

**KENDRIYA VIDYALAYA KARWAR**

**Question Paper**

**Sub.-Economics**

**Class XII**

**Time : 3 Hours**

**Maximum**

**Marks : 80**

**Instructions:**

*General Instructions:-*

- 1. All questions in both sections are compulsory**
- 2. Question no. 1 to 10 and 18 to 27 are very short questions carrying 1 mark.**
- 3. Question no.11 ,12 and 28,29 are short questions carrying 3 marks each. Answers to them should not exceed 60 words each.**
- 4. Question no 13,14,15 and 30,31,32 are short questions carrying 4 marks each. Answer to them should not exceed 70 words each.**
- 5. Question no 16,17 and 33,34 are short questions carrying 6 marks each. Answer to them should not exceed 100 words each**
- 6. Answers should be to the point, and no word limitation for numerical.**

**Section A: Macroeconomics**

- 1- What is Net factor income from abroad ? 1**
- 2-Write any one objective of Government budget . 1**
- 3- Which of the following is a characteristic of a good? (1)**
  - a) Intangible
  - b) Can be stored
  - c) Production and consumption must happen simultaneously
  - d) Cannot be transferred
- 4-The government budget has a revenue deficit. This gets financed by: (1)**
  - A. Borrowing
  - B. Disinvestment
  - C. Tax revenue
  - D. Indirect taxes
  - a) A and D
  - b) C and D
  - c) A and B

d) C and D

5-Which of the following statement is not true for fiscal deficit? (1)

A fiscal deficit:

- a) represents the borrowing of the government.
- b) is the difference between total expenditure and total receipts of the government
- c) is the difference between total expenditure and total receipts other than borrowing
- d) increases the future liability of the government

6- What is meant by balance of trade ? 1

7- What is disinvestment? 1

8- What is meant by autonomous consumption ? 1

9- What is meant by saving function ? 1

10- What is meant by ex-post investment ?1

11- Define fiscal deficit and explain its significance .3

12- Differentiate between factor income and transfer income .3

13- An economy the autonomous investment is 100 and the consumption is  $C=80+0.4Y$ . Is the economy in equilibrium at an income level 400? Justify your answer. 4

**OR**

In an economy the autonomous investment is 60 and the marginal propensity to consume is 0.8. If the equilibrium level of income is 400, then the autonomous consumption is 30. True or False? Justify your answer.

14- An economy planned saving is greater than planned investment. Explain how the economy achieves equilibrium level of national income. 4

15- What is meant by "balance of payment" account? Distinguish between the "balance on current account" and "balance of trade" account. In which account would remittances from family members from abroad be accounted? 4

16- a) What is meant by Cash reserve ratio? How does it increase the money supply in the economy?  
b) What is meant by Open market operation? How does it reduce the money supply in the economy?6

17-Find (a) National Income and (b) GDP at market price 6

Items	Rs Crore
i. Net current transfer from abroad	5
ii. Private final consumption expenditure	200
iii. Subsidies	20
iv. Net domestic fixed capital formation	40
v. Net factor income to abroad	10
vi. Government final consumption expenditure	50
vii. Change in stock	(-)10
viii. Net imports	(-)20
ix. Consumption of fixed capital	30
x. Indirect tax	60

**PART:B (INDIAN ECONOMIC DEVELOPMENT)**

- 18- Name any two indicators of HDI .
- 19- Which of the following countries has adopted one child policy ?  
a- India                      b-China                      c-Pakistan                      d-None of these
- 20- The great leap forward (GLF) campaign in china focused on :  
a- widespread industrialization                      b-new agricultural strategy  
c-privatisation                      d-economic reform
- 21- When was economic reform take place in china ?
- 22- Define occupational structure .
- 23- In which year was India's first five year plan launched ?  
a-1955                      b-1951                      c-1947                      d-1940
- 24- Agrarian reforms refers to :  
a-technical reforms in agriculture                      b-land reform in agriculture  
c-both a and b                      d-neither a nor b
- 25- Investment limit for small scale industries is:  
a-1 crore                      b-2crore                      c-3crore                      d- 5 crore
- 26- What is outsourcing ?
- 27- When was WTO established ?
- 28- What is meant by Globalization ? State the measures adopted by the government to promote Globalization.
- 29- What are the main features of Industrial Policy Resolution (I.P.R) of 1956?  
OR  
What were the main causes of backwardness of Indian agriculture in the eve of Independence.
- 30- Compare the economies of India, China and Pakistan from the following points:-  
i) Demographic parameters  
ii) Economic reforms.
- 31- What do you mean by human capital formation. Explain the role of human capital formation in economic development .
- 32- Explain the planning objective of self-sufficiency.

OR

'Growth with equity' is a more rational and desirable objective of planning for a nation.

- 33- What are the main causes of poverty in India? Explain the special programmes taken by the government against poverty and unemployment.
- 34- Mention the main drawbacks in the Indian Health care system.  
OR  
What do you mean by sustainable development? What steps have been taken by the government to achieve sustainable development?