

Pre Board-1 Examination, 2019-20
ECONOMICS-(030)
GRADE 12

Date: 21 January 2019

Max Marks: 80

Time Allowed: 3 hours

General instructions:

- i. All the questions in both the sections are compulsory. Marks for questions are indicated against each question.
 - ii. 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.
 - iii. 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.
 - iv. 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.
 - v. Question number 16 - 17 and 33 - 34 are long answer questions carrying 6 marks each. Answers to them should not normally exceed 100-150 words each.
 - vi. Answer should be brief and to the point and the above word limit be adhered to as far as possible.
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SECTION A: [INTRODUCTORY MICROECONOMICS]

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|-----------|--|---|
| 1. | What is intermediate cost? | 1 |
| 2. | Demand deposits with commercial banks are a part of money supply (True/False) | 1 |
| 3. | Which one of the following is measurement of term M1 of money supply?
(a) Term deposit
(b) Demand deposit
(c) Other deposit to commercial banks
(d) All of the above | 1 |
| OR | | |
| | Define Credit money. | |
| 4. | What is meant by autonomous consumption? | 1 |
| 5. | At zero level of income, saving is:
(a) Positive
(b) Negative
(c) Zero
(d) None of the above | 1 |
| 6. | Define involuntary unemployment. | 1 |
| 7. | Disinvestment is
(a) Capital expenditure
(b) Revenue Expenditure
(c) Capital receipt
(d) Revenue receipt | 1 |

8. In case of excess demand the government should follow a budgetary policy of: 1
 (a) Deficit Budget (b) Surplus budget
 (c) Balanced budget (d) none of the above
9. Define flexible exchange rate. 1
10. Match the following with the correct pair: 1
 (i) Issues ₹1 note in India (a) 1/LRR
 (ii) Deposit multiplier (b) Online transaction
 (iii) Control of recession (c) Ministry of Finance
 (iv) EFT (d) Reducing repo rate
11. Distinguish between stock and flow. 3
12. Explain the functions (i) Banker to government and (ii) Open market operations. 3
 OR
 Differentiate between bank rate and repo rate.
13. In an economy, the equilibrium level of income is ₹15000 crore. The ratio of marginal propensity to consume and marginal propensity to save is 3:1. Calculate the additional investment needed to reach a new equilibrium level of income of ₹ 22000 crore. 4
 OR
 Explain the role of legal reserves in correcting the inflationary gap in an economy.
14. Differentiate between depreciation and devaluation of domestic currency. 4
15. “Fiscal deficit is necessarily inflationary in nature” do you agree? Support your answer with valid reason. 4
16. Explain the determination of income and employment with AD and AS (with schedule). 6
 OR
 Explain the determination of income and employment with S and I(with schedule).
17. Calculate Gross Domestic Product at market price by 6
 (a) Production Method (b) Income Method
- | Items | ₹ (in Crores) |
|------------------------------------|---------------|
| (i)Intermediate consumption by | |
| Primary sector | 500 |
| Secondary Sector | 400 |
| Tertiary Sector | 400 |
| (ii)Value of Output by | |
| Primary Sector | 1000 |
| Secondary Sector | 900 |
| Tertiary Sector | 700 |
| (iii)Rent | 10 |
| (iv)Compensation of employees | 400 |
| (v)Mixed income | 550 |
| (vi)Operating surplus | 300 |
| (vii)Interest | 5 |
| (viii)Consumption of fixed capital | 40 |
| (ix)Net indirect taxes | 10 |

SECTION B: [INDIAN ECONOMIC DEVELOPMENT]

18. Gender Bias in the society on eve of independence was indicated by: 1
- (a) Mortality rate (b) Literacy rate
(c) Death rate (d) agriculture goods
19. Who makes 'Plans'? 1
OR
Define economic planning.
20. In MNREGA, what is the minimum number of days of employment in a year guaranteed? 1
- (a) 80 days (b) 50 days
(c) 90 days (d) 100 days
21. Write any two indicators of human development index? 1
23. GREAT LEAP FORWARD (GLF) campaign was started in China in the year_____ 1
23. The accept average calories required per person in urban area is: 1
- (a) 2400 (b) 2100
(c) 2500 (d) 2150
24. What do you understand by outsourcing? 1
25. Write the full form of JNV and UGC? 1
26. Which type of economic system is followed in China? 1
- (a) Mixed economy (b) Socialist economy
(c) Capitalist economy (d) None of these
27. Pakistan has performed better than India in reducing the percentage of BPL population. (True/False) 1
28. Keeping in view your locality describes any three strategies of sustainable development. 3
29. What is the 'Big Push Strategy' of China? 3
OR
What are the edge of India over Pakistan
30. How are credit and marketing significant for the progress of agriculture? 4
OR
Explain the challenges of power generation in India.

31. What is infrastructure? Distinguish between economic and social infrastructure. 4
32. 'Composition of foreign trade of any country tells us about the nature of commodities that are exported and imported.' What can you state about the composition of foreign trade at the time of Independence? 4

33. Why is India one of the most favourable medical tourism destinations in the world. 6

OR

Explain three benefits and three challenges of organic farming.

34. Give reasons for the following: 6

1. Privatisation was encouraged in the New Economic Policy.
2. Under the New Economic Policy, inflow of foreign capital was encouraged.
3. Indian farmers are shifting cultivation from food grains to non-food grains.
