

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

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

2. 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

3.(choose the correct alternative) is a revenue receipt of the government. **1M**
 (A) Funds raised by the government by issuing National Saving Certificates
 (B) Sale of 40% shares of a public sector undertaking to a private enterprise
 (C) Profits of LIC, a public enterprise
 (D) Amount borrowed from Japan for construction of Bullet Train.

4. Identify which of the following statements is true? **1M**
 (A) Fiscal deficit is difference between planned revenue expenditure and planned revenue receipts
 (B) Fiscal deficit is difference between total planned expenditure and total planned receipts
 (C) Primary deficit is the different between total planned receipts and interest payments.
 (D) Fiscal deficit is the sum of primary deficit and interest payment.

5. The sum of factor payments is equal to _____. **1M**
 (A) Domestic Income
 (B) National Income
 (C) Per Capital Real Income
 (D) Per Capital National Income

6. Which of the following is a step that the central bank will take to increase the overall availability of credit? **1M**
 (A) It will sell the government securities in the market
 (B) It will buy more government securities from the market
 (C) It will raise the reverse repo rate
 (D) It will raise the repo rate

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8. The Balance of Payment account records the inflow of foreign exchange on the _____. **1M**
 (A) Debit side
 (B) Credit side
 (C) Both a and b
 (D) None of the above

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11. Estimate the value of Aggregate Demand in an economy if: **3M**
 (a) Autonomous Investment (I) = 100 crores
 (b) Marginal Propensity to Save = 0.2
 (c) Level to Income (Y) = 4,000 crores
 (d) Autonomous Consumption Expenditure \bar{C} = 50 crores
- OR**
- In an economy $C = 200 + 0.5 Y$ is the consumption function where C is the consumption expenditure and Y is the national income. Investment expenditure is ₹400 crores. Is the economy in equilibrium at an income level ₹1,500 crores? Justify your answer. **3M**
12. Explain how the level of effective demand is attained in an economy if Aggregate Demand is more than the Aggregate Supply. **3M**
13. What is meant by problem of double counting? How this problem can be avoided? **3M**
- OR**
- Discuss briefly, the circular flow of income in a two sector economy with the help of a suitable diagram. **3M**
14. Elaborate 'economic growth' as objective of government budget. **4M**
15. How the following tools can be used for credit control by the central bank in an economy: **4M**
 (a) Open Market Operations
 (b) Margin Requirements
16. (a) State any two precautions that must be taken into consideration while estimating national income by value added method. **6M**
 (b) In an economy, following transactions took place. Calculate value of output and value added by Firm B:
 (i) firm A sold to Firm B goods of ₹80 crore; to firm C ₹50 crore; to household ₹30 crore and goods of value ₹10 crore remains unsold
 (ii) Firm B sold to firm C goods of ₹70 crore; to firm D ₹40 crore; goods of value ₹30 crore were exported and goods of value 5 crore was sold to government.

OR

Differentiate between National Income at Current Prices and National Income at Constant Price. Which of the two presents a better view of the economic growth of economy and why? **6M**

17. How an initial increase in investment affects the level of final income of the economy? Show its working with a suitable numerical example. **6M**

Section B

Indian Economic Development

18. The foundation of British Empire in India was laid by Battle of Plassey fought in _____.
 (A) 1757 (B) 1857 **1M**
 (C) 1763 (D) 1747
19. The first industrial policy Resolution in Independent India was introduced in the year _____.
 (A) 1948 (B) 1950 **1M**
 (C) 1954 (D) 1956

20. **Read the following statements :** Assertion (A) and Reason (R). Choose one of the correct alternatives given below: **1M**

Assertion (A) : Under the Financial Sector Reform, financial sector was allowed to take decisions on after consulting RBI.

Reason (R) : The role of RBI was reduced from regulator to facilitator of financial sector.

Alternatives :

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 (B) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
 (C) Assertion (A) is true but Reason (R) is false.
 (D) Assertion (A) is false but Reason (R) is true.

OR

Read the following statements : Assertion (A) and Reason (R). Choose one of the correct alternatives given below: **1M**

Assertion (A) : India has become a favourable destination of outsourcing for most of the MNC's.

Reason (R) : India has vast skilled and cheap manpower which enhance the faith of MNCs for investment in India.

Alternatives :

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 (B) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
 (C) Assertion (A) is true but Reason (R) is false.
 (D) Assertion (A) is false but Reason (R) is true.

21. **Read the following statements** : Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A) : 1921 is regarded as the 'year of the Great Divide'.

1M

Reason (R) : After 1921, the total population in India never declined.

Alternatives :

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(B) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(C) Assertion (A) is true but Reason (R) is false.
(D) Assertion (A) is false but Reason (R) is true.

22. From the set of events/systems given in column I an corresponding relevant fact given in column II, about China, choose the correct pair of statement: **1M**

Column I	Column II
A. India	(i) Reforms were initiated in the year 1988
B. China	(ii) one child policy
C. Pakistan	(iii) Second most populated country in the world

23. 'GLF' with respect to the people's Republic of China referred to as _____. **1M**
(A) Giant Leap Forward (B) Great Lead Forum
(C) Great Leap Forward (D) Giant Lead Forum

Based on the passage below, answer the following questions 24-27

The effects of the COVID-19 crisis on low-skilled migrant labourers and informal workers have been overwhelming. Early evidence suggest that there has been a massive increase in unemployment and an equally dramatic fall in earnings. During the lockdown period in the current pandemic, many labourers lost their jobs and due to lack of social security nets and formal benefits, travelled back to their home without any guarantee of returning.

Additionally, to reduce the hardship of these migrant works and for giving relief to the informal economy, the Indian government has recently launched Garib Kalyan Rozgar Abhiyan (GKRA).

GKRA was launched this year on 20 June 2020 and is aimed at providing employment benefits of 125 days to return migrants across 116 districts in six states of India. This is coordinated effort between 12 different Ministries and Departments to implement 25 public infrastructure works and works related to livelihood opportunities

24. Define Unemployment. **1M**
25. Apart from Pandemic lockdown, state any three causes of unemployment in India. **1M**
26. What do you mean by Informal Sector of the economy? Differentiate between Formal and Informal Workers. **1M**
27.refers to a situation when there is an increase in the percentage of informal workers in the workforce. **1M**
28. 'In spite of the increase in public health expenditure, Indian Health System is an ailing system in itself'. Defend the statement citing any three major problems of Health sector in India. **3M**
29. What do you mean by transmission and distribution losses? How can they be reduced? **3M**

30. 'Atamirbhar 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? Justify the rationale of the given statement. **4M**

OR

Discuss briefly any two major steps taken by the Government of India on 'Financial Sector' front under the Economics Reforms of 1991. **4M**

31. Why are less women found in regular salaried employment? **4M**
32. Answer the following questions on the basis of the following data: {CBSE, Sample Paper 2020}
- (a) Comment upon the population growth rates among the three countries. **4M**
- (b) Which country has most skewed in sex ratio?

Country	Estimated Population (in million)	Annual Growth of Population (in %)	Sex Ratio
India	1311	1.2	929
China	1371	0.5	941
Pakistan	188	2.1	947

Source: World Development Indicators, 2015.

33. Write about the government efforts to improve agricultural marketing? **6M**
34. (a) Distinguish between 'Green Revolution' and 'Golden Revolution'. **6M**
- (b) How has women's health become a matter of great concern in India? Explain.