

SWAMI VIVEKANAND ACADEMY
Chak chariya, Majhawa, Kachhawa, Mirzapur
Class - XII -Economics (Test Paper) Date: 24.12.2019

General Instructions :

1. All questions in both sections are compulsory. Marks for questions are indicated against each question.
2. Question No. 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 No. 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 No. 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 No. 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. Answers should be brief and to the point and the above word limit be adhered to as far as possible.

SECTION A

1. Aggregate demand refers to _____ on domestically produced goods and services during the period of an accounting year. [1]

OR

In macroeconomics, aggregate demand refers to unplanned expenditure on the goods and services in the economy during an accounting year. (True / False). [1]

2. What is the situation when $AS=AD$ along with fuller utilisation of resources in the economy called? [1]

3. Aggregate demand can be decreased by:

- (i) Rise in Bank Rate
- (ii) Purchase of securities in Open Market
- (iii) Deficit Budget
- (iv) Reduction in Tax burden

- AI** 4. Fiscal deficit equals:

- (i) Primary deficit minus interest payments.
- (ii) Primary deficit plus interest payments.
- (iii) Total budget expenditure minus total budget receipts.
- (iv) None of the above.

5. _____ is a tax whose impact and incidence fall on the same person. [1]

6. Consumption of fixed capital is:

- (i) Depreciation
- (ii) Inventory
- (iii) Consumption Expenditure
- (iv) National Income

[1]

7. Match the item in column A to those in column B and choose the correct option.

Column A		Column B	
a.	Supply of Money	i.	Supply of money considered over a period of time
b.	Stock of Money	ii.	Money held by Public and the Bank
c.	Flow of Money	iii.	Money in circulation at a particular point.
d.	Reserve Money	iv.	Supply of money studied at a point of time

(i) 1-(b), 2-(d), 3-(a), 4-(c)

(ii) 1-(d), 2-(b), 3-(c), 4-(a)

(iii) 1-(c), 2-(d), 3-(a), 4-(b)

(iv) 1-(d), 2-(c), 3-(b), 4-(a)

[1]

8. The ratio of total deposits that a commercial bank has to keep with Reserve Bank of India is called:

- (i) Statutory liquidity ratio
- (ii) Deposit ratio
- (iii) Cash reserve ratio
- (iv) Legal reserve ratio

[1]

9. Foreign Exchange Transactions which are independent of other transactions in the Balance of Payments Account are called:

- (i) Current transactions
- (ii) Capital transactions
- (iii) Autonomous transactions
- (iv) Accommodating transactions.

[1]

10. Exchange rate is the price of a currency expressed in terms of:

- (i) gold
- (ii) metal
- (iii) another currency
- (iv) none of these

[1]

11. Given marginal propensity to consume as zero, calculate the change in income if investment falls by ₹1000 crore.

[3]

OR

Give the meaning of Average Propensity to Save. What is its relationship with Average Propensity to Consume?

[3]

12. Distinguish between domestic product and national product.

[3]

13. (a) How can Budgetary Policy be used to reduce inequalities of income?

[2]

(b) Explain how government can influence allocation of resources through Government Budget.

[2]

14. Explain the following functions of the Central Bank:

- (i) Bank of issue;
- (ii) Banker's Bank.

[4]

15. State whether the following statements are true or false. Give reasons for your answer:

- (i) Difference between value of exports and imports of goods and services is called Trade Balance.
- (ii) External assistance is not recorded in Balance of Payments Account.

[4]

OR

"When the price of foreign currency falls, its demand increases." Justify this statement by giving reason in support of your answer.

16. Calculate Net Domestic Product at Factor Cost by (a) Income Method, (b) Production Method from the following data:

S. No	Items	₹ in crores
(i)	Net value added at market price by primary sector	1,000
(ii)	Wages and Salaries	2,000
(iii)	Social Security Contribution by Employers	100
(iv)	Net Value Added at Market Price by secondary sector	600
(v)	Corporation Tax	30
(vi)	Retained Earnings of Private Corporations	10
(vii)	Net Value Added at market price by the tertiary sector	1400
(viii)	Dividend	60
(ix)	Rent	300
(x)	Interest	300
(xi)	Net Direct Taxes	200
(xii)	Social Security Contribution by Employees	80

OR

Calculate Gross "National Product at Factor Cost by (i) Income Method, and (ii) Expenditure Method, from the following data :

S. No	Items	₹ in crores
(i)	Private Final Consumption Expenditure	800
(ii)	Government Final Consumption Expenditure	300
(iii)	Compensation of Employees	600
(iv)	Net Exports	50
(v)	Gross Domestic Capital Formation	150
(vi)	Consumption of Fixed Capital	20
(vii)	Net Indirect Taxes	100
(viii)	Net Factor Income from Abroad	(-)70
(ix)	Dividend	150
(x)	Rent	120
(xi)	Interest	80
(xii)	Undistributed Profit	80
(xiii)	Social Security Contribution by Employers	60
(xiv)	Corporate Tax	50

17. When is an Economy in Equilibrium? Explain with the help of saving and investment functions. Also explain the changes that take place in an economy when the economy is not in equilibrium. Use diagram.

SECTION B

8. Indian system of medicine includes _____ systems.

OR

When was the U.N. Conference on climate change held at Kyoto in Japan?

9. Indian economy is marching ahead towards progress. (True / False)

0. Components of human capital and human development are complementary to each other. (True / False)

21. Identify the correctly matched pair in Column A and Column B from the following:

Column A		Column B	
a.	NABARD	i.	Apex institute for rural credit
b.	RBI	ii.	Established in 1975
c.	AXIS Bank	iii.	Established in July 1982
d.	IDBI	iv.	Not an institution for credit.

[1]

22. What is the main reason of poverty in urban areas of India-

- (i) Lack of Professional Education
- (ii) Unequal Distribution
- (iii) Lack of Family Planning Facilities
- (iv) Money Inflation

[1]

23. Which of the following countries has adopted one child policy?

- (i) India
- (ii) China
- (iii) Pakistan
- (iv) None of these.

[1]

AI 24. Growth rate of population is highest in which of the following countries?

- (i) India
- (ii) China
- (iii) Pakistan
- (iv) None of these.

[1]

25. Mahalanobis Model was adopted in Indian Planning in:

- (i) First Plan
- (ii) Second Plan
- (iii) Third Plan
- (iv) Fourth Plan

[1]

26. Use of _____ seeds were promoted in green revolution.

[1]

27. Name the policy introduced to remove all unnecessary controls and restrictions imposed by the government like quotas, licenses, etc.

[1]

28. Exports from India have tended to lag behind our imports. What do you think is the principal reason behind it?

[3]

OR

What do you understand by the drain of Indian wealth during the Colonial Period?

[3]

29. Discuss the importance of credit in rural development.

[3]

30. Suppose, you are from a poor family and you wish to get help from the government to set up a petty shop. Under which scheme, will you apply for assistance and why?

[4]

OR

What are the main problems of human capital formation in India?

[4]

31. Explain the two categories into which infrastructure are divided.

[4]

32. What are the similarities in the development strategies of India, Pakistan and China?

[4]

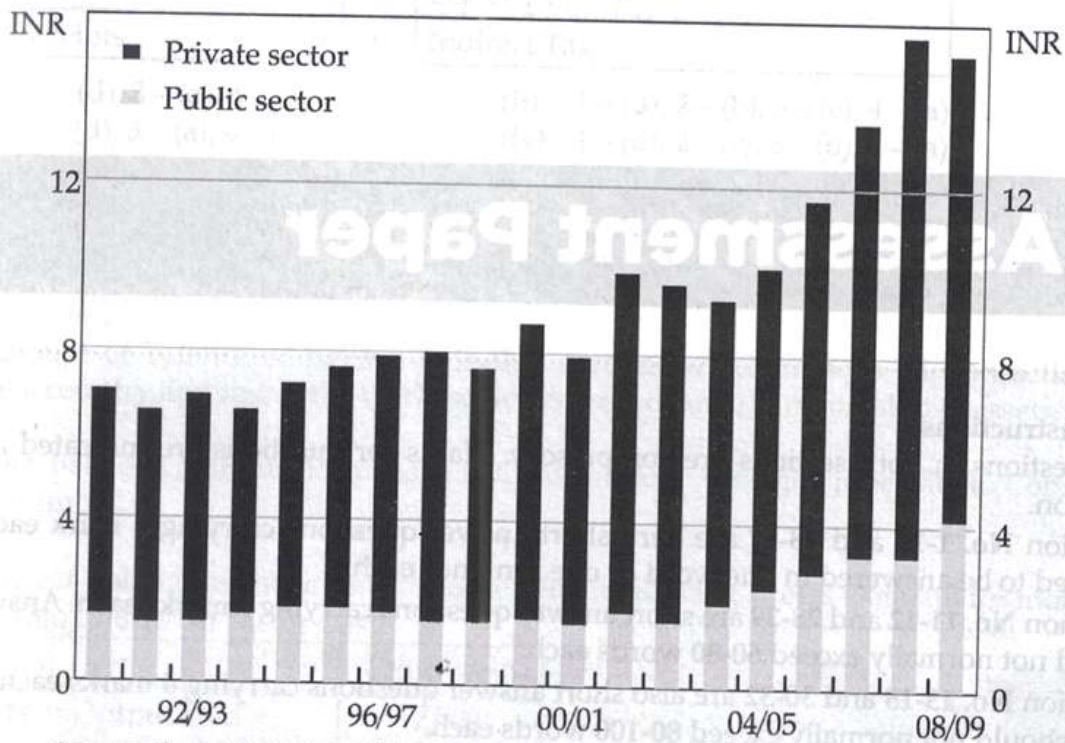
33. 'Today, development has become a burden on nature/environment'. Comment.

OR

Read the trend as shown in the bar graph and answer the questions that follows:

India – Investment in Agriculture

Constant 2004/05 prices



Sources: Central Statistical Office; RBA

(a) What can be seen from the graph?

[1]

(b) How has the Public Sector played a role in the Investment and marketing of Agriculture in India?

[5]

34. The traditional handicrafts industries were ruined under the British rule. Do you agree with this view?

Give reasons in support of your answer.

[6]