SAMPLE QUESTION PAPER (2023-24)

ECONOMICS (030) CLASS XII

TIME: 3 HOURS

M.M. – 80

GENERAL INSTRUCTIONS

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

1 What is the difference between relative poverty and absolute poverty? A) Relative poverty is based on income levels, while absolute poverty is based on material deprivation. B) Absolute poverty is a measure of income inequality, while relative poverty is based on basic needs. C) Relative poverty considers basic needs, while absolute poverty is solely based on income levels. D) There is no difference; the terms are used interchangeably. 2 Which of the following is a component of aggregate demand (AD)? a)Governement Spending b) Net Export c) Consumption d) all the above 3 Which of the following is a measure of the total output of an economy? A) Consumer Price Index (CPI) B) Gross Domestic Product (GDP) C) Unemployment Rate D) Money Supply (M2) 4 The term "stagflation" refers to a situation where: A) Inflation is high, and unemployment is low B) Inflation is high, and unemployment is low D) Inflation and unemployment are both stable D) Inflation and unemployment are both stable	Q. No	SECTION A – MACRO ECONOMICS	MARKS
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B) Inflation is high, and unemployment is highC) Inflation is low, and unemployment is low	4	The term "stagflation" refers to a situation where:	
C) Inflation is low, and unemployment is low		A) Inflation is high, and unemployment is low	
		B) Inflation is high, and unemployment is high	
D) Inflation and unemployment are both stable		C) Inflation is low, and unemployment is low	
		D) Inflation and unemployment are both stable	
			1

5	What is the primary goal of macroeconomic policy?	
	A) Maximum employment	
	B) Stable prices	1
	C) Economic growth	
	D) All of the above	
6		
	Assertion: In a regressive tax system, the average tax rate decreases as income increases.	1
	Reasoning:	
	Regressive taxes take a higher percentage of income from low-income earners than from high-income earners.	
	A) Both the assertion and reasoning are true, and the reasoning is a correct explanation of the assertion.	
	B) Both the assertion and reasoning are true, but the reasoning is not a correct explanation of the assertion.	
	C) The assertion is true, but the reasoning is false.	
	D) Both the assertion and reasoning are false.	
		1
7	Graphically, Aggregate Demand function can be obtained by vertically adding the	
	c) investment, saving	
	d) aggregate supply, consumption	1
8	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 theaccount onside of Balance of payments account of India. (Choose the correct alternative to fill up the blanks) a) current, credit b) current, debit	
	c) capital, credit d) capital, debit	1
6		
9	Suppose for a given economy, S = -60 + 0.1Y I = 4,000 crore	
	(Where $S = Saving Function$, $Y = National Income and I = Investment Expenditure)$	
	Equilibrium level of Income would becrore. (Choose the correct alternative to fill up the blank)	

	Alternat			
	a) 4,00	•		
	c) 40,6	00 d) 60,400		1
10		he following statements reflects the actual relationship betwe y cost and production possibility frontier?	en the marginal	
	is 2) W is 3) W is 4) Th	hen the marginal opportunity cost remains constant, the produ a downward sloping straight line hen the marginal opportunity cost remains constant, the produ an upward sloping straight line hen the marginal opportunity cost remains constant, the produ a central sloping straight line here is no relation between the marginal opportunity cost and to ontier	action possibility frontier	3
			×	1
11	surplus'.	account deficit in an economy must be financed by a correst gree with the given statement? Give valid reason(s) in suppo		3
12	(A) On the	ne basis of the given data, estimate the value of Domestic Inc	come:	
	S. No.	Items	Amount (₹in crore)	
	i.	Household Consumption Expenditure	600	
	ii.	Gross Fixed Capital Formation	200	
	iii.	Change in stock	40	3
	iv.	Government Final Consumption Expenditure	200	
	v.	Net Exports	(-)40	
	vi.	Net Indirect Taxes	120	
	vii.	Net Factor Income From Abroad	20	
	viii.	Consumption of Fixed Capital	40	
		OR		
	(B) State	the meanings of the following:		
		C C	umption Goods	3
13	For a hy	pothetical economy, the government incurs an investment he value of Marginal Propensity to Save (MPS) falls from 0.2	expenditure of 1,000	

14			ny, ex-ante Aggregate Demand is n ble impact of the same, on the level OR	nore than ex-ante Aggregate Supply." of output, income and employment.	4
	commercia	l banks t	ctive to reduce inflation, Reserve B to park their surplus funds with it." le behind the step taken by the Reser		4
15	Elaborate t India.	he 'Banl	ker's Bank and Supervisor' function	performed by the Reserve Bank of	4
16	(A) On the(i) Fiscal(ii) Primar	deficit	the given information, calculate the	value of:	3 2
	()	S.No.	Items	2021-22	
		512 (0)		(₹in crore)	
		(i)	Revenue Receipts	20	
		(ii)	Capital Expenditure	15	
		(iii)	Revenue Deficit	10	
		(iv)	Non-debt creating capital receipts	50% of revenue receipts	
		(v)	Interest Payments	4	
	(B) State a	ny two f	eatures of public goods.		1
		-	OR		
	(C) Explai	n the ec	onomic stability objective of Govern	nment Budget.	3
			hman Bharat Scheme, the Governm	ent provides free medicines to the	
		-	ward section of the society'.	anditum indicated in the siven	3
	statement.	a aiscus	s the nature of the government exp	enditure indicated in the given	5
	statement.		Y		
17			asons, explain how the following wo	ould be treated while estimating	
	domestic ir				
			made by American tourist for good	^	3
	(ii)	romatoe	s grown by Ms. Puja in her kitchen	garden.	
	(b) "Machi	ine purcl	hased by a firm is always a capital	good." Do you agree with the given	3
		7	lid reasons for your answer.		
		SECT	ΓΙΟΝ Β – INDIAN ECONON	IIC DEVELOPMENT	
	What is the (MGNREGA		ective of the Mahatma Gandhi Natio	nal Rural Employment Guarantee Act	
	Δ) Poverty (alleviatio	on through financial aid		
			velopment in urban areas		
) days of wage employment in rural a	reas	1
		-	ustrial growth		

19	 Identify the correct combination of the 'Goals of Indian Five Year Plans': a) Growth, Equality, Modernization, Self-Reliance b) Development, Equality, Modernization, Sustainability c) Good Health, Education, Modernization, Sustainability d) Growth, Equity, Modernization, Self-Reliance 	
		1
20	The term "CRR" in the context of Indian banking stands for:	~
	 A) Credit Rating Ratio B) Cash Reserve Ratio C) Current Repo Rate D) Capital Reconstruction Ratio 	
21	Study the following picture and answer the given question:	1
	Women in rural households take up bee-keeping as an entrepreneurial activity. Such kind of activities may be envisaged underas diversification activity. a) Animal husbandry c) Horticulture been been been been been been been be	1
	Statement: A community with a high poverty rate implemented a microfinance program to empower local entrepreneurs.Reasoning: The program successfully provided small loans to individuals, enabling them to start their own businesses and improve their economic conditions.A) Both the statement and reasoning are true, and the reasoning is a correct explanation of the statement.B) Both the statement and reasoning are true, but the reasoning is not a correct explanation of the statement.C) The statement is true, but the reasoning is false.	
	D) Both the statement and reasoning are false.	1

23	Underin China, farmers and inc quantities of inputs and outputs on the basis were purchased and sold at market prices.		units were required to buy and sell fixed ces fixed by the government and the rest	
	a) Commune System b) Grea	t Leap	the correct alternative to fill up the blank) Forward arian Cultural Revolution	1
24	Micro credit programmes play a vital role economy as the .(Choose the correct alternati (i) provide financial support (ii) lead to women empowerment (iii) enhance the reach of formal credit syst Alternatives: a) (i) and (ii) b) (ii) and (iii)	ve to fi		3
	c) (i) and (iii) d) (i), (ii) and (iii)		
25	may be defined as the measure of the extended and political decision making.		demographic participation in thesocial the correct alternative to fill up the blank)	
	a) Economic indicator	b) Liber	rty indicator	
	c) Health indicator	i) Dem	ographic indicator	1
	The unemployment rate is calculated as the: A) Number of unemployed people divided by B) Number of unemployed people divided by t C) Number of employed people divided by the D) Number of employed people divided by the	the labo	r force	1
27	From the set of the events given in column I	and co	rresponding facts given in Column II,	
	choose the correct pair of statements: Column I		Column II	<u>Γ</u>
	A. Adoption of mixed economic	I.	The common development policy of	
	system B. Introduction of economic	II.	India and China Imposed by World Bank	
	reforms in China	11.	Imposed by world Bank	
	C. Great Leap Forward Campaign	III.	Focussed on massive industrialization	┢┥
	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

28	(A) "During the colonial period, a number of socio-economic indicators were in a dilapidated state."	3
	List any three such indicators that led to the worsening of India's demographic profile. OR	
	(B) "The pre-independent India's occupational structure experienced growing regional variation."	3
	Justify the above statement with valid explanation.	
29	"Kannan 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	1
	contributed positively to her skills and expertise." Explain the impact of Kannan's decision on human capital formation.	3
30	"In the late 2022s, China introduced the two-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 vari us agricultural commodities only.	2
	(ii) Jal Sakthi has been a crucial step for financial resource mobilization in the Indian economy.	2
	OR	
	(B) "Since independence, the government has been playing an important role in Agricultural employment directly or indirectly." Discuss.	4
32	Identify the situation depicted in the given image. Suggest the impact of the indicated situation, on the Rural Economy.	
	studion, on the Kura 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.	3
	(B) "In order to protect domestic industries, India followed the regime of restrictions on imports."	3

Briefly outline and discuss such steps taken by the government to promote import substitution policy.	on
OR 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.	
(D) "In the post-reform period, the Government of India decided to retain profit-makingPublic 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.	
4 Read the following text carefully: In recent years, the agricultural sector has undergone significant transformations,	
driven by technological advancements and changing consumer preferences.	
Precision agriculture, characterized by the use of modern technologies such	
as drones, GPS, and data analytics, has revolutionized farming practices.	
Farmers can now optimize their use of resources, monitor crop health, and	
increase overall efficiency.	
However, challenges persist in ensuring sustainable agriculture. Climate change	
poses a threat to crop yields, leading to increased unpredictability in weather	
patterns. Additionally, smallholder farmers in many developing countries	
face difficulties accessing modern technologies and markets, limiting their	
ability to improve productivity.	
To address these challenges, there is a growing emphasis on promoting agroecology	
and sustainable farming practices. Agroecology integrates ecological	
principles into agricultural systems, emphasizing biodiversity, soil health,	
and resilience to environmental changes. This approach aims to create a more	
sustainable and resilient food system that benefits both farmers and the	
environment.	
On the basis of the given text and common understanding, answer the following questions:	
(i) Define Agriculture(ii)Briefly elaborate, any two reasons behind the objective of Agriculture Aims being set up the Indian Government.	by