

Higher Order Thinking Questions- a Necessity

In the Board's question paper in Economics of Class XII, there will be higher order thinking questions of 15 to 20 marks. The objective is to assess the students' understanding, analytical ability and interpretation.

In the course content for Economics, an attempt is made to introduce basic concepts used in the study of this subject. Many of these concepts are also interrelated.

Memorising these concepts and their relationship will not help in understanding the economic laws and principles. These have to be understood in totality by asking questions such as why and how and going a step further by applying them to various situations.

Some of these concepts are:

- Marginal and average cost etc and their relationship.
- Concept of equilibrium in microeconomics and in macroeconomics.
- Concepts of elasticity.
- Concepts of domestic product and national product.
- Intermediate and final products.
- Concepts of inflation, depreciation of domestic currency, etc.

Just memorising the meaning of concepts does not help in understanding the subject and the use of these concepts. For instance just memorising the meaning of average and marginal costs and their relationship will not help you in answering question, like.

- Why must marginal cost curve pass through the minimum point of average cost curve? Or
- If marginal revenue falls, will total revenue fall? Or
- Are the wages and salaries received by Indians working in American Embassy in India a part of Domestic Product of India? Or
- What are the main reasons for the present price rise in India? Or
- Why must aggregate demand and aggregate supply be equal when the economy is in an equilibrium?

To give a practice of the application of these concepts and to test whether the students have really understood them, the situations from day to day life should be put before them. They should then be asked to analyse them. Some topics can also be taken up for debate, such as “Are borrowings bad?” or “Is inflation harmful?”

- 6 Explain the implications of the following :
- (i) The feature ‘differentiated products’ under monopolistic competition.
 - (ii) The feature ‘Large number of sellers’ under perfect competition.
- 7 At a given market price of a good a consumer buys 120 units. When price falls by 50 percent he buys 150 units. Calculate price elasticity of demand.
- 8 Explain, by giving examples, how do the following determine price elasticity of demand:
- (i) nature of the good
 - (ii) availability of substitutes
- 9 In the following table, identify the different phases of the law

of variable proportions and also explain the causes:

Variable input (units)	1	2	3	4	5	6
Total product (units)	10	22	32	40	40	35

- 10 Giving reasons, explain how the following are treated in estimating

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National Income:

- (i) Purchase of a truck to carry goods by a production unit.
- (ii) Payment of income tax by a production unit.
- (iii) Services rendered by family members to each other.

