

Marking Scheme links are on each paper

Pre-Board Sample Papers

CBSE EXAM 2024 20 Sets

Class : 12th

Sub : Economics



Disclaimer :

1. These papers are based on the SQP released by CBSE and published by a private organization just for the practice of the students.
2. CBSE has not released these papers and CBSE is not related to these papers in any manner.
3. Publisher of these papers clearly state that these papers are only for practice of students and questions may not be come in main exam.
4. Please do not spread any rumors that any one paper will be coming in main exam.

Sample Paper 1
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. “Considering the depreciation of Indian Currency (₹) in the international market, the Reserve Bank of India (RBI) has decided to purchase Indian currency (₹) in the open market.”
This represents _____ exchange rate system.
(a) fixed
(b) flexible
(c) managed floating
(d) manipulated
2. Statement 1: Demonetisation was the step taken by the Government of India in order to tackle the problems of corruption, black money, terrorism and circulation of fake currency in the Indian Economy.
Statement 2: Demonetisation has ensured improved tax compliance in India over the period of time.
In the light of the given statements, choose the correct alternative from the following:
(a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true
3. Complete the table

Producer	Value of Output	Intermediate Consumption	V a l u e Added
Farmer	3,000	—	3,000
Baker	...(i)...	3,000	3,000
Retail Seller	6,600	...(iii)...	600
Total	...(ii)...	6,000	...(iv)...

- (a) 600, 15,600, 6,000, 6,000

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (b) 6,000, 15,900, 6,000, 6,400
- (c) 3,000, 9,000, 6,000, 6,600
- (d) 6,000, 15,600, 6,000, 6,000

4. Identify the correct pair from the following Column I and Column II:

	Column I		Column II
A.	At the Break Even point	(i)	Equals National Income
B.	If MPC is equal to one	(ii)	Value of k is infinity
C.	Value of aggregate demand	(iii)	Depends upon the investment
D.	Consumption in the economy	(iv)	$C > Y$

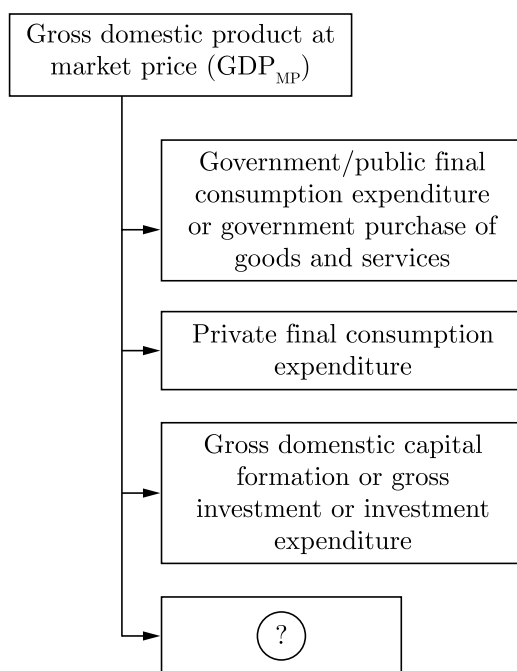
Alternatives:

- (a) C - (iii)
 - (b) A - (i)
 - (c) D - (iv)
 - (d) B - (ii)
5. Surplus in Balance of Payment (BoP) arises when:
- (a) Autonomous payments > Autonomous receipts
 - (b) Autonomous receipts > Autonomous payments
 - (c) Accommodating receipts > Accommodating payments
 - (d) Accommodating payments > Accommodating receipts

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

6. Read the given chart carefully and choose the correct option from the alternatives given below:



- (a) Import
(b) Export
(c) Net Import
(d) Net Export
7. If the value of export of goods of a country is ₹5,000 crores and the value of import of goods is ₹6000 crores, then trade balance will be:
(a) 1,000 crores
(b) 2,000 crores
(c) -1,000 crores
(d) -2,000 crores
8. Identify the incorrect statement with reference to Balance of Payments.
(a) Export of machinery is recorded in capital account.
(b) Current account records Exports and Imports transactions of a nation.
(c) Current account records all such transactions, which do not impact asset or liability status of a country.
(d) Transfer of funds to the relatives abroad, entered on debit side of current account.
9. **Assertion (A):** Acquisition of a domestic (Indian) company by a foreign (Australian) company will be recorded on the credit side of Balance of Payment Account.
Reason (R): It leads to outflow of foreign exchange from the domestic economy.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

(d) Assertion (A) is true but Reason (R) is false

10. Gifts and remittances to abroad are recorded on the _____ side and _____ account in BoP Account.

- (i) debit (ii) credit
(iii) current (iv) capital
(a) (i) and (iv)
(b) (ii) and (iv)
(c) (i) and (iii)
(d) (ii) and (iii)

Short Answer Questions (Q11 to Q12)

$3 \times 2 = 6$

11. Explain how the allocation of resources can be influenced in the government budget through taxes, expenditure and subsidies.

12. Calculate Net National Product at Market Price from the following data

Items	₹ (in crores)
Net factor income from abroad	(-) 5
Private final consumption expenditure	100
Personal tax	20
Gross national disposable income	170
Government final consumption expenditure	20
Corporation tax	15
Gross domestic capital formation	30
Personal disposable income	70
Net exports	(-) 10
Savings of private corporate sector	5
Net national disposable income	145

or

Explain how the government can use its budgetary policy in reducing the inequality of income in the country.

Short Answer Questions (Q13 to Q15)

$4 \times 3 = 12$

13. Elaborate the 'Banker's bank and supervisor' function performed by the Reserve Bank of India.

14. How is Real Gross Domestic Product (GDP) different from Nominal Gross Domestic Product (GDP)? Explain using a numerical example.

or

Interpret the given picture on account of GDP and Welfare.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS



15. Explain the 'AD = AS' approach of the theory of income determination. Use diagram. What changes take place in the economy when $AD > AS$?

Long Answer Questions (Q16 to Q17)

$6 \times 2 = 12$

16. (a) Define externalities. Give an example of negative externality. What is its impact on welfare?
 (b) On the basis of the following data about an economy which constitutes of only two firms A and B. find out the Value-added by Firm A and Firm B.

		(₹ in crores)
(i)	Sales by Firm A	300
(ii)	Purchases from Firm B by Firm A	120
(iii)	Purchases from Firm A by Firm B	180
(iv)	Sales by firm B	600
(v)	Closing Stock of Firm A	60
(vi)	Closing Stock of Firm B	105
(vii)	Opening Stock of Firm A	75
(viii)	Opening Stock of Firm B	135
(ix)	Indirect taxes by both Firms	90

17. Why is AD curve also called C + I curve? What are its components? Explain.

or

Show graphically the derivation of savings function from consumption function.

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

$1 \times 10 = 10$

18. As per scholars, what was the reason of fall in GDP growth rate in 2015-17 in Pakistan?
 (a) Reform process

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (b) Corruption
- (c) Political instability
- (d) All of these

19. Identify the correct pair from Column I and Column II and choose the correct alternative:

	Column I		Column II
A.	Apni Mandi	(i)	It is in Pune.
B.	Rythu Bazars	(ii)	These are the fruit markets in Andhra Pradesh.
C.	Hadaspur Mandi	(iii)	It is in Punjab, Haryana and Rajasthan.
D.	Uzhavar Sandies	(iv)	These are farmers markets in Maharashtra

Alternatives:

- (a) C - (iii)
- (b) D - (iv)
- (c) A - (i)
- (d) B - (ii)

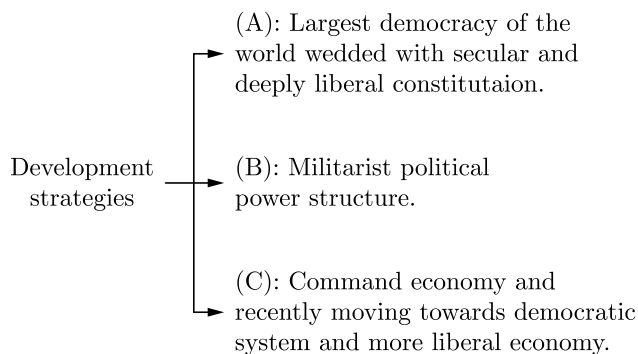
20. Arrange the following events of Pakistan in chronological order and choose the correct alternative:

- (i) Nationalisation of capital goods
- (ii) Initiation of reforms
- (iii) Pakistan got independence
- (iv) Announcement of First Five Year Plan

Choose the correct alternative:

- (a) (ii), (iv), (i), (iii)
- (b) (iv), (iii), (ii), (i)
- (c) (iii), (iv), (i), (ii)
- (d) (iii), (ii), (i), (iv)

21. In context of the given image, identify the correct option:



- (a) A - India; B - China; C - Pakistan

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (b) A - Pakistan; B - India; C - China
(c) A - China; B - India; C - Pakistan
(d) A - India; B - Pakistan; C - China
22. Nations are forming regional and global economic groupings for:
(a) to understand developmental processes of their neighbouring nations
(b) strengthening their own economies
(c) Neither (a) nor (b)
(d) Both (a) and (b)
23. **Assertion (A):** Animal husbandry is the part of diversification of productive activities in rural area.
Reason (R): It provides stable employment opportunities in off season.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false
24. The motive of British Government behind de-industrialisation was:
(i) To get raw material from India at cheap rate
(ii) To sell British manufactured goods in Indian market at high prices
(iii) To focus on development of agriculture
(iv) To get finished products from India at cheap rate
Choose correct option
(a) Only (iii)
(b) (i) and (ii)
(c) Only (iv)
(d) (ii) and (iv)
25. Study the following picture and answer the given question.



Women in rural households take up bee keeping as an entrepreneurial activity. Such kind of activities may be

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

envisaged under _____ as diversification activity.

- (a) animal husbandry (b) fisheries
(c) horticulture (d) poultry

26. Statement 1: India has an edge over Pakistan in health facilities and skilled manpower.
Statement 2: Pakistan has an edge over India in reducing the proportion of population below poverty line.
In the light of the given statements, choose the correct alternative from the following:
(a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true
27. By May 2019, nearly _____ crore women in India have become member in _____ lakh women SHGs.
(a) 4, 44
(b) 2, 34
(c) 7, 64
(d) 6, 54

Short Answer Questions (Q28 to Q29)

3 × 2 = 6

28. How are small scale industries distinguished from large scale industries?

or

What were the drawbacks of the licensing policy followed by the government before 1991?

29. It is believed by some of the economists that 'once the technology is found profitable and is widely adopted, subsidies should be phased out'. Accept/Refute the above statement.

Short Answer Questions (Q30 to Q32)

4 × 3 = 12

30. Interpret the given picture on account of current environmental challenges.



Click the Following Button to See the Free MS/Solutions

SOLUTIONS

31. What role can the government play in human capital formation in India?

or

How is agricultural diversification helpful for farmers? Explain.

32. Elucidate the role played by the industrial sector in India.

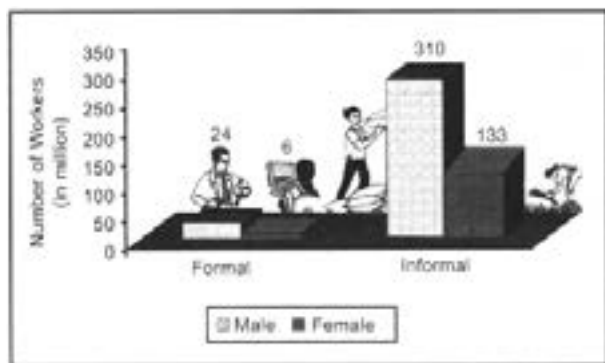
Long Answer Questions (Q33 to Q34)

6 × 2 = 12

33. Compare the traditional approach with the recent approach towards environment.

or

Study the following chart showing the workers in formal and informal sectors and analyse the trend of the two variables from 2011-12.



34. Read the following text carefully and answer the given questions on the basis of the same and common understanding:

The term 'sustainable development' was used by the Brundtland Commission (1987) which coined what has become the most often-quoted definition of sustainable development "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainable development does not focus solely on environmental issues. The United Nations 2005 World Summit Outcome Document refers to the four 'interdependent and mutually reinforcing pillars' of sustainable development as including: economic development, social development and environmental protection. The fourth pillar is indigenous people and culture. Proponents of Sustainable Development argue that it provides a

context in which overall sustainability is improved where cutting edge Green development is unattainable. For example, a cutting edge treatment plant with extremely high maintenance costs may not be sustainable in regions of the world with fewer financial resources. Sustainability requires that human activity only use nature's resources at a rate, which they can be replenished naturally. Inherently, the concept of sustainable development is intertwined with the concept of carrying capacity.

(a) What is sustainable development? Does sustainable development solely focus on environment? Why?

(b) Explain any two strategies for sustainable development in India.

□□□□□□

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Sample Paper 2
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

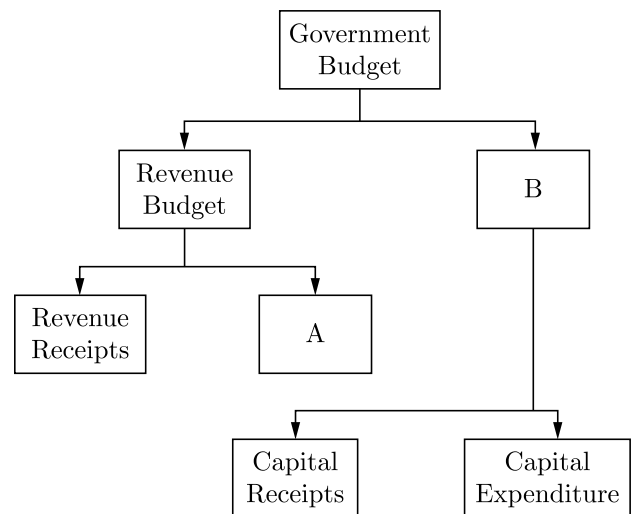
1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10) 1 × 10=10

1. Read the following statements carefully:
Statement 1: A tax system that is progressive applies higher tax rates to higher levels of income.
Statement 2: A regressive tax is one where the average tax burden decreases with income.
In the light of the given statements, choose the correct alternative from the following:
(a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true
2. **Assertion (A):** Highway and road works announced in Kerala, Tamil Nadu, West Bengal and Assam in budget 2021.
Reason (R): Such announcement will increase revenue expenditure of the government.
Choose one of the correct alternatives given below:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false

3. Read the following figure carefully and choose the correct pair from the alternatives given below:



- (a) A - Revenue expenditure; B - Fiscal deficit
(b) A - Revenue expenditure; B - Fiscal budget
(c) A - Capital budget; B - Revenue expenditure
(d) A - Revenue expenditure; B - Capital budget
4. “Fiscal policy is a tool used by the government to stabilise the economy and promote economic growth.”
How does fiscal policy aim to stabilise the economy?
(a) By controlling interest rates
(b) By regulating international trade
(c) By managing government spending and taxation
(d) By controlling the money supply

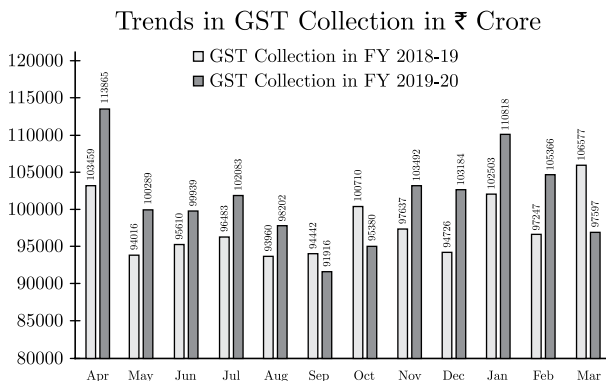
Click the Following Button to See the Free MS/Solutions

SOLUTIONS

5. While financing a deficit, under which measure government can print more currency?

(a) Disinvestment
(b) By issuing bonds
(c) Deficit financing
(d) None of these

6. On the basis of the given bars, identify the percentage change in the collection of GST in February 2019-20



(a) Negative
(b) 8.5%
(c) 8.10%
(d) 8.20%

7. Flow of Goods and Services and factors of production across different sectors in a barter economy is known as:

(a) Monetary Flow
(b) Circular flow
(c) Capital Flow
(d) Real flow

8. Find the missing figures and choose the correct option.

Income	Consumption	ΔC	ΔY	MPC (Marginal Propensity to Consume)
0	300	—	—	—
200	350	50	...(i)...	0.25
400	400	...(ii)...	200	0.25
600	450	50	200	...(iii)...
800	500	50	200	0.25

Alternatives

(a) 50, 200, 0.25
(b) 200, 50, 0.25

(c) 50, 200, 0.50
(d) 200, 50, 0.50

9. The shackles of agriculture during the colonial rule was permanently broken by the given revolution that resulted from the application of_____.

(i) High Yielding varieties (HYV)
(ii) mechanisation of agriculture
(iii) chemical fertilisers and pesticides
(iv) organic fertilisers and pesticides
Codes

(a) (i), (ii) and (iv)
(b) (i), (ii) and (iii)
(c) (ii), (iii) and (iv)
(d) (i), (iii) and (iv)

10. Current account is in 'Balance' when_____.

(a) Receipts on current account < payments on current account
(b) Receipts on current account > payments on current account
(c) Receipts on current account = payment on current account
(d) None of these

Short Answer Questions (Q11 to Q12) $3 \times 2 = 6$

11. "Foreign Institutional Investors (FIIs) remained net seller in the Indian capital markets over the last few weeks".
—The Economic Times
State and discuss the likely effects of the given statement on foreign exchange rate with reference to the Indian Economy.

12. Calculate intermediate consumption from the following:

		(₹ in lakhs)
(i)	Value of output	2,000
(ii)	Depreciation	40
(iii)	Subsidy	10
(iv)	Sales tax	30
(v)	Net Value Added at factor cost	1,600

or

If the Real GDP is ₹300 and Nominal GDP is ₹330, calculate the Price Index (base = 100).

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Short Answer Questions (Q13 to Q15) 4 × 3 = 12

13. Explain the concept of 'Excess demand' with the help of a diagram.
14. Explain the concept of 'deficient demand' with the help of a suitable diagram.

or

Explain any one fiscal and two monetary measures to correct the deflationary gap.

15. Explain the concept and working of multiplier with the help of a suitable schedule.

Long Answer Questions (Q16 to Q17) 6 × 2 = 12

16. (a) Distinguish between stock and flow variables with suitable examples.
(b) Calculate Gross Domestic Product at factor cost from the following data:

		(Z in crores)
(i)	Gross national product at factor cost	3,750
(ii)	Compensation of employees	2,000
(iii)	Net exports	(—)50
(iv)	Profit	700
(v)	Net domestic capital formation	1,000
(vi)	Opening stock	150
(vii)	Closing stock	200
(viii)	Gross fixed capital formation	1,050
(ix)	Interest	600
(x)	Rent	400
(xi)	Factor income from abroad	20

or

Explain the precautions that should be taken while estimating national income by value added method.

17. Read the following text carefully and discuss briefly the relevant function of the Central Bank, indicated. The Reserve Bank of India (RBI) is the central bank of India whose primary function is to manage and govern the financial system of the country. It is a statutory body established in the year 1935 under the Reserve Bank of India Act, 1934. The central bank

regulates the issue and supply of the Indian rupee. It also looks after the central government's money. The central bank plays the role of the bankers' bank and regulates the banking sector. It also plays an important role in India's development story by supporting the government in its developmental projects and policies.

Section B - Indian Economic Development**Multiple Choice Questions (Q18 to Q27) 1 × 10 = 10**

18. Statement 1: Environment is able to perform its functions easily as long as the demand on these functions is within its carrying capacity.

Statement 2: The Environment (Protection) Act was in passed 1990.

In the light of the given statements, choose the correct alternative from the following:

- (a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true

19. **Assertion (A):** Disguised unemployment is present in India.

Reason (R): Agricultural productivity at the margin is close to zero.

In the light of the given statements, choose the correct alternative from the following:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false

20. Jobless growth leads to unemployment because:

- (a) GDP growth is slow
(b) Labour refuses to migrate
(c) Growth is due to technology
(d) Labour is very expensive

21. "Green revolution was a major reason of rise in

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

productivity of farming". What is/ are the advantage(s) of conventional farming methods?

- (a) Higher output
- (b) Cost effective
- (c) Wider range
- (d) All of these

22. Due to the recent efforts of which international body the Indian government, initiated the modernization of informal sector?

- (a) WTO
- (b) World Bank
- (c) G-20
- (d) International Labour Organisation

23. When extraction is above the rate of regeneration of the resource and the wastage are outside the absorptive capacity of the environment, then environment fails to perform its one of the vital function. What is that function?

- (a) It supplies resources
- (b) It assimilates waste
- (c) It sustains life
- (d) It provides aesthetic services

24. Along with horticultural crops, golden revolution caused an increase in the production of _____.

- (a) milk
- (b) honey
- (c) livestock
- (d) dry fruits

25. Small Finance Banks had mobilised deposits of 82,488 crores and extended credit of 90,576 crores to small and marginal farmers and Micro, Small and Medium Enterprises (MSMEs) by the end of FY 2019-20. How will it affect the economy?

- (a) Economic strengthening of rural areas
- (b) Financial inclusion of people
- (c) Growth of MSMEs and agriculture sector become faster
- (d) All of these

26. From the given image, it is clear that outsourcing from India is not always an advantage for developed

countries. Select the reason(s) for the same.



- (a) Leads to managerial interference
- (b) Leads to unemployment in their country
- (c) Neither (a) nor (b)
- (d) Both (a) and (b)

27. From the set of events/systems given in Column I and corresponding relevant fact given in Column II, choose the correct pair of statement:

	Column I		Column II
A.	Economic reforms in China	(i)	1988
B.	Great Leap Forward Campaign	(ii)	1968
C.	Great Proletarian Cultural Revolution	(iii)	Between 1980 - 1984
D.	Special Economic Zones	(iv)	1975

Alternatives:

- (a) C - (iii)
- (b) D - (iv)
- (c) A - (i)
- (d) B - (ii)

Short Answer Questions (Q28 to Q29) 3 × 2 = 6

28. Elaborate the exploitative nature of the colonial government in India with the help of suitable examples.

29. Why were the benefits of Green Revolution restricted to few states and few crops in initial stages of

planning?

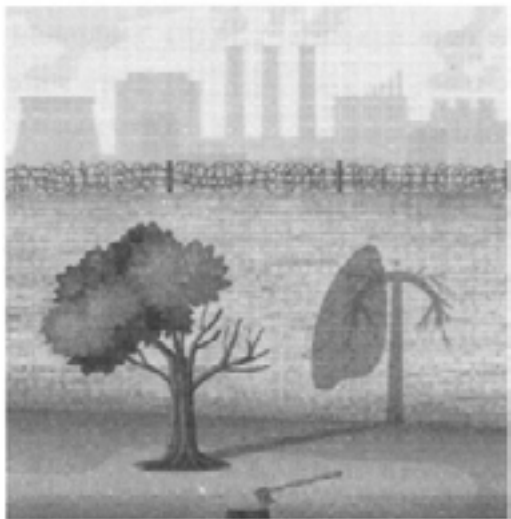
or

How did the government promote regional equality in industrial development?

Place of Residence	Workforce (in millions)		
	Male	Female	Total
Rural	125	69	195
Urban	32	7	39

Short Answer Questions (Q30 to Q32) $4 \times 3 = 12$

30. (a) Interpret the given picture on account of current environmental challenges.



- (b) What do you mean by biocomposting? How is it helpful in promoting sustainable development?
31. Evaluate the role of the rural banking system in India.
- or
- “Is it possible to develop Information Technology as an alternate livelihood option”? Give reasons.
32. Enlist all the factors involved in the introduction of the economic reforms by way of the announcement of the New Economic Policy (NEP).

Long Answer Questions (Q33 to Q34) $6 \times 2 = 12$

33. Suggest measures to make the rural areas in India more vibrant (Include two success stories of rural development experiments carried out in India).

or

The following table shows distribution of workforce in India for the year 1972-73. Analyse it and give reasons for the nature of workforce distribution.

34. Read the following text carefully and answer the given questions on the basis of the same and common understanding:

The China-Pakistan Economic Corridor (CPEC) has deepened the decades-long strategic relationship between the two nations. But it has also sparked criticism for burdening Pakistan with mountains of debt and allowing China to use its debt-trap diplomacy to gain access to strategic assets of Pakistan.

The foundations of CPEC, part of China's Belt and Road Initiative, were laid in May 2013. At the time, Pakistan was reeling under weak economic growth. China committed to play an integral role in supporting Pakistan's economy.

Pakistan and China have a strategic relationship that goes back decades. Pakistan turned to China at a time when it needed a rapid increase in external financing to meet critical investments in hard infrastructure, particularly power plants and highways. CPEC's early harvest projects met this need, leading to a dramatic increase in Pakistan's power generation capacity, bringing an end to supply-side constraints that had made rolling blackouts a regular occurrence across the country.

Pakistan leaned into CPEC, leveraging Chinese financing and technical assistance in an attempt to end power shortages that had paralysed its country's economy. Years later, China's influence in Pakistan has increased at an unimaginable pace.

China as Pakistan's Largest Bilateral Creditor: China's ability to exert influence on Pakistan's economy has grown substantially in recent years, mainly due to the fact that Beijing is now Islamabad's largest creditor. According to documents released by Pakistan's Finance Ministry, Pakistan's total public and publicly guaranteed external debt stood at \$44.35 billion in June 2013, just 9.3 per cent of which was owed to China. By April 2021, this external debt had ballooned to \$90.12 billion, with Pakistan owing 27.4 per cent - \$24.7 billion - of its total external debt to China, according to International Monetary Fund (IMF).

Additionally, China provided financial and technical expertise to help Pakistan build its road infrastructure,

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

expanding north-south connectivity to improve the efficiency of moving goods from Karachi all the way to Gilgit-Baltistan (PoK). These investments were critical in better integrating the country's ports, especially Karachi, with urban centers in Punjab and Khyber-Pakhtunkhwa provinces.

Despite power asymmetries between China and Pakistan, the latter still has tremendous agency in determining its own policies, even if such policies come at the expense of the long-term socio-economic welfare of Pakistani citizens.

- (a) Outline and discuss any two economic advantages of China Pakistan Economic Corridor (CPEC) accruing to the economy of Pakistan.
- (b) Analyse the implication of bilateral 'debt-trap' situation of Pakistan vis-a-vis the Chinese economy.

□□□□□□

Sample Paper 3
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. Read the given news taken from the article “Currency caution: On the Indian rupee’s depreciation” published in The Hindu on 23rd July, 2022.
“The Indian rupee is experiencing its worst slump in four years. Since the start of 2022, the currency has depreciated by more than 7% against the US dollar, weakening past a historic low of 80 to a dollar mark earlier this week.”
In layman terms, which of the following is the reason for depreciation of Indian rupee?
(a) Increase in demand of US dollar and decrease in supply of US dollar
(b) Increase in both demand and supply of US dollar
(c) Increase in supply of US dollar and decrease in demand of US dollar
(d) Decrease in both demand and supply of US dollar
2. Find the missing figures and choose the correct alternatives

Income	Consumption	Average Propensity to Consume (APC)
0	30	—
10	70	...(iii)...
30	...(ii)...	3.67
50	150	...(iv)...
...(i)...	190	2.71

Alternatives

- (a) 80, 120, 8, 4
 - (a) 60, 120, 8, 4
 - (c) 70, 110, 7, 3
 - (d) 60, 110, 7, 3
3. The economic reforms under the New Economic Policy of 1991 were made so that.....
(a) market forces would drive the economy towards growth and development

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (b) the government would drive the economy towards growth and development
- (c) the public would drive the economy towards growth and development
- (d) None of the above

4. _____ is exercised through discussions, letters and speeches to banks.

- (a) Moral suasion
- (b) Selective credit control
- (c) Margin requirement
- (d) Open market operation

5. Fees of government college is a revenue receipt because:

- (a) It increases assets of the government.
- (b) It creates liabilities of the government.
- (c) It neither creates any liability nor reduces any asset of the government.
- (d) It neither creates any asset nor reduces any liability of the government.

6. Read the following data carefully and choose the correct option from the alternatives given below:

Particulars	Farmer	Baker
Total production	100	200
Intermediate goods used	0	50
Value added	100	—

- (a) 200
- (b) 100
- (c) 150
- (d) 50

7. Statement 1: Activity resulting in benefits to others is called a “positive externality”.
Statement 2: ‘Pollution created by factories/vehicles’ is an example of negative externality.
In the light of the given statements, choose the correct alternative from the following:

- (a) Statement 1 is false and statement 2 is true
- (b) Statement 1 is true and statement 2 is false
- (c) Both statements 1 and 2 are false
- (d) Both statements 1 and 2 are true

8. Identify the correct pair from the following Column I and Column II:

	Column I		Column II
A.	Expenditure on collection of taxes	(i)	Capital expenditure
B.	Expenditure on scholarships	(ii)	Revenue expenditure
C.	Expenditure on purchasing computers	(iii)	Revenue expenditure
D.	Expenditure on building a bridge	(iv)	Revenue expenditure

Alternatives:

- (a) D - (iv)
- (b) C - (iii)
- (c) B - (ii)
- (d) A - (i)

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

9. Assertion (A): The monetary policy is a policy formulated by the central bank.
Reason (R): The policy involves measures taken to regulate the supply of money, availability, and cost of credit in the economy.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false
10. From the given data of an imaginary economy, find the value of consumption expenditure:
(i) Autonomous Consumption = ₹150 crore
(ii) Marginal Propensity to Consume = 0.75
(iii) National Income = ₹1,000 crore
(a) ₹900 crore
(b) ₹700 crore
(c) ₹850 crore
(d) ₹800 crore

Short Answer Questions (Q11 to Q12)**3 × 2 = 6**

11. What are official reserve transactions (ORT)? Explain their importance in the Balance of Payments Account.
or
Explain why there is a rise in demand for foreign exchange when its price falls.
12. What is depreciation of Rupee? What is its likely impact on Indian imports and how?

Short Answer Questions (Q13 to Q15)**4 × 3 = 12**

13. Suppose in the budget, the government proposed to raise the excise duty on cement. It also proposed to raise the income tax on individuals earning more than rupees one crore per annum.
(a) Identify and explain the type of taxes proposed by the government.
(b) Was the objective only to earn revenue for the government?
(c) What possible welfare objective could the government be considering?
14. 'Lack of store of value' was a major problem under barter system, but goods like diamond, gold can be easily stored for future use. Then why this was not a popular mean under barter system?
15. "Economists are generally concerned about the rising Marginal Propensity to Save (MPS) in an economy." Why so? Explain.

or

Explain all the changes that take place in an economy, when AD is not equal to output.

Long Answer Questions (Q16 to Q17)**6 × 2 = 12**

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

16. (a) From the following data, calculate National Income by Income Method:

		(₹ in crores)
(i)	Interest	150
(ii)	Rent	250
(iii)	Government final consumption expenditure	600
(iv)	Private final consumption expenditure	1,200
(v)	Profits	640
(vi)	Compensation of employees	1,000
(vii)	Net factor income to abroad	30
(viii)	Net indirect taxes	60
(ix)	Net exports	(—) 40
(x)	Consumption of fixed capital	50
(xi)	Net domestic capital formation	340

(b) “India’s GDP is expected to expand 7.5% in 2019-20: World Bank” —The Economic Times

Does the given statement mean that welfare of people of India increase at the same rate? Comment with reason.

or

- (a) On the basis of the following data about an economy which constitutes of only two firms, find out Value added by firms A and B.

	(₹ in lakhs)	
(i)	Sales by firm A	300
(ii)	Purchases from firm B by firm A	120
(iii)	Purchases from firm A by firm B	180
(iv)	Sales by firm B	600
(v)	Closing stock of firm A	60
(vi)	Closing stock of firm B	105
(vii)	Opening stock of firm A	75
(viii)	Opening stock of firm B	135
(ix)	Indirect taxes by both firms	90

- (b) If the Real Gross Domestic Product is ₹200 and the Nominal Gross Domestic Product is ₹210, calculate the Price Index (base = 100).

17. Briefly explain the concept of under-employment equilibrium with the help of diagram. How does an increase in investment help in achieving full employment equilibrium?

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. “The goal of equitable or rational distribution of land was not fully served by abolition of intermediaries”. Why?
- Owing to policy loopholes, former zamindars continued to owe large lands
 - In some areas, zamindars claimed to be self-cultivators
 - Lack of political will

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (d) All of the above
19. Statement 1: Cultural Revolution in China is also known as Great Leap Forward Cultural Revolution.
Statement 2: In cultural revolution, students and professionals were sent to work and learn from the foreign countries.
In the light of the given statements, choose the correct alternative from the following:
(a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true
20. Name the state which is held as a success story in the efficient implementation of milk cooperatives.
(a) Gujarat
(b) Maharashtra
(c) Andhra Pradesh
(d) Punjab
21. When did regional rural banks initiated in India?
(a) 1975
(b) 1970
(c) 1985
(d) 1980
22. Arrange the following events of China in chronological order and choose the correct alternative:
(i) Great Leap Forward Campaign
(ii) First Five Year Plan
(iii) Great Proletarian Cultural Revolution
(iv) Introduction of Economic Reforms
Choose the correct alternative:
(a) (ii), (i), (iii), (iv)
(b) (iv), (i), (ii), (iii)
(c) (ii), (iv), (iii), (i)
(d) (iv), (ii), (i), (iii)
23. Assertion (A): In order to attract foreign investors, Special Economic Zones (SEZs) were set up.
Reason (R): SEZ is a geographical reason that has economic laws different from the country's typical economic laws. Usually, the goal is to increase foreign investment.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false
24. In Pakistan, most of the foreign exchange earnings come from:
(i) Sustainable export of manufactured goods
(ii) Remittances from Pakistani workers working in Middle East
(iii) Export of highly volatile agricultural goods

- (a) (i) and (iii)
- (b) (i) and (ii)
- (c) (i), (ii) and (iii)
- (d) (ii) and (iii)

25. From the set of events/systems given in Column I and corresponding relevant fact given in Column II, choose the correct pair of statement:

	Column I		Column II
A.	Agrarian Economy	(i)	An economy with about 50% of the country's population earning their living from agriculture.
B.	Export Surplus	(ii)	During the British regime, India's imports exceeded its exports.
C.	Mortality Rate	(iii)	Annual number of deaths per 100 people
D.	Occupational Structure	(iv)	Distribution of workforce as per their occupation

Alternatives :

- (a) B-(ii)
 - (b) A-(i)
 - (c) D-(iv)
 - (d) C-(iii)
26. Observe the given picture carefully and answer the question that follows:



Roadside vending is an increasing variety of _____ unemployment.

- (a) informal
 - (b) formal
 - (c) Neither (a) nor (b)
 - (d) Both (a) and (b)
27. Diversification of growth process can be achieved through the development of _____ sector.
- (a) Industrial
 - (b) Agricultural
 - (c) Service
 - (d) None of these

Short Answer Questions (Q28 to Q29)

3 × 2 = 6

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

28. Explain the concept of 'Privatisation'. Throw light on the "different status designated to the Public Sector enterprises (PSEs)".

29. Explain the 'Permit license raj'.

or

Explain the 'policy of protection' in industries.

Short Answer Questions (Q30 to Q32)

4 × 3 = 12

30. Answer the following questions on the basis of the following data:

Comment on the (a) Infant Mortality Rate (IMR) in Pakistan

(b) Percentage of Undernourished Children among the given two countries.

Country	IMR (Per 1000 live births)	Undernourished Children%
China	9	9
Pakistan	66	45

31. Mention any four features of small scale industries.

or

How is agricultural diversification helpful for farmers? Explain.

32. Analyse the growth of GDP and changing structure of employment.

Ans :

During the period of 1950-2010, Gross Domestic Product (GDP) of India grew at a positive rate and was higher than the rate of employment growth. During this period the employment grew at the rate of not more than 2% whereas fluctuations were always noticed in the field of growth of GDP.

- There had been a disheartening development in the late 1990's as the employment growth started declining and reached to the level it witnessed in the early stages of planning.
- Another important observation of this period was the widening gap between the growth of GDP and employment. This implies that in India we have been able to produce more goods and services without generating employment. This phenomenon refers to "jobless growth".
- Distribution of workforce by the industrial sectors shows the following changes in the structure of employment.
- A substantial shift was noticed from farm work to non-farm work. Like during 1972-73 about 74% of workforce was engaged in primary sector and in 2011-12, this proportion declined to about 50%.
- Share of secondary and service sector increased from 11% to 24% and 15% to 27% respectively, during the same period.
- The movement of people from self-employment and regular salaried employment to casual wage work has been the other noticeable feature (1972-2012). But self-employment continues to be the major employment provider. The above movement is known as 'Vasualisation of workforce', which leads to their high vulnerability.

Long Answer Questions (Q33 to Q34)

6 × 2 = 12

33. "Global CO₂ levels hit new record in 2017."

— The United Nations

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (a) Why is the world faced with an environmental crisis?
- (b) Why do environmental problem emerge in recent times?

or

“Existence of widespread unemployment in India is the cumulative result of many causes.” Explain any four main causes of unemployment in India.

- 34.** Read the following text carefully and answer the given questions on the basis of the same and common understanding:

Chipko Movement, also called Chipko Andolan, non-violent social and ecological movement by rural villagers, particularly women, in India in the 1970s, aimed at protecting trees and forests slated for government-backed logging. The movement originated in the Himalayan region of Uttarakhand (then part of Uttar Pradesh) in 1973 and quickly spread throughout the Indian Himalayas. The Hindi word chipko means “to hug” or “to cling to” and reflects the demonstrators’ primary tactic of embracing trees to impede loggers. The interior roads built for the conflict attracted many foreign-based logging companies that sought access to the region’s vast forest resources. Although the rural villagers depended heavily on the forests for subsistence-both directly, for food and fuel, and indirectly, for services such as water purification and soil stabilisation-government policy prevented the villagers from managing the lands and denied them access to the lumber. Many of the commercial logging endeavours were mismanaged, and the clear-cut forests led to lower agricultural yields, erosion, depleted water resources and increased flooding throughout much of the surrounding areas.

- (a) What was Chipko Movement? How were villagers depended upon forest for their survival?
- (b) How have people tried to prevent indiscriminate cutting of trees? Discuss the two movements started by them for achieving the objective.

□□□□□□

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Sample Paper 4
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. Which of the following component(s) is/are not included in money supply?
(a) Stock of gold with RBI (b) Currency with private individuals
(c) Currency with business firms (d) All of these
2. Suppose that the Balance of Trade (BoT) of a nation, exhibits a surplus of ₹30,000 crores. The import of merchandise of the nation is half of the exports of merchandise to the rest of the world. The value of exports would be ₹ _____ crores.
(a) 90,000 (b) 60,000
(c) 15,000 (d) 22,500
3. The transactions recorded in the current account of BoP are:
(a) Export and import of services (b) Transfers from and to abroad
(c) Export and import of goods (d) All of these
4. Find the missing figures and choose the correct alternatives.

Income (₹)	Consumption (₹)	Average Propensity to Consume (APC)
0	20	—
20	60	...(iii)...
40	...(ii)...	2.5
60	140	...(iv)...
...(i)...	170	2.125

Alternatives

(a) 100, 100, 1.3, 2

(b) 70, 100, 3, 1.33

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

(c) 80, 100, 3, 2.33

(d) 110, 90, 2, 3.33

5. “Considering the depreciation of Indian currency (₹) in the international market, the Reserve Bank of Indian (RBI) has decided to purchase Indian currency (₹) in the open market.”

This represents _____ exchange rate system.

(a) fixed

(b) flexible

(c) managed floating

(d) manipulated

6. Demand deposits include:

(a) Saving account deposits and current account deposits

(b) Saving account deposits and fixed deposits

(c) Current account deposits and fixed deposits

(d) All types of deposits

7. Which bank in India is the controller of credit?

(a) Axis bank

(b) State Bank of India

(c) Reserve Bank of India

(d) Punjab National Bank

8. Goods purchased for _____ purpose(s) are final goods.

(a) investment

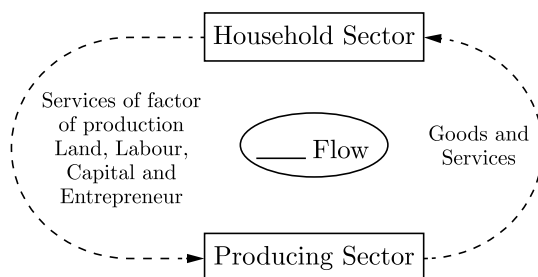
(b) satisfaction of wants

(c) Both (a) and (b)

(d) None of these

or

Read the following figure carefully and choose the correct option from the alternatives given below:



Alternatives:

(a) Real

(b) Nominal

(c) Circular

(d) Both (a) and (c)

9. Assertion (A): A country always tries to balance the BoP, i.e., balance in current account equals to balance in capital account.

Reason (R): Balanced BoP indicates stable economic relations with rest of the world.

In the light of the given statements, choose the correct alternative from the following:

(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)

(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)

(c) Assertion (A) is false but Reason (R) is true

(d) Assertion (A) is true but Reason (R) is false

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

10. Statement 1: Balance of Payments is a systematic record of all economic transactions that take place between one country and the rest of the world during a given period (say a year).
Statement 2: Balance of Trade is the difference between the value of goods exported and value of goods imported in a given year.
In the light of the given statements, choose the correct alternative from the following:
- Statement 1 is false and statement 2 is true
 - Statement 1 is true and statement 2 is false
 - Both statements 1 and 2 are false
 - Both statements 1 and 2 are true

Short Answer Questions (Q11 to Q12)**3 × 2 = 6**

11. “Indian Rupee (₹) plunged to all time low of ₹80.10 against the US Dollar (\$).”
—The Economic Times
In the light of the above report, discuss the impact of the situation on Indian imports.
12. Government is incurring expenditure on “Child immunisation programme”. Does the given statement mean that welfare of the people of India will increase along with increase in its GDP. Comment with reason.

or

Calculate net value added at factor cost from the following:

		(₹ in lakhs)
(i)	Net factor income from abroad	30
(ii)	Sales	3,500
(iii)	Purchase of intermediate goods	2,000
(iv)	Consumption of fixed capital	500
(v)	Exports	400
(vi)	Indirect taxes	350
(vii)	Change in stock	50

Short Answer Questions (Q13 to Q15)**4 × 3 = 12**

13. State whether the following statements are true or false. Give reason for your answer.
- When MPC is greater than MPS, the value of investment multiplier will be greater than 5.
 - The value of MPS can never be negative.
14. Define frictional and structural unemployment.
15. Define full employment. Can an equilibrium situation be reached in an economy at less than full employment level? Explain.

or

Explain the role of margin requirements in dealing with the problem of excess demand.

Click the Following Button to See the Free MS/Solutions**SOLUTIONS**

Long Answer Questions (Q16 to Q17)**6 × 2 = 12**

16. (a) Calculate GNP_{FC} from the given data:

		(₹ in crores)
(i)	Indirect tax	50
(ii)	Consumption of fixed capital	60
(iii)	Net factor income received from abroad	(—) 10
(iv)	NDP _{FC}	120
(v)	Net current transfers paid to rest of the world	30
(vi)	Subsidies	25

- (b) “Non-monetary exchanges are not included in the estimation of National Income.” Do you agree with the above statement? Give reasons.

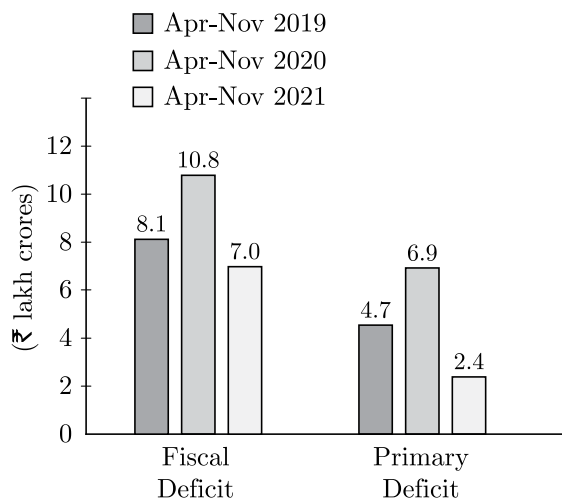
or

- (a) Explain the ‘mixed income of self-employed’ with the help of a suitable example.
 (b) Find net value added at factor cost:

(₹ in lakhs)

		(₹ in lakhs)
(i)	Durable use producer goods with a life span of 10 years	10
(ii)	Single use producer goods	5
(iii)	Sales	20
(iv)	Unsold output produced during the year	2
(v)	Taxes on production	1

17. (a) Interpret the given data on the basis of fiscal and primary deficit.



- (b) The government under “UJJWALA Yojana” is providing free LPG connections to the families ‘below the poverty line’. What objective the government is trying to fulfil through the government budget and how? Explain.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. The main objective of the zamindars during the land settlement system was to
- (a) improve the economic condition of the cultivators
 - (b) improve the crop yield by making significant contributions in technology and fertilisers usage
 - (c) collect rent with no interest in the economic condition of the cultivators
 - (d) cooperate with colonial government to improve the condition of agriculture

19. What does the picture indicate about Indian economy on the eve of independence?



- (a) Low productivity
 - (b) Traditional methods of farming
 - (c) Lower yield of production
 - (d) All of the above
20. _____ are the institutional sources of agricultural credit.
- (a) Commercial Banks
 - (b) Cooperative Credit Societies
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)
21. Statement 1: The emergence of Self-Help Groups (SHGs) ensured the reduction in the fissures of the formal credit system.
Statement 2: The borrowings from SHGs mainly confined to consumption purposes by its members.
In the light of the given statements, choose the correct alternative from the following:
- (a) Statement 1 is false and statement 2 is true
 - (b) Statement 1 is true and statement 2 is false
 - (c) Both statements 1 and 2 are false
 - (d) Both statements 1 and 2 are true
22. Assertion (A): Major policy initiatives (land reforms and green revolution) helped India to become self-sufficient in foodgrains production.
Reason (R): The proportion of people depending on agriculture did not decline as expected after the Green Revolution.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

In the light of the given statements, choose the correct alternative from the following:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- (b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (c) Assertion (A) is false but Reason (R) is true
- (d) Assertion (A) is true but Reason (R) is false

23. Demonetisation is the _____ policy wherein the legal status of a currency unit is cancelled and new one comes into circulation.

- (a) Legal
- (b) Social
- (c) Political
- (d) Economic

24. _____ campaign aimed at industrialising the China on a large scale.

- (a) Great Proletarian Cultural Revolution
- (b) Commune System
- (c) Great Leap Forward
- (d) None of these

25. Arrange the following events of Pakistan in chronological order and choose the correct alternative:

- (i) Nationalisation of Capital goods
- (ii) First Five Year Plan
- (iii) Fertility Rate in Pakistan was 3.7
- (iv) Agriculture grew at the rate of 4%

Choose the correct alternative:

- (a) (iv), (ii), (i), (iii)
- (b) (iv), (i), (ii), (iii)
- (c) (ii), (iv), (i), (iii)
- (d) (ii), (i), (iv), (iii)

26. From the set of events/systems given in Column I and corresponding relevant fact given in Column II, choose the correct pair of statement:

	Column I		Column II
A.	Capital goods industry	(i)	industry which can produce machine tools
B.	Zamindari System	(ii)	the interest of the 'zamindars' was not only to collect rent.
C.	Demographic transition	(iii)	after 1935, the second stage of transition began
D.	Life expectancy	(iv)	was very low - 52 years

Alternatives:

- (a) B - (ii)
- (b) C - (iii)
- (c) A - (i)
- (d) D - (iv)

27. Which one of the following is not a non-institutional source of credit?

- (a) Relatives
- (b) Moneylenders
- (c) Land Development Bank
- (d) Traders and commission agents

Click the Following Button to See the Free MS/Solutions

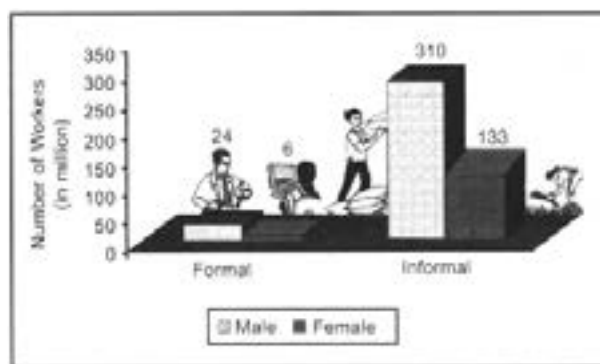
SOLUTIONS

Short Answer Questions (Q28 to Q29)**3 × 2 = 6**

28. “Green Revolution enabled the government to procure sufficient food grains to build its stocks that could be used during times of shortage.” Do you agree with the above statement? Give reason.
29. “Industrial Policy Resolution of 1956 (IPR 1956) formed the basis of the Second Five Year Plan.” Elaborate.
- or**
- Explain the two forms of protection from imports.

Short Answer Questions (Q30 to Q32)**4 × 3 = 12**

30. Interpret the given chart in context of Employment as per 2011-12.



31. Explain the focus of the economic policies pursued by the colonial government in India. Analyse the impact of these policies.

or

How did the government ensure that the small farmers also benefit from the Green Revolution as the rich farmers?

32. Study the following table showing distribution by workforce by Industry, 2011-12 and analyse the trend of the workforce on the basis of industry and residence.

Distribution of Workforce by Industry, 2011-12

Industrial Category	Place of Residence	
	Rural	Urban
Primary Sector	64.1	6.7
Secondary Sector	20.4	35.0
Tertiary Sector	15.5	58.3
Total	100.0	100.0

Long Answer Questions (Q33 to Q34)**6 × 2 = 12**

33. “Micro-credit programmes are playing vital role in meeting credit requirements of the poor.” Elaborate.

or

Explain the principal role of human capital formation in accelerating the rate of economic growth.

34. Read the following text carefully and answer the given questions on the basis of the same and common

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

understanding:

Special Economic Zones (SEZs) are intended to function as zones of rapid economic growth by using tax and business incentives to attract foreign investment and technology. The first four special economic zones were created in 1980 in southeastern coastal China and consisted of what were then the small cities of Shenzhen, Zhuhai, and Shantou in Guangdong province and Xiamen (Amoy) in Fujian province. In these areas, local governments have been allowed to offer tax incentives to foreign investors and to develop their own infrastructure without the approval of the central government. Business enterprises have made most of their own investment, production and marketing decisions, and foreign ownership of such ventures has been legalised. Though some of them began as little more than small towns, the new SEZs soon attracted foreign investment and became boom towns, with rapidly expanding light and consumer goods industries and growing population. Encouraged by the zones' success, the Chinese government in 1984 opened 14 larger and older cities along the coast to foreign trade and investment. In 1988, Hainan Island was made a separate province and a special economic zone, and in 1990 the Pudong area within the Shanghai municipality became a special economic zone with policies even more flexible than those already in force in the original four Special Economic Zones (SEZs).

- (a) What are Special Economic Zones (SEZs)? Name any two cities in which special economic zones were started in China in 1980.
- (b) When were economic reforms initiated in China? What autonomy was given to local government for motivating foreign investors in China under Special Economic Zones?

□□□□□□

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Sample Paper 5
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

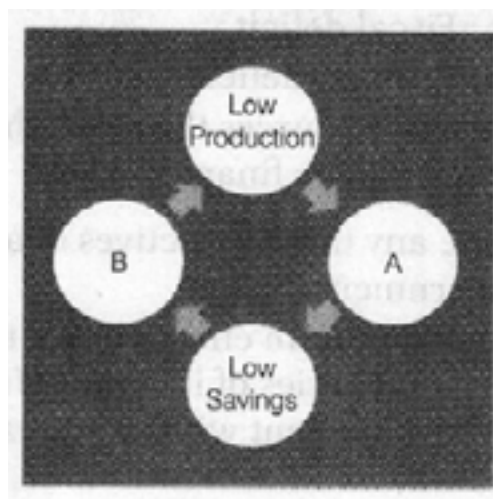
1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. If the value of export of merchandise is ₹1,500 crore and imports of goods are 20% more than exports, the value of imports and trade deficit will be ₹ _____ crores and ₹ _____ crores respectively.
(a) 1,800, 3,300
(b) 1,800, 300
(c) 1,200, 300
(d) 1,200, 3,300
2. Choose the correct alternatives to be filled in given blanks A and B.



- (a) Low level of income and low level of investment
- (b) Low level of investment and low level of income
- (c) Low mobilisation of savings and low level of investment
- (d) Low level of investment and low savings

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

3. Assertion (A): Fiscal deficit shows a better position of the government expenditure in comparison to budget deficit.

Reason (R): Fiscal deficit reflects borrowings requirement of the government.

In the light of the given statements, choose the correct alternative from the following:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
 (b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 (c) Assertion (A) is false but Reason (R) is true
 (d) Assertion (A) is true but Reason (R) is false
4. Which of the following is not a reason for excess demand?
 (a) Deficit financing (b) Fall in the propensity to consume
 (c) Rise in aggregate demand (d) Increase in investments
5. Suppose you are a member of the Advisory Committee to the Finance Minister of India'. The Finance Minister is concerned about the rising revenue deficit in the budget.

Which of the following measures can be used to control the rising revenue deficit of the government?

- (a) Increase taxation (b) Reduce the burden of subsidy
 (c) Reduce government administrative expenses (d) Any of these
6. Which of the following is the implication of revenue deficit?
 (i) A high revenue deficit shows fiscal indiscipline.
 (ii) It shows wasteful expenditure of government on administration.
 (iii) It implies that government is dissaving.
 (a) (i), (ii) and (iii) (b) (i) and (ii)
 (c) (ii) and (iii) (d) (i) and (iii)
7. Statement 1: Sector which transforms one physical good into another physical good is tertiary sector.
 Statement 2: Consumption of fixed capital refers to fall in the value of fixed assets due to normal wear and tear and foreseen obsolescence.
 In the light of the given statements, choose the correct alternative from the following:
 (a) Statement 1 is false and statement 2 is true (b) Statement 1 is true and statement 2 is false
 (c) Both statements 1 and 2 are false (d) Both statements 1 and 2 are true

8. The following information is given for an imaginary country:

	(all figures in ₹lakh)	
(i)	Durable use producer goods with a life span of 10 years	10
(ii)	Single use producer goods	5
(iii)	Sales	20
(iv)	Unsold output produced during the year	2
(v)	Taxes on production	1

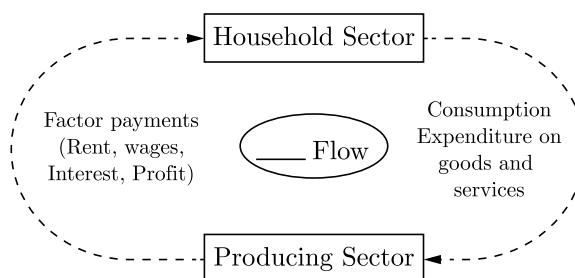
Identify the correct value of NVAFC from the given options.

- (a) ₹10 lakh
 (b) ₹20 lakh
 (c) ₹15 lakh
 (d) ₹25 lakh

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

9. Read the following figure carefully and choose the correct option from the alternatives given below:



Alternatives :

- (a) Real
(b) Circular
(c) Nominal
(d) Either (a), (b) or (c)
10. Identify the correct pair from the following Column I and Column II.

	Column I		Column II
A.	Excess demand	(i)	When AD is exceeds AS at the full employment level of income
B.	Inflationary gap	(ii)	Ratio of change in consumption expenditure to change in income
C.	Autonomous consumption	(iii)	When AD less than AS at the full employment level of income
D.	Marginal Propensity to Save	(iv)	Consumption expenditure planned to be incurred during a given period

Alternatives:

- (a) C - (iii) (b) A - (i)
(c) D - (iv) (d) B - (ii)

Short Answer Questions (Q11 to Q12)

3 × 2 = 6

11. Explain “Bankers” bank function of the Central Bank.

or

What do you know about the following?

- (a) Legal tender
(b) Fiat money
(c) High powered money
12. Read the given text carefully and answer the questions that follow:
Money was historically an emergent market phenomenon that possess intrinsic value as a commodity; nearly all contemporary money systems are based on unbacked fiat money without use value. Its value is consequently derived by social convention, having been declared by a government or regulatory entity to be legal tender; that is, it must be accepted as a form of payment within the boundaries of the country, for “all debts, public and private”, in the case of the United States dollar. Contexts which erode public confidence, such as the circulation of counterfeit money or domestic hyperinflation, can cause good money to lose its value.
- (a) What is money?
(b) State the components of money supply.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Short Answer Questions (Q13 to Q15)**4 × 3 = 12**

13. Explain the 'problem of double counting' in the estimation of national income with the help of an example. How can this problem be avoided?

or

What are 'non-monetary exchanges'? Explain with suitable examples how they are a limitation of the GDP as an 'indicator of welfare'.

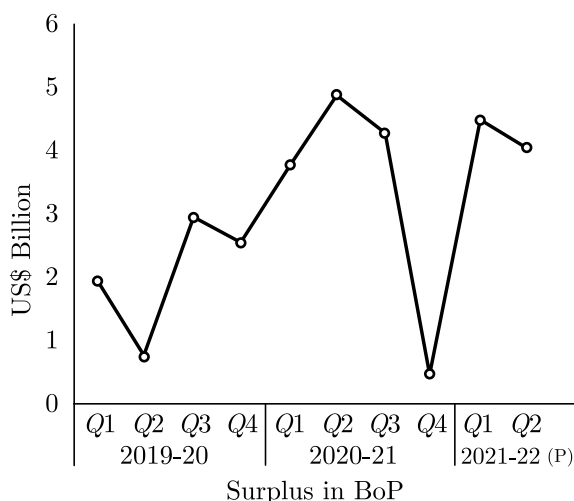
14. Find Gross Value Added at Market Price from the given data:

	(₹Lakh)	
(i)	Depreciation	20
(iv)	Domestic sales	200
(v)	Net change in stocks	(—)10
(vi)	Exports	10
(vii)	Single use producer goods	120

15. Read the given text carefully and explain the basis of classifying taxes into direct and indirect tax with examples. To run a nation judiciously, the government needs to collect tax from the eligible citizens; paying taxes to the local government is an integral part of everyone's life, no matter where we live in the world. Now, taxes can be collected in any form such as state taxes, central government taxes, direct taxes, indirect taxes, and much more. For your ease, taxation is divided into two categories, viz. direct taxes and indirect taxes. This segregation is based on how the tax is being paid to the government.

Long Answer Questions (Q16 to Q17)**6 × 2 = 12**

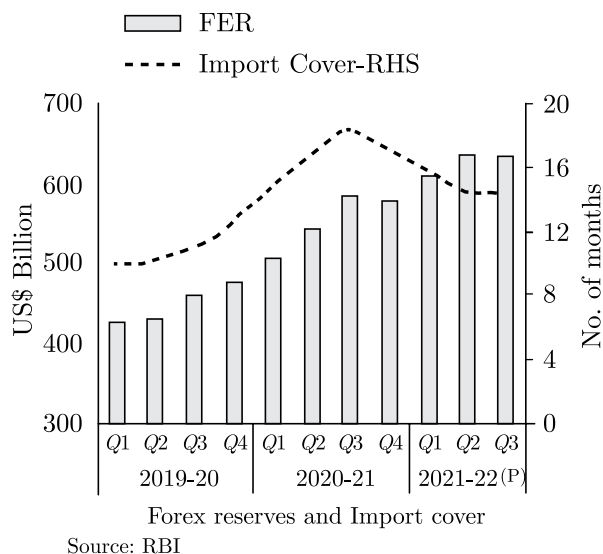
16. (a) On the basis of given figures interpret India's performance in BoP and foreign exchange reserve.



Source: RBI

Click the Following Button to See the Free MS/Solutions

SOLUTIONS



(b) Distinguish between depreciation of a currency and devaluation of a currency.

17. Draw a hypothetical propensity to consume curve and from it derive the propensity to save curve. Explain the steps involved.

or

Explain the 'Consumption Function' with the help of a schedule and diagram.

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. In which of the following areas, Pakistan has an edge over India?
- Export of software after economic reforms
 - Number of Phd's produced in science and engineering every year
 - Percentage of undernourished children
- (i) and (iii)
 - (ii) and (iii)
 - only (iii)
 - (i) and (ii)
19. Statement 1: In 1997, a UN conference on climate change was held in Japan.
 Statement 2: Global warming refers to the destruction of ozone in the ozone layer, due to presence of chlorine from man-made chlorofluorocarbons and other forces.
 In the light of the given statements, choose the correct alternative from the following:
- Statement 1 is false and statement 2 is true
 - Statement 1 is true and statement 2 is false
 - Both statements 1 and 2 are false
 - Both statements 1 and 2 are true
20. "The goal of equitable or rational distribution of land was not fully served by abolition of intermediaries". Why?
- Owing to policy loopholes, former zamindars continued to owe large lands
 - In some areas, zamindars claimed to be self-cultivators
 - Lack of political will
 - All of the above

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

21. What is the full form of PPP in terms of Gross Domestic Product?
- Purchasing Power Price
 - Purchasing Power Parity
 - Public Private Partnership
 - None of these
22. Which of the following are major fish producing states in India?
- Odisha
 - Gujarat
 - Maharashtra
 - Andhra Pradesh
- (i), (ii) and (iii)
 - (i), (ii) and (iv)
 - (i), (iii) and (iv)
 - (ii), (iii) and (iv)
23. Assertion (A): Pakistan shifted its policy orientation in late 1970s and 1980s.
Reason (R): A variety of regulated policy framework after independence lead to slow growth of Pakistan.
In the light of the given statements, choose the correct alternative from the following:
- Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
 - Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 - Assertion (A) is false but Reason (R) is true
 - Assertion (A) is true but Reason (R) is false
24. A campaign in China in 1958 where people were encouraged to set up industries in their backyard was named as:
- Anti-rightist Movement
 - Great Leap Forward
 - Four Pests Campaign
 - Great Proletarian Cultural Revolution
25. Match the situations given in Column I with their respective implications given in Column II and choose the correct alternative:

	Column I		Column II
A.	White revolution	(i)	It is also known as the Neel Kranti Mission
B.	Blue revolution	(ii)	It was found by MS Swaminathan
C.	Golden revolution	(iii)	It is also known as Operation Flood.
D.	Green revolution	(iv)	It is related to increased production of honey and horticulture.

Alternatives:

- A - (iii), B - (iv), C - (ii), D - (i)
- A - (iii), B - (i), C - (ii), D - (iv)
- A - (iii), B - (ii), C - (i), D - (iv)
- A - (iii), B - (i), C - (iv), D - (ii)

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

26. Observe the image given below and choose the most appropriate option.



- (a) Higher population is a bane for the country
 - (b) Development is sustainable when there is inter-generational consideration
 - (c) Growth always stimulates personal development
 - (d) All of the above
27. Which duty has been removed to increase the competitive position of Indian goods in the international markets?
- (a) Custom duty
 - (b) Import duty
 - (c) Export duty
 - (d) None of these

Short Answer Questions (Q28 to Q29)

3 × 2 = 6

28. Give the steps taken towards 'Privatisation' in 1991.

or

State the fiscal reforms introduced under the New Economic Policy in 1991.

29. Interpret the given picture on account of economic reforms of 1991.



Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Short Answer Questions (Q30 to Q32)**4 × 3 = 12**

30. Answer the following questions on the basis of the following data:

Country	Annual Growth of Population (%)	Sex Ratio
India	1.2	929
Pakistan	2.1	947

- (a) Comment upon the annual population growth rate in India and Pakistan.
 (b) Comment upon the Sex Ratio in both the above countries.

31. What do you mean by globalisation? Give its main features.

or

Highlight the main features of Indian economy on the eve of independence.

32. What activities you would suggest to generate employment in rural areas?

Long Answer Questions (Q33 to Q34)**6 × 2 = 12**

33. Why is the world faced with an environmental crisis?

or

Provide any three suggestions to improve agricultural marketing.

34. Read the following text carefully and answer the given questions on the basis of the same and common understanding: People, generally are emotionally attached to their place of birth. But millions of people leave their places of birth and residence. There could be variety of reasons. These reasons can be put into two broad categories, i.e., push factor, these cause people to leave their place of residence or origin; and pull factors, which attract the people from different places.

In India, people migrate from rural to urban areas mainly due to poverty, high population pressure on the land, lack of basic infrastructural facilities like healthcare, education, etc. Apart from these factors, natural disasters such as flood, drought, cyclonic storms, earthquake, tsunami, wars and local conflicts also give extra push to migrate. On the other hand, there are pull factors which attract people from rural areas to cities. The most important pull factor for majority of the rural migrants to urban areas is the better opportunities, availability of regular work and relatively higher wages. Better opportunities for education, better health facilities and sources of entertainment, etc., are also quite important pull factors.

Hence, migration is a response to the uneven distribution of opportunities over space. People tend to move from place of low opportunity and low safety to the place of higher opportunity and better safety. This, in turn, creates both benefits and problems for the areas, people migrate from and migrate to. Consequences can be observed in economic, social, cultural, political and demographic terms.

- (a) Explain, why in India people mainly migrate from rural to urban areas?
 (b) Explain, how expenditure on migration is a source of human capital formation?

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Sample Paper 6
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

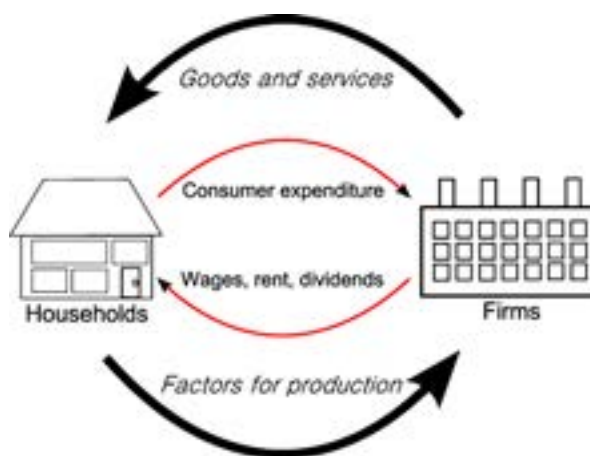
1 × 10=10

1. “During January to November 2007, India experienced a rise in overseas investment amounting to a net \$18.8 billion of stocks and bonds.”
This will be recorded in which account of balance of payments?
(a) Current account (b) Capital account
(c) Both (a) and (b) (d) Neither (a) nor (b)
2. Which of the following gives a correct definition of the term ‘near money’?
(a) Asset which has no store of value function.
(b) Asset which is a medium of exchange.
(c) Asset which has 100% liquidity.
(d) Asset which fulfils the store of value function and can be converted into a medium of exchange at a short notice.
3. Credit creation by commercial banks is determined by _____.
(a) Statutory Liquidity Ratio (SLR)
(b) Initial deposits
(c) Cash Reserve Ratio (CRR)
(d) All of these
4. Choose the correct statement from given below.
(a) Accommodating items are only recorded in capital account of BoP.
(b) Import of machinery will be recorded in capital account of BoP.
(c) Balance of trade records the exports and imports of invisible items.
(d) A surplus in BoT can rectify the deficit in BoP.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

5. Statement I : According to the theory of Keynesian Economics, the value of the Average Propensity to Consume (APC) can never be zero.
Statement II : The Keynesian Aggregate Supply is perfectly elastic before the level of full employment is attained.
In the light of the given statements, choose the correct alternative from the following
- (a) Both statements are false (b) Both statements are true
(c) Statement I is true and Statement II is false (d) Statement I is false and Statement II is true
6. The government of India has decided to vaccinate the adult population of India (with Covaxin/Covishield), without any charge. This would be categorised as _____.
(a) revenue nature income (b) capital nature expenditure
(c) revenue nature expenditure (d) capital nature income
7. Analyse the following chart carefully and answer the given question



When money moves out of the circular flow of income, it is known as _____

- (a) Leakages (b) Dividends
(c) Injections (d) None of the above
8. Which of the following is correct?
(a) $APC + APS = 1$ (b) $APC = C/Y$
(c) $MPC = 1 - MPS$ (d) All of these
9. Find the missing figures and choose the correct alternatives.

Consumption (C)	Saving (S)	Supply Aggregate (C + S)
80	-80	0
240	...(i)...	200
...(ii)...	0	400
560	40	...(iii)...
...(iv)...	80	800

Alternatives

- (a) -40, 600, 400, 560 (b) 40, 400, 600, 720
(c) -40, 400, 600, 720 (d) -40, 400, 800, 560

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

10. Assertion : There is an inverse relationship between the value of investment multiplier and marginal propensity to consume.
Reason : Saving is a leakage in the circular flow of income. Greater the savings, greater the leakage and lower the value of investment multiplier.
In the light of the given statements, choose the correct alternative from the following
- Assertion is true, but Reason is false
 - Assertion is false, but Reason is true
 - Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
 - Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.

Short Answer Questions (Q11 to Q12)**3 × 2 = 6**

11. Calculate Net National Product at Market Price from the following data

Items	₹ (in crores)
Net factor income from abroad	(-) 5
Private final consumption expenditure	100
Personal tax	20
Gross national disposable income	170
Government final consumption expenditure	20
Corporation tax	15
Gross domestic capital formation	30
Personal disposable income	70
Net exports	(-) 10
Savings of private corporate sector	5
Net national disposable income	145

12. India's balance of payments is in disequilibrium. Enumerate some of the factors, which according to you, can be the causes of disequilibrium.

or

What is meant by managed floating?

Short Answer Questions (Q13 to Q15)**4 × 3 = 12**

13. In an economy, if initial investments are increased by ₹ 100 crores, discuss the working of investment multiplier presuming marginal propensity to consume is 0.8.
14. "There are various components of money supply as used by the RBI". Do you agree with the given statement? Explain.
15. 'Mission Develop India' is the plan of government to create basic infrastructure. It comprises of projects on irrigation, roads, housing, water supply and telecommunication connectivity.
Above stated example is a government expenditure or government revenue. Elaborate it. Also, state the impact of this programme on rural growth.

or

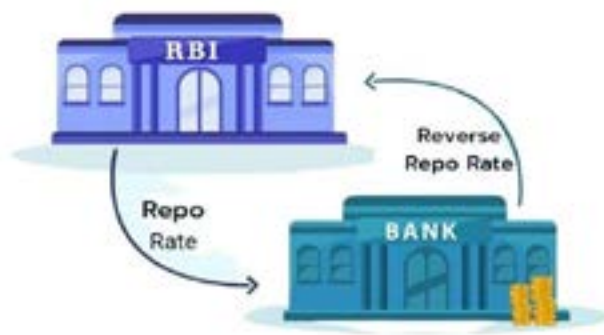
Can a fiscal deficit occur without a revenue deficit?

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Long Answer Questions (Q16 to Q17)**6 × 2 = 12**

16. (i) Explain the circular flow of income.
 (ii) Distinguish between Real Gross Domestic Product and Nominal Gross Domestic Product.
17. (i) The figure given explains the working of a 'reverse repo rate' in context of a given economy. In simple terms, explain how reverse repo rate helps in correcting the situation of 'excess demand'?



- (ii) What are the elements important in the determination of investment?
or
 (i) Explain the concept of deflationary gap and the role of 'open market operations' in reducing this gap.
 (ii) Using a well-labelled diagram, show how saving curve can be derived from consumption curve.

Section B - Indian Economic Development**Multiple Choice Questions (Q18 to Q27)****1 × 10 = 10**

18. "Modernisation as a planning objective refers to the use of new and modern technology in production process." In the context of the given statement, which of the following is/are the components of modernisation a planning objective?
 (a) Modernisation in the technology
 (b) Modernisation in the outlook
 (c) Both (a) and (b)
 (d) Neither (a) and (b)
19. Assertion : Government policies have failed to address the vast majority of vulnerable people who are living on or just above the poverty line due to unemployment.
 Reason : High growth alone is not sufficient to reduce unemployment. Without the active participation of the poor, successful implementation of any programme is not possible.
 In the light of the given statements, choose the correct alternative from the following:
 (a) Assertion is true, but Reason is false
 (b) Assertion is false, but Reason is true
 (c) Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
 (d) Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.

Click the Following Button to See the Free MS/Solutions**SOLUTIONS**

20. Which of the following provides a correct explanation of rural development?
- Social and legal upliftment of rural areas
 - Social and economic upliftment of rural areas
 - Economic and legal upliftment of rural areas
 - Social and technical upliftment of rural areas
21. The main objective of the zamindars during the land settlement system was to
- collect rent with no interest in the economic condition of the cultivators
 - cooperate with colonial government to improve the condition of agriculture
 - improve the economic condition of the cultivators
 - improve the crop yield by making significant contributions in technology and fertilisers usage
22. _____ means designing and shaping the socio-economic processes in such a way so as to achieve an objective.
- Economic Planning
 - Economic Growth
 - Economic Process
 - Economic Development
23. Arrange the given events in chronological order and choose the correct alternative
- Great Proletarian Cultural Revolution
 - Great Leap Forward Campaign
 - Introduction of Economic Reforms
 - First Five Year Plan
- (ii), (iv), (i), (iii)
 - (ii), (iv), (iii), (i)
 - (iv), (i), (ii), (iii)
 - (iv), (ii), (i), (iii)
24. _____ has followed the classical development pattern of gradual shift from agriculture to manufacturing and then to service.
- India
 - China
 - Pakistan
 - All of these

25. Choose the correct pair

	Column I		Column II
A.	Voluntary unemployment	(i)	Worker is willing to work but is not getting work
B.	Involuntary unemployment	(ii)	Worker is not willing to work at existing wage rate
C.	Frictional unemployment	(iii)	A worker is not getting work in a particular season
D.	Disguised unemployment	(iv)	Marginal productivity of a worker is zero

Codes

- | | |
|-------------|------------|
| (a) C-(iii) | (b) D-(iv) |
| (c) A-(i) | (d) B-(ii) |

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

26. Statement I : Institutional credit availability is imperative for development of rural areas.
Statement II : Reserve Bank of India is the apex institution in rural banking to regulate the banking system.
In the light of the given statements, choose the correct alternative from the following:
- (a) Both the statements are correct
 - (b) Both the statements are incorrect
 - (c) Statement I is correct and Statement II is incorrect
 - (d) Statement II is correct and Statement I is incorrect
27. Observe the picture given below and choose the correct statement from the options given below.



- (a) Investment in human capital reinforces GDP
- (c) Health is the only component of human development
- (d) Both (a) and (b)
- (b) Both the statements are false

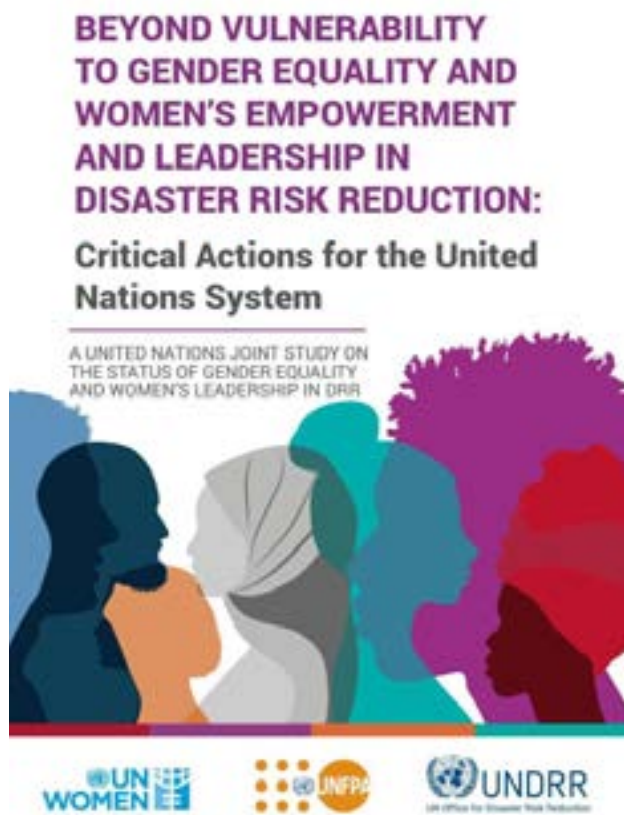
Short Answer Questions (Q28 to Q29) **$3 \times 2 = 6$**

28. The figure given below provides a snapshot of the report published by UN WOMEN and other associates. It asks how the United Nations system, and each individual entity, can better support Member States to empower women and promote women's leadership in disaster and climate risk governance. On the basis of your understanding, can

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

you comment on the relationship between ‘Empowering women, means employing women’.



29. Defend or refute the following statement with valid explanation.

‘Chinese structural reform process have always been appreciated for its success with no failures’.

or

Critically evaluate various strategies that have been adopted by the Chinese government for its growth and development.

Short Answer Questions (Q30 to Q32)

4 × 3 = 12

30. State whether the following statements are true or false, with valid arguments :

- There has been a decline in growth rate of agricultural sector during the reform period.
- There were several hurdles faced by the land reform and the land ceiling legislation during the pre-reform period.

31. The following table shows distribution of workforce in India for the year 1972-73. Analyse it and give reasons for the nature of workforce distribution.

Place of Residence	Workforce (in millions)		
	Male	Female	Total
Rural	125	69	194
Urban	32	7	39

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

32. “India, China and Pakistan have many similarities in their development strategies.” Elaborate.

or

- (i) Define liberty indicators.
- (ii) ‘China’s rapid industrial growth can be traced back to its reforms in 1978.’ Support the given statement with valid explanation.

Long Answer Questions (Q33 to Q34)

6 × 2 = 12

33. (i) Differentiate between a worker, non-worker and an unemployed person.

- (ii) Give two examples of overuse of environmental resources.
- (iii) Give any two points of differences between physical and human capital.

or

- (i) Read the given lines taken from the article on ‘Sustainable human development means living in harmony with nature’ published by International Science Council on 17th July, 2020.

“We cannot be developed unless our lives become reconnected and in balance, cooperation and harmony with nature.” In light of the given statement, explain how development has become a burden on the environment?

- (ii) “Micro credit has an important role to play in meeting the credit requirements of the poor”. Defend or refute the statement with valid explanation.

34. Read the following text carefully and answer the given question on the basis of the same and common understanding India agreed to the conditionalities of World Bank and IMF and announced the New Economic Policy (NEP). The NEP consisted of wide ranging economic reforms. The thrust of the policies was towards creating a more competitive environment in the economy and removing the barriers to entry and growth of firms. This set of policies can broadly be classified into two groups: the stabilisation measures and the structural reform measures. Stabilisation measures are short-term measures, intended to correct some of the weaknesses that have developed in the balance of payments and to bring inflation under control. In simple words, this means that there was a need to maintain sufficient foreign exchange reserves and keep the rising prices under control. On the other hand, structural reform policies are long-term measures, aimed at improving the efficiency of the economy and increasing its international competitiveness by removing the rigidities in various segments of the Indian economy. The government initiated a variety of policies which fall under three heads viz., liberalisation, privatisation and globalisation.

Another reform measure taken to simplify the tax structure and avoid cascading of taxes has been taken in the new millennium, in particular the Goods and Services Tax (GST). The genesis of the introduction of GST in the country was laid down in the historic Budget Speech of 28th February 2006, wherein the then

Finance Minister laid down 1st April, 2010 as the date for the introduction of GST in the country. Thereafter, there has been a constant endeavour for the introduction of the GST in the country whose culmination has been the introduction of the Constitution (122nd Amendment) Bill in December, 2014.

- (i) Justify the following statement with valid explanation

“Economic reforms have restricted the role of Public Sector Units (PSUs) in the country.” Discuss.

- (ii) On the basis of your knowledge and understanding, can you think of some reasons how GST is beneficial from trade and industry’s perspective.

□□□□□□

Sample Paper 7
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
 Section A – Macro Economics
 Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. Two friends Madhu and Saroj were discussing the exchange rate systems. “Under this system, the exchange rates are determined by the market forces of demand and supply. However, deliberate efforts are made by the competent authority to keep the exchange rates within a specific range”.
The above mentioned statement was given by Saroj, identify the type of exchange rate system was she talking about.
(a) Fixed exchange rate
(b) Floating exchange rate
(c) Managed floating exchange rate
(d) Managed fixed exchange rate
2. From the following, identify the correct statement regarding inflationary gap.
(i) It raises the level of output.
(ii) It does not change the level of output.
(iii) It raises the general price level.
(a) (i) and (iii)
(b) (i) and (ii)
(c) (i), (ii) and (iii)
(d) (ii) and (iii)
3. Statement 1: Decrease in demand for foreign currency leads to currency depreciation.
Statement 2: Capital account is a part of Balance of Trade.
In the light of the given statements, choose the correct alternative from the following:
(a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

4. Welfare affected by factors like income is _____ welfare, whereas the welfare affected by factors like pollution is called _____ welfare.
- (a) non-economic; non-economic (b) economic; non-economic
(c) economic; economic (d) non-economic; economic

5. In an economy, the saving and investment functions are given as

$$S = -100 + 0.2y$$

$$I = -30 + 0.1y$$

The equilibrium level of income will be _____.

- (a) 600 (b) 700
(c) 1,000 (d) 900
6. Find the missing figures and choose the correct alternative

Economy	Nominal GDP (in crore)	Real GDP (in crore)	GDP Deflator
(A)	3,500	6,000	...(i)...
(B)	4,000	...(ii)...	50%
(C)	...(iii)...	7,500	66.67%
(D)	2,000	2,500	...(iv)...

Alternatives

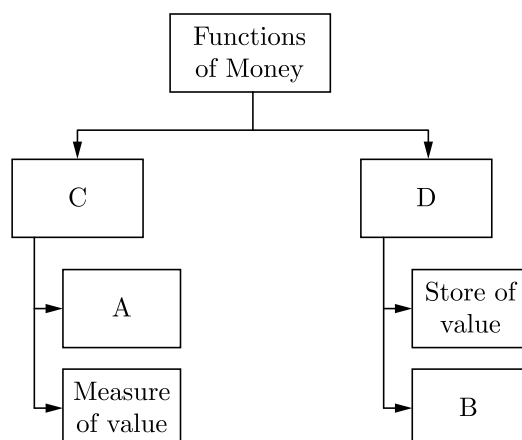
- (a) 50%, 6,000, 5,000, 58%
(b) 58%, 8,000, 5,000, 60%
(c) 58.33%, 8,000, 5,000, 80%
(d) 60%, 8,000, 4,000, 90%
7. Identify the correct pair of items from the following Column I and Column II:

	Column I		Column II
A.	Exports of merchandise	(i)	Debit item in the Current Account of BoP
B.	A gift from foreigner	(ii)	Credit item in the Capital Account of BoP
C.	Imports of services	(iii)	Debit item in the Current Account of BoP
D.	Lending abroad	(iv)	Debit item in the Capital Account of BoP

Alternatives:

- (a) C - (iii)
(b) D - (iv)
(c) A - (i)
(d) B - (ii)

8. Observe the given figure carefully and choose the correct pair from the alternatives given below:



Alternatives:

- (a) A : Medium of Exchange; B : Standard of Deferred Payment; C : Secondary Functions; Functions
 (b) A : Standard of Deferred Payment; B : Medium of Exchange; C : Primary Functions; D Functions
 (c) A : Standard of Deferred Payment; B : Medium of Exchange; C : Secondary Functions; Functions
 (d) A : Medium of Exchange; B : Standard of Deferred Payment; C : Primary Functions; D Functions
9. **Assertion (A):** If aggregate demand is more than aggregate supply at any given level of income, it is not equilibrium level of income.
Reason (R): Equilibrium level of income is the situation where investment is equal to savings.
 In the light of the given statements, choose the correct alternative from the following:
 (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
 (b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 (c) Assertion (A) is false but Reason (R) is true
 (d) Assertion (A) is true but Reason (R) is false
10. An Indian company sells machinery to Zambia. This transaction will be recorded on _____ side of _____.
 (a) credit; current account (b) debit; current account
 (c) debit; capital account (d) credit; capital account

Short Answer Questions (Q11 to Q12)

3 × 2 = 6

11. Study the given information carefully

Union Budget of India at a glance (in ₹ crore)		2014-15
(i)	Tax Revenue (net to centre)	9,86,417
(ii)	Non-Tax Revenue	1,80,714
(iii)	Capital Receipts	5,96,083
(iv)	Recoveries of Loans	10,527
(v)	Other Receipts	56,925
(vi)	Borrowing and Other Liabilities	5,28,631
(vii)	Non-plan Expenditure on Revenue Account	11,07,781

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

(viii)	Of which, Interest Payment	4,27,011
(ix)	Non-Plan Expenditure on Capital Account	1,00,111
(x)	Plan Expenditure on Revenue Account	4,42,273
(xi)	Plan Expenditure on Capital Account	1,13,049
(xii)	National GDP	1,28,39,952
(xiii)	Plan Expenditure of GDP Ratio	A

What is value of 'A' is equal ?

12. State giving valid reasons, whether the following statements are true or false:

- (a) Current account is a part of Balance of Trade.
 (b) External assistance is recorded in Balance of Payments account.

or

Distinguish between fixed exchange rate and flexible exchange rate.

Short Answer Questions (Q13 to Q15)

4 × 3 = 12

13. (a) Define money.
 (b) Explain the process of deposit creation by a commercial bank, using an hypothetical example.
14. In an economy, the consumption function is given as $C = 100 + 0.5 Y$. Show that in this economy as income increases, APC will decrease with the help of a numerical example.
- or
- (a) Define 'Investment Multiplier' and give its relationship with MPS.
 (b) Define 'Involuntary unemployment'. Is it taken into account while determining the labour force of the country?
15. "Currency is issued by the central bank, yet we say that commercial banks create money". Explain. How is this money creation by commercial banks likely to affect the national income?

Long Answer Questions (Q16 to Q17)

6 × 2 = 12

16. (a) On the basis of given table, comment on the performance of Gross Fixed Capital Formation as a measure of Investment.

Components	2019-20 (1st RE)	2020-21 (PE)	2021-22 (1st AE)	Recovery over 2019-20
Total Consumption	5.9	-7.3	7.0	99.2
Government Consumption	7.9	2.9	7.6	110.7
Private Consumption	5.5	-9.1	6.9	97.1
Gross Fixed Capital Formation	5.4	-10.8	15.0	102.6
Exports	-3.3	-4.7	16.5	111.1
Imports	-0.8	-13.6	29.4	111.8
GDP	4.0	-7.3	9.2	101.3

Source: NSO

Note: RE - Revised Estimates, PE - Provisional Estimates, AE - Advance Estimates

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (b) 'Should payment for which no service is rendered in return' be included/excluded in the estimation of national income. State with valid reason.

or

Suppose GDP of Nation C was ₹4,000 crores in 2018-19, when GDP of Nation D in the same year was ₹ 2,40,000 crores. If GDP of Nation C rises to ₹8,000 crores in 2019-20 and GDP of nation D rises to ₹4,00,000 crores in 2019-20.

Compare the rate of change of GDP of nations C and D taking 2018-19 as the base year.

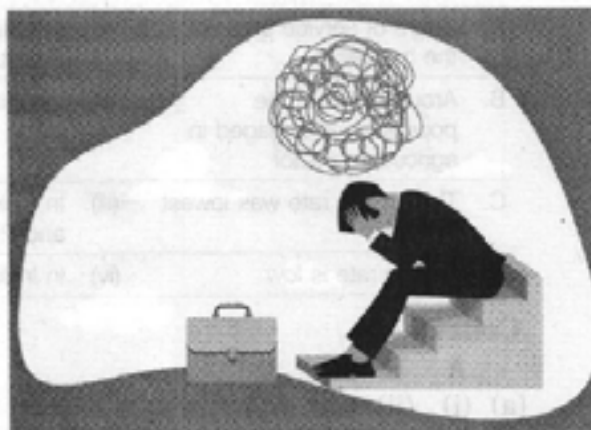
17. (a) Elaborate how the "allocation of resources" can be influenced in the government budget through taxes, expenditure and subsidies.
(b) Giving reason, classify the following items as revenue expenditure and capital expenditure:
(i) Subsidies
(ii) Repayment of Loan

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. National Bank for Agricultural and Rural Development (NABARD) was set up in 1982 as a/the _____ body to coordinate the activities of all institutions involved in the rural financing system.
(a) cooperative (b) apex
(c) micro credit (d) private credit
19. "It is an economic phenomenon in which an economy grows without maintaining or declining its level of employment. i.e. when the economy expands without creating new jobs, unemployment stays persistently high". The situation highlighted in the above statement is an indicator of
(a) jobless growth (b) casual workforce
(c) unemployment (d) Both (a) and (b)
20. Which adverse effect of unemployment is being depicted in the picture below?



- (a) Loss of output (b) Low productivity
(c) Increase in inequalities (d) Depression

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

21. Which among the following is a process that involves the assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities across the country?
- (a) Agricultural Management (b) Agricultural Banking
(c) Agricultural Diversification (d) Agricultural Marketing
22. Statement 1: As per the Human Development Report, 2018, India was ranked at 180th position.
Statement 2: China has the highest life expectancy.
In the light of the given statements, choose the correct alternative from the following:
- (a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true
23. _____ was the notable estimator whose national income and per capita income estimates during the colonial period were considered very significant.
- (a) RC Desai (b) VKRV Rao
(c) Dadabhai Naoroji (d) William Digby
24. The motive of British Government behind de-industrialisation was:
- (i) To get raw material from India at cheap rate
(ii) To sell British manufactured goods in Indian market at high prices
(iii) To focus on development of agriculture
(iv) To get finished products from India at cheap rate
- (a) (ii) and (iv) (b) (ii) and (iii)
(c) (i) and (ii) (d) Only (iv)
25. Arrange the following events of China in chronological order and choose the correct alternative:
- (i) Special Economic Zones
(ii) Great Proletarian Cultural Revolution
(iii) Commune System
(iv) Establishment of People's Republic of China
- Choose the correct alternative:
- (a) (ii), (iv), (iii), (i) (b) (ii), (iv), (i), (iii)
(c) (iv), (i), (ii), (iii) (d) (iv), (iii), (ii), (i)
26. **Assertion (A):** In the first seven five year plans, trade in India was characterised by an 'inward looking trade strategy' which is called 'import substitution'.
Reason (R): The policy's aim was to protect the domestic industries from foreign competition in the form of tariffs and quotas.
In the light of the given statements, choose the correct alternative from the following:
- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false

27. From the set of events/systems given in Column I and corresponding relevant fact given in Column II, about Pakistan, choose the correct pair of statement:

	Column I		Column II
A.	Nationalisation of capital goods industries	(i)	1970s
B.	Medium-term Development Plan	(ii)	1953
C.	Reforms were initiated	(iii)	1960s
D.	Declining growth rate	(iv)	41% people work in agriculture

Alternatives:

- (a) D - (iv)
 (b) C - (iii)
 (c) B - (ii)
 (d) A - (i)

Short Answer Questions (Q28 to Q29)

$3 \times 2 = 6$

28. “The traditional handicraft industries were ruined under the British rule.” Accept/Refute the above statement by giving reasons.

or

Were there any positive contributions made by the British in India? Discuss.

29. Interpret the given picture on account of current environmental challenges.



Short Answer Questions (Q30 to Q32)

$4 \times 3 = 12$

30. State, giving valid reasons, whether the following statements are true or false:
 (a) Unemployment is the reason for the rural-urban migration in India.
 (b) Human capital formation gives birth to innovation, invention and technological improvements.
31. Explain the role of non-farm employment in promoting rural diversification.
 or
 Explain the steps taken by the government in developing rural markets.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

32. Compare and analyse the given data of India and China with valid arguments.

Country	Annual Growth Rate of Population (2015)	Gender Ratio (per 1000 males)
India	1.2%	929
China	0.5%	941

Long Answer Questions (Q33 to Q34)

6 × 2 = 12

33. (a) 'The Indian government has been taking steps for human capital formation, yet human capital formation facing problems.' Explain any three such problems of human capital formation.
 (b) 'Education Commission 1964-66 had recommended that at least 6 per cent of GDP must be spent on education.' How far India has been able to achieve the said goal?

or

Critically evaluate the role of the rural banking system in the process of rural development in India.

34. Read the following text carefully and answer the given questions on the basis of the same and common understanding:

The cotton textile industry is one of the traditional industries of India. In the ancient and the medieval times, it used to be only a cottage industry. India was famous worldwide for the production of muslin, a very fine variety of cotton cloth, calicos, chintz and other different varieties of fine cotton cloth. The development of this industry in India was due to several factors. One, it is a tropical country and cotton is the most comfortable fabric for a hot and humid climate. Second, large quantity of cotton was grown in India. Abundant skilled labour required for this industry was available in this country. In fact, in some areas the people were producing cotton textiles for generations and transferred the skill from one generation to the other and in the process perfected their skills. Initially, the British did not encourage the development of the indigenous cotton textile industry. They exported raw cotton to their mills in Manchester and Liverpool and brought back the finished products to be sold in India. This cloth was cheaper because it was produced at mass scale in factories in UK as compared to the cottage based industries of India.

In 1854, the first modern cotton mill was established in Mumbai. This city had several advantages as a cotton textile manufacturing centre. It was very close to the cotton producing areas of Gujarat and Maharashtra. Raw cotton used to be brought to Mumbai port to be transported to England. Therefore, cotton was available in Mumbai city itself. Moreover, Mumbai even then was the financial centre and the capital needed to start an industry was available there. As a large town, providing employment opportunities attracted labour in large numbers. Hence, cheap and abundant labour too was available locally. The machinery required for a cotton textile mill could be directly imported from England. Subsequently, two more mills, the Shahpur Mill and the Calico Mill were established in Ahmedabad. By 1947, the number of mills in India went up to 423 but the scenario changed after partition, and this industry suffered a major recession. This was due to the fact that the most of the good quality cotton growing areas had gone to West Pakistan and India was left with 409 mills and only 29 per cent of the cotton producing area.

- (a) Where were cotton textile industries mainly located in India? How their location and ownership was different from that of Jute textile industries?
 (b) Why were cotton textile mills mainly located in western parts of the country (specially Mumbai) only?

□□□□□□

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Sample Paper 8
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

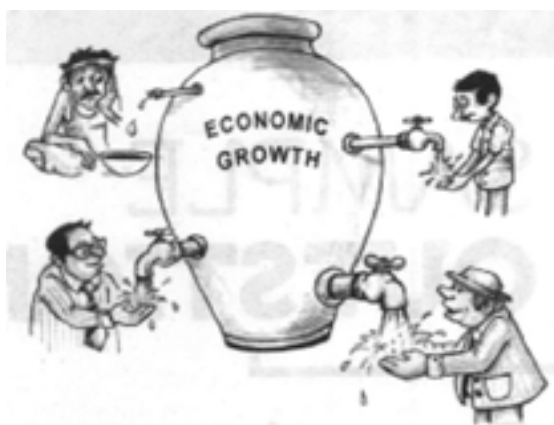
1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. “Suppose there has been an increased demand of Japanese Yen in July 2022, which has resulted in its appreciation and depreciation of Indian rupee.” What could be the possible reason(s) for the same?
(a) There has been an increased demand of Japanese goods by Indian residents
(b) Indian government decided to repay the loan taken during Covid-19
(c) Indian tourists have considered visiting Japan during their vacations
(d) All of the above
2. Suppose in an economy, the initial deposits of ₹400 crores lead to the creation of total deposits worth ₹4,000 crores. Under the given situation, the value of reserve requirements would be _____.
(a) 0.01 (b) 1
(c) 0.1 (d) 0.4
3. Observe the image given below carefully and identify the objective that government should pursue to deal with this situation.

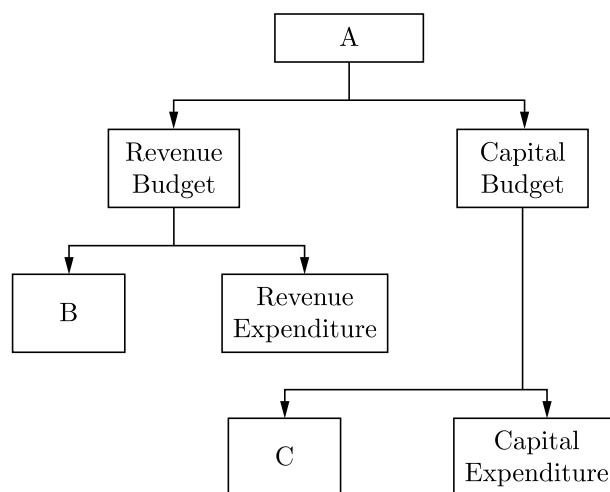


Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (a) Increase in economic growth
(c) Reallocation of resources
- (b) Reducing inequality of income and wealth
(d) None of the above
4. Statement 1: APC is the ratio of consumption expenditure to total income, i.e., $APC = \frac{Y}{C}$
Statement 2: MPC is the ratio of change in consumption to change in income, i.e., $MPC = \frac{\Delta Y}{\Delta C}$
In the light of the given statements, choose the correct alternative from the following:
(a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true
5. In a government budget, if 'revenue receipts are ₹ 100, capital receipts are ₹ 50 and revenue deficit is ₹ 25, how much is the revenue expenditure?
(a) ₹ 50
(b) ₹ 75
(c) ₹ 100
(d) ₹ 125
6. Assertion (A): Consumption and investment are the two components of aggregate demand in a closed economy.
Reason (R): Aggregate demand curve always start from origin with a positive slope.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false
7. Which of the following statements is correct?
(i) Supply of money is a stock concept.
(ii) Supply of money does not include stock of money held by the government.
(iii) Supply of money includes the stock of money by the banking system of a country.
(a) (i) and (iii)
(b) (i), (ii) and (iii)
(c) (ii) and (iii)
(d) (i) and (ii)
8. Two friends discussed the recent changes made in the taxation system by the Government in the year 2017 and commented, "this revolutionary tax exhibits a unified system of taxation while subsuming all the other taxes and making the previously cumbersome process of taxes easy." Which tax they are discussing and one quality that particular tax possesses?
(a) Corporate tax, burden cannot be shifted
(b) Income tax, burden can be shifted
(c) Value-added tax, burden can be shifted
(d) Goods and Services tax, burden can be shifted

9. Choose the correct alternatives to be filled in given blanks A, B and C.



- (a) A - Government budget, B - Revenue receipts, C - Capital receipts
 (b) A - Revenue receipts, B - Capital receipts, C - Government budget
 (c) A - Capital receipts, B - Revenue receipts, C - Government budget
 (d) A - Capital receipts, B - Government budget, C - Revenue receipts
10. Find the missing figures and choose the correct option.

Income	MPC	MPS	Saving (S)	Average Propensity to Save (APS)
0	—	—	–90	—
100	0.6	0.4	...(i)...	0.4
200	0.6	0.4	...(ii)...	...(iv)...
300	0.6	0.4	...(iii)...	0.4

- (a) 40, 60, 80, 0.4
 (b) 40, 80, 120, 0.4
 (c) 60, 80, 120, 0.4
 (d) 80, 100, 120, 0.6

Short Answer Questions (Q11 to Q12)

$3 \times 2 = 6$

11. 'Many large Multinational Corporations (MNCs) have recently shifted their investments from China and have started their production in India, thereby boosting the Make in India plans of the Government'. Presuming other factors being constant, discuss the effects of the given statement on Foreign Exchange rates with reference to the Indian Economy.
12. 'Exchange rate of US\$ rose considerably in India.' Explain the impact of this statement on Indian exports and analyse its repercussion on the general masses.

or

State the components of the current account of Balance of Payments.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Short Answer Questions (Q13 to Q15)**4 × 3 = 12**

13. Read the following text carefully and explain the relevant function of the money indicated here.
It was virtually impossible to store surplus value in the barter economy. The discovery of money has eliminated this difficulty. With the help of money, people can store surplus purchasing power and use it whenever they wish to. Savings in the form of money are not only secure but the possibility of it being disrupted is very low. Besides, money can be carried around and is portable. By facilitating accumulation of money, money has become the only basis of promoting capital formation.
14. How is GST administered in India?
or
Explain the role of government budget in fighting inflationary and deflationary tendencies.
15. India's GDP contracted 23.9% in the April-June quarter of 2020-21 as compared to same period of 2019-20, suggesting that the lockdown has hit the economy hard".
— Hindustan Times, 1st September 2020
State and discuss any two fiscal measures that may be taken by the Government of India to correct the situation indicated in the above news report.

Long Answer Questions (Q16 to Q17)**6 × 2 = 12**

16. (a) Calculate GDP at market price by Income Method:

	(₹ in crores)
(i) Compensation of employees	120
(ii) Exports	25
(iii) Mixed Income of the self-employed	140
(iv) Imports	30
(v) Interest on national debt	5
(vi) Private final consumption expenditure	255
(vii) Gross fixed capital formation	65
(viii) Consumption of fixed capital	40
(ix) Subsidies	10
(x) Government's final consumption expenditure	35
(xi) Change in stocks	20
(xii) Indirect tax	45
(xiii) Net factor income from rest of the world	(—) 10
(xiv) Rent, interest and profit	50

- (b) Explain the basis of classifying goods into final goods and intermediate goods, with the help of suitable examples.

or

- (a) Calculate Net National Product at Market Price from the following data:

	(₹ in thousand crores)
(i) Compensation of employees	250

Click the Following Button to See the Free MS/Solutions

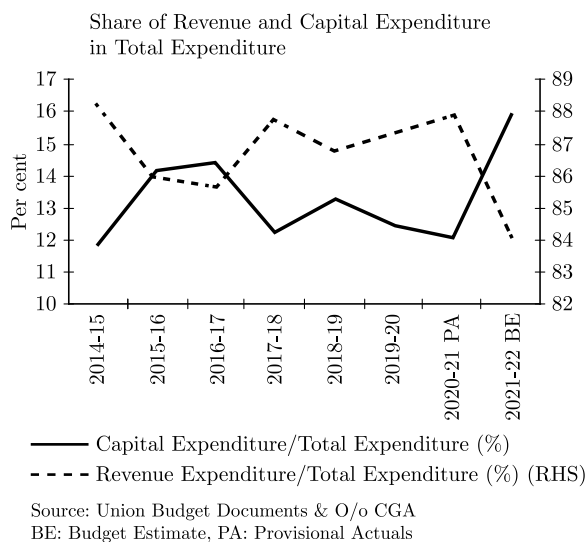
SOLUTIONS

(ii)	Mixed income of self-employeds	600
(iii)	Profit	80
(iv)	Interest	40
(v)	Rent	30
(vi)	Net factor income to abroad	(—) 10
(vii)	Net exports	15
(viii)	Consumption of fixed capital	20
(ix)	Net indirect taxes	10
(x)	Net current transfers to abroad	8

(b) Explain how the following should be treated while estimating national income:

- Free medical facilities by the employer
- Income arising out of the sale of shares

17. Interpret the given shown trend in capital expenditure. Also state reason why government has relied on it after Covid-19 disruptions.



Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. “Green revolution leads to marketable surplus”. What does it refers to?
- Production of crops for self-consumption
 - Production of crops for selling in market
 - Production of crops for maintaining sufficient stock
 - All of the above
19. Assertion (A): Privatisation process leads to a change in management with a change in ownership.
Reason (R): Change in management is not a necessary condition for the process of privatization. In the light of the given statements, choose the correct alternative from the following:

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- (b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (c) Assertion (A) is false but Reason (R) is true
- (d) Assertion (A) is true but Reason (R) is false

20. As per the image given below, which of the following facilitates free trade?



- (a) Liberalisation
 - (b) Privatisation
 - (c) Globalisation
 - (d) Both (a) and (c)
21. Three-tier system of rural co-operative credit societies is:
- (a) Central Co-operative Banks
 - (b) State Co-operative Banks
 - (c) Primary Agricultural Credit Societies (PACS)
 - (d) All of these
22. Before introducing new technology, a firm provides the basic skills to the workers regarding its usage. Which of the following sources of human capital formation is being highlighted here?
- (a) Expenditure on information\
 - (b) Study programme for adults
 - (c) Investment in education
 - (d) On-the-job training
23. 'Since independence, India has witnessed a considerable fall in the Infant Mortality Rate in India. Identify which of the following may not be one of the reasons for the fall in the Infant Mortality Rate?
- (i) Improvement in health facilities over the years
 - (ii) Improvement in educational standards over the years
 - (iii) Fall in standard of living of the population of the nation over the years
 - (iv) Technological expansion over the years
- (a) (iii) and (iv)
 - (b) (i) and (ii)
 - (c) only (iii)
 - (d) (ii) and (iv)
24. Statement 1: The production of a diverse variety of crops rather than one specialized crop is called diversification of crop production.
Statement 2: The 'Golden Revolution' was a period of very high productivity in horticulture.
In the light of the given statements, choose the correct alternative from the following:
- (a) Statement 1 is false and statement 2 is true
 - (b) Statement 1 is true and statement 2 is false
 - (c) Both statements 1 and 2 are false
 - (d) Both statements 1 and 2 are true

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

25. Identify the correct pair from Column I and Column II and choose the correct alternative:

	Column I		Column II
A.	Objective of planning	(i)	Equal distribution
B.	MRTP Act	(ii)	Protection of large scale industries
C.	Second five year plan	(iii)	1956-1961
D.	Full employment	(iv)	A situation of zero unemploye

Alternatives:

- (a) C - (iii) (b) A - (i)
 (c) D - (iv) (d) B - (ii)
26. Data on unemployment in India can be obtained from_____
- (a) National Sample Survey Organisation (b) Directorate General Employment of India
 (c) Reports of Census of India (d) All of these
27. About _____per cent of female workforce is employed in the primary sector in India.
- (a) 57 (b) 67
 (c) 77 (d) 47

Short Answer Questions (Q28 to Q29)

3 × 2 = 6

28. Observe the given figure carefully and answer the question that follows:



What was the offer before green revolution and why Indian farmers were not ready for the same offer after green revolution?

29. Highlight the positive contributions made by the British in India.

or

What was the two-fold motive behind the systematic deindustrialisation affected by the British in pre-independent India?

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Short Answer Questions (Q30 to Q32)**4 × 3 = 12**

30. 'Under the colonial regime the real motive behind the development of infrastructure was to meet various colonial interests.' Accept/Refute the above statement. Give reason in support of your answer.
31. Elucidate the functions of Central Pollution Control Board (CPCB) to address the environmental concerns in India.

or

"Indiscriminate felling of trees led to environmental problems." Do you agree? Give reason to justify your answer.

32. On the basis of the following data answer the following questions.

Country	Urbanisation	Infant Mortality Rate (Per 1,000 live births)
India	33	38
Pakistan	39	66

- (a) Comment on the Infant Mortality Rate among India and Pakistan.
- (b) 'Pakistan is more urbanised than India.' Do you agree?

Long Answer Questions (Q33 to Q34)**6 × 2 = 12**

33. 'We have a moral obligation to hand over the planet earth in good order to the future generation'. Do you agree with the above statement? Suggest any five measures to achieve the above obligation.

or

'The reform process initiated in the early 1990s resulted in a decline in the number of workers employed in the formal sector.' Critically analyse.

34. Read the following text carefully and answer the given questions on the basis of the same and common understanding:

India's land is undergoing degradation or desertification. In 2011-2013, it stood at 29.3 per cent of the total land, representing an increase of 0.57 per cent (which is 1.87 million hectares in area) compared with 2003-2005, according to a report-cum-atlas by ISRO's Space Applications Centre. Soil erosion due to water and wind, and degradation of vegetation cover were the main processes that has led to land degradation. Almost 90 per cent of the states experienced a rise — notably Delhi and the northeastern states — in land degradation in 2011-2013 compared with 2003-2005 while four states showed slight decreases in land degradation. Reclaiming degraded lands will require a strict land-use policy and better watershed management initiatives, say experts.

Land degradation can exacerbate climate change and threaten agricultural productivity, water quality, biodiversity, sustainable development, and the living conditions of humans and wildlife, among other effects. Globally, a third of our land is degraded, affecting 3 billion people, and it is expected to worsen with rising demand for food.

- (a) What is land degradation? State the factors responsible for land degradation.
- (b) State and discuss any two principal causes of environmental degradation.

□□□□□□

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Sample Paper 9
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

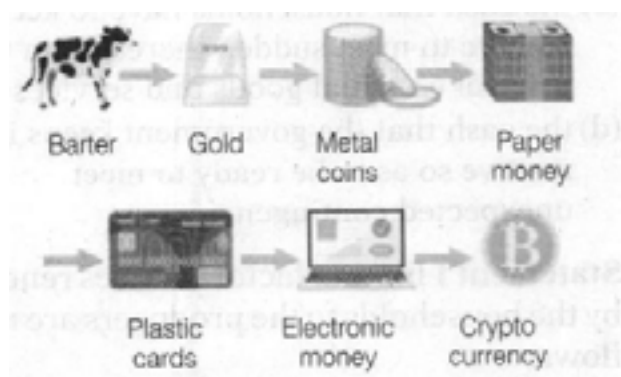
1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. The estimated income receipts of the government in the budget of 2019-20 is ₹25,000 crore. The estimated expenditure of the government in the same budget is ₹30,000 crore. The budget of the government is _____.
(a) balanced (b) deficit
(c) surplus (d) None of these
2. Observe the image given below carefully.



Which of the following about the money is indicated above?

- (a) Money demand (b) Components of money supply
(c) Evolution of money (d) Modes of money supply
3. “Budget is used as an important policy instrument to combat fluctuations in an economy”. In the light of above lines, identify the related objective of government budget.
(a) Allocation of resources (b) Stabilisation of price
(c) Growth of the economy (d) Redistribution of income

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

4. Assertion : Capital of balance of payment is non -recurring in nature.
Reason : Capital transfers affects the assets and liabilities of a country.
In the light of the given statements, choose the correct alternative from the following
- Assertion is true, but Reason is false
 - Assertion is false, but Reason is true
 - Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
 - Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.

5. Find the missing figure and choose the correct alternative.

S.No.	Income (Y)	Saving (S)	$APS = \frac{S}{Y}$
(i)	0	-400	—
(ii)	1,000	-200	...(i)...
(iii)	2,000	0	...(ii)...
(iv)	3,000	200	...(iii)...
(v)	4,000	...(iv)...	0.1

Alternatives

- 0.4, 0, 0.034, 400
 - 0.2, 0, 0.067, 400
 - 0.2, 0, 0.067, 2
 - 0.4, 0, 0.34, 400
6. Statement I : Intersectoral flows refer to the flow of goods and services as well as flow of money among different sectors of the economy.
Statement II : Intersectoral interdependences are satisfied through a system of mutual exchanges, and mutual exchanges lead to intersectoral flows of money as well as goods and services.
In the light of the given statements, choose the correct alternative from the following
- Both statements are false
 - Both statements are true
 - Statement I is true and Statement II is false
 - Statement I is false and Statement II is true
7. In the COVID-19 times, many economists have raised their concerns that Indian economy may have to face a deflationary situation, due to reduced economic activities in the country. Suppose you are a member of the high powered committee constituted by the Reserve Bank of India (RBI). You have suggested that as the supervisor of commercial banks, _____ of the money supply be ensured, by the Reserve Bank of India (RBI).
- release
 - restriction
 - contraction
 - None of these
8. The money multiplier in an economy increases with _____.
- increase in banking habits of the population
 - increase in the population of the country
 - increase in cash reserve ratio
 - increase in statutory liquidity ratio

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

9. Suppose that the Balance of Trade (BoT) of a nation, exhibits a surplus of ₹ 20,000 crores. The import of merchandise of the nation is half of the exports of merchandise to the rest of the world. The value of exports would be ₹ _____ crores.
- (a) 24,000
(b) 35,000
(c) 30,000
(d) 40,000
10. $S = -100 + 0.2Y$ is the saving function in an economy. Investment expenditure is ₹ 5,000. Calculate the equilibrium level of income.
- (a) ₹ 23,000
(b) ₹ 25,000
(c) ₹ 25,500
(d) ₹ 24,500

Short Answer Questions (Q11 to Q12)**3 × 2 = 6**

11. Calculate 'Gross National Product at Factor Cost' (GNP_f) from the following data by expenditure method

Items	(in crores)
Private final consumption expenditure	1,000
Net domestic capital formation	200
Profits	400
Compensation of employees	800
Rent	250
Government final consumption expenditure	500
Consumption of fixed capital	60
Interest	150
Net current transfers from rest of the world	(-) 80
Net factor income from abroad	(-) 10
Net exports	(-) 20
Net indirect taxes	80

12. Describe any three sources of demand for foreign exchange.

or

What is Balance of Payments? Give meanings of trade balance and current account balance.

Short Answer Questions (Q13 to Q15)**4 × 3 = 12**

13. Derive the formula,

$$K = \frac{1}{MPS}$$

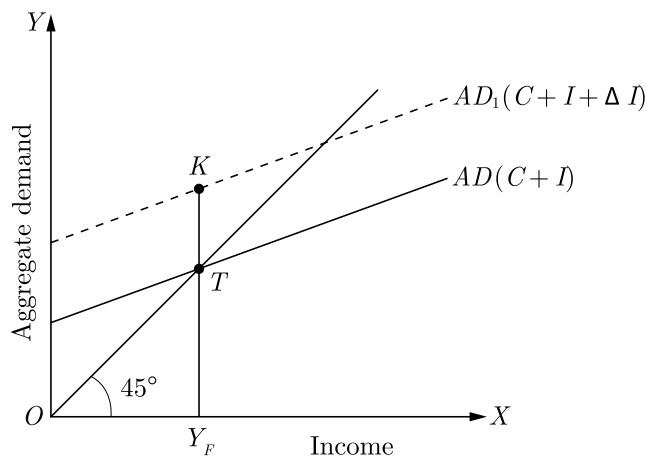
Where K = Investment Multiplier

MPS = Marginal Propensity to Save

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

14. In the given figure, what does the gap 'KT' represent ? State and discuss any two fiscal measures to correct the situation.



15. Read the given excerpt taken from the article 'What is 'Money'' published by The Economic Times on 20th September 2022

"The money came into existence to overcome the drawbacks of the barter system. Earlier, people used to exchange goods and services as a form of commerce. This often led to many disadvantages, one of which was the double coincidence of wants. To solve this problem, a standard medium of exchange, money, was introduced."

Explain in brief the function of money highlighted in the given excerpt.

or

Define credit multiplier. What role does it play in determining the credit creation power of the banking system? Use a numerical illustration to explain.

Long Answer Questions (Q16 to Q17)

6 × 2 = 12

16. (i) "Management of a water polluting oil refinery says that the it (oil refinery) ensures welfare through its contribution to Gross Domestic Product". Defend or refute the argument of management with respect to GDP as a welfare measure of the economy.
- (ii) Giving reason, explain the treatment assigned to the following while estimating national income
- Interest paid by banks on deposits by individuals
 - National debt interest
17. (i) From the following data about a government budget, find out the following
- Revenue deficit
 - Fiscal deficit
 - Primary deficit

Contents	₹ (in Arab)
Tax revenue	47
Capital receipts	34
Non-tax revenue	10
Borrowings	32
Revenue expenditures	80
Interest payments	20

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (ii) Explain the budgetary measures for achieving the objective of setting up of production units in backward regions.

or

- (i) Classify the following taxes into direct and indirect tax. Give reasons for your answer.
- (a) Corporation tax
 - (b) Entertainment tax
 - (c) Excise duty
- (ii) Distinguish between primary and revenue deficit?

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. “The Human Development Index (HDI) is a widely used measure to compare the development levels of different countries”.
- Which of the following statements is correct regarding the Human Development Index (HDI)?
- (a) HDI only considers economic factors
 - (b) HDI is based on a single indicator
 - (c) HDI includes indicators of education, health and income
 - (d) HDI is applicable only to developed countries
19. When the consumption of natural resource is equal to the nature’s ability to replenish, then sustainability is called _____
- (a) not sustainable
 - (b) steady state economy
 - (c) environmentally sustainable
 - (d) None of the above
20. What does picture indicate about the movement of labour?



- (a) Informalisation of workforce
- (b) Casualisation of workforce
- (c) Jobless growth
- (d) Either (a) or (b)

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

21. Which of the following factors are not considered while constructing the HDI Index?
- A good environment as measured by appropriate environment policies
 - A decent standard of living as measured by GDP per capita
 - Long and healthy life measured by life expectancy at birth
 - Knowledge as measured by the adult literacy rate
22. Assertion (A) Primary sector is an important source of labour supply to the secondary and tertiary sectors of the economy.
Reason (R) When productivity rises in agriculture (owing to the use of innovative technology), less labour is needed to produce a given level of output.
In the light of the given statements, choose the correct alternative from the following
- Assertion is true, but Reason is false
 - Assertion is false, but Reason is true
 - Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
 - Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.
23. Which of the following measures does not come under the purview of an improved agricultural marketing system?
- Assurance of MSP, provision of food through PDS and maintenance of buffer stocks
 - Regulation of markets to create an orderly and transparent marketing system
 - Cooperative marketing, in realising fair prices for farmers' products
 - All of the above comes under the purview of an improved agricultural marketing system

24. Match the following

	Column I		Column II
A.	Economic Development in China	(i)	Mao
B.	India's new Development Policy	(ii)	China
C.	The Great Leap Forward	(iii)	1978
D.	Commune	(iv)	1991

Codes

A B C D

(a) (i) (ii) (iii) (iv)

(c) (iii) (iv) (i) (ii)

(b) (ii) (i) (iv) (iii)

(d) (iv) (ii) (i) (iii)

25. Statement I : There is a need for the owner of the human capital to be present in the place of production.
Statement II : Human capital is intangible; it is endogenously built in the body and mind of its owner.
In the light of the given statements, choose the correct alternative from the following
- Both statements are false
 - Both statements are true
 - Statement I is true and Statement II is false
 - Statement I is false and Statement II is true
26. Agricultural marketing does not comprise of _____
- storage of the produce for sale in future
 - credit taken to meet expenditure on agriculture
 - transportation of the produce to the market place for sale
 - grading of the produce according to the quality

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

27. _____ is a form of market intervention by the Government of India to insure agricultural produces against any sharp fall in farm prices.
- Quality Assured Prices (QAP)
 - Structural Adjustment Prices (SAP)
 - Minimum Support Prices (MSP)
 - Adequate Prices

Short Answer Questions (Q28 to Q29)**3 × 2 = 6**

28. The figure given below depicts that India's environmental problems pose a dichotomy- they are poverty induced and at the same time arise due to affluence in living standards. Do you agree with the given statement? Justify.



29. Bring out the need for on-the-job-training for a person.

or

Defend or refute the statement with valid explanation

“There are more number of regular salaried employees found in urban areas than in rural areas”.

Short Answer Questions (Q30 to Q32)**4 × 3 = 12**

30. Compare and analyse the given data of India and China, with valid reasons.

Country	Annual Growth Rate of Population (2015)	Gender Ratio (Per thousand males)
India	1.2 %	929
China	0.5 %	941

Source World Development Indicators, 2015

31. (i) Give the meaning of demonetisation?
 (ii) Discuss briefly any two major steps taken by the Government of India on 'Financial Sector' front under the Economic Reforms of 1991.

or

Deepesh argues that in the era of privatisation, there is no need for government intervention in education and health sectors. However, his friend Mahesh argues that education and health care services create social benefits and therefore there is a need for government intervention in education and health sectors. Decide with reasons, who is right?

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

32. State whether the following statements are true or false, with valid arguments

- (i) Substituting fertiliser subsidies with agricultural subsidies as the farmer was benefitting fertiliser industry and not the target group has been the topic of immense debate regarding provision of subsidies during 1960's and 70's.
- (ii) The main reason for constituting Karve Committee in 1955 was setting capital good industries in rural areas and thus promoting rural development.

Long Answer Questions (Q33 to Q34)

6 × 2 = 12

33. (i) Define worker population ratio.

- (ii) What do you understand by the term 'distress sale'?
- (iii) Literacy rates in India have increased but so has the absolute number of illiterates. Why?

or

- (i) Enlist some problems faced by farmers during the initial years of organic farming.
- (ii) "In recent times, the Indian economy has experienced the problem of casualisation of the workforce. This problem has only been aggravated by the outbreak of Covid-19."

Do you agree with the given statement? Discuss any two disadvantages of casualisation of the workforce in the light of the above statement.

34. Read the following text carefully and answer the given questions on the basis of the same and common understanding

One of the most compelling reasons for studying environmental science and management is the fact that, in the view of many leading authorities, we are now experiencing an environmental crisis, indeed, many authors have claimed that the present environmental crisis is unprecedented in its magnitude, pace and severity (Park 2001). Awareness of this environmental crisis has grown since the 1970s, partly as a result of the prominence given to major so-called 'environmental' disasters such as the Sahelian droughts of the 1970s and 1980s and the nuclear accident at Chernobyl in 1986.

A major assessment of the global environment published in 1999, the UNEP Global Environment Outlook 2000 Report (UNEP 1999), drew attention to two critical, recurring themes

- ✓ the fact that the global human ecosystem is threatened by grave imbalances in productivity and in the distribution of goods and services as evidenced by the fact that a large proportion of the human population lives in poverty and that a widening gap exists between those who benefit from economic and technological development and those who do not
- ✓ the fact that accelerating changes are occurring at the global scale, with rates of economic and social development outstripping progress in achieving internationally co-ordinated environmental stewardship-with the result that improvements in environmental protection due to new technologies are being 'cancelled out' by the magnitude and pace of human population growth and economic development.

Consequently, a wide range of environmental problems has emerged, those problems include anthropogenic climate change ('global warming'), the depletion of stratospheric ozone (the 'ozone hole'), the acidification of surface waters ('acid rain'), the destruction of tropical forests, the depletion and extinction of species, and the precipitous decline of biodiversity. Yet, while all of these problems have physical (environmental) manifestations, their causes - and their potential solutions - are invariably bound up with human attitudes, beliefs, values, needs, desires, expectations and behaviours. Thus, the symptoms of the environmental crisis cannot be regarded purely as physical problems requiring solutions by environmental 'specialists', instead, they are intrinsically human problems and they are intimately related to the question of what it means to be human.

- (i) "Opportunity costs of negative environmental impact are high." Comment.
- (ii) There exists a positive correlation between environmental sustainability and economics development. Do you agree? Give suitable reason in support of your answer.

□□□□□□

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Sample Paper 10
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. In the Covid-19 times, many economists have raised their concerns that Indian economy may have to face a deflationary situation, due to reduced economic activities in the country. Suppose you are a member of the high powered committee constituted by the Reserve Bank of India (RBI). You have suggested that as the supervisor of commercial banks,..... of the money supply be ensured, by the Reserve Bank of India (RBI).
(a) restriction
(b) release
(c) contraction
(d) None of the above

2. Complete the table

Producer	Value of Output	Intermediate Consumption	Value Added
Baker	4,000	—	4,000
Farmer	...(i)...	4,000	4,000
Retail Seller	8,800	...(iii)...	800
Total	...(ii)...	12,000	...(iv)...

Alternatives

- (a) 4,000, 20,800, 4,000, 8,800
- (b) 8,000, 20,800, 8,000, 8,800
- (c) 8000, 10,400, 4,000, 8,800
- (d) 4,000, 20,800, 8,000, 88,000

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

3. Which of the following situations of government budget is represented in the image below?

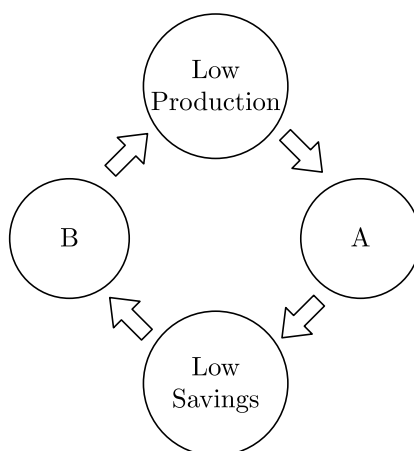


- (a) Budget deficit
(b) Budget surplus
(c) Balanced budget
(d) None of these
4. Which of the following is/are not an assumption(s) of credit creation process?
- (i) Entire banking system is taken as a single unit.
(ii) All transactions are done through banks.
(iii) There is no saving in the economy.
- (a) Only (iii)
(b) Only (i)
(c) Only (ii)
(d) Both (i) and (ii)
5. 'A' has a good that 'B' wants and 'B' has a good that 'A' wants. This is referred to as _____ under barter system of exchange.
- (a) store of value
(b) double coincidence of want
(c) unit of account
(d) None of the above
6. Balance of payments of an economy records _____ for a fiscal year.
- (a) inflow and outflow of foreign exchange to/from the economy
(b) inflow and outflow of loans to/from the rest of the world
(c) income and expenditure of the government
(d) inflow and outflow of funds of the government
7. Statement I : Marginal Efficiency of Capital (MEK) has a positive relationship both with prospective yield as well as supply price.
Statement II : With the rise in the level of income, Average Propensity to Consume (APC) tends to fall.
In the light of the given statements, choose the correct alternative from the following
- (a) Both statements are false
(b) Both statements are true
(c) Statement I is true and Statement II is false
(d) Statement I is false and Statement II is true

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

8. Choose the correct alternatives to be filled in given blanks A and B.



- (a) Low level of investment and low level of income
 (b) Low level of income and low level of investment
 (c) Low level of investment and low savings
 (d) Low mobilisation of savings and low level of investment
9. If Marginal Propensity to Save (MPS) is 0.25 and initial change in investment is ₹ 250 crore, then the final change in income would be
 (a) ₹ 500 crore
 (b) ₹ 3,500 crore
 (c) ₹ 1,000 crore
 (d) ₹ 1,200 crore
10. Assertion : During periods of economic depression, economy is caught in a low level equilibrium trap as investment in the private sector tends to slide to its bottom.
 Reason : The government can break the deadlock of low demand side factors by pumping investment into an economy and thereby raising AD till such time the private investment is revived to achieve higher level of output and employment.
 Alternatives
 (a) Assertion is true, but Reason is false
 (b) Assertion is false, but Reason is true
 (c) Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
 (d) Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.

Short Answer Questions (Q11 to Q12)

3 × 2 = 6

11. Giving reasons, explain whether the given statements are true or false.
 (i) Current account of balance of payments account records only export and import of goods and services.
 (ii) Foreign investments are recorded in the capital account of balance of payments.

or

What is meant by flexible exchange rate system and fixed exchange rate systems?

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

12. From the information given below, find Net Value Added at Factor Cost.

Item	(₹ in crore)
Durable use capital goods with a life span of 10 years	100
Single use producer goods	50
Sales	200
Unsold output produced during the year	20
Taxes on production	10

Short Answer Questions (Q13 to Q15)

4 × 3 = 12

13. Read the following statements carefully and write true or false with a reason

- Excess demand raises the market value of output.
- Prices and output increase in a situation of inflationary gap in an economy.

14. Consider the information given below

- Autonomous consumption = ₹ 5,000
- Marginal Propensity to Save (MPS) = 0.2
- Investment = ₹ 20,000

On the basis of the above informations, calculate

- Equilibrium level of national income
- Investment multiplier

15. 'Lack of store of value' was a major problem under barter system, but goods like diamond, gold can be easily stored for future use. Then why this was not a popular mean under barter system?

or

Explain the 'unit of account' function of money. How has it solved the related problem created by barter?

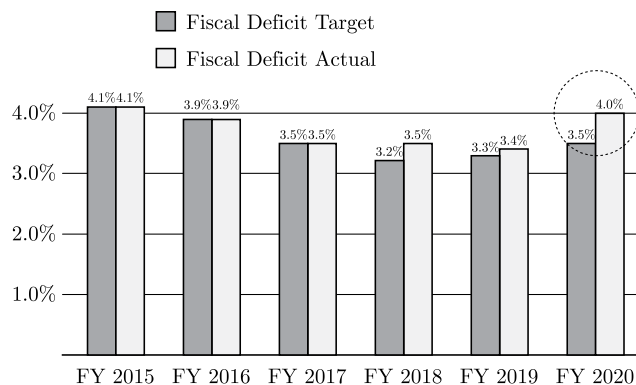
Long Answer Questions (Q16 to Q17)

6 × 2 = 12

16. (i) Why are export receipts not a part of net factor income from abroad?
 (ii) Giving reasons explain how should the following be treated in estimation of national income
- Payment of corporate tax by a firm
 - Purchase of machinery by a factory for own use
 - Purchase of uniforms for nurses by a hospital
17. (i) The figure given below explains the situation of mounting fiscal deficit in context of Indian economy. Explain any three implications of large fiscal deficit.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS



Source GOI Controller General Accounts

(ii) Explain how government budget can be helpful in bringing economic stabilisation in the economy.

or

- (i) In the context of government budget, giving reasons, explain whether the following are a revenue receipt or a capital receipt.
- Interest received on the loans given to Sri-Lankan government during Covid-19
 - Sale of public sector undertaking
- (ii) Public expenditure is necessary for the development of the country. In the light of the statement, explain any two significance of public expenditure.

Section B - Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10 = 10

18. An adulterated element leak into the ground filtration, and carried into a ground water reservoir is known as _____
- land contamination
 - noise pollution
 - water pollution
 - air pollution
19. Following image indicates which of the following source of human capital formation?



Above image indicates which of the following source of human capital formation?

- Investment in health
- Migration
- Investment in education
- On-the-job training

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

20. Match 'labour force' with the appropriate item from amongst the following.
- | | |
|---------------------------|-----------------------|
| (a) Employed + Unemployed | (b) Work force |
| (c) All educated | (d) All rural workers |
21. Environment has many resources for us. A resource that can be totally replaced or is always available naturally, or that is practically inexhaustible is known as _____.
 (a) non-renewable resource (b) conventional resource
 (c) non-conventional resource (d) renewable resource
22. What was the treatment given by the indigo planters to the peasants?
 (a) Advancement of loans at a lower rate of Interest
 (b) Peasants voluntarily agreed with the indigo planters to produce indigo
 (c) They were paid low prices for growing indigo
 (d) They were given support measures on how to grow indigo along with a piece of land
23. Marketed surplus refers to _____.
 (a) portion of industrial produce sold in the market
 (b) sale of consumer goods in the domestic market
 (c) a certain proportion of both industrial and domestic produce sold in the market
 (d) portion of agricultural produce sold in the market by farmers
24. The main issue(s) with protectionist or trade restrictive policies is/are _____.
 (a) consumer sovereignty narrows down
 (b) there is very less incentive for the domestic producers to improve the quality of their products
 (c) Both (a) and (b)
 (d) it result in huge amount of capital inflows
25. Match the following :

	Column I		Column II
A.	Economic Development in China	(i)	Mao
B.	India's new Development Policy	(ii)	China
C.	The Great Leap Forward	(iii)	1978
D.	Commune	(iv)	1991

Codes

A B C D

- (a) (i) (ii) (iii) (iv)
 (b) (ii) (i) (iv) (iii)
 (c) (iii) (iv) (i) (ii)
 (d) (iv) (ii) (i) (iii)
26. Statement I : A worker is an individual who is doing some productive work to earn a living.
 Statement II : Majority of population in India is finding employment in the service sector which is growing at a fast pace and growing continuously.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

In the light of the given statements, choose the correct alternative from the following

- (a) Both statements are true
- (b) Both statements are false
- (c) Statement I is true and Statement II is false
- (d) Statement I is false and Statement II is true

27. Assertion : It is imperative for Indian economy to undertake measures which help promote the rural development.
Reason : Almost two-third of India's population depends on agriculture and nearly one-third of rural India lives under the trap of poverty.

Alternatives

- (a) Assertion is true, but Reason is false
- (b) Assertion is false, but Reason is true
- (c) Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
- (d) Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.

Short Answer Questions (Q28 to Q29)

$3 \times 2 = 6$

28. 'Farmers resort to onion distress sale', an article published by Orissa Post on 17th May, 2021. On account of the figure given below, give the meaning of 'distress sale'. Also explain any two obstacles that hinders the mechanism of agricultural marketing.



29. How does finance sector be regularised so that the objective of rural development can be achieved?

or

Defend or refute the statement with valid explanation.

"Population explosion and the advent of industrial revolution have resulted in environmental crisis."

Short Answer Questions (Q30 to Q32)

$4 \times 3 = 12$

30. State whether the following statements are true or false, with valid arguments
- (i) It was quintessential for a developing country like India to pursue the goal of self-reliance on the eve of independence.
 - (ii) Indian government followed inward looking trade policy before initiation of economic reforms in 1991.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

31. Compare and analyse the 'women worker population ratio' in rural and urban areas based on following information
Worker Population Ratio in India, 2017-2018

Sex	Worker Population Ratio		
	Total	Rural	Urban
Men	52.1	51.7	53.0
Women	16.5	17.5	14.2
Total	34.7	35.0	33.9

32. (i) Define a plan.
(ii) "The New Economic Policy is said to be liberal." Comment.
or
Discuss briefly the condition of agricultural sector at the time of independence.

Long Answer Questions (Q33 to Q34)

6 × 2 = 12

33. (i) What is meant by the term 'affluence trap'?
(ii) Explain the concept of sustainable development.
(iii) Sometimes people prefer to be voluntarily unemployed. Why?
or
(i) "Multinational companies have not only contributed towards the IT sector but also have a tremendous role to play towards rural development".
Justify the given statement with valid arguments.
(ii) "The opportunity costs of negative environmental impacts are high". Defend or refute the given statement with valid reasons.
34. Read the following text carefully and answer the given questions on the basis of the same and common understanding.
Comparative development of India and its neighbours is an important knowledge to possess as an Indian citizen. As a rational citizen of a country, it is crucial to have a deep understanding of the developments in your country. In fact, it is also very important to learn about the developmental processes of your neighbouring countries. Not only citizens but countries are also eager to understand the developmental system of their neighbours. This understanding enables comprehension of strengths and weaknesses of yours as well as the neighbouring countries. Due to the process of globalisation, it is essential for every nation to compete with developed countries. Hence, it is important to study the comparative development of India and its neighbours. The Chinese reform process began more strongly and comprehensively during the 1980s. At this time, India was in the mid-stream of a rather slow growth process. Although the two countries (Pakistan and India) started together, Pakistan has seen a better result in certain areas. However, India is better placed than Pakistan in the area of skilled manpower and research and development institutions. It is common to find developmental strategies of a country as a model to others for lessons and guidance for their own development. It is particularly evident after the introduction of the reform process in different parts of the world. In order to learn from economic performance of our neighbouring countries, it is necessary to have an understanding of the roots of their successes and failures. It is also necessary to distinguish between and contrast, the different phases of their strategies.
(i) "India, China and Pakistan have many similarities in their development strategies". Elaborate any three points.
(ii) Mention the areas where Pakistan have performed better than India.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Sample Paper 11
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. The following news report appeared in The Hindu on 1st June, 2023.
“Saudi Arabia has agreed to provide Pakistan with a ‘sizeable package’ of around \$8 billion to help the cash-starved country bolster dwindling forex reserves and revive its ailing economy.”
On which account and which side, it will be recorded in Pakistan’s BoP statement?
(a) Current account, debit side (b) Current account, credit side
(c) Capital account, debit side (d) Capital account, credit side
2. **Assertion (A):** Demand curve of foreign currency is negatively sloped.
Reason (R): If price of foreign currency increases, it become costlier for home country.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false
3. Statement 1: Demonetisation was an initiative taken by the Government of India to curb black money, terrorism and circulation of fake currency.
Statement 2: Demonetisation has lead people to shift from cash payments to electronic payments.
In the light of the given statements, choose the correct alternative from the following:
(a) Statement 1 is false and statement 2 is true (b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false (d) Both statements 1 and 2 are true
4. All currencies other than the domestic currency of a country are called as _____.
(i) Foreign exchange rate
(ii) Foreign exchange
(iii) Foreign aid
Identify the correct alternative from the following:

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (a) (i) and (iii) (b) (i) and (ii)
 (c) Only (ii) (d) (i), (ii) and (iii)

5. The image given below is indicating which of the following options correctly?

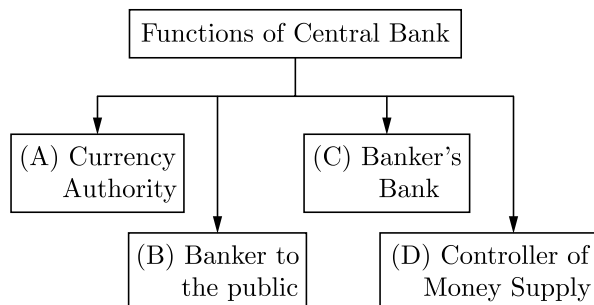


- (a) Foreign reserve (b) Foreign exchange
 (c) Foreign exchange rate (d) Both (b) and (c)
6. “Economic growth means increasing per capita income over a period of time.” Economic growth objective of the government budget depends on _____.
 (a) profit maximisation (b) rate of saving and investment
 (c) fair distribution of income (d) removal of poverty
7. Identify the correct pair from the following Column I and Column II:

	Column I		Column II
A.	Devaluation of domestic currency	(i)	Causes a desired fall in the value of rupee
B.	Merchandise	(ii)	Managed Floating Exchange Rate
C.	Current account surplus	(iii)	Fixed Exchange Rate System
D.	Depreciation of domestic currency	(iv)	Export and Import of Services

Alternatives:

- (a) B - (ii) (b) A - (i)
 (c) D - (iv) (d) C - (iii)
8. From the following functions of the Central Bank, identify the odd one out:



Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (a) D
(c) B

- (b) C
(d) A

9. Demand Deposits include _____ and _____.

- (i) Saving account deposits
(ii) Fixed deposits
(iii) Current account deposits
(iv) Post office savings

Alternatives:

- (a) (i) and (iii) (b) (i) and (ii)
(c) (i) and (iv) (d) (ii) and (iii)

10. Find the missing figures and choose the correct alternatives.

Income (Y)	Consumption (C)	Average Propensity to Consume (APC)
0	300	—
200	350	...(i)...
400	...(ii)...	1
...(iii)...	450	0.75
800	500	...(iv)...

Alternatives

- (a) 0.75, 400, 800, 0.65 (b) 1.75, 400, 600, 0.625
(c) 1.75, 400, 625, 0.6 (d) 1.75, 400, 600, 0.55

Short Answer Questions (Q11 to Q12)

3 × 2 = 6

11. The single tax implemented from 1st July 2017 was likely to reduce prices of which kind of products? Give example of any three items which are exempted from GST and why? Give reason.
12. Government provides essential items of food grains almost free to the families below the poverty line. Which objective the government is trying to fulfil through the government budget and how? Explain.

or

The Government, under Ujjwala Yojana, is providing free LPG kitchen gas connections to the families 'below the poverty line'. What objective the government is trying to fulfil through the government budget and how? Explain.

Short Answer Questions (Q13 to Q15)

4 × 3 = 12

13. "Government incurs expenditure to popularise yoga among the masses." Analyse its impact on Gross Domestic Product and welfare of the people.
- or
- How is Real GDP different from Nominal GDP? Which of these is a better indicator of economic welfare?
14. "Central bank utilises both qualitative and quantitative tools in order to control the credit creation process in the

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

economy”. Briefly explain any two qualitative tools used to control money supply in the economy.

15. Explain the meaning of ‘underemployment equilibrium’. Give two monetary measures by which full employment equilibrium can be reached.

Long Answer Questions (Q16 to Q17)

6 × 2 = 12

16. (a) On the basis of given table, comment on the performance of total consumption, private consumption and government consumption in context or their recovery.

Components	2019-20 (1st RE)	2020-21 (PE)	2021-22 (1st AE)	Recovery over 2019-20
Total Consumption	5.9	-7.3	7.0	99.2
Government Consumption	7.9	2.9	7.6	110.7
Private Consumption	5.5	-9.1	6.9	97.1
Gross Fixed Capital Formation	5.4	-10.8	15.0	102.6
Exports	-3.3	-4.7	16.5	111.1
Imports	-0.8	-13.6	29.4	111.8
GDP	4.0	-7.3	9.2	101.3

Source: NSO

Note: RE - Revised Estimates, PE - Provisional Estimates, AE - Advance Estimates

- (b) From the following data, calculate Gross Domestic Product at market price.

	(₹ in crores)
(i) Compensation of employees	1,000
(ii) Net exports	(-)50
(iii) Profits	400
(iv) Interest	250
(v) Rent	150
(vi) Gross national product at factor cost	1,850
(vii) Gross domestic capital formation	220
(viii) Net fixed capital formation	150
(ix) Change in stock	20
(x) Factor income from abroad	30
(xi) Net indirect taxes	100

or

Find the missing values of ‘Private Final Consumption Expenditure’ and ‘Operating Surplus’ from the following data:

	(₹ in crores)
(i) Profits	500
(ii) Wages and Salaries	10000
(iii) National Income	25000
(iv) Net Indirect Taxes	200
(v) Private Final Consumption Expenditure	?
(vi) Gross Domestic Capital Formation	9000

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

(vii)	Government Final Consumption Expenditure	6500
(viii)	Consumption of Fixed Capital	400
(ix)	Mixed Income of Self-employeds	7000
(x)	Net Exports	1000
(xi)	Operating Surplus	?
(xii)	Net Factor Income from Abroad	250

17. In a economy, investment increased by 1,100 and as a result of it, income increased by 5,500. Had the marginal propensity to save been 25%, what would have been the increase in income?

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. _____medicine includes medical practices which are designed to avoid or avert diseases.
 (a) Preventive medicine (b) Curative medicine
 (c) Social medicine (d) Any of the above
19. **Assertion (A):** Animal husbandry is the part of diversification of productive activities in rural areas.
Reason (R): It provides stable employment opportunities in off season.
 In the light of the given statements, choose the correct alternative from the following:
 (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
 (b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 (c) Assertion (A) is false but Reason (R) is true
 (d) Assertion (A) is true but Reason (R) is false
20. The main thrust of the economic policies pursued by the government considers _____.
 (a) ensuring balanced regional development
 (b) expanding the urban-rural wage gap
 (c) a complete switch from agricultural to manufacturing sector
 (d) None of the above
21. Statement 1: India has an edge over Pakistan in skilled manpower, investment in education and health facilities.
 Statement 2: Special Economic Zones (SEZs) policy has proved to be a boon for FDI flow in China.
 In the light of the given statements, choose the correct alternative from the following:
 (a) Statement 1 is false and statement 2 is true (b) Statement 1 is true and statement 2 is false
 (c) Both statements 1 and 2 are false (d) Both statements 1 and 2 are true
22. Which of the following gives the correct sequence explaining the commencement of five year plans in chronological order?
 (a) India, China and Pakistan (b) Pakistan, China and India
 (c) China, India and Pakistan (d) India, Pakistan and China

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

23. “Most of the agricultural labourers depend upon loans from informal sector”. Which of the following statements about this sector is correct?
- There are government bodies to supervise informal sector
 - Money lenders ask for a reasonable rate of interest
 - Cost of informal loans to the borrower is quite high
 - Money lenders use fair means to get their money back
24. Arrange the following events of China in chronological order and choose the correct alternative:
- Great Leap Forward Campaign
 - First Five Year Plan
 - Economic Reforms introduced
 - Great Proletarian Cultural Revolution
- Choose the correct alternative:
- (iv), (i), (ii), (iii)
 - (ii), (iv), (i), (iii)
 - (ii), (i), (iv), (iii)
 - (ii), (iv), (iii), (i)
25. From the set of events/systems given in Column I and corresponding relevant fact given in Column II, choose the correct pair of statement:

	Column I		Column II
A.	Human capital	(i)	Overall development and well-being of a nation's human capital
B.	Human development	(ii)	Movement of people in search of jobs from one place to another
C.	Migration	(iii)	Stock of nation's skill and expertise at a particular point of time
D.	Physical capital	(iv)	Capital completely mobile between countries except for trade restriction imposed

Alternatives:

- D - (iv)
 - C - (iii)
 - B - (ii)
 - A - (i)
26. Main intention of the British rulers behind the introduction of railways in India was:
- to break geographical and cultural barriers.
 - to earn profit through foreign trade.
 - to develop India's cotton and jute industry.
 - cheap and rapid movement of people from one place to another.
27. System where farmers and industrial units were to buy and sell fixed quantities of raw material and products on the basis of price fixed by government was termed as:
- Dual pricing
 - Great Leap Forward
 - Special Economic Zones
 - Great Proletarian Cultural Revolution

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Short Answer Questions (Q28 to Q29)**3 × 2 = 6**

28. Answer the following questions on the basis of given data on employment pattern in India:
Employment pattern (Status wise) 1972-2012 (in %)

Status	1972-73	2011-12
Self-employed	61.4	52.0
Regular salaried employees	15.4	18.0
Casual wage labourers	23.2	30.0
Total	100.0	100.0

- (a) Analyse the trend in the employment pattern on the basis of the above table.
(b) Which source is the major employment provider?
(c) What is the above process of status movement termed as?

or

How is agricultural diversification helpful for farmers? Explain.

29. On the basis of given image, answer the questions that follow in context to National Education Policy, 2020.



- (a) How much gross enrolment ratio is expected in Pre-school to Secondary Level by 2030?
(b) How much investment in education sector of GDP is targeted and what is the current level of investment in education sector?

Short Answer Questions (Q30 to Q32)**4 × 3 = 12**

30. 'Colonial era was responsible for the decline of traditional handicraft industries.' Accept/Refute the above statement by giving reason.

or

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Enumerate the main causes of limited success of planning in India.

31. 'A skilled worker like software professional generates more income than an unskilled worker.' Substantiate the above statement.
32. Write a short note on the following:
- | | |
|-----------|--------------------|
| (a) SAARC | (b) European Union |
| (c) ASEAN | (d) G-8 or G-7 |

Long Answer Questions (Q33 to Q34)

6 × 2 = 12

33. Define environment. What are its main functions?

or

Elaborate how the following factors contribute to the environmental crisis in India:

- (a) Air pollution
(b) Water contamination
(c) Illiteracy
34. Read the following text carefully and answer the given questions on the basis of the same and common understanding:
- Indian agricultural economy was largely subsistence in nature before Independence. It had dismal performance in the first half of twentieth century. This period witnessed severe droughts and famines. During partition, about one-third of the irrigated land in undivided India went to Pakistan. This reduced the proportion of irrigated area in independent India. After independence, the immediate goal of the Government was to increase foodgrains production by switching over from cash crops to food crops; intensification of cropping over already cultivated land; and increasing cultivated area by bringing cultivable and fallow land under plough. Initially, this strategy helped in increasing foodgrains production. But agricultural production stagnated during late 1950s. To overcome this problem, Intensive Agricultural District Programme (IADP) and Intensive Agricultural Area Programme (IAAP) were launched. But two consecutive droughts during mid-1960s resulted in food crisis in the country. Consequently, foodgrains were imported from other countries.
- New seed varieties of wheat (Mexico) and rice (Philippines) known as High Yielding Varieties (HYVs) were available for cultivation by mid-1960s. India took advantage of this and introduced package technology comprising HYVs, along with chemical fertilisers in irrigated areas of Punjab, Haryana, Western Uttar Pradesh, Andhra Pradesh and Gujarat. Assured supply of soil moisture through irrigation was a basic pre-requisite for the success of this new agricultural technology. This strategy of agricultural development paid dividends instantly and increased the foodgrains production at very fast rate. This spurt of agricultural growth came to be known as 'Green Revolution'. This also gave fillip to the development of a large number of agro-inputs, agro-processing industries and small-scale industries. This strategy of agricultural development made the country self-reliant in foodgrain production. But Green Revolution was initially confined to irrigated areas only. This led to regional disparities in agricultural development in the country till 1970s, after which the technology spread to the Eastern and Central parts of the country.
- (a) Why was Green Revolution implemented and how did it benefit the farmers?
(b) What were the spillover benefits of Green Revolution and how did it led to regional disparities?

□□□□□□

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Sample Paper 12
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

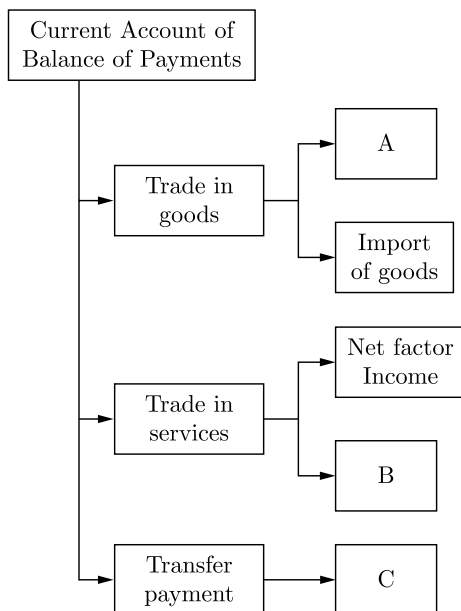
1 × 10=10

1. “It has been observed in recent times that Indian currency is depreciating against US Dollar.” Which of the following reason can be accounted for the same?
(a) Rising inflation in the country (b) Fall in stock prices
(c) Rise in global prices (d) All of the above
2. Under the Balance of Payments structure of a nation, the two main categories of accounts for the classification of the transactions are _____ and _____.
(i) current account (ii) unilateral transfer account
(iii) capital account (iv) loan account
Identify the correct alternatives from the following:
Alternatives:
(a) (iii) and (iv) (b) (iv) and (i)
(c) (i) and (iii) (d) (i) and (ii)
3. Assertion (A): Import of goods and services reflects demand of foreign currency.
Reason (R): Import of goods and services shows inflow of foreign exchange.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false
4. Statement 1: Accommodating items of trade are undertaken in order to maintain the balance in the BoP account.
Statement 2: Accommodating items are net consequences of autonomous transactions that are undertaken to correct disequilibrium in autonomous items of BoP.
In the light of the given statements, choose the correct alternative from the following:
(a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

5. If primary deficit is ₹ 4,500 and interest payment is ₹ 750, the fiscal deficit is
 (a) ₹ 4,100 (b) ₹ 4,200
 (c) ₹ 5,250 (d) ₹ 4,000
6. Choose the correct alternatives to be filled in given blanks A, B and C.



- (a) A - Export of goods, B - Gifts, remittances and grants, C - Net non-factor income
 (b) A - Gifts, remittances and grants, B - Export of goods, C - Net non-factor income
 (c) A - Net non-factor income, B - Export of goods, C - Gifts, remittances and grants
 (d) A - Export of goods, B - Net non-factor income, C - Gifts, remittances and grants
7. If the Marginal Propensity to Consume is greater than Marginal Propensity to Save, the value of the multiplier will be:
 (a) less than 2 (b) equal to 2
 (c) equal to 5 (d) greater than 2
8. Which function of the money is being depicted in the following picture?



- (a) Measure of value (b) Store of value
 (c) Medium of exchange (d) Transfer of value

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

9. Which out of the following items is not included in money supply of a country?
- (a) Demand deposits (b) Coins and Currency
(c) Time deposits (d) All of these

10. Calculate Net Value Added at Factor Cost (NVA_{FC}) from the following data

Items	₹ (in lakhs)
Value of output	800
Intermediate consumption	200
Indirect taxes	30
Depreciation	20
Subsidies	50
Purchase of machinery	50

- (a) ₹400 crore (b) ₹500 crore
(c) ₹600 crore (d) ₹800 crore

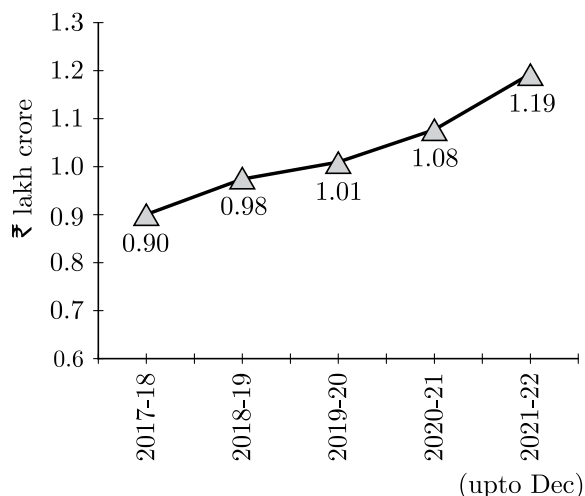
Short Answer Questions (Q11 to Q12)

$3 \times 2 = 6$

11. It is stated that “amalgamation of many central and state taxes into a single tax called ‘Goods and Services tax (GST)’ would facilitate a common national market.” Do you agree with the statement? Justify your answer.
12. State whether the following statements are true or false. Support your answer with reason.
- (a) Taxation is an effective tool to reduce the inequalities of income.
(b) Revenue deficit increases when government fails to recover loans forwarded to different nations.

or

On the basis of given figure, answer the questions that follow:



Rising year average of monthly gross GST collections

- (a) Interpret the above trends of GST collections.
(b) When was GST implemented in India?

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Short Answer Questions (Q13 to Q15)**4 × 3 = 12**

13. Suppose a ban is imposed on consumption of tobacco. Examine its likely effects on (a) gross domestic product and (b) welfare.

or

Government spends on child immunisation programme. Analyse its impact on Gross Domestic Product and welfare of the people.

14. “Lack of store of value was the major problem under the barter system, however this problem has been solved with the introduction of money.” Do you agree with the given statement? Explain.
15. In an economy, investment expenditure is increased by ₹400 crores and marginal propensity to consume is 0.8. Calculate total increase in income and savings.

Long Answer Questions (Q16 to Q17)**6 × 2 = 12**

16. (a) Calculate Net Domestic Product at Factor Cost from the given data:

		(₹ in crores)
(i)	Net factor income to abroad	30
(ii)	Sales	2,000
(iii)	Subsidies	20
(iv)	Consumption of fixed capital	50
(v)	Closing stock	100
(vi)	Opening stock	200
(vii)	Intermediate costs	1,000
(viii)	Indirect tax	150

- (b) Transfer payments should not be included in the estimation of National Income? Do you agree? Give reason in support of your answer.

or

- (a) Given nominal income, how can we find real income?
- (b) Calculate National Income:

		(₹ in crores)
(i)	Compensation of employees	2,000
(ii)	Profit	800
(iii)	Rent	300
(iv)	Interest	250
(v)	Mixed income of self-employed	7,000
(vi)	Net current transfers to abroad	200
(vii)	Net exports	(—) 100
(viii)	Net indirect taxes	1,500
(ix)	Net factor income to abroad	60
(x)	Consumption of fixed capital	120

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

17. Discuss the working of the adjustment mechanism in the following situations.
- (a) Aggregate demand is greater than aggregate supply.
 - (b) Ex-ante investment are lesser than Ex-ante savings.

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. “The origin of the financial crisis can be traced from the inefficient management of the Indian economy.” Which of the following reasons are responsible for the same?
- (a) Government did not able to generate sufficient revenue
 - (b) Government expenditure began to exceed its revenue
 - (c) Government borrowed money for meeting consumption needs
 - (d) All of the above
19. People as a resource means_____.
- (a) country’s natural capital in terms of their existing productive skill
 - (b) country’s human capital in terms of their existing productive skill
 - (c) country’s overall capital in terms of their existing productive skill
 - (d) country’s technical capital in terms of their existing productive skill
20. A person got two job offers, one from Mumbai while other from Chennai. Before deciding which one to opt, he go through the cost and benefit analysis. Which source of human capital formation he takes into account?
- (a) Expenditure on Training
 - (b) Expenditure on Education
 - (c) Expenditure on Migration
 - (d) Expenditure on Health
21. Identify the type of unemployment reflected in the picture below.



- (a) Open unemployment
 - (b) Seasonal unemployment
 - (c) Disguised unemployment
 - (d) None of the above
22. Arrange the following events of China in chronological order and choose the correct alternative:
- (i) Special Economic Zones
 - (ii) Great Proletarian Cultural Revolution
 - (iii) Great Leap Forward Campaign
 - (iv) Economic reforms were initiated

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Choose the correct alternative:

- (a) (iii), (ii), (iv), (i) (b) (iv), (i), (ii), (iii)
(c) (iv), (ii), (i), (iii) (d) (ii), (iv), (iii), (i)

23. Assertion (A): Rural development in India is of key significance.

Reason (R): Nearly two-third of population in India is dependent on agriculture.

In the light of the given statements, choose the correct alternative from the following:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false

24. Statement 1: Seasonal workers are the worst affected by seasonal unemployment in India.

Statement 2: Population is the total number of people who reside in a particular locality at a particular point of time.

In the light of the given statements, choose the correct alternative from the following:

- (a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true

25. From the set of events/systems given in Column I and corresponding relevant fact given in column II, choose the correct pair of statement:

	Column I		Column II
A.	The growth rate of agriculture sector decelerated to about 3% per annum.	(i)	1995
B.	A major change occurred when India adopted social banking.	(ii)	after 1989
C.	A thrift and credit society was started in Kerala.	(iii)	1995
D.	By March end more than seven lakh SHG's been credit linked.	(iv)	2010

Alternatives:

- (a) C - (iii) (b) A - (i)
(c) D - (iv) (d) B - (ii)

26. Identify the option which is/are not true in the context of demographic condition of India during the British rule ?

- (i) High Birth Rate
(ii) Low Death Rate
(iii) Low Infant Mortality Rate
(iv) High life expectancy
(a) (i) and (iii)
(b) (i) and (ii)
(c) (i), (ii) and (iii)
(d) (ii), (iii) and (iv)

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

27. Which of the following is not true for small scale industries?
- SSI is capital intensive and therefore, increases productivity.
 - SSI is labour intensive and therefore, employment oriented.
 - SSI shows locational flexibility and is therefore, equality oriented.
 - SSI needs small investment and is therefore, equity oriented.

Short Answer Questions (Q28 to Q29)

3 × 2 = 6

28. “Subsidies were needed to encourage farmers.” Discuss the importance of subsidies in relevance to the Indian farmers.

or

“Small scale and cottage industries are important in the development of Indian economy.” Elaborate.

29. Interpret the given picture on account of World Trade Organisation (WTO).



Short Answer Questions (Q30 to Q32)

4 × 3 = 12

30. Answer the following questions on the basis of the following data:
- Comment upon the People Below Poverty line among the three countries.
 - Comment upon the percentage of Undernourished Children among China and Pakistan.

Country	People Below Poverty Line (%)	Undernourished Children (%)
India	37	39
China	32	9
Pakistan	44	45

31. Elaborate any four positive contributions made by Britishers in India.

or

Throw light on the ‘economic drain’ during the colonial period.

32. Discuss the importance of credit in rural development.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Long Answer Questions (Q33 to Q34)**6 × 2 = 12**

33. Elucidate the function of Pollution Control Board in India to address the environmental concerns in India.

or

- (a) Give any three causes of backwardness of Indian agriculture.
- (b) Give any three challenges facing Indian education system.

34. Read the following text carefully and answer the given questions on the basis of the same and common understanding:

Blessed with a varying climate and soil conditions, India has adopted growing of diverse horticultural crops such as fruits, vegetables, tuber crops, flowers, medicinal and aromatic plants, spices and plantation crops. These crops play a vital role in providing food and nutrition, besides addressing employment concerns. Horticulture sector contributes nearly one-third of the value of agriculture output and six per cent of Gross Domestic Product of India. India has emerged as a world leader in producing a variety of fruits like mangoes, bananas, coconuts, cashew nuts and a number of spices and is the second largest producer of fruits and vegetables. Economic condition of many farmers engaged in horticulture has improved and it has become a means of improving livelihood for many unprivileged classes. Flower harvesting, nursery maintenance, hybrid seed production and tissue culture, propagation of fruits and flowers and food processing are highly remunerative employment options for women in rural areas.

- (a) Differentiate how the term ‘Golden Revolution’ is different from ‘Green Revolution’?
- (b) How horticulture as an alternative source of employment improves the economic condition of farmers?

□□□□□□

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Sample Paper 13
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. Read the given news taken from the article “Currency caution: On the Indian rupee’s depreciation” published in The Hindu on 23rd July, 2022.
“The Indian rupee is experiencing its worst slump in four years. Since the start of 2022, the currency has depreciated by more than 7% against the U.S. dollar, weakening past a historic low of 80 to a dollar mark earlier this week.”
In layman terms, which of the following is the reason for depreciation of Indian rupee?
(a) Increase in supply of US dollar and decrease in demand of US dollar
(b) Decrease in both demand and supply of US dollar
(c) Increase in demand of US dollar and decrease in supply of US dollar
(d) Increase in both demand and supply of US dollar
2. Statement I: Government raises money through sale of treasury bills and other securities.
Statement II :Treasury bills are considered as risk free and the return so achieved are referred as risk free rate of return.
In the light of the given statements, choose the correct alternative from the following
(a) Both statements are true
(b) Both statements are false
(c) Statement I is true and Statement II is false
(d) Statement I is false and Statement II is true
3. Demand deposits include _____ and _____
(i) saving account deposits (ii) fixed deposits
(iii) current account deposits (iv) post office savings
Codes
(a) (i) and (iii) (b) (i) and (ii)
(c) (i) and (iv) (d) (ii) and (iii)
4. Assertion : During periods of economic downturn, central bank raises cash reserve ratio as a monetary policy tool to stabilise the economy.
Reason : This in turn will increase the credit creation power of the commercial banks and thus reduces the level of AD in an economy.
In the light of the given statements, choose the correct alternative from the following
(a) Assertion is true, but Reason is false.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (b) Assertion is false, but Reason is true.
 (c) Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
 (d) Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.

5. The figure given below represents one of the important features of the barter system. Identify.



- (a) Unit of account
 (b) Store of value
 (c) Double coincidence of wants
 (d) None of the above
6. If utensils worth ₹ 100 are produced with steel worth ₹ 50, wages paid are ₹ 10, depreciation of machinery is ₹ 0 and other material purchased is ₹ 10, then the value added in the process is
 (a) ₹ 100
 (b) ₹ 10
 (c) ₹ 40
 (d) ₹ 50
7. Suppose in a hypothetical economy, the income rises from ₹ 500 crores to ₹ 600 crores. As a result, the consumption expenditure rises from ₹ 400 crores to ₹ 500 crores. Marginal propensity to consume in such a case would be _____
 (a) 1.0
 (b) 0.6
 (c) 0.8
 (d) 0.4
8. Find the missing figures and choose the correct alternative.

Income (Y)	Consumption (C)	Saving (S)	APS (Average Propensity to Save)
0	300	-300	—
200	350	-150	...(i)...
400	400	...(iii)...	0
600	...(iii)...	150	(iv)

Alternatives

- (a) -0.75, 0, 400, 0.25
 (b) -0.75, 0, 450, 0.25
 (c) -0.5, 0, 350, 0.25
 (d) -0.5, 0, 350, 0.75
9. The impact of 'excess demand' under Keynesian theory of income and employment, in an economy will be
 (a) decrease in income, output, employment and general price level
 (b) decrease in nominal income, but no change in real output
 (c) increase in income, output, employment and general price level
 (d) no change in output/employment but increase in general price level

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

10. Given the saving function $S = -20 + 0.2Y$ and autonomous investment (I) = ₹ 100 million, the equilibrium level of consumption would be
- 700
 - 400
 - 500
 - 600

Short Answer Questions (Q11 to Q12)**3 × 2 = 6**

11. Find Net Value Added at Market Price.

	Items	(in lakhs)
(i)	Fixed Capital Good with a Life Span of 5 Years	30
(ii)	Raw Materials	12
(iii)	Sales	50
(iv)	Net Change-in-stock	(-) 4
(v)	Taxes on Production	2

12. Explain any three major functions of foreign exchange market.

or

State on which side of capital account/ current account will the following transactions be recorded and why?

- Interest on loan received from Nepal
- Import of mobile phones from China

Short Answer Questions (Q13 to Q15)**4 × 3 = 12**

13. As per the following news published in The Wire on 18th May, 2021
 “The biggest toll of the COVID-19 second wave is in terms of a demand shock - loss of mobility, discretionary spending and employment, besides inventory accumulation, while the aggregate supply is less impacted”.
 In light of the above statement, explain the economic implications of an increase in government expenditure when the economy is in a state of depression.
14. The saving function of an economy is given as
 $S = -250 + 0.25Y$
 If the planned investment is ₹ 100 crores, calculate the following
- Equilibrium level of income in the economy.
 - Aggregate demand at income of ₹ 300 crores.

15. Giving a numerical example, explain the process of money creation by the commercial banks.

or

Government of India has launched ‘Jan-Dhan Yojana’ aimed at every household to have atleast one bank account due to which credit creation capacity of banks has expanded manifold. Comment.

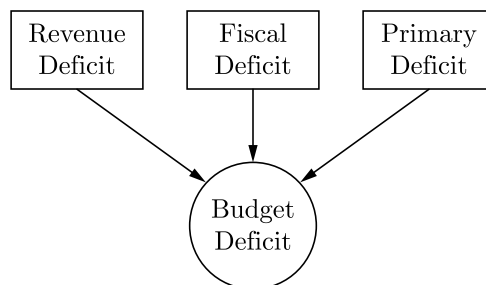
Long Answer Questions (Q16 to Q17)**6 × 2 = 12**

16. (i) Explain how Non-monetary exchanges’ act as a limitation in taking GDP as an index of welfare.
 (ii) Explain the treatment assigned to the following while estimating national income. Give reasons.
- Family members working free on the farm owned by the family
 - Rent free house from an employer

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

17. (i) In light of the given figure, explain in simple terms the meaning of revenue, fiscal and primary deficit.



- (ii) The government of a country is operating on 'Zero primary deficit' and also follows 'Re-allocation of resources as an objective of budget'. Explain the above two concepts.

or

- (i) Classify the following as revenue receipts and capital receipts. Justify your answer.
- Profit of public sector undertakings.
 - Market borrowing by the government.
 - Income from sale of its share in public sector undertakings.
- (ii) Distinguish between capital expenditure and revenue expenditure of the government, with suitable examples.

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. The environment performs four vital functions and the environment is able to perform these functions without any interruptions as long as the demand of these functions is within its carrying capacity.

In the given statement, 'carrying capacity' implies

- the resource extraction is not above the rate of regeneration.
- waste generated is beyond the absorptive capacity of the environment.
- the resource extraction is not below the rate of regeneration.
- the resource and the wastes generated are within the assimilating capacity of the environment.

Codes

- (i), (ii) and (iv)
 - Both (ii) and (iv)
 - Both (i) and (iv)
 - All of these
19. Which of the following is not true for small scale industries?
- SSI is capital intensive and therefore, increases productivity.
 - SSI is labour intensive and therefore, employment oriented.
 - SSI shows locational flexibility and is therefore, equality oriented.
 - SSI needs small investment and is therefore, equity oriented.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

20. Look at the picture given below and identify the policy, which lead to the lower population growth in china in 1970s.



- (a) Great Proletarian Cultural Revolution
(b) 1978 Reforms
(c) One Child Norm
(d) Great Leap Forward (GLF) campaign
21. Which of the following factors are not considered while constructing the HDI Index?
- (a) A good environment as measured by appropriate environment policies
(b) A decent standard of living as measured by GDP per capita
(c) Long and healthy life measured by life expectancy at birth
(d) Knowledge as measured by the adult literacy rate
22. Select the correct combination between the following columns
- | | Column I | | Column II |
|----|----------------|-------|--|
| A. | Trade Barriers | (i) | Reduction in the value of domestic currency in comparison to foreign currencies as a result of market forces |
| B. | Devaluation | (ii) | Tariff and Quota |
| C. | Depreciation | (iii) | Selling part of equity of PSEs to the public |
| D. | Disinvestment | (iv) | Deliberate downward adjustment of domestic currency with respect to foreign currencies |
- Codes
- | | | | | | |
|-----|-------|-------|------|------|-------------------------|
| | A | B | C | D | |
| (a) | (ii) | (iii) | (i) | (iv) | (b) (ii) (iv) (i) (iii) |
| (c) | (iii) | (i) | (iv) | (ii) | (d) (ii) (i) (iv) (iii) |
23. Statement I : There is a need to bridge the skill-gap in India in order to enhance human capital and bring about more productive labour force.
Statement II : Skills are tangible in nature and can be separated from its owner.
In the light of the given statements,. choose the correct alternative from the following
- (a) Both statements are true
(b) Both statements are false
(c) Statement I is true and Statement II is false
(d) Statement I is false and Statement II is true

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

24. Assertion : India, Pakistan and China have started planning their developmental strategies in the same way.
Reason : India, China and Pakistan have started working on their developmental plans at the same time.
In the light of the given statements, choose the correct alternative from the following
- (a) Assertion is true, but Reason is false.
 - (b) Assertion is false, but Reason is true.
 - (c) Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
 - (d) Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.
25. Which of the given reasons is incorrect with regard to the introduction of Economic reforms in 1991 in India?
- (a) Depletion of the foreign exchange reserves
 - (b) Persistent level of unemployment and poverty
 - (c) A high level of fiscal deficit
 - (d) Inflationary pressures
26. _____ institutions(s) is/are part of formal sector lending in rural banking.
- (a) Commercial banks
 - (b) Regional rural banks
 - (c) Cooperative societies
 - (d) All of the above
27. The economic reforms under the New Economic Policy of 1991 were made so that _____
- (a) The public would drive the economy towards growth and development.
 - (b) Market forces would drive the economy towards growth and development.
 - (c) The government would drive the economy towards growth and development.
 - (d) None of the above

Short Answer Questions (Q28 to Q29)**3 × 2 = 6**

28. Interpret the given picture and suggest any two traditional methods for replacement of the chemical pesticides.



29. “In recent times, the Indian economy has experienced the problem of casualisation of the workforce. This problem has only been aggravated by the outbreak of COVID-19.”
Do you agree with the given statement? Discuss any two disadvantages of casualisation of the workforce in the light of the above statement.

or**Click the Following Button to See the Free MS/Solutions****SOLUTIONS**

“The Prime Minister urged to increase the rural income by increasing non-farm activities.”

Explain how non-farm activities can lead to rise in income of people in rural sector.

Short Answer Questions (Q30 to Q32)

4 × 3 = 12

30. State whether the following statements are true/false, with valid arguments
- Literacy rate in India have increased but so has the absolute number of illiterates.
 - Regional disparities in India are high and have been rising in recent years.

31. (i) Why are less women found in regular salaried employment? Give any one reason.
(ii) Analyse the recent trends in sectoral distribution of workforce in India

Trends in Employment Pattern (sector-wise),

1993 – 2012 (in %)

Sector	1993 – 94	1999 – 2000	2011 – 2012
Primary	64	60.4	48.9
Secondary	16	15.8	24.3
Service	20	23.8	26.8

32. “India is often called as outsourcing destination of the world.” Discuss the prime reasons for this name given to India.

or

State the meaning of import substitution.

Explain how import substitution can protect the domestic industries.

Long Answer Questions (Q33 to Q34)

6 × 2 = 12

33. (i) Discuss briefly, the rationale behind “equity with growth” as planning objectives for Indian economy.
(ii) “Institutional reforms such as land reforms has played a significant role in transforming Indian agriculture.”
Defend or refute the given statement with valid reason.

or

- State any two positive contributions made by the British in India.
- Comment upon any two salient features of demographic conditions of India on the eve of Independence.
- What was the two-fold motive behind the systematic de-industrialisation effected by the British in pre-independent India?

34. Sino-Pak Friendship Corridor

The China-Pakistan Economic Corridor (CPEC) has deepened the decades-long strategic relationship between the two nations.

But it has also sparked criticism for burdening Pakistan with mountains of debt and allowing China to use its, debt-trap diplomacy to gain access to strategic assets of Pakistan. The foundations of CPEC, part of China’s Belt and Road Initiative, were laid in May, 2013. At the time, Pakistan was reeling under weak economic growth. China committed to play an integral role in supporting Pakistan’s economy.

Pakistan and China have a strategic relationship that goes back decades. Pakistan turned to China at a time when it needed a rapid increase in external financing to meet critical investments in hard infrastructure, particularly power plants and highways. CPEC’s early harvest projects met this need, leading to a dramatic increase in Pakistan’s

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

power generation capacity, bringing an end to supply-side constraints that had made rolling blackouts a regular occurrence across the country.

Pakistan leaned into CPEC, leveraging Chinese financing and technical assistance in an attempt to end power shortages that had paralysed its country's economy. Years later, China's influence in Pakistan has increased at an unimaginable pace.

China as Pakistan's Largest Bilateral Creditor China's ability to exert influence on Pakistan's economy has grown substantially in recent years, mainly due to the fact that Beijing is now Islamabad's largest creditor. According to documents released by Pakistan's finance ministry, Pakistan's total public and publicly guaranteed external debt stood at \$ 44.35 billion in June 2013, just 9.3 percent of which was owed to China. By April 2021, this external debt had ballooned to \$ 90.12 billion, with Pakistan owing 27.4 percent – \$ 24.7 billion – of its total external debt to China, according to the International Monetary Fund (IMF).

Additionally, China provided financial and technical expertise to help Pakistan build its road infrastructure, expanding North-South connectivity to improve the efficiency of moving goods from Karachi all the way to Gilgit-Baltistan (POK). These investments were critical in better integrating the country's ports, especially Karachi, with urban centers in Punjab and Khyber-Pakhtunkhwa provinces.

Despite power asymmetries between China and Pakistan, the latter still has tremendous agency in determining its own policies, even if such policies come at the expense of the long-term socio-economic welfare of Pakistani citizens.

- (i) Outline and discuss any two economic advantages of China Pakistan Economic Corridor (CPEC) accruing to the economy of Pakistan.
- (ii) Analyse the implication of bilateral 'debt-trap' situation of Pakistan vis-a-vis the Chinese economy.

□□□□□□

Sample Paper 14
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. “Exchange rate between US dollar and Indian rupees have changed several times in last couple of years. As per a given data, Rupee-Dollar exchange rate was 71.49 in November 2020 and changed to 72.82 in January 2021.” This leads to which of the following situations?
(a) Decrease in exports from India
(b) Increase in exports from India
(c) Increase in exports from USA
(d) Both (a) and (c)
2. Assertion : The value of marginal propensity to consume can be greater than one.
Reason : The value of marginal propensity to save can be negative as well.
In the light of the given statements, choose the correct alternative from the following
(a) Assertion is true, but Reason is false
(b) Assertion is false, but Reason is true
(c) Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
(d) Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.
3. As a custodian of nation’s reserves, RBI keeps
(a) reserves of foreign treasury bills
(b) reserves of foreign currencies
(c) reserves of gold
(d) All of the above
4. The image given below is indicating which type of exchange rate regime?



Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (a) Fixed exchange rate
(b) Floating exchange rate
(c) Managed floating exchange rate
(d) None of the above
5. “Household and firms are planning to purchase less than what producers are planning to supply”. The possible reason for this situation could be _____.
(a) Aggregate demand = Aggregate supply (b) Aggregate demand > Aggregate supply
(c) Aggregate demand < Aggregate supply (d) None of the above
6. “During the outbreak of the second wave of Covid-19 in the country, India received medical equipments from many countries.” On which account and which side it will be recorded?
(a) Capital account, debit side (b) Current account, debit side
(c) Capital account, credit side (d) Current account, credit side
7. Statement I : SLR is increased to correct the situation of deflationary gap.
Statement II : Higher SLR increases credit creation capacity of commercial banks which in turn increases liquidity in the capital market.
In the light of the given statements, choose the correct alternative from the following
(a) Both statements are false (b) Both statements are true
(c) Statement I is true and Statement II is false (d) Statement I is false and Statement II is true
8. If gross domestic capital formation is ₹ 3,000, net domestic fixed capital formation is ₹ 2,000 and inventory investment is ₹ 150, what will be the value of consumption of fixed capital?
(a) ₹ 550 (b) ₹ 850
(c) ₹ 900 (d) Can't be determined
9. If the value of Average Propensity to Consume (APC) is 0.8 and National Income is ₹ 4,000 crores, the value of savings will be _____.
(a) ₹ 800 crores (b) ₹ 600 crores
(c) ₹ 200 crores (d) ₹ 700 crores
10. Find net value added at market price.

S.No.	Items	₹ (in crores)
(i)	Output sold (units)	800
(ii)	Price per unit of output	20
(iii)	Excise	1,600
(iv)	Import duty	400
(v)	Net change in stock	(-)500
(vi)	Depreciation	1,000
(vii)	Intermediate cost	8,000

- (a) ₹5,500 crore (b) ₹6,500 crore
(c) ₹7,500 crore (d) ₹8,500 crore

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Short Answer Questions (Q11 to Q12)**3 × 2 = 6**

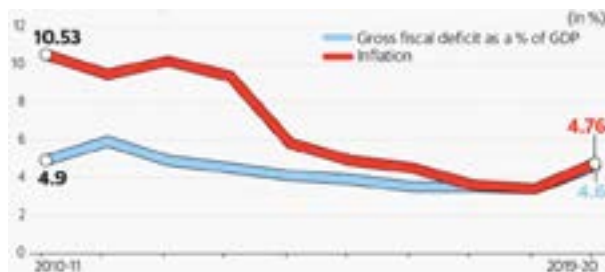
11. Suppose the GDP at market price of a country in a particular year was ₹ 2,200 crore. Net Factor Income from Abroad was ₹ 200 crore. The value of Indirect taxes – Subsidies was ₹ 300 crore and National Income was ₹ 1700 crore. Calculate the aggregate value of depreciation.
12. Name the broad categories of transactions recorded in the capital account of the balance of payments account.
or
Give the difference between devaluation and depreciation of domestic currency.

Short Answer Questions (Q13 to Q15)**4 × 3 = 12**

13. As per the following news published in The Economic Times on 13th April, 2020
“Monetary policy by itself may not be effective in mitigating the economic crisis created by the Covid pandemic in a demand deficient economy like India, according to MPC member Chetan Ghate who voted for only a 50 bps points cut in repo rate against a 75 bps reduction vote by the majority. Instead he called for wider structural reforms along with tax stimulus for the revival of the economy from the Covid induced slowdown.”
In the light of the above statement, give the meaning of deficient demand. What fiscal measures would you recommend to the Govt to correct the situation of deficient demand?
14. If the ratio of marginal propensity to consume and marginal propensity to save is 3 : 1, the value of investment multiplier will be 5. True or false? Justify your answer.
15. “Managing the government’s banking transactions is a key RBI role. Like individuals, businesses and banks, governments need a banker to carry out their financial transactions in an efficient and effective manner, including the raising of resources from the public.”
In the light of the above statement, explain the function performed by the Central Bank.
or
Currency is issued by the Central Bank, yet we say that commercial banks create money. Explain. How is this money creation by commercial banks likely to affect the national income? Explain.

Long Answer Questions (Q16 to Q17)**6 × 2 = 12**

16. (i) Social welfare may not increase even when real GDP increases. Explain.
(ii) Define the problem of double counting in the estimation of national income. Discuss two approaches to correct the problem of double counting.
17. (i) In light of the given figure, explain how fiscal deficit has a bearing on inflationary woes?

**Click the Following Button to See the Free MS/Solutions****SOLUTIONS**

Source Economic survey and CGA; RBI

(ii) State any three objectives of government budget.

or

(i) Is the following, a revenue receipt or a capital receipt in the context of government budget and why?

(a) Tax receipt

(b) Disinvestment

(ii) Can a fiscal deficit occur without a revenue deficit?

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. “Colonial government systematically industrialised Indian handicraft”. What were the outcome of the same?

(i) Increase in unemployment

(ii) Increase in demand for British goods

(iii) Increase in demand for imports

Codes

(a) (i) and (ii)

(b) (ii) and (iii)

(c) (i) and (iii)

(d) (i), (ii) and (iii)

19. Statement I Pakistan is ahead of India in providing improved sanitation facilities.

Statement II China ranks ahead in terms of development experience with respect to India and Pakistan.

In the light of the given statements, choose the correct alternative from the following

(a) Both statements are true

(b) Both statements are false

(c) Statement I is false and Statement II is true

(d) Statement I is true and Statement II is false

20. Assertion (A) China has done better than India and Pakistan, as it is a socialist economy.

Reason (R) In socialism, government can implement policies which are in interest of the people.

In the light of the given statements, choose the correct alternative from the following

(a) Assertion is true, but Reason is false

(b) Assertion is false, but Reason is true

(c) Both Assertion and Reason are true and Reason is the correct explanation of Assertion.

(d) Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.

21. Co-operative marketing societies have faced a downfall in the recent years. Identify which of the following was not a reason behind its downfall?

(a) Lack of co-ordination between processing and marketing societies.

(b) Inefficient financial management

(c) Inadequate coverage of all the members

(d) Intervention of the government is most essential

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

22. Match the following :

	Column I		Column II
A.	Economic Development in China	(i)	Mao
B.	India's new Development Policy	(ii)	China
C.	The Great Leap Forward	(iii)	1978
D.	Commune	(iv)	1991

Codes

A B C D

(a) (i) (ii) (iii) (iv)

(c) (iii) (iv) (i) (ii)

(b) (ii) (i) (iv) (iii)

(d) (iv) (ii) (i) (iii)

23. What was the treatment given by the indigo planters to the peasants?

- (a) Advancement of loans at a lower rate of Interest
- (b) Peasants voluntarily agreed with the indigo planters to produce indigo
- (c) They were paid low prices for growing indigo
- (d) They were given support measures on how to grow indigo along with a piece of land

24. Match 'labour force' with the appropriate item from amongst the following.

- (a) Employed + Unemployed
- (b) Work force
- (c) All educated
- (d) All rural workers

25. Environment has many resources for us. A resource that can be totally replaced or is always available naturally, or that is practically inexhaustible is known as _____.

- (a) non-renewable resource
- (b) conventional resource
- (c) non-conventional resource
- (d) renewable resource

26. Marketed surplus refers to _____.

- (a) portion of industrial produce sold in the market
- (b) sale of consumer goods in the domestic market
- (c) a certain proportion of both industrial and domestic produce sold in the market
- (d) portion of agricultural produce sold in the market by farmers

27. The correct sequence explaining the commencement of five year plans in chronological order is _____.

- (a) China, India and Pakistan
- (b) India, China and Pakistan
- (c) India, Pakistan and China
- (d) Pakistan, China and India

Short Answer Questions (Q28 to Q29)

3 × 2 = 6

28. Explain how health and expenditure on information are a source of human capital formation?

or

Compared to women, more men are found working in India. It has been observed that for every 100 urban

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

females, only about 15 work.

In rural areas, for every 100 rural women, only about 25 work. Why are women not working? Give any three reasons.

or

Explain how health and expenditure on information are a source of human capital formation?

29. In light of the given figure, give the meaning of sustainable development and list any four strategies towards sustainable development in India.



Short Answer Questions (Q30 to Q32)

4 × 3 = 12

30. State whether the following statements are true or false, with valid argument
- Private moneylenders are being replaced by institutional source of credit.
 - 'Economic growth' and 'Economic Development' means on end the same.
31. Compare and analyse the given data of India and China with valid arguments.

Annual Growth of Gross Domestic
Product (%), 1980-2017

Country	1980-90	2015-2017
India	5.7	7.3
China	10.3	6.8

Source Key Indicators for Asia and Pacific 2016, Asian Development Bank, Philippines; World Development Indicators, 2018.

32. Agricultural sector appears to be adversely affected by the reform process. Why?

or

- What were the objectives behind demonetisation?
- Import restrictions were imposed in India with the dual objective to save foreign exchange reserves and to be self-sufficient. Justify the given statement with valid arguments.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Long Answer Questions (Q33 to Q34)**6 × 2 = 12**

33. (i) The Education Commission in 1966, had recommended that at least 6% of GDP should be spent on education in India. However, even after 50 years of such a recommendation, the government continues to spend 3-4% of GDP on education.

How has this affected the education sector in India? What value stands violated by the Central Government?

- (ii) “Unemployment is related to poverty.” Comment.

or

- (i) What do you mean by agricultural marketing?
- (ii) State the meaning of subsidy.
- (iii) Agricultural marketing refers to the farmers’ act of bringing their produce to the market for sale’. Is the statement correct?
34. Read the following text carefully and answer the given questions on the basis of the same and common understanding
- In the late 1980s, government expenditure began to exceed its revenue by such large margins that meeting the expenditure through borrowings became unsustainable. Prices of many essential goods rose sharply. Imports grew at a very high rate without matching growth of exports. Foreign exchange reserves declined to a level that was not adequate to finance imports for more than two weeks. There was also not sufficient foreign exchange to pay the interest that needs to be paid to international lenders. Also, no country or international funder was willing to lend to India.
- India approached to World Bank and the International Monetary Fund (IMF), and received \$7 billion a loan to manage the crisis. India agreed to the conditionalities of World Bank and IMF and announced to New Economic Policy (NEP).
- This new set of policy measures changed the direction of our development strategies.
- (i) What does the New Economic Policy of 1991 means in context of the Indian economy? Enlist some reasons for its introduction?
- (ii) “IMF and World Bank granted \$7 billion loan to India with a major restriction to follow a closed economy model.” Do you agree with the given statement? Justify

□□□□□□

Sample Paper 15
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

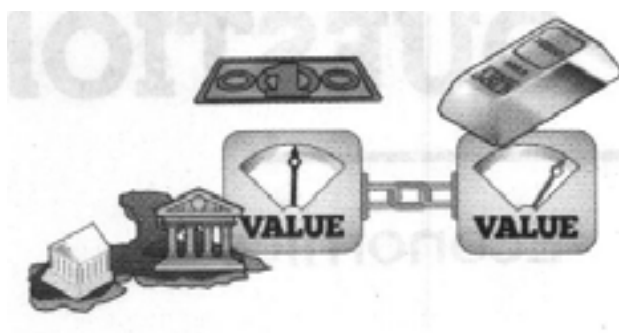
1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. “India is likely to substantially top up the allocation for ongoing Production-Linked Incentive (PLI) schemes in the 1st February budget after seeing good results, said people with knowledge of the matter. Some new sectors may be included in the programme that seeks to reignite manufacturing in India and boost exports, along with other measures to spur investments,” said the ET report.
Which of the following objectives of the budget is shown in above news article?
(a) Reducing inequality of income and wealth (b) Reallocation of resources
(c) Economic growth (d) Economic stability
2. The image given below is indicating which type of exchange rate regime?



- (a) Fixed exchange rate
- (b) Floating exchange rate
- (c) Managed floating exchange rate
- (d) None of the above

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

3. “Household and firms are planning to purchase less than what producers are planning to supply”. The possible reason for this situation could be _____.
 (a) Aggregate demand = Aggregate supply
 (b) Aggregate demand > Aggregate supply
 (c) Aggregate demand < Aggregate supply
 (d) None of the above
4. Identify which of the following bank does not interact directly with the general public?
 (a) Union Bank of India (b) State Bank of India
 (c) Reserve Bank of India (d) Bank of India
5. Assertion (A): Currency with public is the part of money supply in India.
 Reason (R): Money supply means money available with producers of money.
 In the light of the given statements, choose the correct alternative from the following:
 (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
 (b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 (c) Assertion (A) is false but Reason (R) is true
 (d) Assertion (A) is true but Reason (R) is false
6. Statement 1: State Bank of India acts as the lender of last resort in India.
 Statement 2: Reserve Bank of India is the central bank of India.
 In the light of the given statements, choose the correct alternative from the following:
 (a) Statement 1 is false and statement 2 is true (b) Statement 1 is true and statement 2 is false
 (c) Both statements 1 and 2 are false (d) Both statements 1 and 2 are true
7. A company located in India receives a loan from a company located abroad. How is this transaction recorded in India's Balance of Payments Account?
 (a) Debit side of the current account (b) Credit side of the capital account
 (c) Credit side of the current account (d) Debit side of the capital account

8. What is the net domestic product at factor cost ?

Items	₹ (in lakhs)
Interest	700
Compensation of employees	3,000
Net indirect taxes	500
Rent and profit	700
Transfer payments by government	10

- (a) ₹4,300 crore (b) ₹4,400 crore
 (c) ₹4,500 crore (d) ₹4,600 crore
9. Foreign exchange transactions which are independent of other transactions in the Balance of Payments Account are called:
 (a) Capital transactions
 (b) Current transactions
 (c) Accommodating transactions
 (d) Autonomous transactions

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

10. Identify the correct pair from the following Column I and Column II:

	Column I		Column II
A.	Expenditure on collection of taxes	(i)	Capital expenditure
B.	Expenditure on scholarships	(ii)	Revenue expenditure
C.	Expenditure on purchasing computers	(iii)	Revenue expenditure
D.	Expenditure on building a bridge	(iv)	Revenue expenditure

Alternatives:

(a) D - (iv)

(b) C - (iii)

(c) B - (ii)

(d) A - (i)

Short Answer Questions (Q11 to Q12)

$3 \times 2 = 6$

11. Calculate 'value of output' from the following data:

		(₹ in lakhs)
(i)	Net value added at factor cost	100
(ii)	Intermediate consumption	75
(iii)	Excise duty	20
(iv)	Subsidy	5
(v)	Consumption of fixed capital	10

12. Distinguish between devaluation and depreciation of domestic currency.

or

How does giving incentives for exports influence foreign exchange rate? Explain.

Short Answer Questions (Q13 to Q15)

$4 \times 3 = 12$

13. Explain how the following measures can be used to correct the excess demand situation?

(a) Bank Rate

(b) Cash Reserve Ratio

or

What is marginal propensity to consume? How is it related to marginal propensity to save?

14. Explain the equilibrium level of national income with the help of Saving and Investment Curves.

15. Explain all the changes that will take place in an economy when aggregate demand is not equal to aggregate supply.

Ans :

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Long Answer Questions (Q16 to Q17)**6 × 2 = 12**

16. Calculate (a) GDP at market price (b) GNP at factor cost from the following data.

	(₹ in crores)	
(i)	Intermediate consumption	
	(a) Primary Sector	500
	(b) Secondary Sector	400
	(c) Tertiary Sector	300
(ii)	Value of output:	
	(a) Primary Sector	1000
	(b) Secondary Sector	900
	(c) Tertiary Sector	70
(iii)	Compensation of employees	400
(iv)	Net factor income from abroad	(—)20
(v)	Consumption of fixed capital	40
(vi)	Net indirect taxes	10
(vii)	Net current transfers to abroad	(—)15

or

- (a) Find net national product at market price:

	(₹ Crores)	
(i)	Personal taxes	200
(ii)	Wage and salaries	1,200
(iii)	Undistributed profit	50
(iv)	Rent	300
(v)	Corporation tax	200
(vi)	Private income	2,000
(vii)	Interest	400
(viii)	Net indirect tax	300
(ix)	Net factor income to abroad	20
(x)	Profit	500
(xi)	Social security contributions by employers	250

- (b) Find net value added at market price:

	(₹ Lakhs)	
(i)	Fixed capital good with a life span of 5 years	15
(ii)	Raw materials	6
(iii)	Sales	25
(iv)	Net change in stock	(—)2
(v)	Taxes on production	1

17. Giving reasons, categorise the following into revenue and capital expenditure.

- | | |
|------------------------|---------------------------------------|
| (a) Subsidies | (b) Grants given to state governments |
| (c) Repayment of loans | (d) Construction of school building |

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. Consider the following statements with regard to external sector reforms and mark the correct combination.
- (i) It falls under the category of liberalisation.
 - (ii) Liberalisation of foreign trade policy was a major reform undertaken.
 - (iii) Devaluation of Indian rupee was another major reform.
- Codes
- (a) Only (i)
 - (b) (i) and (ii)
 - (c) All of the above
 - (d) None of the above
19. _____ refers to the stock of skills, ability, expertise, education and knowledge of a nation at a particular point of time.
- (a) Human knowledge
 - (b) Human capital
 - (c) Human development
 - (d) None of the above
20. In search of better employment opportunities, there has been a migration of agricultural workers from rural to urban areas which in turn poses serious demographic challenges in cities. Which of the following statements is incorrect regarding the nature of such challenges?
- (a) Waste-disposal problems
 - (b) Insufficient water facility
 - (c) High energy consumption as exacerbated by increasing population density
 - (d) Getting a highly paid skilled job
21. Identify the correct pair from the following Column I and Column II and choose the correct alternative:
- | | Column I | | Column II |
|----|--------------------------|-------|--|
| A. | Self-employed workers | (i) | Own and operate a business to earn their livelihood. |
| B. | Casual wage workers | (ii) | They are not hired on permanent basis. |
| C. | Regular salaried workers | (iii) | They get wages on casual basis. |
| D. | Formal sector workers | (iv) | They work only in private sector |
- (a) C - (iii)
 - (b) D - (iv)
 - (c) A - (i)
 - (d) B - (ii)
22. _____ refers to the stock of skill, ability, expertise, education and knowledge embodied in the people.
- (a) Human capital
 - (b) Human resource
 - (c) Physical capital
 - (d) None of these

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

23. Observe the given figure carefully and answer the question that follows:



Wagah Border is not only a tourist place but also used for trade between _____ and _____.

- (a) India; Pakistan (b) India; China
(c) India; Russia (d) China; Pakistan
24. Statement 1: Organic farming is helpful in off-season crops.
Statement 2: Organic farming helps in sustainable development.
In the light of the given statements, choose the correct alternative from the following:
(a) Statement 1 is false and statement 2 is true (b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false (d) Both statements 1 and 2 are true
25. Arrange the following events of China in chronological order and choose the correct alternative:
(i) Special Economic Zones (ii) Great Proletarian Cultural Revolution
(iii) Commune System (iv) Establishment of People's Republic of China
Choose the correct alternative:
(a) (iv), (i), (ii), (iii) (b) (iv), (iii), (ii), (i)
(c) (ii), (iv), (iii), (i) (d) (ii), (iv), (i), (iii)
26. Along with the World Bank and _____, WTO is the third economic pillar of worldwide dimensions.
(a) International Monetary Fund (IMF) (b) International Economic Association (IEA)
(c) International Funding organisation (IFO) (d) International Development Bank (IDB)
27. Assertion (A): All the three countries have started planning their development strategies in similar ways. India announced its first five-year plan in 1951, Pakistan announced in 1956, and China announced in 1953.
Reason (R): Till 1980s, all three countries had similar growth rates and per capita incomes.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Short Answer Questions (Q28 to Q29)**3 × 2 = 6**

28. “The government should continue with agricultural subsidies.” Do you agree? Give reason in support of your answer.

or

“Globalisation has produced some negative results for India.” Explain.

29. Elaborate one hurdle faced by the land ceiling legislation.

Short Answer Questions (Q30 to Q32)**4 × 3 = 12**

30. “Inward looking trade strategy’ adopted by India in the first seven plans basically aimed at substituting imports with domestic products.” Discuss.

31. Give any three benefits of solar power.

or

Mention any three limitations of organic farming.

32. “Existence of widespread unemployment in India is the cumulative result of many causes.” Explain any four main causes of unemployment in India.

Long Answer Questions (Q33 to Q34)**6 × 2 = 12**

33. What is rural development? “Co-operative marketing is considered as the third aspect of government initiative.” Explain.

or

Analyse the distribution of workforce by the industrial sectors in India.

34. Read the following text carefully and answer the given questions on the basis of the same and common understanding:

The reform and open-door policy of China began with the adoption of a new economic development strategy at the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party (CCPCC) in late 1978. Under the leadership of Deng Xiaoping, the Chinese government began to pursue an open-door policy, in which it adopted a stance to achieve economic growth through the active introduction of foreign capital and technology while maintaining its commitment to socialism. The obvious aim of this policy shift was to rebuild its economy and society that were devastated by the Cultural Revolution. The government subsequently established a number of areas for foreign investment, including the special economic zones, open coastal cities, the economic and technology development zones, the delta open zones, the peninsula open zones, the open border cities, and the high-tech industrial development zones. The establishment of these zones provided the trigger for massive inflows of foreign investment, primarily from companies in Hong Kong and Taiwan. At the same time, China promoted its socialist market economy concept. The changes brought an entrepreneurial boom that resulted in the emergence of huge numbers of entrepreneurs and venture businesses within China.

(a) What was open-door policy? Why was it initiated in China?

(b) How did the policy of open-door helped Chinese economy? Also, name the areas established by the Chinese government for foreign investment.

□□□□□□

Click the Following Button to See the Free MS/Solutions**SOLUTIONS**

Sample Paper 16
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

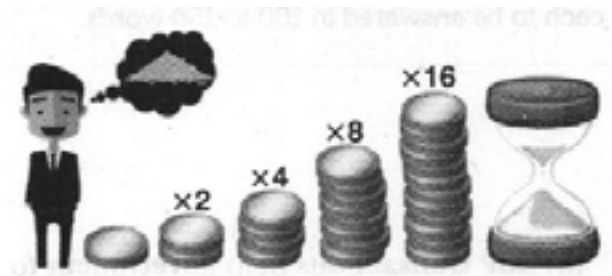
1. This question paper contains two sections:
 Section A – Macro Economics
 Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. “Indian government initiated many schemes to attract foreign investment”. Which of the following statements is correct from below?
(a) It leads to rightward shift in supply curve of foreign exchange
(b) It leads to leftward shift in supply curve foreign exchange
(c) It leads to rightward shift in demand curve of foreign exchange
(d) It leads to leftward shift in demand curve of foreign exchange
2. “Money is an asset which can be used for making future payment.” In the light of given statement, identify the function of money.
(a) A measure of value
(b) A standard of deferred payment
(c) A store of values
(d) A medium of exchange
3. Observe the image given below carefully and identify the value of investment multiplier from the same.



- | | |
|-------|-------------------|
| (a) 2 | (b) 4 |
| (c) 8 | (d) None of these |

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

4. In an economy, investment increases by ₹ 100 crore. As a result, income increases by ₹ 250 crore and the value of multiplier calculated as 2.5. On the basis of the multiplier calculated, find out the change in income, if investment changes by ₹ 750 crore.
- (a) ₹ 1,445 crore (b) ₹ 1,656 crore
(c) ₹ 1,875 crore (d) None of these
5. Assertion (A): Government should reduce subsidies to curb revenue deficit.
Reason (R): Providing subsidies on a LPG cylinder is a part of revenue expenditure.
In the light of the given statements, choose the correct alternative from the following:
- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false
6. Statement 1: The Goods and Services Tax (GST) is a direct tax.
Statement 2: Direct tax is called direct tax because it is collected from the buyers of goods.
In the light of the given statements, choose the correct alternative from the following:
- (a) Statement 1 is false and statement 2 is true (b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false (d) Both statements 1 and 2 are true
7. Identify the correct pair from the following Column I and Column II:

	Column I		Column II
A.	Indian investors borrowing from abroad	(i)	Current account of the BoP
B.	Indian investors leading abroad	(ii)	Capital account of the BoP
C.	Foreign investment in India	(iii)	Current account of the BoP on the credit side
D.	Transfers from and to abroad	(iv)	Capital account of the BoP

Alternatives:

- (a) C - (iii) (c) A - (i)
(b) D - (iv) (d) B - (ii)
8. Complete the following table
- | Producer | Value of Output | Intermediate Consumption | Value Added |
|---------------|-----------------|--------------------------|-------------|
| Farmer | 2,000 | — | 2,000 |
| Baker | ...(i)... | 2,000 | 2,000 |
| Retail Seller | 4,400 | ...(iii)... | 400 |
| Total | ...(ii)... | 6,000 | ...(iv)... |
- (a) 400, 10,400, 4,000, 4,000 (b) 4,000, 10,400, 4,000, 4,400
(c) 2,000, 6,000, 6,000, 4,400 (d) 4,000, 10,400, 6,000, 4,000
9. Dividends received from Public Sector Undertakings (PSUs) are a part of the government's _____.
(a) Capital receipts (b) Capital expenditure
(c) Tax receipts (d) Non-tax revenue receipts

10. Balance of Trade refers to balance of export and import of:

- (a) Invisible items (b) Visible items
(c) Neither (a) nor (b) (d) Both (a) and (b)

Short Answer Questions (Q11 to Q12)

3 × 2 = 6

11. The nominal GDP of a country is ₹180 crores and price index is 120. Find the real GDP.

12. Why does the demand for foreign currency falls and supply rises, when its price rises? Explain.

or

State the components of the current account of balance of payments account.

Short Answer Questions (Q13 to Q15)

4 × 3 = 12

13. What is the sum of expenditure on consumption and investment in an economy called? State its components.

or

Define 'APC'. Among APC and MPC, whose value can be zero and why? Explain.

14. Giving reasons, state whether the following statements are true or false:

- (a) There is an inverse relationship between the value of marginal propensity to save and investment multiplier.
(b) When the value of average propensity to save is negative, the value of marginal propensity to save will also be negative.

15. Explain the role of Open Market Operations in reducing deflationary gap.

Long Answer Questions (Q16 to Q17)

6 × 2 = 12

16. (a) Calculate GDP_{MP} from the given data:

(₹ in crores)		
(i)	Net factor income to abroad	10
(ii)	Indirect tax	240
(iii)	Net exports	40
(iv)	Private final consumption expenditure	1200
(v)	Consumption of fixed capital	70
(vi)	Opening stock	20
(vii)	Closing stock	10
(viii)	Net current transfers to abroad	(—) 30
(ix)	Subsidies	40
(x)	Net domestic capital formation	220
(xi)	Government final consumption expenditure	200

(b) Explain how shall the payment of electricity bill by a school be treated while estimating National Income.

or

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

(a) Calculate 'Net domestic Product at Factor Cost' from the given data:

(₹ in crores)		
(i)	Net factor income to abroad	30
(ii)	Sales	2000
(iii)	Subsidies	20
(iv)	Consumption of fixed capital	50
(v)	Net current transfers to abroad	(—) 10
(vi)	Closing stocks	100
(vii)	Opening stocks	200
(viii)	Intermediate costs	1000
(ix)	Indirect tax	150

(b) What treatment is assigned to the 'Payment of Interest on borrowings' by general government.

17. Define Credit Multiplier. What role does it play in determining the credit creation power of the banking system? Use a numerical illustration to explain.

Section -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. 'China has performed exceedingly well in various health and economic indicators'. Identify which of the following is not a health indicator?
- (a) Infant mortality rate (per 1000 live births) (b) Life expectancy at birth (years)
- (c) Percentage of people below poverty line (national) (d) Maternal mortality rate (per 1 lakh births)
19. The shackles of agriculture during the colonial rule was permanently broken by the given revolution that resulted from the application of ____.
- (i) High Yielding varieties (HYV)
- (ii) mechanisation of agriculture
- (iii) chemical fertilisers and pesticides
- (iv) organic fertilisers and pesticides
- Codes
- (a) (i), (ii) and (iv) (b) (i), (ii) and (iii)
- (c) (ii), (iii) and (iv) (d) (i), (iii) and (iv)
20. Arrange the following events of India in chronological order and choose the correct alternative:
- (i) First Five Year Plan
- (ii) Pakistan was ahead of India in its growth of GDP.
- (iii) 29% of India's workforce was absorbed in the service sector.
- (iv) India became independent
- Choose the correct alternative:
- (a) (iv), (i), (iii), (ii)
- (b) (ii), (iv), (iii), (i)
- (c) (ii), (iv), (i), (iii)
- (d) (iv), (i), (ii), (iii)

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

21. Observe the given figure carefully and answer the question that follows:



Poultry has the ____ share of total livestock in India.

- (a) second largest (b) largest
(c) third largest (d) None of these
22. From the set of events/systems given in Column I and corresponding relevant fact given in Column II, choose the correct pair of statement:

	Column I		Column II
A.	Protection policy	(i)	Policy based on the notion that developing countries cannot compete with the developed countries so they should be protected.
B.	Tariff	(ii)	A subsidy on imports
C.	Quotas	(iii)	Specify the quantity of goods which can be exported.
D.	World Trade Organisation (WTO)	(iv)	Was founded in 1945, to establish a rule based trade regime

Alternatives:

- (a) D - (iv) (b) C - (iii)
(c) B - (ii) (d) A - (i)
23. The Eleventh Central Committee of the Communist Party of China shift its ideology from political movement to _____.
(a) self-sufficiency (b) human development
(c) economic development (d) None of these
24. Statement 1: Rural development is the process of social and economic growth of rural areas.
Statement 2: Agriculture credit means credit for farming.
In the light of the given statements, choose the correct alternative from the following:
(a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true

25. Assertion (A): In 1982, India adopted social banking approach.
Reason (R): Moneylenders were charging high rate of interest from poor people and manipulate their account.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false
26. _____ is the branch of agriculture which deals with breeding, rearing and caring of farm animals.
(a) Horticulture (b) Fisheries
(c) Pisciculture (d) Livestock farming
27. Workers who are on permanent pay-roll of their employer are called:
(a) Casual workers (b) Regular workers
(c) Self-employed workers (d) None of these

Short Answer Questions (Q28 to Q29)**3 × 2 = 6**

28. “During the British rule in India, India’s population witnessed the worsening profile of India’s population of the time”. Analyse the factors responsible for it.

or

Analyse the main causes of India’s agricultural stagnation during the colonial period?

29. Explain the policy of ‘land to the tiller’ and its benefits.

Short Answer Questions (Q30 to Q32)**4 × 3 = 12**

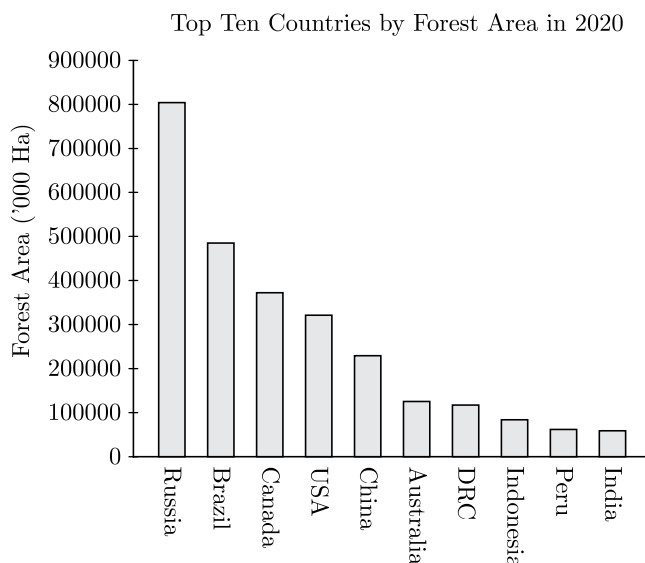
30. What is the need for diversification?

or

Explain the system of “Operation Flood”.

31. Distinguish between:
(a) Bilateral trade and Multilateral trade
(b) Tariff barriers and Non-tariff barriers

32. Interpret the result of forest area as per 2022.



Source: India State of Forest Report 2021

Note: DRC: Democratic Republic of the Congo

Long Answer Questions (Q33 to Q34)

6 × 2 = 12

33. Discuss how the use of Information Technology can help in rural development of India.

or

Give the four vital functions of environment - “the total planetary inheritance”.

34. Read the following text carefully and answer the given questions on the basis of the same and common understanding:

Pakistan adopted economic stabilisation and structural reform policies in 1988 in an effort to reduce domestic financial imbalances and external deficits. However, there have been problems with the implementation of these policies, in terms of consistency and sequencing. The period 1988-1996 was characterised by repeated attempts to stabilise the economy amid weak efforts at structural reforms. Since policy measures were not able to achieve their objectives, the Pakistan economy continued to be trapped in a vicious circle of poverty, low growth, low savings, and low investment, which further hampered growth and poverty alleviation.

Economic difficulties worsened as a financial crisis hit Pakistan at the end of May 1988. Reserves plummeted from \$1.2 billion to about \$0.6 billion, and default seemed imminent. The crisis was triggered by the country's testing of nuclear devices on 28 May 1998 amid threats of economic sanctions from the United States and other countries. Unjustifiably, fearing capital outflows, the government froze all foreign currency accounts. As a natural response, private sector remittances also practically ceased, cutting off about \$2.5 billion in inflows projected for that fiscal year. Commercial bank short-term lending to the government and State Bank of Pakistan (SBP) dropped drastically. Two sources of foreign exchange borrowing-official sources and private transfers-which had remained seemingly insensitive to changes in economic fundamentals, now due to political reasons (in the case of official inflows) and poor decisions by the government (in case of foreign currency accounts) suddenly dried up and precipitated a financial crisis.

(a) When did Pakistan initiate its economic reforms? Why was economic growth low in Pakistan after reform period?

(b) What were the reasons of re-emergence of poverty in Pakistan?

□□□□□□

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Sample Paper 17
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

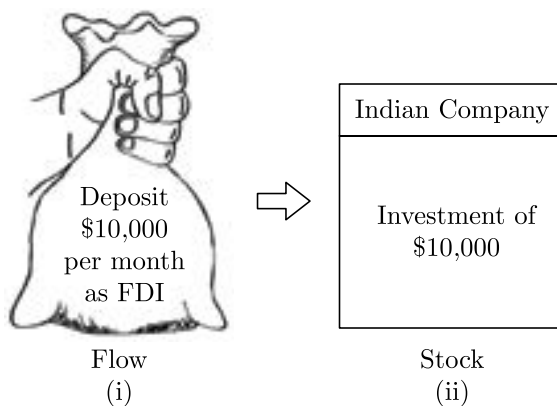
1 × 10=10

1. “Considering the depreciation of Indian Currency (₹) in the international market, the Reserve Bank of India (RBI) has decided to purchase Indian currency (₹) in the open market.”
This represents _____ exchange rate system.
(a) fixed (b) flexible
(c) managed floating (d) manipulated
2. Which of the following statements do not support with the function of RBI as supervisor to the commercial banks?
(a) Extend loans to the commercial bank.
(b) Inspection of operations of banks.
(c) Regulates the expansion, merger, acquisition etc. of the bank.
(d) Formulates all rules and regulations for commercial bank.
3. Let foreign exchange rate between Indian Rupee and US dollar is ₹ 40/1\$ and it changes to ₹ 50/1\$. Which of the following is the reason of depreciation of Indian currency?
(a) Increase in both demand and supply of US dollar
(b) Increase in supply of US dollar and decrease in demand of US dollar
(c) Increase in demand of US dollar and decrease in supply of US dollar
(d) Decrease in both demand and supply of US dollar
4. Statement I :The medium term target for Consumer Price Inflation (CPI) maintained by the RBI in context of the Indian economy falls within the band of $3\% \pm 2\%$.
Statement II : When C function shoots from Y-axis, it indicates two arguments i.e. saving is negative when income is zero; and consumption is positive when income is zero.
In the light of the given statements, choose the correct alternative from the following.
(a) Both statements are true
(b) Both statements are false
(c) Statement I is true and Statement II is false
(d) Statement I is false and Statement II is true

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

5. Assertion : Fiscal policy focuses on both the principles of economic growth and stability.
Reason : Stability is achieved by correcting the situation of inflationary and deflationary gap, while growth is achieved by way of lower taxation and higher subsidies to the producers.
In the light of the given statements, choose the correct alternative from the following :
- (a) Assertion is true, but Reason is false
(b) Assertion is false, but Reason is true
(c) Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
(d) Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.
6. The difference between narrow money and broad money is _____
(a) saving deposits of banks (b) time deposits with banks
(c) coins and currency (d) only currency
7. The value of Aggregate Demand at an income level of ₹ 300 crore from the given data pertaining to an economy equals _____
Savings function $S = -10 + 0.20Y$
Planned investment = ₹ 100 crore
(a) ₹ 350 crore (b) ₹ 450 crore
(c) ₹ 150 crore (d) ₹ 250 crore
8. What will happen, when $AS < AD$?
(a) The producers would plan same level of production.
(b) To clear unwanted stocks, the producers would plan a cut down in production.
(c) To rebuild the desire stocks, the producers would plan greater production.
(d) Both (a) and (c)
9. Observe the given figure carefully and choose the correct pair from the alternatives given below :



- (a) Flow, Flow
(b) Stock, Stock
(c) Flow, Stock
(d) Stock, Flow

10. Suppose in a hypothetical economy, the income rises from ₹ 5,000 crore to ₹ 6,000 crore. As a result, the consumption expenditure rises from ₹ 4,000 crore to ₹ 4,600 crore. Marginal propensity to consume in such a case would be _____.
 (a) 0.2
 (b) 0.6
 (c) 0.8
 (d) 0.4

Short Answer Questions (Q11 to Q12)**3 × 2 = 6**

11. Find net value added at market price.

Contents	₹ (in crore)
Output sold (units)	800
Price per unit of output	20
Excise	1,600
Import duty	400
Net change in stock	(-) 500
Depreciation	1,000
Intermediate cost	8,000

12. Differentiate between current and capital account of BoP.

or

Giving reasons, explain whether the given statements are true or false.

- (i) Improvement in exchange rate of the country's currency is always beneficial for Balance of Payment (BoP).
 (ii) Rise in foreign exchange rate cause a rise in its supply.

Short Answer Questions (Q13 to Q15)**4 × 3 = 12**

13. Keynesian theory tell us that inflationary gap emerges only when full employment is reached. But, in India we often find high rate of inflation along with high rate of unemployment. How do you explain this paradox?
14. An economy is in equilibrium. Calculate the investment expenditure from the following. National Income = ₹ 800
 Marginal Propensity to Save = 0.3
 Autonomous Consumption = 100
15. "Credit creation is inversely related to the reserve deposit ratio".
 Justify the given statement, using a hypothetical example.

or

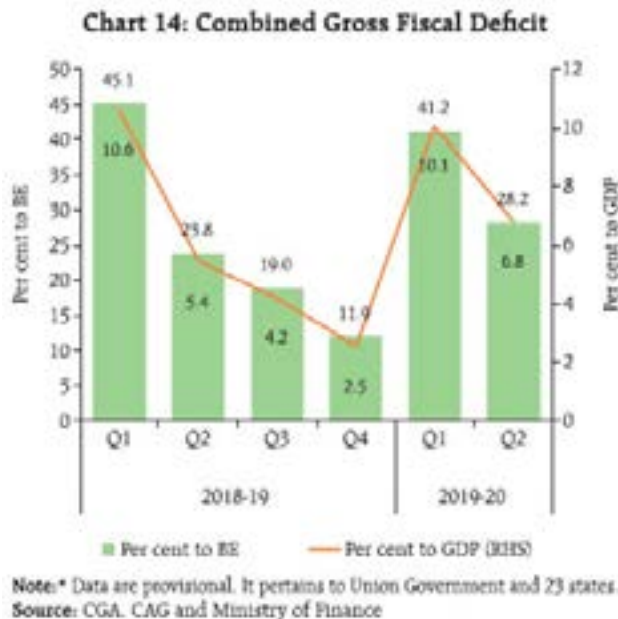
Explain the 'standard of deferred payment' function of money. How has it solved the related problem created by barter?

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Long Answer Questions (Q16 to Q17)**6 × 2 = 12**

16. (i) Government incurs expenditure to popularise yoga among the masses. Analyse its impact on Gross Domestic Product and welfare of the people.
 (ii) Explain the precautions that are taken while estimating national income by value added method.
17. (i) The graph given below highlights the situation of gross fiscal deficit in context of the Indian economy taken from RBI's Bulletin on 'Government Finances 2019-20: A half yearly review'. In context of the figure given below, give the meaning of fiscal deficit and explain any two ways to deal with such a problem.



- (ii) Tax rates on higher income group have been increased. Which economic value does it reflect? Explain.
- or**
- (i) Explain the role of government budget in fighting inflationary tendencies.
 (ii) Explain why public goods should be provided by the government.

Section B -Indian Economic Development**Multiple Choice Questions (Q18 to Q27)****1 × 10=10****Click the Following Button to See the Free MS/Solutions****SOLUTIONS**

18. Observe the image given below and identify the type of economic structure



- (a) Socialism
(b) Capitalism
(c) Mixed economy
(d) None of these
19. When extraction is above the rate of regeneration of the resource and the wastage are outside the absorptive capacity of the environment, then environment fails to perform its one of the vital function. What is that function?
- (a) It supplies resources
(b) It assimilates waste
(c) It sustains life
(d) It provides aesthetic services
20. The chief casual factor responsible for the decline of handicrafts industry in India was
- (a) high tariff on export of raw materials from India
(b) high tariff on import of British goods into India
(c) heavy duties on Indian handicrafts products
(d) All of the above
21. Statement I Self Help Groups (SHGs) have emerged to fill the gap in formed credit system.
Statement II Formal credit system in India, is not only inadequate but also not fully integrated with rural social community development.
In the light of the given statements, choose the correct alternative from the following
- (a) Both statements are false
(b) Both statements are true
(c) Statement I is true and Statement II is false
(d) Statement I is false and Statement II is true

22. State the correct combination between the following columns

	Column A		Column B
A.	1850	(i)	Establishment of TISCO
B.	1921	(ii)	Introduction of railways by the British
C.	1907	(iii)	First railway bridge linking Bombay with Thane
D.	1854	(iv)	The year of Great Divide

- (a) A-(i), B-(ii), C-(iii), D-(iv)
 (b) A-(iii), B-(iv), C-(i), D-(ii)
 (c) A-(ii), B-(iv), C-(i), D-(iii)
 (d) A-(iv), B-(ii), C-(i), D-(iii)

23. _____ industries were reserved for the public sector under Industrial Policy Resolution, 1956.

- (a) 15 (b) 2
 (c) 17 (d) 21

24. The other name of Village and Small-Scale Industries Committee set-up in 1955 is _____.

- (a) Narasimham committee (b) Hussain committee
 (c) Lakdawala committee (d) Karve committee

25. The main aim of 'Great Leap Forward' (GLF) in China was to ensure rapid increase of _____.

- (a) services (b) exports
 (c) agriculture (d) industries

26. Assertion : Modernisation implies adoption of new technology along with a change in the social and economic outlook.

Reason : Over the years, there have been a reduction in the gender wage parity and in the female labour force participation rate.

In the light of the given statements, choose the correct alternative from the following

- (a) Assertion is true, but Reason is false
 (b) Assertion is false, but Reason is true
 (c) Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
 (d) Both Assertion and Reason are true, but Reason is not the correct explanation of Assertion.

27. _____ includes quantitative aspects of per capita, GDP and the quality aspects of performance in health and education.

- (a) GDI
 (b) HDI
 (c) HD
 (d) None of these

Short Answer Questions (Q28 to Q29)**3 × 2 = 6**

28. On the basis of the figure given below, explain what type of unemployment can this industry result in? Suggest for two measures for reducing this kind of unemployment?



29. Defend or refute the statement with valid explanation.

“It is necessary to replace the private moneylenders by institutional sources of credit.”

or

According to the National Sample Survey Office's (NSSO's) data, the share of regular salaried workers in employment was on the rise in 2017-18 with respect to 2011-12. For the year 2017-18, the proportion of regular salaried workers rose to 13.1% in 2017-18 for rural areas, and 47% for urban areas. State any three reasons for this observed trend across rural-urban areas?

Short Answer Questions (Q30 to Q32)**4 × 3 = 12**

30. (i) Define worker-population ratio.
(ii) Analyse the trends in sectoral distribution of work force in India on the basis of data Trends in Employment Pattern (Sector-wise), 1972-2012 (in%)

Sector	1972 - 73	1983	1993-94	1999-2000	2011 - 2012
Primary	74.3	68.6	64	60.4	48.9
Secondary	10.9	11.5	16	15.8	24.3
Services	14.8	16.9	20	23.8	26.8
Total	100.0	100.0	100.0	100.0	100.0

31. State whether the following statements are true or false, with valid arguments
- The percentage share of agricultural sector in the exports of the country declined in the period 1950-1990.
 - The Gulf crisis and the collapse of Soviet Block was responsible, to a certain extent for the economic crisis of 1991.
32. The traditional handicrafts industries were ruined under the British rule. Do you agree with this view? Give reasons in support of your answer.
- or**
- What do you understand by the term economy?
 - How are economies classified in the economic system?

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Long Answer Questions (Q33 to Q34) $6 \times 2 = 12$

33. (i) Unemployment in India is considered to be a chronic problem. Why?

- (ii) What is meant by 'jobless growth'?
- (iii) Why have Self Help Groups (SHGs) been established?

or

- (i) Enlist some problems faced by farmers during the initial years of organic farming.
- (ii) "Human capital formation gives birth to innovation, invention and technological improvements". Do you agree with the given statement? Support your answer with valid arguments.

34. Read the following text carefully and answer the given questions on the basis of the same and common understanding.

The 20th century included the inception of modern family planning, which restricted the fertility of hundreds of millions of couples around the world. Due to concerns about the world's unprecedented rate of population growth in the mid-20th century, some aid agencies and international organisations began to support the establishment of family planning programs.

About 40 years later, in the mid-1990s, large-scale family planning programs were active in 115 countries.

China's One Child Policy (OCP) is the largest among the World's family planning programs. In the 1970s, after two decades of explicitly encouraging population growth, policy-makers in China began enacting a series of measures to curb it. The OCP was formally initiated in 1979 and firmly established across the country in 1980.

It was the first time that family planning policy became formal law in China. Differing from birth control policies in many other countries, the OCP assigned a compulsory general 'one-birth' quota to each couple, though its implementation has varied considerably across regions for different ethnicities at different times. The policy affected millions of couples and lasted more than 30 years.

According to the World Bank, the fertility rate in China dropped from 2.81 in 1979 to 1.51 in 2000. The reduced fertility rate is likely to have affected the Chinese labour market profoundly. In 1979, the

Chinese government formally initiated the OCP to alleviate social, economic, and environmental problems such as the high unemployment rate and scarcity of land resources.

As opposed to many family planning policies in other countries, the OCP was compulsory rather than voluntary. As the name suggests, the policy restricted a couple to having only one child. However, there were some exemptions.

The birth quota varied according to residence (urban/rural) and ethnicity (Han/non-Han).

Since Han ethnicity is by far the largest in China, accounting for 93% of the population, the policy mainly restricted the fertility of people with Han ethnicity. In general, Han households in urban regions were only allowed to have one child, while most households in rural areas could have a second child if their first was female (this exception is called the "one-and-a-half-child policy"). Meanwhile, in most regions, households of non-Han ethnicity were allowed to have two or three children, regardless of gender.

In March 1991, to show resoluteness, the Central Government listed family planning among the three basic state policies in China's Eighth Five Year Plan passed by the National People's Council. The Eighth Five Year Plan explicitly set a goal of reducing the natural growth rate of the country's population to less than 1.25% on average during the following decade. To achieve such a challenging objective, national leaders employed a "responsibility system" to induce subnational or provincial officials to set high fine rates.

- (i) Enumerate the effects of the policy of one child norm in China.
- (ii) Comment on the growth rate trends witnessed in China and India in the last two decades.

□□□□□□

Sample Paper 18
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

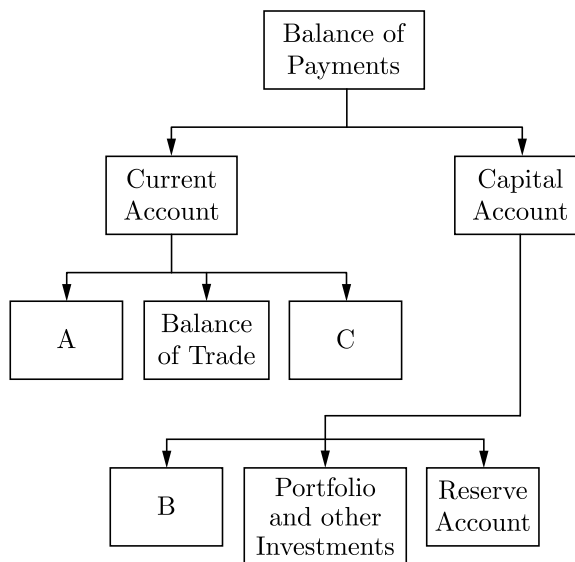
1 × 10=10

1. Suppose, following data is presented, for an imaginary economy:
Autonomous consumption = ₹100
Marginal propensity to consume = 0.70
National Income = ₹1000
Identify, which of the following statements is correct for consumption expenditure.
(a) The value of consumption expenditure would be ₹600.
(b) The value of consumption expenditure would be ₹500.
(c) The value of consumption expenditure would be ₹800.
(d) The value of consumption expenditure would be ₹700.
2. **Assertion (A):** At the left of Break-Even point, APC is greater than one.
Reason (R): At the left of Break-Even point, APS is positive.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false
3. A company located in India receives a loan from a company located abroad. This transaction will be recorded on _____ side of _____.
(a) debit; current account
(b) credit; current account
(c) debit; capital account
(d) credit; capital account

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

4. Read the following figure carefully and choose the correct pair from the alternatives given below:



Alternatives:

- (a) A : Net income from abroad; B : Foreign direct investment; C : Net current transfers
 (b) A : Net current transfers; B : Net income from abroad; C : Foreign direct investment
 (c) A : Foreign direct investment; B : Net current transfers; C : Net income from abroad
 (d) A : Net current transfers; B : Foreign direct investment; C : Net income from abroad
5. Statement 1: Depreciation of domestic currency encourages exports.
 Statement 2: Appreciation of domestic currency discourages imports.
 In the light of the given statements, choose the correct alternative from the following:
 (a) Statement 1 is false and statement 2 is true (b) Statement 1 is true and statement 2 is false
 (c) Both statements 1 and 2 are false (d) Both statements 1 and 2 are true
6. Suppose that the Balance of Trade (BoT) of a nation, exhibits a surplus of ₹ 20,000 crores.
 The import of merchandise of the nation is half of the exports of merchandise to the rest of the world.
 The value of exports would be ₹ _____ crores.
 (a) 24,000 (b) 35,000
 (c) 30,000 (d) 40,000
7. Find the missing figures and choose the correct option

Income (₹)	Consumption (₹)	Average Propensity to Consume (APC)
0	20	—
20	60	...(iii)...
40	...(ii)...	2.5
60	140	...(iv)...
...(i)...	170	2.125

Alternatives

- (a) 100, 100, 1.3, 2 (b) 70, 100, 3, 1.33
 (c) 80, 100, 3, 2.33 (d) 110, 90, 2, 3.33

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

8. Identify the correct pair of items from the following Column I and Column II:

	Column I		Column II
A.	Exports of merchandise	(i)	Debit item in the Current Account of BoP
B.	A gift from foreigner	(ii)	Credit item in the Capital Account of BoP
C.	Imports of services	(iii)	Debit item in the Current Account of BoP
D.	Lending abroad	(iv)	Debit item in the Capital Account of BoP

Alternatives:

- (a) C - (iii)
 (b) D - (iv)
 (c) A - (i)
 (d) B - (ii)
9. A period of falling aggregate demand is attributed to a fall in:
 (a) Investment expenditure and Net exports
 (b) Household consumption expenditure and Government consumption expenditure
 (c) Neither (a) nor (b)
 (d) Both (a) and (b)
10. What role does the central bank play when a commercial bank XYZ fails to meet obligation of its depositors?
 (a) Issuer of currency
 (b) Lender of last resort
 (c) Banker to the government
 (d) None of these

Short Answer Questions (Q11 to Q12)

$3 \times 2 = 6$

11. “India is taking huge leaps in the index of Ease of Doing Business; as a result many MNCs are shifting their production base to India.” In the light of the given statement, comment upon the flow of foreign exchange and its likely impact on Indian economy.

or

‘Devaluation and Depreciation of the currency are one and the same thing.’ Defend or refute the above statement with valid arguments.

12. “India’s GDP is expected to expand 7.5% in 2019-20: World Bank” —The Economic Times
 Does the given statement mean that welfare of people of India increase at the same rate? Comment with reason.

Short Answer Questions (Q13 to Q15)

$4 \times 3 = 12$

13. (a) ‘We say that commercial banks create money, while we also say that the central bank has the sole right to issue currency.’ Justify the given statement.
 (b) What is the likely impact of money creation by the commercial banks on national income?

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

14. In an economy, Savings function is given by $S = (-) 50 + 0.2 Y$ and Y is ₹2,000 crores. Consumption expenditure for the economy would be ₹1,650 crores and the autonomous investment is ₹50 crores and the Marginal Propensity to Consume is 0.8. True and False? Justify your answer with proper calculations.

or

Explain the meaning of:

- (a) Aggregate supply
- (b) Under-employment equilibrium

15. “Indian economy saw its worst contraction in decades. It is in a deep vicious cycle where demand is contracting heavily.”

The Hindu; August 31st, 2020

State and discuss any two monetary measures that may be taken by the government of India to correct the situation indicated in the above news report.

Long Answer Questions (Q16 to Q17)

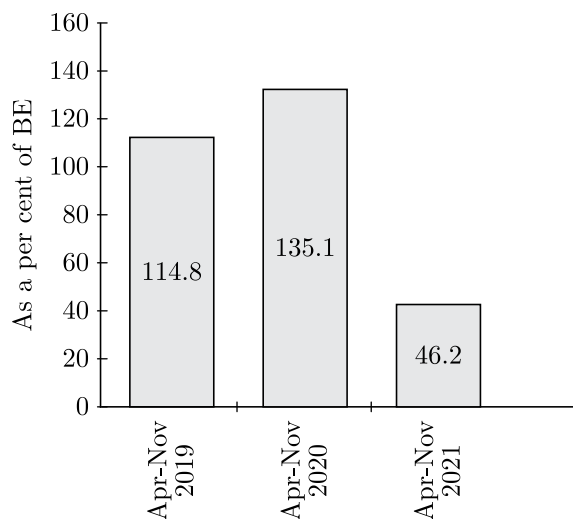
$6 \times 2 = 12$

16. (a) ‘All products do not contribute equally to economic welfare.’ Defend or refute the given statement with valid reasons.
 (b) ‘Commission received from sale of second hand goods’ should be included/not included in the estimation of national income. State with valid reason.

or

- (a) The value of Nominal GNP of an economy was ₹2,500 crores in a particular year. The value of GNP of that country during the same year evaluated at the prices of base year was ₹3,000 crores. Calculate the GNP deflator of the year in percentage terms. Has the price level risen between the base year and the year under consideration?
 (b) Giving reason, state how will the following be treated in the estimation of National Income:
 (i) Payment of interest by an individual to a bank on a loan to buy a car
 (ii) Expenditure by government on providing free services

17. (a) On the basis of given chart, interpret the trend of fiscal deficit as a percent of budget estimates.



Fiscal deficit as a percent of budget estimate

- (b) Discuss briefly how can the government budget help in reducing inequalities of income in the economy.

Click the Following Button to See the Free MS/Solutions

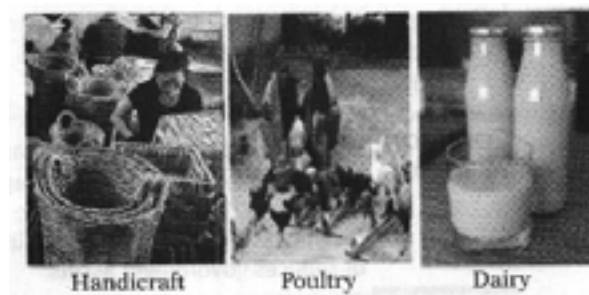
SOLUTIONS

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. Statement 1: China joined World Trade organisation (WTO) in the year 2005.
Statement 2: Pakistan shifted its policy orientation in late 1970s and 1980s.
In the light of the given statements, choose the correct alternative from the following:
(a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true
19. **Assertion (A):** Land ceiling was a land reform to promote equity in the agricultural sector.
Reason (R): Land ceiling was introduced to reduce the concentration of land ownership in the hands of a few.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false
20. The economic reforms under the New Economic Policy of 1991 were made so that.....
(a) market forces would drive the economy towards growth and development
(b) the government would drive the economy towards growth and development
(c) the public would drive the economy towards growth and development
(d) None of the above
21. Following image indicates which of the following to help generation of sustainable livelihood?



- (a) Diversification in production techniques
(b) Diversification in the production activities
(c) Agricultural marketing
(d) None of the above

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

22. From the set of events/systems given in Column I and corresponding relevant fact given in Column II, about China, choose the correct pair of statement:

	Column I		Column II
A.	Commune system	(i)	1966-76
B.	Special Economic Zones	(ii)	to attract foreign investors
C.	One-child norm	(iii)	cultivating land collectively
D.	Great Proletarian Cultural Revolution	(iv)	major reason for low population growth

Alternatives:

- (a) C - (iii) (b) D - (iv)
(c) A - (i) (d) B - (ii)
23. The major share of total education expenditure is taken by _____.
(a) Higher education (b) Technical education
(c) Elementary education (d) Secondary education
24. The main objective of the zamindars during the land settlement system was to
(a) improve the economic condition of the cultivators
(b) improve the crop yield by making significant contributions in technology and fertilisers usage
(c) collect rent with no interest in the economic condition of the cultivators
(d) cooperate with colonial government to improve the condition of agriculture
25. Which of the following statement(s) is/are not true about the foreign trade in context of Indian economy during the British rule?
(i) India became exporter of primary products and an importer of finished consumer goods and capital goods from Britain.
(ii) India traded with many countries of the world despite discriminatory tariff policy pursued by the British Government.
(iii) India generated huge export surplus.
(iv) Britain had a monopoly control over India's foreign trade.
(a) (i) and (iv) (b) Only (ii)
(c) (ii) and (iii) (d) (i) and (iii)
26. "The goal of equitable or rational distribution of land was not fully served by abolition of intermediaries". Why?
(a) Owing to policy loopholes, former zamindars continued to own large lands
(b) In some areas, zamindars claimed to be self-cultivators
(c) Lack of political will
(d) All of the above
27. _____ service remained inadequate throughout the colonial regime.
(a) Ports
(b) Railways
(c) Postal
(d) Law and Order

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Short Answer Questions (Q28 to Q29)**3 × 2 = 6**

28. Comment upon the trend of output growth in different sectors from 1980-2015 among India, China and Pakistan.

Country	1980-90		
	Agr.iculture	Industry	Service
India	3.1	7.4	6.9
China	5.9	10.8	13.5
Pakistan	4	7.7	6.8

Country	2011-15		
	Agriculture	Industry	Service
India	2.3	5	8.4
China	4.1	8.1	8.4
Pakistan	2.7	3.4	4.4

29. “Subsidies provide an incentive for wasteful use of resources.” Defend the statement with valid arguments.
or
 “India failed to develop a strong export sector.” Defend the statement with valid reasons.

Short Answer Questions (Q30 to Q32)**4 × 3 = 12**

30. “It is necessary to generate more employment in the formal sector.” Do you agree with the above statement? Justify.
31. State, giving valid reasons, whether the following statements are true or false:
 (a) Casualisation of workforce refers to a situation when the percentage of casually hired workers in the total workforce tends to rise over time.
 (b) Global warming is caused by man-made factors.

or

Argue in favour of the need for different forms of government intervention in education sector.

32. Compare and analyse the given data of India and China with valid arguments.

Country	People below the poverty line (%)	Infant Mortality Rate (per 1000 live births)
India	37	38
China	32	9

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Long Answer Questions (Q33 to Q34)**6 × 2 = 12**

33. (a) “The colonial era was responsible for the decline of traditional handicraft industries.” Discuss the rationale of the given statement with valid reasons.
- (b) “The Green Revolution enabled the government to procure sufficient food grains to build its stocks that could be used during the times of shortage.” Establish the rationale of the given statement with valid reasons.

or

- (a) Analyse the trend in the growth of GDP in the major sectors post 1991 on the basis of the data given below.
- (b) Which sector has witnessed growth higher than the overall GDP growth in 2014-15?

Growth of GDP and major sectors (in %)

Sectors	1980-91	2007-12	2013-14	2014-15
Agriculture	3.6	3.2	4.2	-0.2
Industry	7.1	7.4	5.0	7.0
Services	6.7	10.0	7.8	9.8
Total	5.6	8.2	6.6	7.4

Source: Economic Survey for various years

34. Read the following text carefully and answer the given questions on the basis of the same and common understanding:

Human development is a process of enlarging the range of people’s choices, increasing their opportunities for education, healthcare, income and empowerment and covering the full range of human choices from a sound physical environment to economic, social and political freedom.

Thus, enlarging the range of people’s choices is the most significant aspect of human development. People’s choices may involve a host of other issues, but, living a long and healthy life, to be educated and have access to resources needed for a decent standard of living including political freedom, guaranteed human rights and personal self-respect, etc. are considered some of the non-negotiable aspects of the human development.

Concerted efforts were made to look at development critically at various times in the past. But, most systematic effort towards this was the publication of the First Human Development Report by

United Nations Development Programme (UNDP) in 1990. Since then, this organisation has been bringing out World Human Development Report every year. This report does not only define human development, make amendments and changes its indicators but also ranks all the countries of the world based on the calculated scores. According to the Human Development Report 1993, “progressive democratisation and increasing empowerment of people are seen as the minimum conditions for human development”. Moreover, it also mentions that “development must be woven around people, not the people around development” as was the case previously.

- (a) The concept of human development is different from that of human capital. How?
- (b) What are the important aspects of human development?

□□□□□□

Click the Following Button to See the Free MS/Solutions**SOLUTIONS**

Sample Paper 19
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

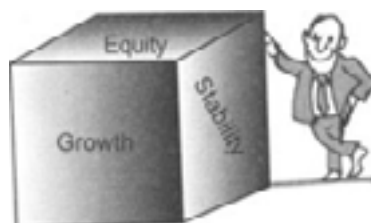
1. This question paper contains two sections:
 Section A – Macro Economics
 Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. Two friends Roza and Sunidhi were discussing the exchange rate systems.
‘Under this system, the exchange rates are determined by the market forces of demand and supply. However, deliberate efforts are made by the competent authority to keep the exchange rates within a specific range’.
The above-mentioned statement was given by Sunidhi. Identify the type of exchange rate system was she talking about?
(a) Floating Exchange Rate
(b) Fixed Exchange Rate
(c) Managed Fixed Exchange Rate
(d) Managed Floating Exchange Rate
2. Observe the given figure carefully and choose the correct option from the alternatives given below:



These are the objectives of:

- (a) Foreign Policy
 - (b) Monetary Policy
 - (c) Fiscal Policy
 - (d) All of these
3. Aggregate demand can be increased by:
(a) selling government securities by RBI

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (b) increasing bank rate
- (c) increasing cash reserve ratio
- (d) None of these

4. Assertion (A): All coins are issued by Ministry of Finance in India.
Reason(R): All currency notes except ₹1 note are issued by the RBI.
In the light of the given statements, choose the correct alternative from the following:
- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
 - (b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 - (c) Assertion (A) is false but Reason (R) is true
 - (d) Assertion (A) is true but Reason (R) is false
5. Statement 1: The value of money multiplier is inverse of Reserve Ratio.
Statement 2: The process of money creation ends when initial deposits get equal to money creation.
In the light of the given statements, choose the correct alternative from the following:
- (a) Statement 1 is false and statement 2 is true
 - (b) Statement 1 is true and statement 2 is false
 - (c) Both statements 1 and 2 are false
 - (d) Both statements 1 and 2 are true
6. According to which economist, national income can be determined even below the full employment level?
- (a) JB Say
 - (b) JM Keynes
 - (c) Haroon Kurtz
 - (d) Adam Smith

7. Find the missing figures and choose the correct alternatives.

Consumption (C)	Saving (S)	Supply Aggregate (C + S)
80	-80	0
240	...(i)...	200
...(ii)...	0	400
560	40	...(iii)...
...(iv)...	80	800

Alternatives

- (a) -40, 600, 400, 560
 - (b) 40, 400, 600, 720
 - (c) -40, 400, 600, 720
 - (d) -40, 400, 800, 560
8. Which of the following items will not be included while calculating national income by income method?
- (a) Profit
 - (b) Scholarship
 - (c) Royalty
 - (d) Wages and Salaries

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

9. If the value of export of merchandise is ₹ 1,500 crore and imports of goods are 20% more than exports, the value of imports and trade deficit will be ₹ _____ crores and ₹ _____ crores respectively.
- (a) 1,200, 300
(b) 1,200, 3,300
(c) 1,800, 3,300
(d) 1,800, 300
10. Government expenditure on mid-day meal scheme running in government (state-run) schools is a expenditure in government budget.
- (a) normal
(b) capital
(c) revenue
(d) Any of these

Short Answer Questions (Q11 to Q12)**3 × 2 = 6**

11. What is Balance of Payments account? Where are the borrowings from abroad recorded in it and why?
12. Where are 'borrowings from abroad' recorded in the Balance of Payments Accounts? Give reasons.
- or**
- Name the broad categories of transactions recorded in the 'current account' of the Balance of Payments Accounts.

Short Answer Questions (Q13 to Q15)**4 × 3 = 12**

13. Read the following text carefully and explain the relevant function of the Central Bank indicated here. The Reserve Bank of India imposed a penalty of ₹25 lakh on Chhattisgarh Rajya Sahakari Bank Maryadit, Raipur, for non-compliance with certain provisions of the 'Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016'. The penalty comes after the statutory inspection of the bank conducted by NABARD concerning the bank's financial position as of March 31, 2020.
- The Inspection Report pertaining thereto and examination of all related correspondence revealed, inter alia, that the bank had failed to put in place a system of periodic review of risk categorization of customers, RBI said.
14. An economy is in equilibrium. Calculate Marginal Propensity to Save from the following:
- National Income = ₹1,000 crores
Autonomous Consumption = ₹100 crores
Investment Expenditure = ₹200 crores
15. Explain 'primary deficit' in a government budget. What does it indicate?
- or**
- Explain the concept of fiscal deficit in a government budget. What does it indicate?

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

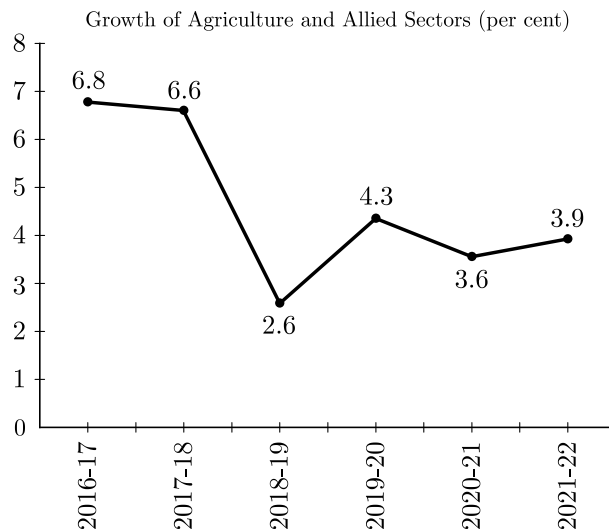
Long Answer Questions (Q16 to Q17)**6 × 2 = 12****16. (a)** Calculate National Income from the following data:

		(₹in crores)
(i)	Net domestic capital formation	220
(ii)	Consumption of fixed capital	70
(iii)	Private final consumption expenditure	1,200
(iv)	Net current transfers to abroad	(–) 30
(v)	Net imports	40
(vi)	Net factor income to abroad	10
(vii)	Subsidies	50
(viii)	Government final consumption expenditure	200
(ix)	Indirect tax	240
(x)	Net change in stocks	(–)20

(b) Distinguish between stocks and flows. Give examples.

or

(a) Interpret the recent growth of agriculture and allied sectors and also state the causes behind the same.



Source: First Advance Estimates of National Income, 2021-22

(b) Calculate 'Gross Value Added at factor cost' from the following data:

		(₹lakhs)
(i)	Sales	180
(ii)	Rent	5
(iii)	Subsidy	10
(iv)	Change in stock	15
(v)	Purchase of raw materials	100
(vi)	Profit	25

Click the Following Button to See the Free MS/Solutions**SOLUTIONS**

17. Distinguish between APS and MPS. Can the value of APS be negative? If yes, when? Justify with an example.

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. India's rank based on Human Development Report 2017 is _____.
(a) 130 (b) 141
(c) 151 (d) 121
19. Statement 1: Diversification in agriculture means shift of workforce to non-farm sector and change in cropping pattern.
Statement 2: Diversification is important to provide sustainable livelihood option and to control disguised unemployment.
In the light of the given statements, choose the correct alternative from the following:
(a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true
20. Assertion (A): GST consists of three components such as Central GST (CGST), State GST (SGST), and Integrated GST (IGST).
Reason (R): Central GST (CGST) and State GST (SGST) will apply to all transactions of goods and services.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false
21. Observe the picture given below and choose the correct statement from the options given below.



- (a) Investment in human capital reinforces GDP

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

- (c) Health is the only component of human development
- (d) Both (a) and (b)
- (b) Both the statements are false

22. _____ sector is providing alternate livelihood options to 70 million small and marginal farmers.

- (a) Livestock
- (b) Fisheries
- (c) Pisciculture
- (d) Agro-processing

23. Out of the following statements, which one is correct?

- (i) Pakistan ranks high in human development index as compared to India.
- (ii) Life expectancy is higher in Pakistan as compared to India.
- (iii) China's performance in providing sanitation is better than India.
- (iv) Pakistan's GDP per capita is higher than India.

Alternatives:

- (a) Only (iii)
- (b) (i) and (ii)
- (c) (i) and (iii)
- (d) (ii) and (iv)

24. From the set of events/systems given in Column I and corresponding relevant fact given in Column II, choose the correct pair of statement:

	Column I		Column II
A.	Fiscal policy	(i)	Government's taxation and public expenditure policy
B.	Direct taxes	(ii)	taxes on incomes of group of people
C.	Outsourcing	(iii)	an important outcome of privatisation
D.	GATT was formed in 1948	(iv)	to administer bilateral agreements

Alternatives:

- (a) B - (ii)
- (b) D - (iv)
- (c) C - (iii)
- (d) A - (i)

25. Arrange the following events of India in chronological order and choose the correct answer:

- (i) Growth of GDP of India was 5.7%
- (ii) Agricultural output growth was 2.3%
- (iii) Life expectancy at birth was 68.3
- (iv) First Five Year Plan

Choose the correct alternative:

- (a) (ii), (iv), (iii), (i)
- (b) (iv), (i), (ii), (iii)
- (c) (iv), (ii), (i), (iii)
- (d) (iv), (ii), (i), (iii)

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

26. Which entrepreneurial activity is taken by the women in rural households?
- (a) Bee-keeping
 - (b) Poultry
 - (c) Both (a) and (b)
 - (d) None of these
27. Banning the use of chlorofluorocarbon compounds and other chlorine and bromine compounds is called:
- (a) Montreal Protocol
 - (b) Chipko Movement
 - (c) Apiko Movement
 - (d) None of these

Short Answer Questions (Q28 to Q29)**3 × 2 = 6**

28. In context of the given image, give reason why India become a favourable destination for outsourcing. Also, state some services outsourced to India.



29. In your opinion why did the government resort to the measure of “demonetisation”?
- or**
- Define ‘GST’. According to you, how good is a system of GST as compared to the old tax system? State its categories.

Short Answer Questions (Q30 to Q32)**4 × 3 = 12**

30. Elaborate the economic reforms in India in the light of “Social justice and welfare”.
- or**
- “The benefit of being a member of the WTO is limited for countries like India.” Explain, why?
31. ‘If the rate of resource extraction exceeds the rate of regeneration, it leads to reduction in carrying capacity of the environment.’ Discuss the rationale of the given statement with valid reasons.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

32. Answer the following questions on the basis of the following data.
- (a) Comment upon the Maternal Mortality Rate among India and China.
- (b) Life expectancy at birth among these two countries.

Country	Maternal Mortality Rate (per lakh births)	Life Expectancy at birth (years)
India	174	68.3
China	27	76

Long Answer Questions (Q33 to Q34)

$6 \times 2 = 12$

33. Trace the relationship between human capital formation and economic growth.

or

- (a) 'A skilled worker like software professional generates more income than an unskilled worker.' Why?
- (b) Mention the vital functions of environment.

34. Read the following text carefully and answer the given questions on the basis of the same and common understanding:

Ozone depletion, gradual thinning of earth ozone layer in the upper atmosphere caused by the release of chemical compounds containing gaseous chlorine or bromine from industry and other human activities. The thinning is most pronounced in the polar regions, especially over Antarctica. Ozone depletion is a major environmental problem because it increases the amount of ultraviolet radiation that reaches earth's surface, which increases the rate of skin cancer, eye cataracts and genetic and immune system damage. The Montreal Protocol, ratified in 1987, was the first of several comprehensive international agreements enacted to halt the production and use of ozone-depleting chemicals. As a result of continued international cooperation on this issue, the ozone layer is expected to recover over time.

- (a) What is ozone layer depletion? Why is it a major environmental problem?
- (b) What has been the result of ozone depletion?

□□□□□□

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Sample Paper 20
ECONOMICS (030)
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains two sections:
 Section A – Macro Economics
 Section B – Indian Economic Development
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
-

Section A -Macro Economics

Multiple Choice Questions (Q1 to Q10)

1 × 10=10

1. “Suppose there has been an increased demand of Japanese Yen in July 2022, which has resulted in its appreciation and depreciation of Indian rupee.” What could be the possible reason(s) for the same?
(a) There has been an increased demand of Japanese goods by Indian residents
(b) Indian government decided to repay the loan taken during Covid-19
(c) Indian tourists have considered visiting Japan during their vacations
(d) All of the above
2. **Assertion (A):** Rent received by an Indian real estate company from Google in New York would be recorded on credit side of capital account.
Reason (R): Capital account of BoP records all those transactions, between residents of a country and rest of the world, which causes a change in the assets or liabilities of the residents of the country or its government.
In the light of the given statements, choose the correct alternative from the following:
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false
3. Which out of the following items is not included in money supply of a country?
(a) Demand deposits
(b) Coins and Currency
(c) Time deposits
(d) None of these
4. What will be the value of total deposits if initial deposit is ₹500 crores and LRR is 10%?
(a) ₹4,000
(b) ₹4,500
(c) ₹4,500
(d) ₹5,000

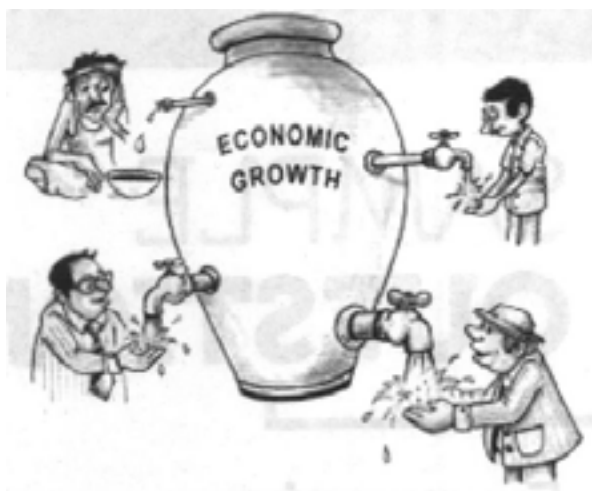
Click the Following Button to See the Free MS/Solutions

SOLUTIONS

5. Statement 1: A bank is a financial institution whose demand deposits are widely accepted as money for making payments and has the power to create money.
Statement 2: Central bank is a financial institution which accepts deposits from the public and advances loans to others.

In the light of the given statements, choose the correct alternative from the following:

- (a) Statement 1 is false and statement 2 is true
(b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false
(d) Both statements 1 and 2 are true
6. Identify which of the following are the sources of demand for foreign currency.
- (i) Import of goods and services
(ii) For making investments abroad
(iii) Export of goods and services
(iv) Grants and donation
- (a) (i) and (iii) (b) (i) and (ii)
(c) (ii) and (iv) (d) (iii) and (iv)
7. Observe the image given below carefully and identify the objective that government should pursue to deal with this situation.



- (a) Increase in economic growth
(b) Reducing inequality of income and wealth
(c) Reallocation of resources
(d) None of the above
8. Identify the correct pair from the following Column I and Column II:

	Column I		Column II
A.	Investment by Apple phones in India	(i)	Credit side of current account of BoP
B.	Remittances to relative staying abroad	(ii)	Debit side of current account of BoP
C.	Export of software to Germany	(iii)	Debit side of current account of BoP
D.	Import of Machinery from France	(iv)	Capital account of BoP

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Alternatives:

- (a) B - (ii) (b) A - (i)
(c) D - (iv) (d) C - (iii)

9. _____ exchange rate is officially declared by the government.

- (a) Floating (b) Fixed
(c) Managed floating (d) None of these

10. In order to encourage investment in the economy, the Central Bank may _____.

- (a) increase cash reserve ratio (b) reduce cash reserve ratio
(c) increase bank rate (d) sell government securities in open market

Short Answer Questions (Q11 to Q12)

$3 \times 2 = 6$

11. Name the broad categories of transactions recorded in the 'capital account' of the Balance of Payments Accounts.

12. Calculate (a) GNP_{MP} and (b) NNP_{FC} from the following data.

₹ in crores)		
(i)	GDP_{FC}	25,215
(ii)	Net indirect taxes	1,575
(iii)	Depreciation	1,000
(iv)	Net factor income from abroad	40

or

Interpret the picture on account of domestic and national income.



Short Answer Questions (Q13 to Q15)

$4 \times 3 = 12$

13. Explain the concept of 'Break-even point' with the help of a diagram.

14. Distinguish between average propensity to consume and average propensity to save. What is the relation between the two?

15. Explain the components of savings function $S = -\bar{C} + (1 - b)Y$.

or

Explain the components of aggregate demand.

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

Long Answer Questions (Q16 to Q17)**6 × 2 = 12****16. (a)** Calculate Gross National Product at Factor Cost from the following data by the Income Method:

		(₹ in crores)
(i)	Private final consumption expenditure	1,000
(ii)	Net domestic capital formation	200
(iii)	Profits	400
(iv)	Compensation of employees	800
(v)	Rent	250
(vi)	Government final consumption expenditure	500
(vii)	Consumption of fixed capital	60
(viii)	Interest	150
(ix)	Net current transfers from rest of the world	(—) 80
(x)	Net factor income from abroad	(—) 10
(xi)	Net exports	(—) 20
(xii)	Net indirect taxes	80

(b) Find out Net Value Added at market price:

		(₹ Lakhs)
(i)	Fixed capital good with a life span of 5 years	15
(ii)	Raw materials	6
(iii)	Sales	25
(iv)	Net change in stock	(—) 2
(v)	Taxes on production	1

or**(a)** Calculate National Income:

		(₹ crores)
(i)	Corporation tax	100
(ii)	Private final consumption expenditure	900
(iii)	Personal income tax	120
(iv)	Government final consumption expenditure	200
(v)	Undistributed profits	50
(vi)	Change in stocks	(-) 20
(vii)	Net domestic capital formation	120
(viii)	Net imports	10
(ix)	Net indirect tax	150
(x)	Net factor income from abroad	(-) 10
(xi)	Private income	1,000

(b) Explain the treatment assigned to the contribution to provident fund by an employee.**17.** How can the instrument of government budget in an economy be used for proper allocation of resources and economic stability?**Click the Following Button to See the Free MS/Solutions****SOLUTIONS**

Section -Indian Economic Development

Multiple Choice Questions (Q18 to Q27)

1 × 10=10

18. Observe the given image carefully and answer the question that follows:



- Dam construction work is a _____ way of employment generation by the government.
- (a) hidden
 - (b) indirect
 - (c) direct
 - (d) None of these
19. Which of the following is the apex body of rural finance in India?
- (a) Reserve Bank of India
 - (b) Regional Rural Bank
 - (c) Land Development Bank
 - (d) National Bank for Agriculture and Rural Development
20. Identify the incorrect statement(s) from the following:
- (a) Human capital represents enhanced labour productivity.
 - (b) Investment in human capital enhances efficiency and skills, implying economic growth.
 - (c) Human capital is separable from its owner.
 - (d) Human capital treats human beings as a means to an end.
- (a) only (ii)
 - (b) only (iii)
 - (c) (i) and (ii)
 - (d) (iii) and (iv)
21. During the colonial period life expectancy was:
- (a) 32 years
 - (b) 68 years
 - (c) 54 years
 - (d) 50 years

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

22. Arrange the following events of China in chronological order and choose the correct alternative:

- (i) Special Economic Zones
- (ii) Introduction of Economic Reforms
- (iii) First Five Year Plan
- (iv) Great Leap Forward campaign

Choose the correct alternative:

- (a) (iv), (iii), (ii), (i)
- (b) (ii), (iv), (iii), (i)
- (c) (ii), (iv), (i), (iii)
- (d) (iv), (ii), (i), (iii)

23. Assertion (A): Great Proletarian Cultural Revolution was started in the year 1966 in China.

Reason (R): It aimed at industrialising the country on a massive scale.

In the light of the given statements, choose the correct alternative from the following:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- (b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (c) Assertion (A) is false but Reason (R) is true
- (d) Assertion (A) is true but Reason (R) is false

24. Statement 1: Work Participation Rate (WPR) is a measure of proportion of the country's unemployed people.

Statement 2: The formula to calculate worker population ratio is total number of workers of divided by population multiply by 100.

In the light of the given statements, choose the correct alternative from the following:

- (a) Statement 1 is false and statement 2 is true
- (b) Statement 1 is true and statement 2 is false
- (c) Both statements 1 and 2 are false
- (d) Both statements 1 and 2 are true

25. From the set of events/systems given in Column I and corresponding relevant fact given in Column II, choose the correct pair of statement:

	Column I		Column II
A.	India had about 473 million strong workforce	(i)	2012-13
B.	People moved from self-employment to casual wage work	(ii)	1974-2015
C.	India started paying attention to enterprises in the informal sector	(iii)	Late 1975
D.	A study showed about 1/3rd of agriculture workers in India as 'disguised unemployed'	(iv)	Late 1950s

Alternatives:

- (a) C - (iii)
- (b) D - (iv)
- (c) A - (i)
- (d) B - (ii)

26. General Agreement on Trade and Tariff (GATT) was established in 1948 with _____ member countries as global trade partners.

- (a) 22
- (b) 23
- (c) 20
- (d) 21

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

27. As per NSSO data, in the year 2011-12, the rate of unemployment among youth males in urban areas was:
- 30%
 - 25%
 - 19%
 - 16%

Short Answer Questions (Q28 to Q29)**3 × 2 = 6**

28. “The British intended to achieve their colonial interests through their policies of infrastructure development in India.” Do you agree? Give their main objectives.
29. How does a socialist society answer the three questions, related to What, How and For Whom?
or
Give any three goals of the Five Year Plans in India.

Short Answer Questions (Q30 to Q32)**4 × 3 = 12**

30. Answer the following questions on the basis of the following data:
- Comment upon the contribution to GDP sectorwise in India and China during 2014-2015.
 - Which sector is a major player in both the countries?

Sectoral contribution to GDP(%) in 2014-15		
Sector	Contribution to GDP	
	India	China
Agriculture	17	9
Industry	30	43
Services	53	48
Total	100	100

31. “Eliminating subsidies will violate the goal of equity.” Accept/Refute. Give reason in support of your answer.
32. Explain the ‘Operation Flood’.
or
“Horticulture sector contributes to nearly one-third of the value of agricultural output.” Substantiate.

Long Answer Questions (Q33 to Q34)**6 × 2 = 12**

33. Read the following text carefully and answer the given questions on the basis of the same and common understanding:
- From political leaders to grassroot activists, just about everyone has an opinion on environmental issues. While view points may differ, there is no denying that the environment affects everyone of us. Environmental issues are defined as harmful effects to earth and its natural systems due to the actions of humans. Although climate change can also occur from natural causes, human behaviour has led to an increase in greenhouse emissions. While climate change is discussed frequently now, it has been occurring since the industrial revolution. Climate change

Click the Following Button to See the Free MS/Solutions

SOLUTIONS

affects everyone and the ramifications are visible by the variation in temperatures and an increase of intense natural disasters. It contributes to even broader problems like loss of biodiversity in our food systems. What's more, the negative impacts are likely to affect those who are already the most vulnerable. An additional concern is pollution and its influence on public health. Research shows that black carbon is making dangerous bacteria harder to kill and resistant to antibiotics. Moreover, black carbon increases risks of heart attacks, strokes and even lung cancer.

- (a) "Opportunity cost of negative environment impact are high." Explain.
- (b) "Environmental problems are new to this century." Justify the statement with valid arguments.

34. Explain the various types of unemployment.

or

Discuss any four sources of human capital formation in India.

□□□□□□

Click the Following Button to See the Free MS/Solutions

SOLUTIONS