Sample Paper 2022-23

SAMPLE PAPER 1

Class 12 - Economics

Time Allowed: 3 hours   **Maximum Marks: 80**

General Instructions:

    1. This question paper contains two sections:

       Section A – Macro Economics

       Section B – Indian Economic Development

    2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.

    3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.

    4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.

    5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.

SECTION A – MACRO ECONOMICS

1. Which of the following is not a component of current account of BoP?   **[1]**

    a) Balance of trade   b) Balance of invisibles

    c) All of these   d) Investment income

2. Demand deposits include _____.   **[1]**

    a) current account deposits and fixed deposits   b) all types of deposits

    c) saving account deposits and current account deposits   d) saving account deposits and fixed deposits

3. What does the term ceteris paribus mean?   **[1]**

    a) other things remaining equal   b) with the view that

    c) things are different   d) in reference to

4. Which of the following is not a flow?   **[1]**

    a) Income   b) Capital

    c) Depreciation   d) Investment

5. In a two sector economy, the aggregate demand curve shifts in parallel upwards. In which of the following case   **[1]**
the above situation is possible?

   a. Change in autonomous consumption, MPC and autonomous investment.

   b. Change in autonomous investment only, while autonomous consumption and MPC remain the same.

   c. Change in both the autonomous consumption and autonomous investment; but MPC remains the same.

   d. Both (b) and (c)

    a) Option (c)   b) Option (d)

c) Option (b)	d) Option (a)

OR

In C = a+ b(Y), Y denotes

a) NDP	b) Disposable income
c) NNP	d) GNP

6. If the expected flow of goods and services in the economy is less than their expected demand, then: **[1]**

a) Aggregate Supply = Aggregate Demand	b) None of these
c) Aggregate Supply < Aggregate Demand	d) Aggregate Supply > Aggregate Demand

OR

What will be the value of multiplier if MPC and MPS are equal?

a) 1	b) 2
c) Infinity	d) 0

7. The part of income which is not spent on consumption is called _____. **[1]**

a) Investment	b) Consumption
c) Saving	d) Multiplier

8. If value of visible exports is greater than the value of invisible imports, the balance relates to **[1]**

a) Trade deficit	b) Capital account BoP
c) Current account BoP	d) Can't be determined

OR

When receipts from exports of visibles and invisibles are less than payments against imports of visible and visible items, it is a situation of _____.

a) Trade Deficit	b) Current Account Deficit
c) Trade Surplus	d) Current Account Surplus

9. **Assertion (A):** Loans are never offered in cash by banking institutions. **[1]**

Reason (R): When loans are offered demand deposits of the banks are raised by the same amount.

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.

10. **Assertion (A):** A rise in price of foreign exchange will increase demand for imports. **[1]**

Reason (R): A rise in price of foreign exchange will increase the cost (in terms of rupees) of purchasing a foreign good. This reduces demand for imports,; other things remaining constant.

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.

11. Export receipts are not a part of the net factor income from abroad. Why? **[3]**

12. Distinguish between a Current account deficit and a Trade deficit. **[3]**

OR

What is depreciation of rupee? What is its likely impact on Indian imports and how?

13. Compare Excess Demand and Deficient Demand under the following heads: **[4]**

    i. Meaning

    ii. Equilibrium level

    iii. Reason

    iv. Impact on output and employment

    v. Impact on price.

14. Discuss any three measures by which deficient demand in an economy can be corrected? **[4]**

15. Explain how the repo rate can be helpful in controlling credit creation. **[4]**

<center>OR</center>

Explain how open market operations are helpful in controlling credit creation.

16. Answer the following questions: **[6]**

    (i) Calculate Net National Product at Market Price.

S.no.	Contents	(Rs. in Crores)
(i)	Transfer Payments by Government	7
(ii)	Government Final Consumption Expenditure	50
(iii)	Net Imports	(-) 10
(iv)	Net Domestic Fixed Capital Formation	60
(v)	Private Final Consumption Expenditure	300
(vi)	Private Income	280
(vii)	Net Factor Income to Abroad	(-) 5
(viii)	Closing Stock	8
(ix)	Opening Stock	8
(x)	Depreciation	12
(xi)	Corporate Tax	60
(xii)	Retained Earnings of Corporations	20

    (ii) From the following data calculate National Income by income and expenditure method:

		(₹ in Crore)
(i)	Government final consumption expenditure	100
(ii)	Subsidies	10
(iii)	Rent	200
(iv)	Wages and salaries	600
(v)	Indirect Taxes	60
(vi)	Private final consumption expenditure	800
(vii)	Gross domestic capital formation	120

(viii)	Social security contribution by employers	55
(ix)	Royalty	25
(x)	Net factor income paid to abroad	30
(xi)	Interest	20
(xii)	Consumption of fixed capital	10
(xiii)	Profit	130
(xiv)	Net Export	70
(xv)	Change in stock	50

17. Answer questions (i) & (ii) OR questions (iii) & (iv). **[6]**

    (i)   Explain the concept of revenue expenditure in a government budget with the help of examples.

    (ii)   Explain how government budget can be helpful in bringing economic stabilisation in the economy.

    (iii)   What is a tax? State its two main features.

    (iv)   What is the importance of government budget?

SECTION B – INDIAN ECONOMIC DEVELOPMENT

18. Employment in India is facing the problems related to **[1]**

    a) Casualisation of workforce   b) informalisation of workforce

    c) jobless growth   d) All of the given

19. Land reforms primarily refer to: **[1]**

    a) fixing the maximum size of land which could be owned by individual.   b) abolition of intermediaries.

    c) change in the ownership of landholdings.   d) use of new technology in agriculture sector.

OR

_____ policy followed in the first seven five-year plans of India, aimed at substituting imports with domestic production.

    a) Import substitution   b) Inward looking trade

    c) Both inward-looking trade and import substitution   d) Outward looking trade

20. Importance to self-reliance was given up till which five-year plan: **[1]**

    a) First 7 year plan   b) First 6 years plan

    c) First 8 years plan   d) First 5 years plan

OR

Which statement is false regarding economic planning

    a) It is concerned with whole of economic life of a country   b) It is the purposive adoption of resources to social ends

    c) It is a path of action in terms of policy measures which were followed in the past   d) It is an organised efforts to achieve objective within fixed framework

21. Why need arise for state intervention to regulate the activities of the private traders because **[1]**

    a) Standardised weights and measures used   b) There was collusion between brokers and traders

    c) Unfair trade practices   d) Market charges were fair

22. At present India is the _____ largest foreign exchange holder in the world. **[1]**

    a) fifth   b) sixth

    c) eighth   d) seventh

23. Which of the following is not a source of human capital formation? **[1]**

    a) Expenditure on education   b) Import of machinery

    c) On the job training   d) Migration

24. Which factor led to the breaking up of the stagnation of agriculture? **[1]**

    a) Land ceiling   b) Buffer stocks

    c) Land reforms   d) Green revolution

25. In 1997, a UN conference on climate change was held in: **[1]**

    a) China   b) India

    c) Japan   d) Germany

                                          OR

The board which investigate, collect and disseminate information relating to water, air and land pollution, lays down standards of sewage/trade effluent and emissions is _____.

    a) CPCT   b) CPEB

    c) CBEP   d) CPCB

26. **Assertion (A):** The French traveler, Bernier, described Bengal as **richer than Egypt** producing amply for self-consumption and exporting in abundance. **[1]**

    Reason (R): Prosperity and stability were the key characteristics of life in rural India.

    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.

27. **Assertion (A):** The growth of agriculture would lead to the growth of the transport industry. **[1]**

    Reason (R): Agriculture in India offers crucial support to the transport industry.

    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.

28. How do you justify the cost of prevention/abatement of pollution? **[3]**

29. Explain the various aspects of the unemployment problem of India. **[3]**

                                          OR

The following table shows the population and worker population ratio for India in 1999-2000. Can you estimate the workforce (urban and total) for India?

Region	Estimates of Population (in crore)	Worker Population Ratio	Estimated Number of Workers (in Crore)
Rural	71.88	41.9	$\frac{71.88}{100} \times 41.9 = 30.12$
Urban	28.52	33.7	?
Total	100.40	39.5	?

30. Study the following data and answer the questions. **[4]**

Country	estimated population(in millions)	annual growth of population(2001-10)	density(per sq.km.)	Sex ratio	urbanisation
India	1210	1.76	382	940	31.2
China	1339	0.47	143	950	51.3
Pakistan	176.2	1.8	225	952	37.2

Identify two demographic perameters in favour of China and also write reforms taken by china to achieve the same.

31. Answer first two questions (i & ii) OR answer the last question (iii): **[4]**

    (i) Why does government need to generate funds?

    (ii) Globalisation has done more harm than good. Justify your answer.

    (iii) State the measures adopted by the Indian Government under the policy of liberalization.

32. State whether the following statements are true/false, with valid arguments: **[4]**

    (i) National Council of Educational Research and Training (NCERT) is the regulating body for school education in the country.

    (ii) There is an upward trend in inequality worldwide with a rise in the average education level.

33. Answer first 3 questions (i, ii, iii) OR last 2 questions (iv, v): **[6]**

    (i) Name the states which are major producers of marine products.

    (ii) What is buffer stock?

    (iii) State the meaning of Subsidy.

    (iv) How does organic farming promote sustainable development?

    (v) Why does Indian Farmer need credit?

34. **Read the following text carefully and answer the questions given below:** **[6]**

    India and China: so close yet so far

    Given the good economic growth figures for India and the Chinese economic slowdown, it is worth wondering about the capacity of the former to replace the impetus lost by the latter. In fact, India, with a population close to 1,300 million, is the only emerging economy that could possibly follow in the footsteps of the Asian giant. However, in spite of them sharing notable features such as powerful demographics and a reduction in poverty, affecting hundreds of millions of people in both countries, India's growth is still far from the two-digit figures we had come to expect from China until very recently.

    Throughout the last 35 years, both countries have gradually moved apart in economic terms. While China grew at an average rate of 10% for three decades, India advanced at a rate of just over 6% and, although these figures seem to be reversing at present (China grew by 6.9% in 2015 Q3 compared with India's 7.4%), India still has a long way to go. At the end of the 1970s, both economies were similar in size: India's share in the global economy was close to 3.0% and even exceeded China's share of 2.4%, but just over three decades later China

accounts for 17.2% of the world economy in economic terms while India's share is less than half its neighbor's (7.1%). A dichotomy that can also be seen in other economic variables such as GDP per capita which, in India, has scarcely increased fourfold (from 1,000 dollars in 1980 to 3,780 currently) while in China it is now 14 times bigger (from close to 750 dollars to 10,538).

The contrast between the two countries is also evident in terms of international trade. Whereas exports of goods from China and India represented just 1% and 0.5% respectively of the world's exports in 1980, by 2014 China was exporting close to 13% of all global exports compared with 1.7% by India. By 2009 China had already become the world leader in exports, taking over from Germany, while India has been and continues to be a much more closed economy (19th in the world export ranking).

In summary, the gap separating India from China is considerable and has been widening for more than three decades, so it is not logical to assume that India can become the world's new China overnight. However, the country has huge potential for growth, especially if we take into account the reforms it is starting to implement: whether India prospers as much as its neighbour will depend on the success of those reforms.

(Source: https://www.caixabankresearch.com/en/economics-markets/activity-growth/india-and-china-so-close-yet-so-far)

Questions:

  i. Analyse the contrasting features of India and China in terms of their economic growth.

 ii. Examine the proposition that 'India can become the world's new China overnight'.

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