PREBOARD EXAMINATION, JANUARY

2020 ECONOMICS

Class: XII   Max marks:80

Date:09/01/2020   Time:3 Hrs

General Instructions:

1. All questions are compulsory.

2. Marks for the questions are indicated against each.

SECTION-A (Macro Economics)

1. Define intermediate goods. Give an example.   (1)

   OR

   Define nominal GDP. Give the formula for calculating nominal GDP.

2. Which of the following measures would result in an increase in money supply in the economy?
   (i)Purchase of government securities from the public by the central bank.   (1)
   (ii)Deposit of currency in commercial banks by the public.
   (iii)Borrowing by the government from the central bank.
   (iv)Increasing the bank rate by the central bank.
   Which of the above are correct?
   (a)i only (b)ii and iv only (c)i and iii only (d)ii,iii and iv only

3. There has been persistent deficit budget year after year. Which action can be taken by the
   government to reduce the deficit?   (1)
   (a)Reducing revenue expenditure
   (b)Introducing new welfare scheme
   (c) Rationalizing subsidies
   (d)Both (a) and (c)

4. If the budgetary deficit of the government is Rs 25,000 cr and the borrowings and other liabilities
   are Rs 7,000 cr. How much will be fiscal deficit?   (1)
   (a)25,000 cr (b)32,000 cr (c)18,000 cr (d)7,000 cr

5. Signature of _____ appears on a Rs 2000 currency note.   (Fill up the blank with correct

   answer)   (1)

6. From the set of statements given in Column I and Column II, choose the correct pair of statements: (1)

COLUMN I	COLUMN II
(a)Export of software to France	(i)Debit side of current account
(b)Import of machinery from China	(ii)Capital account of Balance of Payment
(c)Remittances to relatives staying abroad	(iii)Debit side of current account of Balance of Payment
(d)Investment by Apple phone firms in India	(iv)Credit side of current account of Balance of Payment

7. When Aggregate Demand is more than Aggregate supply, then: (1)

(a)Planned inventory is likely to fall (b)Planned inventory is likely to rise

(c)No change in planned inventory (d)None of these

8. State whether the given statement is true or false: (1)

Profits received from investments abroad is recorded in capital account.

9. The value of _____ can never be negative, while _____ can have a value less than one.(1)

(a)APS,APC   (b)MPC,APC (c)APC,APS (d)MPS,APC

10. _____ refers to amount of investment which firms plan to invest at different levels of income in the economy during a year. (ex-ante /ex post) **(Fill up the blank with correct alternative)** (1)

11. Define "Net Factor Income from Abroad". How is it different from "Net Exports"?(3)

OR

State whether the following will be included in the estimation of National Income. Give reason for your answer.

P.T.O

(a)Rent –free house given to an employee by an employer.

(b)National debt interest.

12. Derive the two alternative conditions of expressing national income equilibrium. Show these equilibrium conditions on a single diagram. (3)

13. Explain using a numerical example, how an increase in reserve deposit ratio affects credit creation power of the banking system. (4)

OR

In the present scenario when the industrial growth is low, do you think a cut in repo rate by RBI would accelerate the pace of industrial growth?

14. (a)What will be the effect of "Make in India" programme on the Balance of Payment? (4)

(b)" Indian Rupee plunged to all time low of Rs 74.48 against the US Dollar."-The Economic Times. Explain the impact of the situation on Indian exports.

15. (a)What are non-debt creating capital receipts? Give two examples. (4)

(b)Explain how government budget can be used to bring in price stability in the economy.

16. India got a fresh investment of Rs 5,000 cr and every time due to increase in the income, consumption increases by 75% of increased income. Explain the mechanism how it will increase National Income of India. (6)

OR

Keynesian theory tells that inflationary gap emerges only after full employment is reached. But in India often there will be high rate of inflation along with high rate of unemployment. Explain.

17. Find "Government Final Consumption Expenditure " and "Mixed Income" (6)

Items	Crore
(i)National Income	71,000
(ii)Gross Domestic Capital Formation	10,000
(iii)Government Final Consumption Expenditure	?
(iv)Mixed Income	?
(v)Net factor income from abroad	1,000

(vi)Net Indirect taxes   2,000

(vii)Profits   1,200

(viii)Wages and salaries   15,000

(ix)Net exports   5,000

(x)Private final consumption expenditure   40,000

(xi)Consumption of fixed capital   3,000

(xii)Operating surplus   30,000

SECTION-B (Indian Economic Development)

18. Define occupational structure.   (1)

19. When did the first cotton mill, first jute mill and first coal mine started in India? (1)

   (a)1855-60   (b)1850-55   (c)1940-45   (d)1900-1907

20. What was the rate of share of industrial sector in employment in 2017?   (1)

   (a)43.86%   (b)24.47%   (c)51.06%   (d)30.49%

21. Comprehensive planning is pursued under :   (1)

   (a)Capitalist economy   (b)socialist economy   (c)Both (a) and (c)   (d) None of these

                              OR

   Indian GST model has _____ rate structure.

       (a)3   (b)4   (c)5   ·(d)6

22.One Child Policy was adopted by China in _____.(Fill up the blank with correct answer)(1)

23. State whether the following is true or false: (1)

Environment Protection Act was passed in the year 1987.

24. Reserves of natural gas are largely found in _____.(Rajasthan/Madhya Pradesh)

(Fill up the blank with correct alternative)   (1)

25. Identify the correct sequence of alternatives given in Column II by matching them with respective terms in Column I: (1)

COLUMN I	COLUMN II
A. Karve Committee	(i)November 2016
B. Demonetisation	(ii)P.C.Mahalanobis
C. Indian Statistical Institute	(iii)Financial sector reforms
D. Origin of Private Banks	(iv)1955

26. Identify the correct sequence of alternatives given in Column II by matching them with respective terms in Column I: (1)

COLUMN I	COLUMN II
A. Start Up India	(i)2014
B. Pradhan Mantri Awaas Yojana	(ii)2015
C. Fit India Programme	(iii)2016
D. Jan Dhan Yojana	(iv)2019

Choose the correct alternative:

(a)i,ii,iv,iii

(b)iv,iii,i,ii

(c)iii,ii,iv,i

(d)iv,ii,i,iii

27.**SAARC** stands for: (1)

P.T.O

(a)South Asian Association for Regional Cooperation

(b)South Asia Assistance for Regional Cooperation

(c)Sarva Aarthic Association for Regulatory Development

(d)Southern Asiatic Association for Regional Cooperation

28. How has women's health become a matter of great concern?   (3)

OR

"The gap between the growth of GDP and employment is widening. "Explain the trend which highlight this phenomenon.

29. Explain how the opportunity costs of negative environmental impact are high.   (3)

30. Why and how was private sector regulated under **IPR 1956**?   (4)

31. India has an edge over Pakistan, but China has an edge over both India and Pakistan in the area of growth and development. Prove this fact using indicators of growth and development.   (4)

OR

How do you view the opposition to **FDI** in retail in India? Compare it with the situation of smooth operation of **FDI** in retail in China.

32. Explain the risks involved under Green Revolution. Also state the steps taken by the government to overcome these risks.   (4)

33. Illustrate the difference between rural and urban poverty. Is it correct to say that poverty has shifted from rural to urban areas? Use the trends in poverty ratio to support the answer.   (6)

34. Highlight any two serious adverse environmental consequences of development in India. India's environmental problems pose a dichotomy, they are poverty induced and at the same time, due to affluence in living standards-Is this true?   (6)

OR

The following table shows distribution of working persons in different industries during 2009-2010.Analyse it and give reasons for the nature of workforce distribution.

INDUSTRIAL CATEGORY	PLACE OF RESIDENCE		SEX		TOTAL
	RURAL	URBAN	MALE	FEMALE	
PRIMARY SECTOR	68.0	7.5	47.1	68.7	53.2
SECONDARY SECTOR	17.4	34.4	33.5	16.3	21.5
TERTIARY/SERVICE SECTOR	14.6	58.1	19.4	15.0	25.3
TOTAL	100.0	100.0	100.0	100.0	100.0