SAMPLE QUESTION PAPER (2023-24)

ECONOMICS (030) CLASS XII

TIME: 3 HOURS M.M. – 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 of 1 mark each.
- 3. This paper contains 4 Short Answer Questions of 3 marks each to be answered in 60 to 80 words
- 4. This paper contains 6 Short Answer Questions of 4 marks each to be answered in 80 to 100 words.
- 5. This paper contains 4 Long Answer Questions of 6 marks each to be answered in 100 to 150 words.

Q.NO.	SECTION A – MACRO ECONOMICS	MARKS
	Read the following statements carefully: Statement 1: Consumption function assumes that, consumption changes at a constant rate as income changes. Statement 2: Autonomous consumption is the ratio of total consumption (C) to total income (Y). In light of the given statements, choose the correct alternative from the following: a) Statement 1 is true and Statement 2 is false. b) Statement 1 is false and Statement 2 is true.	(),
	c) Both Statements 1 and 2 are true.d) Both Statements 1 and 2 are false.	1
2	For a closed economy (with no foreign trade), which one of the following is correct? a) GDP = GNP b) GDP > GNP c) GDP < GNP d) GDP + GNP=0	1
3	The value of can be greater than one. (Choose the correct alternative to fill up the blank) a) Marginal Propensity to Consume c) Marginal Propensity to Save d) Average Propensity to Save	1
4	As per the Reserve Bank of India (RBI) press report, dated 29th December, 2022: "Net external commercial borrowings to India recorded an outflow of US\$ 0.4 billion in the second quarter (2022-23)" The above transaction will be recorded in the account on side of Balance of payments account of India. (Choose the correct alternative to fill up the blanks) a) current, credit	S. N.

	a) Medium c) Unit of a	of exchang	e Alle	b) Store of Value d) Means of stand	dard of deferred payments	5
6	Find the mi	ssing figure Round		e the correct alterr		1
			Deposits	Loans (80%)	Reserve Ratio (20%)	-
		I	1,000	800	200	_
		II	800	(i)	160	
		Total	(ii)	(iii)	(iv)	
	Alternatives a) 640,100 c) 640,400	0,4000,500			000,4000,1000 00,4000,1000	c S
8	b) consum c) investm d) aggrega		etment consumption	y affect the deman	nd for foreign exchange in	n an
	I. Im II. Ex III. Re	rchase of as: b) II ar	risibles by residents v ssets abroad nd III	working abroad		
	Suppose for a $S=-60+0$.	a given eco			d I = Investment Expendi	

JENT.	Alternatives: a) 4,000 b) 40,000 c) 40,600 d) 60,400	1
10	Read the following chart carefully and choose the correct alternative: Capital Account External Borrowings Alternatives: a) Interest received on loans b) Multilateral Loans	
11	c) Portfolio Investment d) Government Aid 'Current account deficit in an economy must be financed by a corresponding capital account surplus'. Do you agree with the given statement? Give valid reason(s) in support of your answer.	3
NEWY C	(A) On the basis of the given data, estimate the value of Domestic Income: S. No. Items i. Household Consumption Expenditure ii. Gross Fixed Capital Formation iii. Change in stock iv. Government Final Consumption Expenditure v. Net Exports vi. Net Indirect Taxes vii. Net Factor Income From Abroad viii. Consumption of Fixed Capital viii. Consumption of Fixed Capital	3
	OR (B) State the meanings of the following: (i) Externalities (ii) Operating Surplus (iii) Consumption Goods	3
13	For a hypothetical economy, the government incurs an investment expenditure of ₹ 1,000 crore. If the value of Marginal Propensity to Save (MPS) falls from 0.25 to 0.10. Calculate the value of increase in income due to change in the value of Marginal Propensity to Save (MPS).	4
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EN14		ny, ex-ante Aggregate Demand : ble impact of the same, on the le OR	A 4	~ ~ ~	
4.	commercial banks	ective to reduce inflation, Re to park their surplus funds with i le behind the step taken by the R	t."	romote the	
15	Elaborate the 'Banl India.	ker's Bank and Supervisor' funct	cion performed by the Reserve I	Bank of 4	
16	(A) On the basis of(i) Fiscal deficit(ii) Primary deficit	the given information, calculate	the value of:	3 2	
	S.No.	Items	2021-22		
			(₹in crore)		
	(i)	Revenue Receipts	20		
	(ii)	Capital Expenditure	15		
	(iii)	Revenue Deficit	10	,	
	(iv)	Non-debt creating capital recei	pts 50% of revenue receipts		
	(v)	Interest Payments	4	43	
	(B) State any two fe	eatures of public goods.	5°		
	(C) Explain the eco	OR onomic stability objective of Go	vernment Budget.	1 A 3	
		70,	4	3	
	V 3 1	ushmaan Bharat Scheme, the Go	overnment provides free medic	ines to the	
		ward section of the society'.			
TEN .	Identify and discustatement.	ass the nature of the government	ent expenditure indicated in	the given 3	
17	(a) Giving valid r domestic income?	easons, explain how the follow	ving would be treated while	estimating	
	(i) Payment made by American tourist for goods purchased in India.(ii) Tomatoes grown by Ms. Puja in her kitchen garden.				
	(b) "Machine purchased by a firm is always a capital good." Do you agree with the given statement? Give valid reasons for your answer.				
	SECTION B – INDIAN ECONOMIC DEVELOPMENT				
18	a) Growth, Equalb) Development,c) Good Health,	combination of the 'Goals of Indity, Modernisation, Self-Reliance Equality, Modernisation, Sustain Education, Modernisation, Sustain y, Modernisation, Self-Reliance	e nability	N.	
	S.	2.	,S.	50.	
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ALL .	'China has performed exceedingly well in various health and economic indicators'. Identify which of the following is not a health indicator? a) Infant Mortality Rate (per 1000 live births) b) Life Expectancy at Birth (years) c) Percentage of people below poverty line (National) d) Maternal Mortality Rate (per 1 lakh births)	1
	The shackles of agriculture during the colonial rule were permanently broken by the Green Revolution that resulted from the application of (Choose the correct alternative to fill up the blank) I. High Yielding Varieties (HYV) II. Mechanization of Agriculture III. Chemical Fertilizers and Pesticides IV. Organic Fertilizers and Pesticides Alternatives: a) I, II, IV b) I, II, III c) II, III, IV d) I, III, IV	1
THE STATE OF THE S	Study the following picture and answer the given question: Women in rural households take up bee-keeping as an entrepreneural activity. Such kind of activities may be envisaged under as diversification activity. (Choose the correct alternative to fill up the blank) a) Animal husbandry b) Fisheries c) Horticulture d) Poultry	
	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below. Assertion (A): In 1991, as an immediate measure to resolve the Balance of Payments crisis, the rupee was devalued against foreign currencies. Reason (R): Devaluation of currency was eminent, to replenish the deteriorated foreign exchange reserves. 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, but 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.	N. N.
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(Choose the correct alternative to fill up the a) Commune System c) Dual Pricing d) Great Proletarian Cultural Revolution 24 Micro credit programmes play a vital role in ensuring an overall development of the economy as they(Choose the correct alternative to fill up the blank) (i) provide financial support (ii) lead to women empowerment (iii) enhance the reach of formal credit system Alternatives: a) (i) and (ii) b) (ii) and (iii) c) (i) and (iii) d) (i), (ii) and (iii) 25 may be defined as the measure of the extent of demographic participation social and political decision making. (Choose the correct alternative to fill up the	1
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25may be defined as the measure of the extent of demographic participation social and political decision making.	1
social and political decision making.	in the
a) Economic indicator b) Liberty indicator c) Health indicator d) Demographic indicator	
In light of the given statements, choose the correct alternative from the following: a) Statement 1 is true and Statement 2 is false. b) Statement 1 is false and Statement 2 is true. c) Both Statements 1 and 2 are true. d) Both Statements 1 and 2 are false 	1
From the set of the events given in column I and corresponding facts given in Column I choose the correct pair of statements:	I,
Column I Column II	
A. Adoption of mixed economic I. The common development policy of system India and China	
system India and China B. Introduction of economic II. Imposed by World Bank	
reforms in China	
C. Great Leap Forward Campaign III. Focussed on massive industrialization	n
D. First Five Year Plan of Pakistan IV. Announced in 1953 Alternatives:	
a) A-I b) B-II	
c) C-III d) D-IV	1
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28	(A) "During the colonial period, a number of socio-economic indicators were in a dilapidated state." List any three such indicators that led to the worsening of India's demographic profile.	3
	OR (B) "The pre-independent India's occupational structure experienced growing regional variation." Justify the above statement with valid explanation.	3
29	"Ravya was initially working as an office clerk in a firm. In the pursuit to attain, a higher position and income, she attended a few on-the-job training sessions. These sessions contributed positively to her skills and expertise." Explain the impact of Ravya's decision on human capital formation.	3
30	"In the late 1970s, China introduced the One-child policy that led to arrest in the population coupled with skewed sex ratio." Justify the given statement with valid arguments in support of your answer.	4
31	 (A) State and elaborate whether the following statements are true or false, with valid arguments: (i) Agricultural marketing is a process that ensures the transportation of various agricultural commodities only. (ii) Jan-Dhan Yojana has been a crucial step for financial resource mobilization in the Indian economy. OR (B) "Since independence, the government has been playing an important role in generating employment directly or indirectly." Discuss. 	2 4
ALE NO.	Identify the situation depicted in the given image. Suggest the impact of the indicated situation, on the Indian economy.	4
33	(A) Green revolution transformed India from a subsistent food grain economy to a food surplus economy."Justify the statement, giving reasons in support of your answer.(B) "In order to protect domestic industries, India followed the regime of restrictions on imports."	3 53.IV
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AE)	Briefly outline and discuss such steps taken by the government to promote import substitution policy. OR (C) "In India, after 1947 land reforms were introduced on a large scale." In the light of the given statement, discuss any one such land reform.	3
	(D) "In the post-reform period, the Government of India decided to retain profit-making Public Sector Undertakings (PSUs). It provided a special status to PSUs to enable them to expand in the global market." Do you agree with the given statement? Give valid reasons in support of your answer.	1
THE STATE OF THE S	Read the following text carefully: Sustainable development is the development that meets the needs of the present, without compromising the ability of future generations to meet their own needs. India is critical in determining the success in a pursuit to achieve sustainable development. The Union Budget 2023 presented by Finance Minister Nirmala Sitharaman builds on India's commitment to lead the global action against climate change, preserve biodiversity and support sustainable development. The government has accelerated the pace of Green Growth as India is facing the grave reality of depleting natural resources, limited supply of water, minerals, and fossil fuels. In a bid to counter the climate threat, India has committed to achieving net zero by 2070; released a low-carbon development strategy; and introduced the concept of 'LiFE' (Lifestyle for Environment) to promote responsible consumption. The Green Growth actions include several pointed measures that would facilitate the much-needed steady decarbonization of Indian industries, reduce dependency on fossil fuel imports and establish technology and market leadership in this sunrise sector. For instance: The allocation of Rs 35,000 crore of priority capital investment towards achieving net zero by 2070 and clean energy transition ensures the country's energy security. The outlay of Rs 19,700 crore for the Green Hydrogen Mission will mobilise a green hydrogen production capacity of 5 metric million tonnes by 2030. Moreover, to encourage the optimal use of wetlands, enhance biodiversity, carbon stock, eco-tourism opportunities and income generation for local communities, the Amrit Dharohar scheme will be implemented over three years. Source: https://economictimes.indiatimes.com/industry/renewables/view-budget-2023-ensured-india-is-primed-for-green-growth	
	On the basis of the given text and common understanding, answer the following questions: (i) Define sustainable development. (ii) Briefly elaborate, any two reasons behind the objective of Green Growth being set up by the Indian Government.	2 4

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