

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.

PART A

1. Which agency is responsible for issuing ₹ 1 currency note in India? [1]

OR

Which function of money enables us to transfer ownership of a product?

- (i) store of value
 - (ii) transfer of value
 - (iii) measure of value
 - (iv) none of these
2. Which of the following is not a qualitative method of credit control? [1]
- (i) Open Market Operation
 - (ii) Margin Requirements
 - (iii) Variable Reserve Ratio
 - (iv) Bank Rate Policy
3. Disinvestment by government means : [1]
- (i) Selling of its fixed capital assets
 - (ii) Selling of shares of public enterprises held by it
 - (iii) Selling of its buildings
 - (iv) All of the above
4. Revenue deficit includes capital receipts and capital expenditure. (True/False). [1]
5. Excess of revenue expenditure over the revenue receipts is called . [1]

6. If $MPS = 0$, the value of multiplier will be :

- (i) 2
- (ii) 1
- (iii) 0
- (iv) ∞

[1]

7. When aggregate demand is greater than aggregate supply, inventories

- (i) fall
- (ii) rise
- (iii) do not change
- (iv) first fall, then rise

[1]

8. Aggregate demand can be increased by :

- (i) increasing bank rate
- (ii) selling government securities by Reserve Bank of India
- (iii) increasing cash reserve ratio
- (iv) none of the above

[1]

9. Match the items in Column A to those in Column B and choose the correct option:

Column A		Column B	
a.	Import of Shipping services	i.	Accommodating Items
b.	Export of Machinery	ii.	Invisible Items
c.	Borrowings from IMF	iii.	Visible Items
d.	Foreign aid	iv.	Unilateral Transfer

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

[1]

[AT] 10. Import of machinery is reflected in the current account of balance of payment. (True / False)

[1]

11. State the meaning of the following:

- (a) Ex-Ante Savings
- (b) Full Employment
- (c) Autonomous Consumption

[3]

OR

State the impact of "Excess Demand" under the Keynesian Theory on Employment, in an economy.

[3]

[AT] 12. What is real GDP? State three limitations of GDP as an index of economic welfare.

[3]

13. Explain the need for reduction in inequalities of income and wealth. Explain any two budgetary measures by which it can be done.

[4]

14. What is Repo Rate? How is it used by the Central Bank to control credit or limit creation by Commercial Banks?

[4]

15. Are the following entered (i) On the credit side or debit side and (ii) In the Current Account or Capital Account in the Balance of Payments Account? You must give reason for your answer.

- (i) Investment from Abroad.
- (ii) Transfer of funds to relatives Abroad.

[4]

OR

Indian investors lend abroad. Answer the following questions:

- (i) In which sub-account and on which side of the Balance of Payments Account such lending is recorded? Give reasons.
- (ii) Explain the impact of this lending on Market Exchange Rate.

[4]

16. Given a consumption curve, outline the steps required to be taken in deriving a saving curve from it. Use diagram. [6]

OR

17. (a) Distinguish between Inflationary Gap and Deflationary Gap. State two measures by which these can be corrected. [6]

17. (a) Calculate National Income

S.No.	Content	(₹ in crores)
(i)	Net domestic capital formation	150
(ii)	Government final consumption expenditure	300
(iii)	Net factor income from abroad	(-)20
(iv)	Private final consumption expenditure	600
(v)	Depreciation	30
(vi)	Net exports	50
(vii)	Net indirect taxes	90
(viii)	Net current transfers from rest of the world	40

(b) State the formula for the calculating the following: [4]

(i) Net National Product at Factor Cost.

(ii) Net Domestic Product at Market Price. [2]

SECTION B

18. Absolute Poverty is prevalent in —

(i) Communist Countries

(ii) Developing Economies

(iii) Socialist Economies

(iv) Developed Countries [1]

OR

Which function of money enables us to transfer the ownership of a product?

19. What type of expenditure is Expenditure on Education? [1]

20. Urban people are mainly engaged in the

(i) Primary sector

(ii) Service sector

(iii) Training

(iv) Agriculture [1]

21. Investors are reluctant to invest in tidal energy projects. (True / False). [1]

22. Forests are _____ resources. [1]

23. _____ is the process of detaching a currency from its status or legal tender in the country. [1]

24. Economy can develop without industrial development. State (True / False). [1]

25. The portion of agricultural produce which is sold in the market by the farmers is called _____. [1]

26. Identify the items that have been correctly paired from Column A to that of Column B:

Column A		Column B	
a.	Main occupation of Pakistan	i.	Agriculture
b.	Main industry of Pakistan	ii.	Fruits
c.	Country which became basis for Special Economic zone in India	iii.	India
d.	Seventh largest country in the world	iv.	China

27. Reforms in _____ were introduced in 1978. [1]

28. At the time of independence, agricultural production in India received a major setback. Discuss the main reasons of the setback. [3]

OR
[AI] Why do Small Scale Industries need protection from government ?

[3]

29. What are the functions of the environment?

[3]

30. What is meant by 'food for work' programme?

[4]

OR

Write about the various crops and production under diversification of agriculture?

[4]

31. What is the state of Rural infrastructure in India?

[4]

32. What are the various means by which countries are trying to strengthen their own domestic economies?

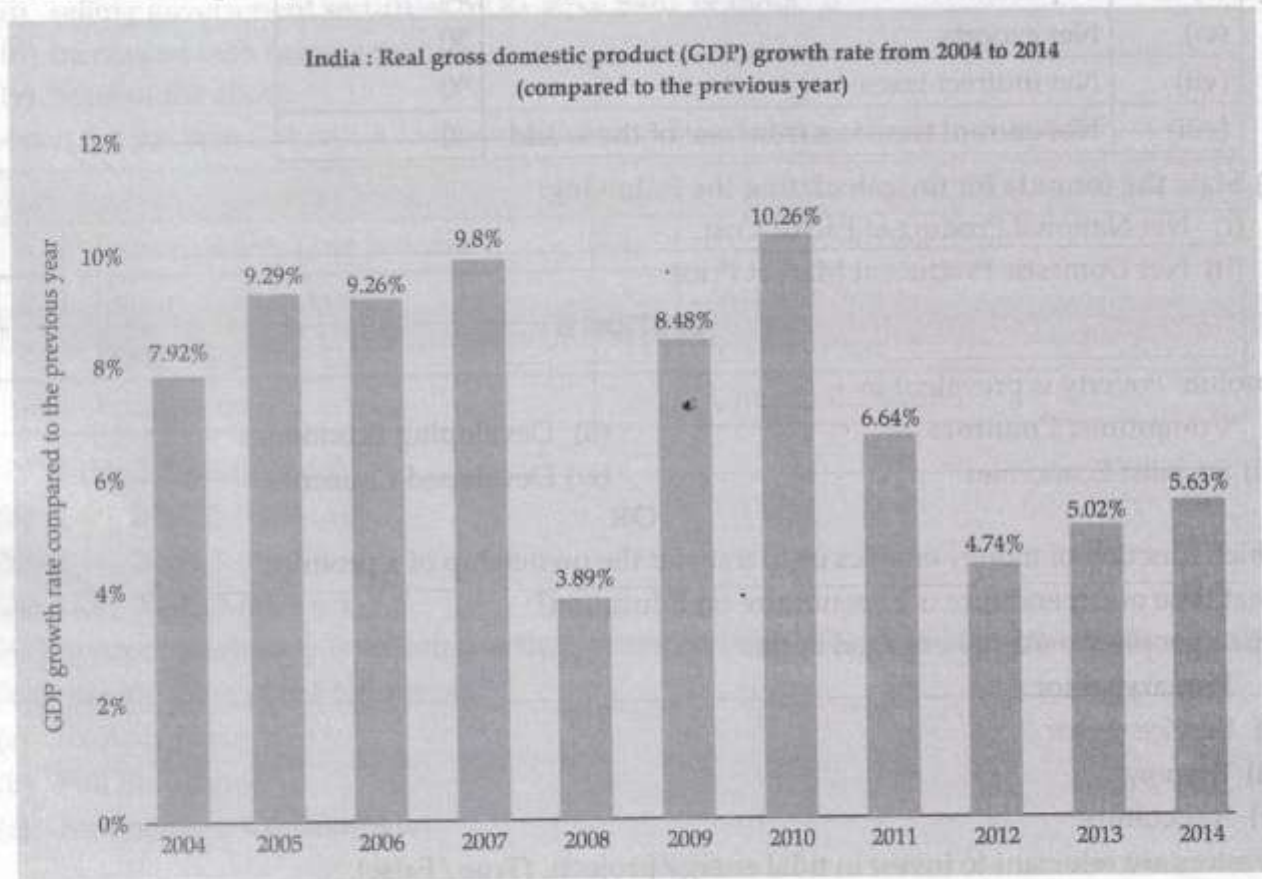
[4]

33. What is seasonal unemployment? Suggest measures for reducing this kind of unemployment in India.

[6]

OR

Read the following Graph and answer the questions that follows:



(a) What can you say about the Economic Development trend of the country?

[1]

(b) How are Human Development and Economic Development related to each other?

[5]

34. What measures have been taken for the globalisation of Indian economy?

[6]