

Pre Board -1 Examination – December 2019

Roll No.

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Series SSR / 1

Code No. 030/ 1 / 2

- 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 candidate.
- Please check that this question paper contains 34 questions.
- Please write down the serial number of the question before attempting it.

Economics

Class : XII

Date : 16-12-2019

Time allowed : 3 hrs.

Max marks : 80

General Instructions:

- 1) All the questions in both the sections are compulsory. 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 carrying 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 exceed 100-150 words each.
- 6) Answers should be brief and to the point and the above word limit be adhered to as far as possible.

SECTION A (MACRO ECONOMICS)

1. Name a technique of credit control adopted by RBI. (1)
 - a) Changes in Bank Rate
 - b) Changes in open market operation
 - c) Changes in Cash Reserve Ratio
 - d) All of these
2. Which one of the following is not a part of a country's Net Domestic Product at market price (1)
 - a) Depreciation
 - b) Indirect Tax
 - c) Net exports
 - d) Net change in stocks

3. What is meant by ex-ante investment? (1)
4. _____ is the main source of money supply in an economy. (1)
- a) Central Bank
b) Commercial Banks
c) Both a and b
d) Government

OR

Define money supply.

5. Find the odd one out (1)
- a) Reserve Bank Of India
b) Bank of England
c) IDBI Bank
d) Federal Reserve Bank of the USA
6. Which of the following is not a component of Aggregate Demand in a closed economy. (1)
- a) Aggregate consumption
b) Aggregate Investment
c) Net Exports
d) Public Investment
7. State whether the given statement is true or false. (1)
- Receipt on the issue of equity shares by the public sector undertaking is a revenue receipt.
8. Demand for foreign exchange arises on account of _____ (1)
- a) Imports of goods
b) Domestic students and tourists going abroad
c) Foreign investment
d) All of these
9. From the set of statements given in Column I and Column II, choose the correct pair of statements. (1)

| | |
|--|-----------------------------------|
| a) Supply of foreign exchange | i. Credit side in capital account |
| b) Fixed exchange Rate | ii. Current account |
| c) Gifts received from a relative in Dubai | iii. Remittance from abroad |
| d) Investment from abroad | iv. Monetary authority |
| | v. Importers |

- a) iii, iv, ii, I
b) v, iii, ii, iv
c) iv, iii, ii, v
d) i, iii, iv, ii

10. Direct tax is called direct because it is collected directly from:
 a) The producers on goods produced
 b) The sellers on goods sold
 c) The buyers of goods
 d) The income earners (1)
11. "Production of all products contribute equally to the economic welfare of an economy" Defend or refute. (3)
12. From the following information calculate consumption level in the economy. (3)

| Items | ₹ Income |
|----------------------------------|----------|
| a) Wages & Salaries | 250 |
| b) Autonomous Consumption | 25 |
| c) MPS:MPC | 29: 87 |
| d) Dividend | 110 |
| e) Net factor Income from abroad | 100 |
| f) Mixed Income | 400 |
| g) Rent, Interest and Profit | 350 |

OR

In an economy, actual level of income is 500 whereas the full employment level of income is a bit more than this. Three-fourth of the income is consumed in the economy, if there is an increase in investment in the economy by 75, calculate

- a) New income level at full-employment level
 b) Change in savings
 c) Change in consumption
13. Define credit creation. Explain the process of credit creation with a numerical example. (4)
14. State giving reasons, whether the following statements are true or false: (4)
- a) In balance of payments, repayment of loans by Indian government to us, government will be recorded on the credit side of current account.
 b) Demand for domestic goods and domestic demand for goods are the same.

OR

The appreciation of the dollar vis-à-vis the rupee helps to control India's current account deficit by reducing imports. Explain this inverse relationship between price of foreign exchange and its demand.

15. Government provides essential items of food grains almost free to the families below the poverty line. Which objective is trying to fulfill through the government budget and how? Explain (4)
16. a) Giving reasons explain whether the following are included in domestic product of India. (6)
- Profits earned by foreign bank branch in India.
 - Payment of salaries to its staff by an embassy located in New Delhi.
 - Interest received by an Indian resident from firms abroad.

b) Find Net Value added at market price of a firm.

| Items | ₹ in lakhs |
|---|------------|
| Fixed capital goods with a life span of 5 years | 15 |
| Raw materials | 6 |
| Sales | 25 |
| Net change in stocks | (-)2 |
| Taxes on Production | 01 |
| Gross Domestic fixed capital formation | 200 |
| Interest on National debt | 100 |

OR

- Differentiate between National Income at current prices and National Income at Constant prices.
- Calculate operating surplus by
 - adding its items
 - subtracting its items

| S.No | Items | ₹. In crores |
|------|---------------------------------|--------------|
| 1. | Value of output at market price | 5600 |
| 2. | Depreciation | 250 |
| 3. | Net Indirect Tax | 125 |
| 4. | Intermediate Consumption | 1000 |
| 5. | Compensation of employees | 1100 |
| 6. | Mixed Income | 250 |
| 7. | Dividend | 1500 |
| 8. | Undistributed profits | 250 |
| 9. | Corporation Tax | 150 |
| 10. | Rent | 350 |
| 11. | Interest | 625 |

17. a) Given saving curve, derive consumption curve and state the steps in doing so. Use diagram. (6)

b) Explain how the level of effective demand is attained in an economy if, aggregate demand is more than the aggregate supply.

Section B (Indian Economic Development)

18. All of the following statements except one are correct about the Foreign Trade Capital, 2004-2009. Identify the incorrect statement.
- Certain thrust areas like agriculture, handlooms, handicrafts etc. were identified.
 - Vishesh Krishi Upaj Yojana was started.
 - Served from India scheme was started.
 - The entry of FDI in India was restricted. (1)
19. Which of the following statement is against globalization? (1)
- It will improve allocative efficiency of resources.
 - It will redistribute economic power.
 - It will impose tariff barriers among nations
 - It will provide updated technology.
20. Identify the correct sequence of alternatives given in Column 2 by matching them with respective terms in Column 1. (1)

| Column 1 | Column 2 |
|--------------------|---|
| a) Prime Minister | 1. Avoiding all intermediaries |
| b) Economic growth | 2. Increase in the total NI |
| c) Land reforms | 3. Chairperson of National Institution for transforming India |
| d) Subsidy | 4. The monetary assistance given by government for production in activity |

- iii, ii, i, iv
- iv, iii, i, ii
- iii, iv, ii, i
- ii, i, iv, iii

21. Find the odd man out. Justify your answer. (1)

Investment in education, Health, Roads

22. _____ is the major formal sector employer in the country. (1)

OR

Victor is able to work only for two hours in a day. Rest of the day, he is looking for work. Is he unemployed? Why? What kind of jobs could persons like Victor be doing?

23. In 1955, which committee noted the possibility of using small scale industries for promoting rural developments? (1)

24. Match columns A and B with C

(1)

| Column A-cause | Column B-Consequence | Column C- Remedy |
|--------------------|------------------------|------------------------------|
| Low calorie intake | Unemployment | Training for self-employment |
| High birth rate | Poverty | Anti-Poverty Programme |
| Lack of training | High population growth | Family planning |

25. Though infrastructure is the foundation of development, India invests only _____ of its GDP on infrastructure, which is far below that of _____.

(1)

26. Group the following under the heads Pakistan

(1)

- a) Balance of payment crisis of 1991
- b) Great Leap Forward
- c) Frequent military dictatorship
- d) Liberal democracy
- e) One party Rule
- f) Largest population
- g) Highest population density
- h) Improved water source access.

27. India was ranked 130th according to 2018 Human Development Index (HDI) report. What was the rank of Pakistan?

(1)

28. Infrastructure contributes to the economic development of a country. Do you agree? Explain.

(3)

OR

How has the supply-demand relationship led to degradation of environment?

29. Trace the relationship between human capital and economic growth.

(3)

30. Explain 'trade and investment policy reforms' as a part of liberalization.

(4)

31. (a) How will goods and service tax be a comprehensive indirect tax? Explain

(b) How is the GST going to be administered?

(4)

OR

- a) What were the objectives of ceiling on land holding?
- b) Why, despite the implementation of green revolution, 65% of our population continued to be engaged in the agricultural sector till 1990?

(c) Sectoral break up of GDP

(4)

| S.NO | Sector | 1980 | 2015-17 | 2016-17 |
|------|-------------|------|---------|---------|
| 1. | Agriculture | | | |
| | China | 30.1 | 9.0 | 06 |
| | India | 42.8 | 17.0 | 16 |
| 2. | Industry | | | |
| | China | 48.5 | 43.0 | 51 |
| | India | 21.9 | 30.0 | 30 |
| 3. | Services | | | |
| | China | 21.4 | 48.0 | 43 |
| | India | 35.3 | 53.0 | 54 |

- a) Compare and contrast India and China's sectoral contributions towards GDP. What does it indicate?
- b) What are the important implication of the 'one child norm' in China?
- (d) a) What are the alternative channels available for agricultural marketing? Give some examples. (6)
- b) Enlist some problems faced by farmers during the initial years of organic farming.
- (e) a) What is a 'global burden of disease'? (6)
- b) What is urban-rural and poor-rich divide in case of health infrastructure?

OR

- a) Increasing unemployment is due to fast-rising population. Comment.
- b) The following table shows the population and worker population ratio for India in 1999-2000. Estimate the work force (urban, rural and total) for India?

| REGION | ESTIMATED POPULATION (In crores) | WORKERS POPULATION RATIO | ESTIMATED NO. OF WORKERS |
|--------|-----------------------------------|--------------------------|--------------------------|
| Rural | 71.88 | 41.9 | - |
| Urban | 28.52 | 33.7 | - |
| Total | 100.40 | 75.6 | - |

- c) Distinguish between formal and informal establishments and workers.



