

Economics
Practice Paper-II

Time:3 Hours

Class- XII

MaximumMarks:80

General Instructions:

- (i) All questions in both the sections are compulsory.
- (ii) Marks for questions are indicated against each question.
- (iii) Question numbers 1-10 and 18-27 are objective type/very short answer questions carrying 1 mark each.
- (iv) Question numbers 11-12 and 28-29 are short answer questions carrying 3 marks each. Answers to them should normally not exceed 60 words each.
- (v) Question numbers 13-15 and 30-32 are also short answer questions carrying 4 marks each. Answers to them should normally not exceed 70 words each.
- (vi) Question numbers 16-17 and 33-34 are long answer questions carrying 6 marks each. Answers to them should normally not exceed 100 words each.
- (vii) Answers should be brief and to the point and the above word limit adhered to as far as possible

Section 'A'

1. Which of the following is not a factor income:

- a) dividend
- b) rent
- c) remittances
- d) wages

2. Net indirect tax is equal to:

- a) subsidies-indirect tax
- b) subsidies+ indirect tax
- c) indirect tax +subsidies
- d) indirect tax –subsidies

3. Unforeseen obsolescence of fixed capital assets during production is called:

- a) income loss
- b) consumption of fixed capital
- c) capital loss
- d) all of the above

4. Domestic product includes contribution of only resident producers within the domestic territory of the country. (true/false)

5..... refers to the total volume of money held by public at a particular point of time. (high powered money/money supply)

6. In an economy, activity of credit creation is done by:

- a) central bank
- b) ministry of finance
- c) commercial banks
- d) both (a) and (c)

7. Which of the following can have value more than one?

- a) MPC
- b) APS
- c) MPS
- d) APC

8. Value of investment multiplier varies between zero and infinity. (true/false)

OR

When value of MPC is 1, the value of investment multiplier is 1. (true/false)

9. Balance of Payments 'deficit' is the excess of:

- a) accommodating payments over accommodating receipts
- b) accommodating receipts over accommodating payments
- c) autonomous payments over autonomous receipts
- d) autonomous receipts over autonomous payments

10. Imports of goods and services raises the..... of foreign exchange. (supply/demand)

11. Elaborate 'redistribution of income' objective of Government budget.

12. Explain the implications of 'fiscal deficit' of Government budget.

OR

Distinguish between capital expenditure and revenue expenditure.

13. Explain 'banker's bank' function of central bank.

OR

Explain the role of statutory liquidity ratio in increasing money supply.

14. Define aggregate demand. State its three main components.

15. Distinguish between the autonomous transactions and the accommodating transactions in the Balance of Payments.

16. Explain determination of equilibrium level of national income using aggregate demand and aggregate supply.

OR

In a two sector economy , the income function is : $Y=C+I$ and consumption function is given as : $C=80+0.75Y$. If investments are Rs.120 crores, calculate (a) Equilibrium level of income;(b)Level of consumption at equilibrium at equilibrium;(c)Saving at equilibrium.

17. Calculate (a) National Income by Expenditure Method; and (b) National Income by Income Method.

	Rs. In crores
i)Government final consumption expenditure	1000
ii)Change in stock	700
iii)Consumption of fixed capital	100
iv)Exports of goods and services	400
v)Private final consumption expenditure	1800
vi)Gross fixed capital formation	1600
vii)Subsidies	100
viii) Imports of goods and services	700
ix)Net property and entrepreneurship income from abroad	-120
x)Indirect taxes	400
xi)Saving of the private corporate sector	60
xii)Net compensation of employee from abroad	-20
xiii)Operating surplus	1100
xiv)Compensation of employees	1600
xv)Corporation tax	40
xvi)Mixed income	1700

Section 'B'

18. First census in India was done in the year:

- | | |
|---------|--------|
| a. 1951 | c.1881 |
| c.1921 | d.1947 |

19. Which of the following crop is not a cash crop:

- | | |
|-----------|-----------|
| a. tea | b. rice |
| c. indigo | d. coffee |

20. New Economic Policy in India was announced in which year:

- | | |
|---------|---------|
| a. 1991 | b. 1993 |
| c. 1995 | d. 1997 |

21.....refers to a state in which more people are engaged in work than are really needed.(seasonal unemployment/disguised unemployment)

22.SJSRY refers to Swarna Jayanti Shahri Rozgar Yojana.(true/false)

OR

The number of persons, who are actually employed at a particular time are known as work force.(true/false)

23.Which period is known as 'Golden Revolution'?

- | | |
|-------------|-------------|
| a)1990-1995 | b)1991-2003 |
| c)1991-2000 | d)1990-2000 |

24. Which of the following is not a social infrastructure:

- a) housing
- b) education
- c) communication
- d) health

25. Which is the main reason for soil erosion:

- a) Air Pollution
- b) Deforestation
- c) Ozone Depletion
- d) all of the above

26. When were reforms introduced in China?

- a) 1991
- b) 1958
- c) 1978
- d) 1995

27. Great Leap Forward campaign was started in(1978/1958)

28. What do you understand by the drain of Indian wealth during the colonial period?

OR

Why was public sector given a leading role in industrial development during the planning period?

29. How does investment in human capital contribute to growth?

30. Explain the four main steps taken by the government in developing rural markets?

OR

Explain any four pressing environmental concerns of India.

31. What is organic farming. Write its three merits.

32. Describe any four measures taken by Pakistan for its economic development.

33. Explain any six positive contributions made by the British in India.

34. Why should government intervene in education and health sectors? Analyse in your view.

OR

What do you mean by environment. Explain four functions of the environment.