

COMMERCE : CLASS-XII**ECONOMICS**

Time Allowed : 180 Minutes

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 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.

Name of the Candidate (in Capitals) _____

Form Number : in figures _____

: in words _____

Centre of Examination (in Capitals) : _____

Candidate's Signature : _____ Invigilator's Signature _____

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**SECTION A
MACRO ECONOMICS**

1. What do you mean by credit creation by commercial banks? **1M**
 (A) It is the process of loan creation
 (B) It is the process of creation of foreign exchange
 (C) It is the process of total withdrawal creation
 (D) It is the process of total deposit creation

2. Credit creation by commercial banks is determined by : (Choose the correct alternative) **1M**
 (A) Cash Reserve Ratio (CRR) (B) Statutory Liquidity Ratio (SLR)
 (C) Initial Deposits (D) All of the above

3. Which of the following is not an item of revenue receipt-? **1M**
 (A) Tax income (B) Dividend
 (C) Grant (D) Non tax income

4. Economic transactions include, which of the following **1M**
 (A) Visible items (B) Invisible items
 (C) Unilateral transfers (D) All of the above

5. Due to depreciation of domestic currency, **1M**
 (A) Exports rise (B) Imports rise
 (C) Exports falls (D) None of the above

6. Double coincidence of wants refers to the ____ fulfillment of ____ wants of the buyer and seller: – **1M**
 (A) Simultaneous; Mutual – (B) Sequential; Mutual
 (C) Mutual; simultaneous (D) Mutual; Sequential

7. Money supply is which _____ concept? **1M**
 (A) Stock (B) Flow
 (C) Monetary (D) None of the above

8. Which of the following is the actual definition of transfer payments? **1M**
 (A) Transfer payments refer to the payments made as compensation to the employees within an organisation
 (B) Transfer payments refer to the payments made to workers on transferring from one job to another
 (C) Transfer payments refer to the payments made without any exchange of goods and services
 (D) None of the above

9. What is the consumption of Fixed Capital known as? **1M**
 (A) Depreciation
 (B) Capital Formation
 (C) Investment
 (D) All of the above

- 10.** Which of the following statements is the correct description of propensity to save? **1M**
 (A) It is the additional income that does not get saved
 (B) It denotes the ratio of the savings to income
 (C) It denotes the actual level of income at which it is equal to the savings
 (D) None of the above
- 11.** What are capital goods? How are they different from consumption goods? **3M**
OR
 Distinguish between stock and flow variables with suitable examples. **3M**
- 12.** Define investment multiplier. How is it related to marginal propensity to consume? **3M**
- 13.** What is monetary policy? State any three instruments of money policy. **4M**
- 14.** Define full employment in an economy. Discuss the situation when aggregate demand is more than aggregate supply at full employment income level **4M**
OR
 What are two alternative ways of determining equilibrium level of income? How are these related? **4M**
- 15.** What is ex-ante consumption? Distinguish between autonomous consumption and induced consumption. **4M**
- 16.** What is government budget? Explain its major components. **6M**
OR
 Explain : (a) Allocation of Resources; and (b) Economic Stability as objectives of Government Budget. **6M**
- 17.** Calculate: (a) Operating Surplus, and (b) Domestic income: **6M**

		(₹ crores)
(i)	Compensation of employees	2,000
(ii)	Rent and interest	800
(iii)	Indirect taxes	120
(iv)	Corporation tax	460
(v)	Consumption of fixed capital	100
(vi)	Subsidies	20
(vii)	Dividend	940
(viii)	Undistributed profits	300
(ix)	Net factor income to abroad	150
(x)	Mixed income	200

Section B

Indian Economic Development

- 18.** Policy of 'Import Substitution' was targeted to protect industries. **1M**
 (Fill up blank with correct answer)
- 19.** Which of the following is not used as a strategy for Sustainable Development? **1M**
 (Choose the correct alternative)
- (A) Use of Bio-gas (B) Use of Solar Power
 (C) Use of Thermal Power (D) Use of Hydel Power

20. Maternal Mortality Rate is high in _____ (China/Pakistan). **1M**
(Fill up the blank with correct alternative)
21. State the meaning of 'Marketed Surplus'. **1M**
OR
State the meaning of 'Subsidy'. **1M**
22. State, whether the following statement is true or false:
"As per the Human Development Report, 2018, India was ranked at 180th position." **1M**
23. If a construction site Manager hires two workers on daily wages basis, such a situation is covered under _____ (formal/informal) sector. **1M**
(Fill up the blank with correct alternative)
24. Which of the following countries initiated its process of Economic Reforms in the year 1991? **1M**
(Choose the correct alternative)
25. Greater proportion of women workers are found in _____ (urban/rural) areas as a component of Indian work force. **1M**
26. State, whether the following statement is true or false: **1M**
"GATT was established in 1923 with 48 member countries".
27. 'GLF' with respect to the People's Republic of China referred to as _____. **1M**
(Choose the correct alternative)
(A) Giant Leap Forward (B) Great Lead Forum
(C) Great Leap Forward (D) Giant Lead Forum
28. Discuss briefly the concept of 'Informalisation of workforce' in India. **3M**
OR
State any three challenges facing rural development **3M**
29. Compare and analyse the given data of India & China, with valid reasons. **3M**

Country	Annual Growth rate of population (2015)	Gender Ratio (per Thousand Males)
India	1.2%	929
China	0.5%	941

Source : World Development Indicators, 2015.

30. Discuss briefly any two major steps taken by the Government of India on 'Financial Sector' front under the Economic Reforms of 1991. **4M**
31. Discuss briefly any two salient features of India's pre-Independence occupational structure. **4M**
OR
Discuss briefly, the rationale behind "Equity with Growth" as planning objectives for Indian Economy. **4M**
32. State and discuss any two problem faced by power sector in India. **4M**

33. (a) Explain, how does 'Investment in Human Capital' contributes to growth of an economy.
(b) State the meaning of 'Agricultural Marketing'. **6M**
34. Critically examine the results of Poverty Alleviation Programmes implemented in India since independence **6M**
- OR**
- (a) "Ujjawala Yojana has been a game changer for rural India. " State any three conventional fuels being targeted under the Ujjawala Yojana. **6M**
- (b) "Economists believe that India should spend at least 6% of its GDP on Education for achieving desired results". Justify the statement with valid reason.