 5

**Section-A**

- 1) Necessaries, comforts and luxuries are  
(a) Classification of goods and services (b) Classification of wants (c) Classification of utility (d) None of the above
- 2) The Indifference curve approach was introduced by  
(a) Alfred Marshall (b) Lionel Robbins (c) J.R. Hicks and R.G.D. Allen (d) Adam Smith
- 3) Utility is a  
(a) Social concept (b) Subjective / Psychological concept (c) Political concept (d) Scientific/Psychological concept
- 4) Single commodity consumption mode is  
(a) Production possibility curve (b) Law of Equi-marginal utility (c) Law of supply (d) Law of Diminishing Marginal Utility
- 5) Consumer surplus is  
(a) Potential Price – Actual Price (b)  $MV_n = TV_n - TV_{n-1}$  (c) Demand = supply (d) None

**Section-B**

- 6) What are the causes for wants ?
- 7) What are the classifications of goods ?
- 8) Define the Law of Diminishing Marginal Utility.
- 9) What are the properties of Indifference curve ?
- 10) Define “consumer’s surplus” in the words of Marshall.

5 x 3 = 15

**Section-C**

- 11) Distinguish between total and marginal utility.
- 12) What are assumptions of Law of Diminishing Marginal Utility
- 13) Bring out the importance of Law of Diminishing Marginal Utility.

3 x 10 = 30

**Section-D**

- 14) Explain the characteristics of human wants.
- 15) a) Describe the Law of Diminishing Marginal Utility with a diagram?

3 x 20 = 60

(OR)

- b) Explain Consumer’s Surplus with the help of a diagram and bring out its importance and its criticism.

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