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FIRST MID TERM TEST - JULY 2019

THIRUNELVELI DISTRICT STANDARD - XII ECONOMICS

TIME: 1.15 hours   MARKS - 45

SECTION - A

I. **Choose the correct answer:**   10 × 1 = 10

1. Who is regarded as Father of Modern Macro Economics?
   a) Adam Smith   b) J.M. Keynes
   c) Ragnar Frisch   d) Karl Marx

2. The country following capitalism is _____.
   a) Russia   b) America
   c) India   d) China

3. Primary sector is _____.
   a) Industry   b) Trade
   c) Agriculture   d) Construction

4. The financial year in India is _____.
   a) April 1 to March 31   b) March 1 to April 30
   c) March 1 to March 16   d) January 1 to December 31

5. In disguised unemployment, the marginal productivity of labour is _____.
   a) zero   b) one
   c) two   d) positive

6. Aggregate supply is equal to _____.
   a) C+I+G   b) C+S+G+(X-M)
   c) C+S+T+(X-M)   d) C+S+T+Rf

7. Lower interest rates are likely to _____.
   a) decrease consumption   b) increase cost of borrowing
   c) encourage saving   d) increase borrowing and spending

8. If the MPC is 0.5, the multiplier is _____.
   a) 2   b) $\frac{1}{2}$
   c) 0.2   d) 20

9. The RBI Headquarters is located at
   a) Delhi   b) Chennai
   c) Mumbai   d) Bengaluru

10. During inflation, who are the gainers?
    a) Debtors   b) Creditors
    c) Wage and Salary earners   d) Government

SECTION - B

II. **Note: i) Answer ANY FOUR of the following questions in one or two lines.**

ii) Q.No. 16 is compulsory. $4 \times 2 = 8$

11. Define Macro Economics.
12. What do you mean by the term 'Personal Income'?
13. What are the methods to calculate national income?
14. What is the main feature of rural unemployment?
15. Define Accelerator.
16. What is plastic money? Give example.

SECTION - C

III. **Answer ANY FOUR of the following questions in brief. (Q.No. 22 is compulsory)** $4 \times 3 = 12$

17. Briefly explain the two sector circular flow model.
18. Write a short note on per capita income.
19. List out the uses of national income.
20. Write short note on the implications of Say's law.
21. Differentiate autonomous and induced investment.
22. What are the determinants of money supply?

SECTION - D

IV. **Answer All the questions in detail.** $3 \times 5 = 15$

23. Illustrate the functioning of an economy based on its activities.

(OR)

Compare the features among capitalism, socialism and Mixedism.

24. Explain the importance of national income.

(OR)

What are the difficulties involved in the measurement of national income?

25. Describe the types of unemployment.

(OR)

Explain Keynes psychological law of consumption function with diagram.

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