

B2019

MMGBPS12ECPB1920

Roll No:

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Candidates must write the code on the title page of the answer -book

CLASS XII

- Please check that this question paper contains 7 printed pages.
- Code number given on the right hand side of the question paper should be written on the title page of the answer book by the candidates
- Please check that this question paper contains 34 questions
- Please write down the serial number of the question before attempting it
- 15 minute time has been allotted to read this question paper

ECONOMICS

Time Allowed: 3hrs.

Max. Mark: 80

GENERAL INSTRUCTIONS:

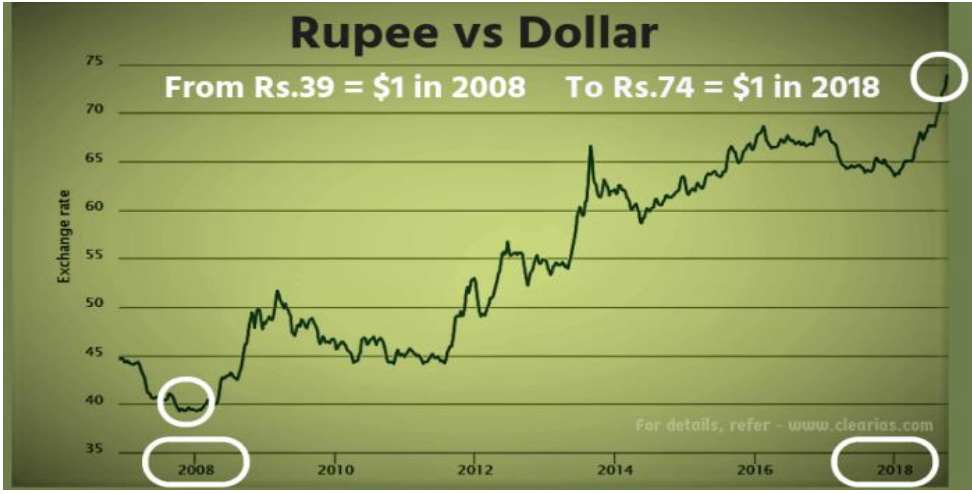
All the questions in both the sections are compulsory.

1. Marks for questions are indicated against each question.
2. Question number 1 - 10 and 18 - 27 are very short-answer questions carrying 1 mark each. They are required to be answered in one word or one sentence each.
3. Question number 11 - 12 and 28 - 29 are short-answer questions caring 3 marks each. Answers to them should not normally exceed 60-80 words each.
4. Question number 13 - 15 and 30 - 32 are also short-answer questions carrying 4 marks each. Answers to them should not normally exceed 80-100 words each.
5. Question number 16 - 17 and 33 - 34 are long answer questions carrying 6 marks each. Answers to them should not normally exceed 100-150 words each.
6. Answer should be brief and to the point and the above word limit be adhered to as far as possible

SECTION A – MACRO ECONOMICS

1	The minimum value of the multiplier is: (a) Zero when MPC is one (c) Infinity when MPC is 1	1
2	"The oil crisis caused U.S. oil companies' overseas profits to shoot up, producing a jump in _____ that could mislead policy-makers." The blank should be (a) GDP (b) GNP (c) investment (d) interest rates	1

3	<p>Are the following statement is true or false; give reasons. “National income of a country is a stock concept”</p>	1
4	<p>Average Propensity to Consume is at point E and Average Propensity to Save is at point N</p> <p>(a) 0, 1 (b) 1, 0</p> <p>(c) 1, 1 (d) 0, 0</p>	
5	<p>The Central Government can increase availability of credit by:</p> <p>(a) Raising Repo Rate (b) Raising Reverse Repo Rate</p> <p>(c) Buying Government Securitas (d) Selling Government Securities</p> <p style="text-align: center;">OR</p> <p>What is meant by legal Reserve Requirement?</p>	1
6	<p>“In an economy firms planned to invest ₹ 20000, but households plan to save ₹ 25000”</p> <p>Based on the above statement fill in the blanks in below sentence:</p> <p>The above situation shows consumption expenditure consequently and Aggregate Demand which leads to excess supply at this point producer cut down employment and produces less, till reaches equilibrium.</p>	1
7	<p>Which one of the following is not the form of Tax Revenue?</p> <p>(a) Income Tax (b) Sales Tax (c) License Fee (d) Excise Duty</p>	1
8	<p>When price of a foreign currency falls, the supply of that foreign currency also falls. Why?</p>	1
9	<p>Invisible items in balance of payments include:</p> <p>(a) Foreign remittances (b) Income from tourists</p> <p>(c) Internet charges (d) All of the above</p>	1
10	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Exports</p> <p>Total Export 120 million</p> </div> <div style="text-align: center;"> <p>Imports</p> <p>Total Import 100 million</p> </div> </div> <p>(a) There is a deficit in the balance of trade in goods.</p> <p>(b) There is a deficit in the balance of trade in services.</p> <p>(c) There is a surplus in the balance of trade in goods.</p> <p>(d) There is a surplus in the balance of trade in services.</p>	1

11	<p>Breaking it down: Corporate income tax rate cuts and what it means The government may fund part of the revenue foregone because of corporate tax cuts through the additional transfer of dividends and surplus from the Reserve Bank of India. In a mini-Budget of sorts, Finance Minister Nirmala Sitharaman on September 20 announced major changes in corporate income tax rates to revive growth in the broader economy. The government has slashed the corporate income tax rate from 30 percent to 22 percent for all companies. Inclusive of cess and surcharges the effective corporate tax rate in India now comes down to corporate tax to 25.17 per cent</p> <p>i. What would be the immediate impact of Government's income after reducing corporate tax? ii. What was the most important reason for reducing corporate tax</p>	3
12	<p>From the following data about an economy calculate</p> <p>i. Equilibrium level of National Income ii. Total consumption expenditure at equilibrium level of National Income</p> <p>1. $C = 200 + 0.5Y$ is the consumption function, where C is consumption expenditure and Y is national income 2. Investment expenditure is 1500</p> <p style="text-align: center;">OR</p> <p>In an economy Marginal Propensity to Consume is 0.75. If investment Expenditure is increased by ₹500 crore, calculate the total increase in income and consumption expenditure.</p>	3
13	<p>Describe the various methods and devices which are normally employed by a central bank to control credit in the country</p>	4
14	<p>Observe the diagram and answer the following:</p> <div style="text-align: center;">  <p>Rupee vs Dollar From Rs.39 = \$1 in 2008 To Rs.74 = \$1 in 2018</p> <p>Exchange rate</p> <p>For details, refer - www.clearias.com</p> </div> <p>i. What do you mean by Depreciation and Appreciation of Indian Rupee ii. If we compare 2008 and 2019 how the changes in exchange rate of Indian rupee affects export and Import?</p>	4
15	<p>The revenue account of government budget shows the current receipts of the government and expenditure that can be met from these receipts. Explain the main revenue receipts and revenue expenditure of the government.</p> <p style="text-align: center;">OR</p> <p>What do you mean by government budget? Explain how taxes and subsidies can be used to influence allocation of resources</p>	4

16 State any precautions that are taken while calculating national income by expenditure method.

3

Calculate the Net National Product at Market Price from the given details.

S.no.	Contents	(Rs. in Crores)
(i)	Mixed income of self-employed	8,000
(ii)	Depreciation	200
(iii)	Profit	1,000
(iv)	Rent	600
(v)	Interest	700
(vi)	Compensation of employees	3,000
(vii)	Net indirect taxes	500
(viii)	Net factor income to abroad	60
(ix)	Net exports	(-) 50
(x)	Net current transfers to abroad	20

3

OR

Differentiate Real Gross Domestic Product and Nominal Gross Domestic Product'

Calculate GNP at factor cost by income method and expenditure method.

1. Private final consumption expenditure	1000
2. Net domestic capital formation	200
3. Profit	400
4. Compensation of employers	800
5. Rent	250
6. Gov. final consumption expenditure	500
7. Consumption of fixed capital	60
8. Interest	150
9. Net current transfer from row	(-)80
10. Net factor income from abroad	(-)10
11. Net exports	(-)20
12. Net indirect taxes	80

17	<p>Draw a straight line consumption curve. From it derive a saving curve explaining the process. Show on the diagram.</p> <p>a) The level of income at which average propensity to consume equal to one.</p> <p>b) A level of income at which average propensity to save is negative.</p>	<p>2</p> <p>2</p> <p>2</p>
SECTION-B (INDIAN ECONOMIC DEVELOPMENT)		
18	<p>Which of the following statement is/are correct about the NITI Aayog?</p> <p>i. The aim of NITI Aayog is to achieve Sustainable Development Goals and to enhance cooperative federalism in the country.</p> <p>ii. The Prime Minister of India is the ex officio Chairperson of the NITI Aayog</p> <p>iii. Niti Ayog was established in 1 January 2015</p> <p>(a) i and ii (b) i, ii, and iii (c) ii and iii (d) ii and iii</p>	1
19	What do you mean by 'Absorptive capacity'? of environment	1
20	<p>Which of the following is not a feature <i>of import substitution</i></p> <p>(a) This policy aimed at replacing or substituting import with domestic production.</p> <p>(b) In this policy Govt. protects the domestic industries from foreign competition.</p> <p>(c) The protection was based on two forms i.e. tariffs and quotas.</p> <p>(d) Present economic scenario it is important for India.</p>	1
21	<p>The salient features of Indian Economy includes which of the following:</p> <p>1. Low per capita Income.</p> <p>2. Unemployment</p> <p>3. Sufficient capital</p> <p>4. Lack of Natural resources.</p> <p>Select your answer from the codes given below:</p> <p>(a) 1 and 2 (b) 2 and 3 (c) 3 and 4 (d) 1 and 4</p>	1
22	<p>The basic objectives of Indian planning are:</p> <p>(a) economic growth (b) self-reliance</p> <p>(c) employment generation (d) population growth</p>	1
23	<p>Which of the following is/are correct?</p> <p>I. Bulk of unemployment in India is in rural areas</p> <p>II. The disguised unemployment in agricultural sector is perennial</p> <p>III. Industrialization has rendered several people job-less in India</p> <p>(a) I and II (b) I, II and III (c) I only (d) II and III</p>	

24.	<p>Replace the question mark by giving appropriate economic terms</p> <table border="1" data-bbox="217 174 1338 342"> <tr> <td data-bbox="217 174 979 258">All those who are engaged in economic activities, in whatever capacity high or low</td> <td data-bbox="979 174 1338 258">?</td> </tr> <tr> <td data-bbox="217 258 979 342">Worker who own and operate an enterprises to earn their livelihood</td> <td data-bbox="979 258 1338 342">?</td> </tr> </table>	All those who are engaged in economic activities, in whatever capacity high or low	?	Worker who own and operate an enterprises to earn their livelihood	?					
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Worker who own and operate an enterprises to earn their livelihood	?									
25.	Who appointed Brundtland Commission ? Which area this commission studied and submitted report?									
26.	All the countries began planning their development strategies in a very similar fashion. India made an announcement of its first 5-year plan in the year However, Pakistan made its 5-year plan announcement in the year..... China, on the other hand, had made this announcement in the year									
27	<p>Observe the pie chart</p> <p style="text-align: center;">Distribution of Employment by Region</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <table border="1" data-bbox="250 905 894 1226"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Self-employed</td> <td>56%</td> </tr> <tr> <td>Regular Salaried Employees</td> <td>7%</td> </tr> <tr> <td>Casual Wage Labourers</td> <td>37%</td> </tr> </tbody> </table> </div> <div style="text-align: center;"> <p>In rural India the percentage of labours in Self-employment category is more. What is the main reason for this?</p> </div> </div>	Category	Percentage	Self-employed	56%	Regular Salaried Employees	7%	Casual Wage Labourers	37%	
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Self-employed	56%									
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28	<p>Briefly explain certain strategies that can be adopted in rural India to ensure a sustainable development</p> <p style="text-align: center;">OR</p> <p>What are the four major function of the environment? What crisis does the environment faces to carry out these functions?</p>	3								
29	Critically examine the contribution made by Government expenditure on education and the educational development of India	3								
30	Briefly explain the various situation forced India to adopt new economic policy	4								
31	<p>Critically examine the impacts of New Trade Policy adopted by India after independence.</p> <p style="text-align: center;">OR</p>	4								

While subsidies encourage farmers to use new technology, they are huge burden on Govt. finance. Discuss the usefulness of subsidies in the light of this fact.

- 32 India, China, and Pakistan started its journey towards economic development in same period, but after 70 years of experience china is far ahead in many developmental criteria compared to other two; Explain the strategies adopted by China for its development under the following under following heading:
1. Beginning of early reformation
 2. Great Leap Forward
 3. Great Proletarian Cultural Revolution
 4. Special Economic Zone

4

- 33 'Rural development is a comprehensive term'. To ensure a prosperous rural India, we need to adopt various strategies. Briefly explain some of the steps taken by the Govt. of India to ensure rural development.

6

- 34 Study the table and answer the following:

Trends in Employment Pattern (Sector-wise and Status-wise), 1972-2012 (in %)

Item	1972-73	1983	1993-94	1999-2000	2011-2012
Sector					
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
Status					
Self-employed	61.4	57.3	54.6	52.6	52.0
Regular Salaried Employees	15.4	13.8	13.6	14.6	18.0
Casual Wage Labourers	23.2	28.9	31.8	32.8	30.0
Total	100.0	100.0	100.0	100.0	100.0

- i. What is the trend in casualization of labours from 1972 to 2012? What it indicates
- ii. What changes you can observe employment pattern in primary and secondary sector during this period
- iii. How can you say that disguised unemployment is existing in India

OR

What are the various types of unemployment? Explain various employment generation adopted by the Government.