

MODEL EXAMINATION (2019-2020)

GRADE: XII CBSE

TOTAL MARKS:

80

ECONOMICS

DATE: 29/01/2020

TIME: 3 Hrs

General Instructions:

- i. All the questions in both the sections are compulsory. Marks for questions are indicated against each question.
- ii. 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.
- iii. Question number 11 - 12 and 28 - 29 are also short-answer questions carrying 3 marks each. Answers to them should not normally exceed 60-80 words each
- iv. 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.
- v. 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.
- vi. Answer should be brief and to the point and the above word limit be adhered to

Section - A

1. When $MPS = MPC$ what is the value of K ? (Choose the correct alternatives)
a) zero b) 1 c) 2 d) 1
2. Define Capital goods.
3. What is MPC or 'Marginal Propensity to Consume'?
a. none of these
b. the proportion of total additional income to total additional planned savings
c. the proportion of total additional planned savings to total additional income
d. the fraction of total additional income that is used for consumption
4. State whether the given statement is true or false:
'Managed Floating Exchange Rate is decided by market forces but remains within a specific range as decided by central bank'.

5. The monetary policy generally targets to ensure..... (Choose the correct alternative)
 a) Price stability in the economy
 b) Employment generation in the country.
 c) Stable foreign relations.
 d) Greater tax collections for the government.

6. In an economy, break-even point and equilibrium point may lie at the same level of income, if ex-ante investments are
 (Fill up the blank with correct answer)
 a) Zero
 b) -1
 c) 1
 d) None of these

7. Fill in the blanks:
 A vicious circle set wherein the government takes more loans to repay earlier loans, which is called _____.

8. Capital account of BOP items include
 a) Foreign investments
 b) Loans
 c) NRI deposits with Indian banks
 d) All of these

9. Match the following

A	B
(a) Gross fiscal deficit	(i) Revenue expenditure - Revenue receipt
(b) Revenue deficit	(ii) Total expenditure - Total receipts other than borrowings
(c) Fiscal deficit	(iii) Borrowing from RBI + Borrowing from abroad + Net borrowing at home
(d) Primary deficit	(iv) Fiscal deficit - Interest payment

10. Fill in the blanks:
 _____ refers to the excess of revenue expenditure of the government over its revenue receipts.

11. Distinguish between APC and MPC

12. a) Explain the Income method for the estimation of national income

OR

b) Explain the problem of double counting in estimating the national product of a country. How can this problem be solved?

13. State the four functions of money. Explain any two functions.

14. Distinguish between direct and indirect tax

15. a) Balance of payments is wider than the balance of trade. Explain
OR

b) What is capital account of balance of payments? What items are included in it?

16. From the data given below calculate GNPFC by

a) Income method

b) Expenditure method

Sl No	Items	₹ in crores
1	Govt. Final Consumption Expenditure	500
2	Operating Surplus	3000
3	Changes in Stocks	150
4	Private Final Consumption Expenditure	4800
5	Gross Fixed Capital Formation	900
6	Net Exports	-50
7	Indirect Taxes	1000
8	Subsidies	400
9	Mixed Income of Self Employed	400
10	Net Factor Income to Abroad	200
11	Compensation of Employees	2000
12	Replacement cost	200

17. a) Explain national income equilibrium with the help of AD-AS approach

OR

b) Draw derivation of savings curve from consumption curve

Section – B

18. State of ----- (Kerala, Punjab, Karnataka, Tamil Nadu) in India has focused more on human development (Fill in the blank with correct alternative)

19. When was Navratna Policy announced? (Choose the correct answer)

a) 1992

b) 1991

c) 1995

d) 1996

20. Maharashtra & ----- state are industrially more advanced than others in industrial growth (choose the correct alternative)

a) Punjab

b) Himachal Pradesh

c) Gujarat

d) None of these

21. GATT stands for (choose the correct alternative)

a) General Agreements on Trade & Tariff

b) Global Agreements on Trade & Tariff

c) General Agreements on Trade & Taxes

d) Global Agreements on Trade & Tariff

22. When did Bengal famine took place? (Choose the correct answer).

a) 1927

b) 1861

c) 1943

d) 1941

23. At the time of independence ----- per cent of population was literate
(choose the correct answer)
a) 7 b) 17 c) 27 d) 37

24. -----is the largest producer of mangoes.
a) Mangolia b) Thailand c) Sri Lanka d) India

25. China is ahead of India in all spheres of human development. True or False?

26. Energy is a part of ----- (Choose the correct alternative)
a) Economic infrastructure b) Social infrastructure
c) Both d) None

27. State whether the following statement is true or false.
A worker includes only those who are working full time under regular salary structure.

28. Differentiate between physical capital and human capital

29. a) Do you think poverty and unemployment are related to each other? If yes, how?

OR

b) Explain how investment in education stimulates economic growth?

30. A. Give reasons for the slow growth and re-emergence of poverty in Pakistan

OR

B. Explain different types of economic systems with their features

31. What is Green revolution? Critically discuss it's success.

32. What is New Economic Policy? Briefly explain it.

33. What is organic farming and how does it promote sustainable development?

34. A. Explain the three dimensional attack on poverty adopted by the government.

OR

B. Explain different causes of poverty