

O. P. JINDAL SCHOOL, SAVITRI NAGAR
Half Yearly Examination- (2023 – 2024)

Class: XII

MM: 80

Subject: Economics (030)

Time: 3Hrs.

(Fifteen Minutes Extra will be given for reading the Question Paper.)

General Instructions:

- i. All questions are compulsory. However, there is internal choice in some questions.
- ii. Marks for questions are indicated against each question.
- iii. Question No.1-10 and Question No.20 to 29 are very short answer questions carrying 1 mark each.
- iv. Question No.11-12 and Question No.30 -31 are short answer questions carrying 3 marks each.
- v. Question No.13-16 and Question No. 32-33 are also short answer questions carrying 4 marks each. .
- vi. Question No.17-19 and 34 are long answer questions carrying 6 marks each.

Section A (Macro Economics)

1. Flow of goods and services and factors of production across different sectors in a better economy is known as : (1)
(a) circular flow (b) real flow
(c) monetary flow (d) capital flow
2. When Nominal GDP is R.840 crore and price index is 120, then the Real GDP will be _____. (1)
(a) Rs.700 crores (b) Rs.900 crores
(c) 800 crores (d) Rs. 500 crores
3. If the value of marginal propensity to save is equal to zero, the value of investment Multiplier will be _____. (1)
4. How much additional income will be generated in an economy with an additional Investment of Rs.100 crores and when half of income is spent on consumption. (1)

5. Suppose, the price of one UK pound£ has increased from Rs.82 to Rs.85, owing to Market force. This means the value of Indian currency has _____ . (1)

- (a) appreciated (b) depreciated
(c) revalued (d) devalued

6. What is relationship between demand for foreign exchange and exchange rate? (1)

- (a) Inverse (b) Direct
(c) One to One (d) No relationship

7. Assertion (A) : Deficit budget is good for the developing countries like India.
Reason (R) : It helps in generating additional demand of goods and services during economic recession.

Alternatives : (1)

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

8.If a money created by the banking system is Rs.1000 and the primary deposited Rs. 250. The respective values of deposit multiplier and reserve ratio would be _____ and _____. (1)

- (a) 4, 25% (b) 8, 12.5%
(c) 4, 12.5% (d) 5, 20%

9. High power money includes only the cash reserves of commercial banks. (True / False) (1)

10. _____ is the example of inconvertible paper money. (1)

11. Estimate the value of Aggregate Demand in an economy if: (3)

- (a) Autonomous Investment (I) = Rs.100 crores
(b) MPS = 0.2
(c) Level of Income = 4000 crores
(d) Autonomous Consumption = 50 crores

Or

Calculate change in saving if $\frac{3}{4}$ th of additional income is spent on consumption and current income is 60 % more than the initial income of Rs. 60,000 .

12. Read the following text carefully, discuss briefly the relevant function of the Central Bank, indicate: (3)

Recently, RBI conducted a statutory inspection for supervisory evaluation against a commercial Bank. The commercial bank was imposed with stringent penalties, owing to deficiencies in regulatory compliances.

As per the Central bank, the inspection revealed non-compliances vis-à-vis different directions issued by RBI, on the following fronts:

- (i) Ensuring that NPA should not increase.
- (ii) Net banking frauds through different ways.

13. State whether the following statements are true or false. Support your answer with reason.

- (i) Taxation is an effective tool to reduce the inequalities of income.
- (ii) Revenue deficit increases when government fails to recover loans forwarded to different nations. (4)

14. Giving reasons, classify the following as Revenue Expenditure or Capital Expenditure.

- (i) Grants in aids given to other countries.
- (ii) Expenditure incurred on the foreign visit by the Prime Minister.
- (iii) Expenditure due to the Covid-19.
- (iv) Recovery of loan. (4)

15. Calculate the value of "Rent" from the following data. (4)

Particular	Amount (RS. In Crore)
GDP mp	18,000
Mixed income of self employed	7000
Subsidies	250
Interest	800
Profit	975
Compensation of employee	6000
Consumption of fixed capital	1000
Indirect tax	2000

Or

How will the following be treated while estimating national income of India?

Give reasons.

- (i) Dividend received by a foreigner from investment in share of an Indian company.
- (ii) Remittance from non-resident Indians to their families in India.
- (iii) Expenditure on free services provided by government.
- (iv) Rent free house by employer.

16. Draw a hypothetical propensity to consume curve and from it draw the propensity to save curve. (4)

17. "India has been dealing with the problem of Deficient Demand since the imposition Of Covid lockdown in March 2020". State and discuss any three monetary measures to Combat the situation of Deficient demand in India. (6)

Or

What is meant by the effective demand principle in Keynesian theory of employment? Discuss with schedule and diagram.

18.(a) "Management of water polluting refinery says that it ensures welfare through its Contribution to gross domestic product". Defend or refute the argument of management With respect to GDP as a welfare measures of the economy. (3)

(b) Suppose the GDP at market price of a country in a particular year was Rs.1100 crore Net factor Income from abroad was Rs.100 crores. The value of indirect tax was Rs.150 Crores and NNP fc was Rs.850 crores. Calculate the aggregated value of Depreciation. (3)

19. (a) "Capital account transactions lead to future claims" Defend or refute the given Statement with valid arguments. (3)

(b) "Foreign Institutional Investors remained net seller in the Indian Capital Market over the last few weeks"
State and discuss the likely effects on the given statement on foreign exchange rate with reference to the Indian economy. (3)

Section B (Indian Economic Development)

20. More than half of India's foreign trade was restricted to _____. (1)

- (a) China (b) Britain
(c) Korea (d) Sri Lanka

21. Identify the correct pair. (1)

Column I	Column II
(a) Opening of suez canal	(i) 1862
(b) First Railway Bridge linking Bombay and Thane	(ii) 1853
(c) Battle of Plassey	(iii) 1750
(d) Setting up TISCO	(iv) 1905

- (a) (a) – (i) (b) (b) – (ii)
(c) (c) – (iii) (d) (d) – (iv)

22. During colonial period, estimate of _____ on national income and per capita income were considered very significant. (1)

- (a) Dadabhai Naoroji (b) William Digby
(c) V.K.R.V Rao (d) R.C Desai

23. Match the following. (1)

(A)	(B)
(i) Schedule A	a. 12, industries were placed, which would be progressively state-owned.
(ii) Schedule B	b. This schedule consisted of the remaining industries which were to be in the private sector.
(iii) Schedule C	c. In this schedule, industries would be exclusively owned by the state.

24. Statement I – Demonetisation was the step taken by the government of India in order to Tackle the problems of corruption, black money, terrorism and circulation of fake currency in The Indian economy.

Statement II – Demonetisation has ensured improved tax compliance in India over the Period of time.

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

25. GATT was established in : (1)

- (a) 1958 (b) 1948
(c) 1968 (d) 1995

26. Industrial policy resolution 1956 formed the basis of _____ five year plan. (1)

- (a) First (b) Fourth
(c) Second (d) Third

27. Stabilisation measures were intended to correct _____. (1)

- (a) Balance of payment deficit (b) Inflationary situation
(c) Depleting foreign exchange reserve (d) All of these

28. Arrange the following events in the correct chronological order: (1)

- (i) Karve Committee (b) Beginning of First Five year plan
(ii) Establishment of Planning commission (d) Establishment of NITI Aayog
Alternatives:

- (a) (i) (ii) (iv) (iii)
(c) (ii) (iii) (iv) (i)

- (b) (ii) (i) (iii) (iv)
(d) (iii) (ii) (i) (iv)

29. Before the advent Green revolution in 1960 India was primarily dependent on _____
the supply of food grains. (1)

- (a) USA
(c) Mexico

- (b) UK
(d) USSR

30. The land ceiling legislation also faced hurdles. The big landlords challenged the legislation in the court, delaying its implementation. They used this delay to register their land in the name of their close relatives, thereby escaping from the legislation. The legislation also had a lot of loopholes which were exploited by the big landholders to retain their land. Land reforms were successful in Kerala and West Bengal because these states had governments committed to the policy of land to the tiller.

Unfortunately other states did not have the same level of commitment and vast landholding continues to this day.

In the light of the above mentioned information, mention the challenges faced by land ceiling legislation. (3)

31. Why did India adopt New Economic Policy in 1991? (3)

Or

How will Goods and Services Tax be a comprehensive indirect tax? Explain.

32. "Discriminatory Tariff policy" by the colonial government decline in handicraft industries Explain. (4)

Or

"Commercialization of Agriculture" resulted famines explain.

33. Compare and analysis the given data on occupational structure of the Indian economy between 1950-1990. (4)

Sector	1950-51	1990-91
Agriculture	72.1	66.8
Industry	10.7	12.7
Services	17.2	20.5

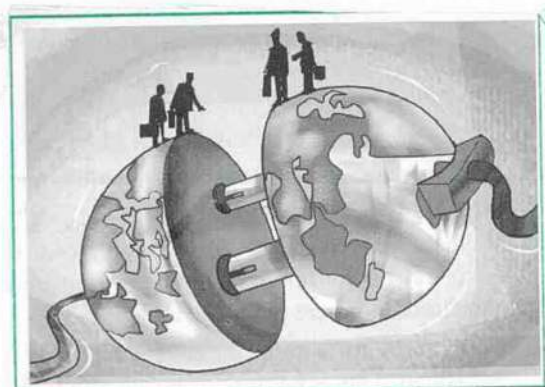
34. (a) In context of the given image, give reason why India become a favorable destination for outsourcing. Also, state some services outsourced to India. (3)



(b) Do you think the navaratna policy of the government helps in improving the performance of Public sector undertakings in India? How? (3)

Or

(a) Interpret the given picture on the account of economic reforms of 1991. (3)



(b) "Should India be a member of WTO" Do you agree? Justify your answer. (3)