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Class: XII<sup>th</sup>  
Subject: Economics  
Date: 06/09/2024  
Invigilator's Sign. [Signature]  
Session: 2024-25

Roll No. 

2	2
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**SET-A**  
**SUBJECT CODE : 030**

Time allowed: 3 Hours

Maximum Marks: 80

Please check that this question paper contains, 5 printed pages.

- Code number given on the right hand side of the question paper should be written on the title page of the answer book by the candidate.
- Please check that this question paper contains 34 questions.
- Please write down serial number of the question before attempting it.

Read the following instructions carefully and follow them:

1. This Question paper contains 34 questions. All questions are compulsory.
2. This question paper contains two sections:  
Section A – Introductory Macroeconomics  
Section B – Indian Economic Development
3. This paper contains Q1-Q10 in section A and Q18-Q27 in section B Multiple Choice Questions questions of 1 mark each.
4. This paper contains Q11-Q12 in section A and Q 28-Q29 in section B Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
5. This paper contains Q13-Q15 in section A and Q30-Q32 in section B Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
6. This paper contains Q16-Q17 in section A and Q33-Q34 in section B Long Answer Question type questions of 6 marks each to be answered in 100 to 150 words.
7. Attempt all parts of a question together.

**Section A**

**(Introductory Macroeconomics)**

- Q1. Inventory is a .....concept whereas the change in inventory is a ..... concept. (1)  
(a) stock, flow (b) flow, stock (c) stock, stock (d) flow, flow
- Q2. Cut in Repo rate by RBI is likely to .....the demand for goods and services in the economy. (1)  
(a) increase (b) decrease (c) Not effect (d) None of these
- Q3. The impact of "Excess Demand" under Keynesian theory of income and employment, in an economy are: (1)  
(a) decrease in income, output, employment and general price level  
(b) decrease in nominal income, but no change in real output  
(c) increase in income, output, employment and general price level  
(d) no change in output/employment but increase in general price level.
- Q4. Ms Sakshi, an economics teacher, was explaining the concept of 'minimum percentage of the total deposits to be kept by any-commercial bank with the Central Bank of the country, as per norms and statute prevailing in the country'. From the following, choose the correct alternative which specifies towards the concept explained by her? (1)  
(a) Cash Reserve Ratio (b) Repo Rate (c) Bank Rate (d) Statutory Liquidity Ratio
- Q5. Given that national income is Rs. 80 crore and consumption expenditure Rs. 64 crore, find out (1)

average propensity to save .

- (a) 0.5                      (b) 0.2                      (c) 0.67                      (d) 0.75

Q6. A firm produces goods worth Rs. 130 Lakhs during a year. If its stock decreases by Rs. 15 lakh during (1)  
the year, find out its sales.

- (a) 215 lakhs                      (b) 115 lakhs                      (c) 145 lakhs                      (d) 130 lakhs

Q7. Identify the normal residents of India from the following :- (1)

- (a) Indian officials working in US embassy in India.  
(b) Foreign students studying in Delhi University since 3 years.  
(c) Japanese working in Indian embassy in Japan.  
(d) Foreign tourist living India for 2 months.

Q8. In the following questions, read the following statements and choose the correct alternatives (1)  
among those given below :-

**Statement 1** :- Operating surplus is the sum total of income from property and entrepreneurship.

**Statement 2** :- Operating surplus arises in both private and government enterprises.

- (a) Both the statements are true                      (b) Both the statements are false.  
(c) Statement 1 is true and statement 2 is false                      (d) Statement 2 is true and statement 1 is false.

Q9. Read the following statements :- Assertion (A) and Reason (R) . Choose the correct alternative (1)  
among those given below :-

**Assertion (A)**:- Money multiplier is the process by which the commercial banks create credit.

**Reason (R)** :- Money creation by commercial banks raises the National Income.

- (a) Both A and R are true and R is the correct explanation of A.  
(b) Both A and R are true but R is not the correct explanation of A.  
(c) A is true but R is false.  
(d) A is false but R is true.

Q10. For the given Consumption function,  $C = 205 + 0.9 Y$ , the value of investment multiplier would be :- (1)  
(a) 0.09                      (b) 10.0                      (c) 0.9                      (d) 9.0

Q11. The saving function of an economy is given as :  $S = (-) 50 + 0.10 Y$ . If the ex-ante investments are (3)  
Rs. 450 crores, calculate the following :-

- (a) Equilibrium level of income in the economy.  
(b) Aggregate investments which will be needed to gain an additional income level of Rs. 3000 crores.

Q12. 'Machine purchased is always a final good'. Do you agree ? Give reasons. (3)

Or

Describe any one method of avoiding the problem of double counting with the help of an example.

Q13. Explain "Banker to the government " function of central bank. (4)

Q14. Outline the steps required to be taken in deriving saving curve from the given consumption curve. (4)  
Use diagram.

Q15. Answer the questions on the basis of the following information: (4)

Planned investment = Rs 1000 crore

$C = 50 + 0.50Y$

- (a) Determine the equilibrium level of income.  
(b) Calculate the value of savings at equilibrium level.  
(c) Calculate multiplier (k)

Or

What changes will take place to bring an economy in equilibrium if:

- (i) planned savings are greater than planned investment.  
(ii) planned savings are less than planned investment.

Q16. (a) Calculate the value of "Rent" from the following data :-

(6)

S.no.	Particulars	(in crores)
(i)	Gross domestic product at market price	18,000
(ii)	Mixed income of self employed	7,000
(iii)	Subsidies	250
(iv)	Interest	800
(v)	Rent	?
(vi)	Profit	975
(vii)	Compensation of employees	6000
(viii)	Consumption of fixed capital	1000
(ix)	Indirect tax	2000

(b) Sale of private vehicles is increasing day by day. Discuss its impact on GDP and Welfare.

Or

✓ Calculate :-

(a) Gross National product at Market Price by Income Method, and

(b) National Income by Expenditure Method on the basis of the following data:

	Items	Rs. in lakh
✓(i)	Net Export	10
✓(ii)	Rent	20
✓(iii)	Private final consumption expenditure	400
✓(iv)	Interest	30
✓(v)	Dividend	45
✓(vi)	Undistributed profit	5
✓(vii)	Corporate tax	10
✓(viii)	Govt. final consumption expenditure	100
✓(ix)	Net domestic capital formation	50
✓(x)	Compensation of employees	400
✓(xi)	Consumption of fixed capital	10
✓(xii)	Net indirect tax	50
✓(xiii)	Net factor income from abroad	(-) 10

Q17. COVID-19 to have significant deflationary impact due to demand evaporation. Ruling out any impact of stimulus on the price situation, Chief Economic Advisor K.V. Subramanian said that the COVID-19 pandemic has severely dented the demand for non-essential or discretionary goods, creating deflationary conditions. He also said that a good part of the 20 lakh crore stimulus package is designed in a manner that the fiscal deficit remains under control. "COVID has a significant deflationary impact because demand especially for non-essential or discretionary goods and services will go down significantly. Therefore, it is unlikely that there would be too much inflationary impact through fiscal deficit or stimulus package," Subramanian told in an interview. The proposed stimulus package will generate demand by infusing liquidity into the system and thus perk up the economy, the CEA said.

~ ~The Economic Times; May15th,2020

(i) Which type of gap is created by the situation of deficient demand in the economy? Explain it with the help of a diagram.

(ii) How does the above situation affect the output, general price level and employment in the economy?

(iii) Explain any two fiscal measures to resolve this situation.



- Q27. Which of the states got success in Land Reform? (1)  
(a) Kerala and West Bengal (b) Punjab and Haryana  
(c) Rajasthan and Assam (d) Kerala and Punjab
- Q28. 'Aatmanirbhar 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? (3)  
Justify the rationale of the given statement.  
Or  
Explain briefly the rationale behind choosing 'Modernisation' as a planning objective for the Indian Economy.
- Q29. India has certain advantages which makes it a favourable outsourcing destination. What are these advantages? (3)
- Q30. (a) Name any one prominent economist who estimated India's national income during the colonial period. (4)  
(b) What do you understand by the drain of Indian wealth during the colonial period?
- Q31. Land reforms have played significant role in transforming Indian Agriculture. How? (4)  
Or  
What is Green revolution? Why was it implemented and how did it benefit the farmers? (4)
- Q32. Read the statements carefully. Write 'True' or 'False' with a reason. (4)  
(a) Import substitution is a strategy to save foreign exchange, while export promotion is a strategy to earn foreign exchange.  
(b) SSI promotes Equity.
- Q33. (a) Agriculture sector appears to be adversely affected by the reform process. Why? (4+2)  
(b) Distinguish between bilateral and multilateral trade.  
Or  
What is meant by globalization of the economy? State the measures adopted by the government to promote globalization.
- Q34. Read the following case study carefully and answer the questions on the basis of the same :- (6)  
British interest were of several kinds. At first the main purpose was to achieve a monopolistic trading position. Later it was felt that a regime of free trade would make India a major market for British goods and a source of raw materials, but the British capitalists who invested in India, or who sold banking or shipping service there, continued effectively to enjoy monopolistic privileges. India also provided interesting and lucrative employment for a sizeable portion of the British upper middle class, and remittances they sent home made an appreciable contribution to Britain's balance of payments and capacity to save. Finally, control of India was a key element in the world power structure, in terms of geography, logistics and military manpower. The British were not averse to Indian economic development if it increased their markets but refused to help in areas where they felt there was conflict with their own economic interest of political security. Hence, they refused to give protection to the Indian textile industry until its main competitor became Japan rather than Manchester, and they did almost nothing to further technical education. They introduced some British concepts of property, but they did not push them too far when they met vested interests.
- (i) Name and explain the policy pursued by Britishers that led to destruction of Indian Handicrafts.  
(ii) India's trade towards British increases due to opening of Suez canal. Elaborate the statement.  
(iii) British introduced railways with an objective to expand their markets in India. Was it successful? Give reason.