

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
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.	1
2	Which of the following is a component of aggregate demand (AD)? a) Government Spending b) Net Export c) Consumption d) all the above	1
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)	1
4	The term "stagflation" refers to a situation where: A) Inflation is high, and unemployment is low B) Inflation is high, and unemployment is high C) Inflation is low, and unemployment is low D) Inflation and unemployment are both stable	1

	<p>Alternatives:</p> <p>a) 4,000 b) 40,000 c) 40,600 d) 60,400</p>	1																											
10	<p>Which of the following statements reflects the actual relationship between the marginal opportunity cost and production possibility frontier?</p> <p>1) When the marginal opportunity cost remains constant, the production possibility frontier is a downward sloping straight line 2) When the marginal opportunity cost remains constant, the production possibility frontier is an upward sloping straight line 3) When the marginal opportunity cost remains constant, the production possibility frontier is a central sloping straight line 4) There is no relation between the marginal opportunity cost and the production possibility frontier</p>	1																											
11	<p>‘Current account deficit in an economy must be financed by a corresponding capital account surplus’.</p> <p>Do you agree with the given statement? Give valid reason(s) in support of your answer.</p>	3																											
12	<p>(A) On the basis of the given data, estimate the value of Domestic Income:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">S. No.</th> <th style="width: 60%;">Items</th> <th style="width: 30%;">Amount (₹in crore)</th> </tr> </thead> <tbody> <tr> <td>i.</td> <td>Household Consumption Expenditure</td> <td>600</td> </tr> <tr> <td>ii.</td> <td>Gross Fixed Capital Formation</td> <td>200</td> </tr> <tr> <td>iii.</td> <td>Change in stock</td> <td>40</td> </tr> <tr> <td>iv.</td> <td>Government Final Consumption Expenditure</td> <td>200</td> </tr> <tr> <td>v.</td> <td>Net Exports</td> <td>(-)40</td> </tr> <tr> <td>vi.</td> <td>Net Indirect Taxes</td> <td>120</td> </tr> <tr> <td>vii.</td> <td>Net Factor Income From Abroad</td> <td>20</td> </tr> <tr> <td>viii.</td> <td>Consumption of Fixed Capital</td> <td>40</td> </tr> </tbody> </table> <p style="text-align: center;">OR</p> <p>(B) State the meanings of the following: (i) Externalities (ii) Operating Surplus (iii) Consumption Goods</p>	S. No.	Items	Amount (₹in crore)	i.	Household Consumption Expenditure	600	ii.	Gross Fixed Capital Formation	200	iii.	Change in stock	40	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	3
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13	<p>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).</p>	4																											

14	<p>(A) "In an economy, ex-ante Aggregate Demand is more than ex-ante Aggregate Supply." Elaborate the possible impact of the same, on the level of output, income and employment.</p> <p style="text-align: center;">OR</p> <p>(B) "With an objective to reduce inflation, Reserve Bank of India may promote the commercial banks to park their surplus funds with it." Discuss the rationale behind the step taken by the Reserve Bank of India.</p>	4 4																		
15	Elaborate the 'Banker's Bank and Supervisor' function performed by the Reserve Bank of India.	4																		
16	<p>(A) On the basis of the given information, calculate the value of:</p> <p>(i) Fiscal deficit (ii) Primary deficit</p> <table border="1" data-bbox="402 634 1253 940"> <thead> <tr> <th>S.No.</th> <th>Items</th> <th>2021-22 (₹in crore)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Revenue Receipts</td> <td>20</td> </tr> <tr> <td>(ii)</td> <td>Capital Expenditure</td> <td>15</td> </tr> <tr> <td>(iii)</td> <td>Revenue Deficit</td> <td>10</td> </tr> <tr> <td>(iv)</td> <td>Non-debt creating capital receipts</td> <td>50% of revenue receipts</td> </tr> <tr> <td>(v)</td> <td>Interest Payments</td> <td>4</td> </tr> </tbody> </table> <p>(B) State any two features of public goods.</p> <p style="text-align: center;">OR</p> <p>(C) Explain the economic stability objective of Government Budget.</p> <p>(D) 'Under the <i>Ashman Bharat</i> Scheme, the Government provides free medicines to the economically backward section of the society'. Identify and discuss the nature of the government expenditure indicated in the given statement.</p>	S.No.	Items	2021-22 (₹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	3 2 1 3 3
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17	<p>(a) Giving valid reasons, explain how the following would be treated while estimating domestic income?</p> <p>(i) Payment made by American tourist for goods purchased in India. (ii) Tomatoes grown by Ms. Puja in her kitchen garden.</p> <p>(b) "Machine purchased by a firm is always a capital good." Do you agree with the given statement? Give valid reasons for your answer.</p>	3 3																		
SECTION B – INDIAN ECONOMIC DEVELOPMENT																				
18	<p>What is the main objective of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)?</p> <p>A) Poverty alleviation through financial aid B) Infrastructure development in urban areas C) Guaranteeing 100 days of wage employment in rural areas D) Promotion of industrial growth</p>	1																		

19	<p>Identify the correct combination of the ‘Goals of Indian Five Year Plans’:</p> <ul style="list-style-type: none"> 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	<p>The term "CRR" in the context of Indian banking stands for:</p> <ul style="list-style-type: none"> A) Credit Rating Ratio B) Cash Reserve Ratio C) Current Repo Rate D) Capital Reconstruction Ratio 	1
21	<p>Study the following picture and answer the given question:</p>  <p>Women in rural households take up bee-keeping as an entrepreneurial activity. Such kind of activities may be envisaged under _____ as diversification activity. (Choose the correct alternative to fill up the blank)</p> <ul style="list-style-type: none"> a) Animal husbandry b) Fisheries c) Horticulture d) Poultry 	1
22	<p>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.</p> <ul style="list-style-type: none"> 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

28	<p>(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.</p> <p style="text-align: center;">OR</p> <p>(B) “The pre-independent India’s occupational structure experienced growing regional variation.” Justify the above statement with valid explanation.</p>	3 3
29	<p>“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 contributed positively to her skills and expertise.” Explain the impact of Kannan’s decision on human capital formation.</p>	3
30	<p>“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.</p>	4
31	<p>(A) State and elaborate whether the following statements are true or false, with valid arguments:</p> <p>(i) Agricultural marketing is a process that ensures the transportation of vari us agricultural commodities only.</p> <p>(ii) <i>Jal Sakthi</i> has been a crucial step for financial resource mobilization in the Indian economy.</p> <p style="text-align: center;">OR</p> <p>(B) “Since independence, the government has been playing an important role in Agricultural employment directly or indirectly.” Discuss.</p>	2 2 4
32	<p>Identify the situation depicted in the given image. Suggest the impact of the indicated situation, on the Rural Economy.</p> 	4
33	<p>(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.</p> <p>(B) “In order to protect domestic industries, India followed the regime of restrictions on imports.”</p>	3 3

	<p>Briefly outline and discuss such steps taken by the government to promote import substitution policy.</p> <p style="text-align: center;">OR</p> <p>(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.</p> <p>(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.</p>	<p style="text-align: center;">3</p> <p style="text-align: center;">3</p>
<p>34</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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 by the Indian Government.</p>	<p style="text-align: center;">2</p> <p style="text-align: center;">4</p>