



VISHNU BHAGWAN PUBLIC SCHOOL

Pre Board Exam (2023-24)

Class – 12

Subject –Economics

{SET-C}

Time: 3:00 Hours

M.M:80

General Instructions:

- This question paper contains two sections
- Section A – Macroeconomics
Section B- Indian Economic Development
- This paper contains 20 multiple choice question of 1 Marks each.
- This paper contains 4 short answer questions of 3 marks each is to be answered in 60 to 80 words
- This paper contains 6 short answer questions of 4 marks is to be answered in 80 to 100 words
- This paper contains 4 long answer questions of 6 marks each to be answered in 100 to 150 words

SECTION -A : MACROECONOMICS

(10X1=10)

- 1) Read the following statements carefully :
Statement 1 : Depreciation reserve fund helps to maintain the existing stock of capital .
Statement 2 : unexpected obsolescence occurs owing to change in demand in the market.
Alternatives :
a) Statement 1 is true and statement 2 is false .
b) Statement 2 is true and statement 1 is false
c) Both the statements are true .
d) Both the statements are false.
- 2) Intermediate goods are those goods:
a) Which have yet not cross the boundary line of production
b) which are purchased by one firm from the other firm for resale
c) which are not included in the estimation of national product.
d) all of these.
- 3) money flows are the reciprocal of:
a) monetary flows. B) real flows c) circular flows. D) inventory flows
- 4) Net indirect tax :
a) Indirect taxes +Subsidy B) Direct taxes+ subsidy
C) Indirect taxes – subsidy d) Direct -subsidy
- 4) If $NDP_{fc} = \text{Rs. } 4,300$, Depreciation= $\text{Rs. } 1,350$, subsidies - $\text{Rs. } 250$, net factor income from abroad= $\text{Rs. } 330$, GDP mp will be :
a) $\text{Rs. } 2370$. B) $\text{Rs. } 3560$ c) $\text{Rs. } 5110$ d) $\text{Rs. } 5400$
- 5) Which of the following is not a “factor payment”
a) free uniform to defense personal b) salaries to member of parliament
c) rent paid to the owner of building d) scholarship given to the students
- 6) A sy in which commodities are exchange for commodities is called :
A) barter system of exchange B) monetary system of exchange
C) commodity for commodity exchange economy D) both (a) and (c)
- 7) Evolution of money has facilitated by :
A) a common unit of exchange B) Store of value C) transfer of value D) all of these
- 8) In India coins are issued by :
A) state Bank of India. B) RBI C) Ministry of Finance. D) Ministry of urban dev.
- 9) for close economy (With no foreign trade) ,which among the following is correct ?
A) $GDP = GNP$ b) $GDP > GNP$ C) $GDP < GNP$ d) $GDP + GNP = 0$
- 10) Slope of consumption Functions=
a) C/Y b) $\Delta C/\Delta Y$ c) $\Delta Y/\Delta C$ d) Y/C

Short Answer Questions (Q.11 and 12)**2X3=6**

11) “ Economist are generally concerned about the rising marginal propensity to Save (MPS) in an economy. Explain why ? (3 Marks)

12) a) On the basis of given data, estimate the value of domestic income . (3Marks)

| S.No | Particulars | Amount. (in Rs. crore) |
|------|--|---------------------------|
| 1) | Household consumption expenditure | 600 |
| 2) | Gross fixed capital formation | 200 |
| 3) | Change in stock | 40 |
| 4) | Government final consumption expenditure | 200 |
| 5) | Net exports | -40 |
| 6) | Net indirect taxes | 120 |
| 7) | Net factor income from abroad | 20 |
| 8) | Consumption of fixed capital | 40 |

Or

b) Calculate marginal propensity to consume and marginal propensity to save from the following data:

| Income (Rs.) | Consumption (Rs.) |
|--------------|-------------------|
| 2000 | 300 |
| 4000 | 1300 |

Short Answer Questions (Q.13 to 15)**3X4=12**

13) Estimate the value of aggregate demand in an economy if : (4 Marks)

A) autonomous investment (I) = Rs. 100 crore. B) Marginal propensity to save (MPS) =0.2

C) Level of income (Y) = Rs.4000 crore

D) Autonomous consumption expenditure (C) = Rs. 50 crore.

14) a) explain the ‘ Government’s bank’ function of Central Bank. (4 Marks)

Or

b) Using a hypothetical numerical example, explain the effect of rise in reserve ratio on credit creation by the commercial banks.

15) Explain the relationship between investment multiplier and marginal propensity to consume. (4 Marks)

Long Answer Questions (Q.16 and 17)**2X6=12**

16) State the meaning of the following: (6 Marks)

A) Bank rate / Repo rate B) Reverse Repo rate C) Open market operations

17) a) With the help of circular flow model so that income and product are equal. (6Marks)

Or

b) Write down the three identities of calculating the GDP of a country by three methods. Also briefly, explain why each of these should give us the same value of GDP.

SECTION -B INDIAN ECONOMY**Multiple Choice Questions (Q.18 to 27)****10X1=10**

18) Subsistence farming is a form of farming:

- a) in which crops are produced for sale in the market
- b) in which crops are produced to provide for the basic needs of the family
- c) in which there is a lack of commercial outlook
- d) both (b) and (c)

19) In the 20th century under British rule, India had an export surplus where was this surplus used ?

- a) To invest in capital goods industries in India
- b) To invest in capital goods industries in Britain
- c) To meet the official and war expenses of the British
- d) To pay the salary of Indian Government employees

20) On the eve of independence the proportion of population engage in industrial sector was:

- a) approx. 10%.
- B) approx. 15%
- c) approx. 20%
- d) approx. 26 %

21) In which year was planning commission abolished?

- a) 2014
- b) 2015
- c) 2016.
- d) 2017

- Short Answer Questions (Q.28 and 29) 2X3=6**
- 28) a) Define the concept of GST. How is GST a common man friendly tax ? (3 Marks)

Or

b) What is meant by economic reforms? Explain in brief measures adopted for Privatization

29) Have land reforms implemented completely in India? If not, why? (3 Marks)

30) ‘Atamnirbhar Bharat ‘ had been at the roots of the Indian planning process in the form of “self reliance “ as an objective of the planning process. Do you agree with the given statement? Justify the rationale of the given statement. (4 Marks)

31) a) State four principal factors which contributed to backwardness of Indian agriculture on the eve of independence. (4 Marks)

Or

b) State four features of India's demographic profile during the British rule.

32) Define Socialist economy. What are the principal features of socialist economy? (4 Marks)

33) The gains of Green Revolution was significant but with its own set of limitations .
Comment (6 Marks).

Or

a) What is meant by liberalisation ? Explain its elements (3 Marks)

b) What is meant by globalisation ? state its main elements. (3 Marks)

34) Read the following case study carefully and answer the questions (I) and (II) on the basis of the same: (6 Marks)

The colonial government made institutional changes in agriculture by transforming traditionally circumscribed property right into something more closely resembling the unencumbered private property characteristic of Western capitalism. The beneficiaries of this new right varied in different parts of India. The top layer of Moghul property, the jagir, was abolished (except in the autonomous princely states) , and the bulk of the old warlord aristocracy was dispossessed. Their previous income from land revenue and that of the Moghul state, was not appropriated by the British as land tax. However , in the Bengal presidency (i.e, modern Bengal, Bihar, Orissa and a part of Madras) the second layer of Moghul property right belonging to Moghul tax collector (zamindars) was reinforced. All zamindars in these area now had hereditary status , so long as they paid their land taxes and their judicial and administrated functions disappeared . In the Moghul period zamindars had usually kept a tenth of the land revenue to themselves, but by the end of British rule their income from rent was a multiple of tax they paid to the state.

- 1) What was the state of Indian agriculture on the aim of independence? (3Marks)
- 2) Comment upon the state of agriculture in India during pre -British period. (3Marks)