

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	Assertion: "The Green Revolution in India significantly contributed to increased agricultural productivity." Reason: "The Green Revolution involved the adoption of high-yielding varieties of seeds, modern agricultural techniques, and the use of fertilizers and pesticides." A. Both Assertion and Reason are true, and Reason is the correct explanation of the Assertion. B. Both Assertion and Reason are true, but Reason is not the correct explanation of the Assertion. C. Assertion is true, but Reason is false. D. Assertion is false, but Reason is true. E. Both Assertion and Reason are false.	1
2	Which of the following is NOT included in the Gross Domestic Product (GDP) when calculating the National Income of a country? A. Wages and salaries B. Corporate profits C. Transfer payments D. Rental income	1
3	What was the primary objective of the Green Revolution in India during the 1960s and 1970s? A. To promote environmental conservation B. To increase industrial production C. To enhance agricultural productivity D. To encourage cultural development	1
4	Which of the following is the central banking institution in India responsible for formulating and implementing monetary policy? A. Securities and Exchange Board of India (SEBI) B. Reserve Bank of India (RBI) C. State Bank of India (SBI) D. Ministry of Finance	1


5	<p>“The value of all goods and services can be expressed in monetary units.”</p> <p>On the basis of the given statement, identify the function performed by money:</p> <p>a) Medium of exchange b) Store of Value c) Unit of account d) Means of standard of deferred payments</p>	1
6	<p>Read the following statements carefully:</p> <p>Statement 1: Consumption function assumes that, consumption changes at a constant rate as income changes.</p> <p>Statement 2: Autonomous consumption is the ratio of total consumption (C) to total income (Y).</p> <p>In light of the given statements, choose the correct alternative from the following:</p> <p>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. Both Statements 1 and 2 are false.</p>	1
7	<p>Graphically, Aggregate Demand function can be obtained by vertically adding the _____ and _____ function. (Choose the correct alternative to fill up the blanks)</p> <p>a) consumption, saving b) consumption, investment c) investment, saving d) aggregate supply, consumption</p>	1
8	<p>What would be the overall effect on aggregate output if there is an increase in the planned investment spending?</p> <p>a. The aggregate output will increase by an amount that is less than the change in investment spending b. The aggregate output will increase by an amount that is greater than the change in investment spending c. The aggregate output will increase by an amount that is equal to the change in investment spending d. The aggregate output will decrease by an amount that is less than the change in investment spending</p>	1
9	<p>Suppose for a given economy,</p> <p>$S = -60 + 0.1Y$ $I = 4,000$ crore</p> <p>(Where S = Saving Function, Y = National Income and I = Investment Expenditure)</p> <p>Equilibrium level of Income would be _____ crore.</p> <p>(Choose the correct alternative to fill up the blank)</p>	

	<p>Alternatives:</p> <p>a) 4,000 b) 40,000 c) 40,600 d) 60,400</p>	1																											
10	<p>LPG (Liberalization, Privatization, Globalization) policies in the context of economic reforms in India.</p> <p>Assertion: "Liberalization in India has led to higher economic growth." Reason: "By reducing restrictions on foreign trade and investment, liberalization has allowed for increased competition, efficiency, and technological advancements in the Indian economy."</p> <p>A. Both Assertion and Reason are true, and Reason is the correct explanation of the Assertion. B. Both Assertion and Reason are true, but Reason is not the correct explanation of the Assertion. C. Assertion is true, but Reason is false. D. Assertion is false, but Reason is true. E. Both Assertion and Reason are false.</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 style="text-align: center;">600</td> </tr> <tr> <td>ii.</td> <td>Gross Fixed Capital Formation</td> <td style="text-align: center;">200</td> </tr> <tr> <td>iii.</td> <td>Change in stock</td> <td style="text-align: center;">40</td> </tr> <tr> <td>iv.</td> <td>Government Final Consumption Expenditure</td> <td style="text-align: center;">200</td> </tr> <tr> <td>v.</td> <td>Net Exports</td> <td style="text-align: center;">(-)40</td> </tr> <tr> <td>vi.</td> <td>Net Indirect Taxes</td> <td style="text-align: center;">120</td> </tr> <tr> <td>vii.</td> <td>Net Factor Income From Abroad</td> <td style="text-align: center;">20</td> </tr> <tr> <td>viii.</td> <td>Consumption of Fixed Capital</td> <td style="text-align: center;">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="402 636 1255 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>Ayushman 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>Identify the correct combination of the 'Goals of Indian Five Year Plans':</p> <p>a) Growth, Equality, Modernization, Self-Reliance b) Development, Equality, Modernization, Sustainability c) Good Health, Education, Modernization, Sustainability d) Growth, Equity, Modernization, Self-Reliance</p>	1																		

19	<p>‘China has performed exceedingly well in various health and economic indicators’.</p> <p>Identify which of the following is not a health indicator?</p> <p>a) Infant Mortality Rate (per 1000 live births)</p> <p>b) Life Expectancy at Birth (years)</p> <p>c) Percentage of people below poverty line (National)</p> <p>d) Maternal Mortality Rate (per 1 lakh births)</p>	1
20	<p>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)</p> <p>I. High Yielding Varieties (HYV)</p> <p>II. Mechanization of Agriculture</p> <p>III. Chemical Fertilizers and Pesticides</p> <p>IV. Organic Fertilizers and Pesticides</p> <p>Alternatives:</p> <p>a) I, II, IV b) I, II, III</p> <p>c) II, III, IV d) I, III, IV</p>	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.</p> <p>(Choose the correct alternative to fill up the blank)</p> <p>a) Animal husbandry b) Fisheries</p> <p>c) Horticulture d) Poultry</p>	1
22	<p>Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below.</p> <p>Assertion (A): In 1991, as an immediate measure to resolve the Balance of Payments crisis, the rupee was devalued against foreign currencies.</p> <p>Reason (R): Devaluation of currency was eminent, to replenish the deteriorated foreign exchange reserves.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true, but Reason (R) is <i>not</i> the correct explanation of Assertion (A).</p> <p>c) Assertion (A) is true, but Reason (R) is false.</p> <p>d) Assertion (A) is false, but Reason (R) is true.</p>	1

23	<p>Under _____ in China, farmers and industrial units were required to buy and sell fixed quantities of inputs and outputs on the basis of prices fixed by the government and the rest were purchased and sold at market prices.</p> <p>(Choose the correct alternative to fill up the blank)</p> <p>a) Commune System b) Great Leap Forward c) Dual Pricing d) Great Proletarian Cultural Revolution</p>	1																				
24	<p>Micro credit programmes play a vital role in ensuring an overall development of the rural economy as they _____.(Choose the correct alternative to fill up the blank)</p> <p>(i) provide financial support (ii) lead to women empowerment (iii) enhance the reach of formal credit system</p> <p>Alternatives:</p> <p>a) (i) and (ii) b) (ii) and (iii) c) (i) and (iii) d) (i), (ii) and (iii)</p>	1																				
25	<p>_____ may be defined as the measure of the extent of demographic participation in the social and political decision making.</p> <p>(Choose the correct alternative to fill up the blank)</p> <p>a) Economic indicator b) Liberty indicator c) Health indicator d) Demographic indicator</p>	1																				
26	<p>Read the following statements carefully:</p> <p>Statement 1: The nature of unemployment problem in India is uni-faceted. Statement 2: Worker-Population ratio is an indicator used for analysing the employment situation in a country.</p> <p>In light of the given statements, choose the correct alternative from the following:</p> <p>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</p>	1																				
27	<p>From the set of the events given in column I and corresponding facts given in Column II, choose the correct pair of statements:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Column I</th> <th colspan="2" style="text-align: center;">Column II</th> </tr> </thead> <tbody> <tr> <td style="width: 5%;">A.</td> <td style="width: 45%;">Adoption of mixed economic system</td> <td style="width: 5%;">I.</td> <td style="width: 45%;">The common development policy of India and China</td> </tr> <tr> <td>B.</td> <td>Introduction of economic reforms in China</td> <td>II.</td> <td>Imposed by World Bank</td> </tr> <tr> <td>C.</td> <td>Great Leap Forward Campaign</td> <td>III.</td> <td>Focussed on massive industrialization</td> </tr> <tr> <td>D.</td> <td>First Five Year Plan of Pakistan</td> <td>IV.</td> <td>Announced in 1953</td> </tr> </tbody> </table> <p>Alternatives:</p> <p>a) A-I b) B-II c) C-III d) D-IV</p>	Column I		Column II		A.	Adoption of mixed economic system	I.	The common development policy of India and China	B.	Introduction of economic reforms in China	II.	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	1
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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>“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.</p>	3
30	<p>“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.</p>	4
31	<p>(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) <i>Jan-Dhan Yojana</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 generating 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 Indian economy.</p> <div style="text-align: center;">  </div>	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>
34	<p>Read the following text carefully:</p> <p>Historically, India has implemented several economic reforms aimed at liberalization, privatization, and globalization. Some significant economic reforms in India include:</p> <p>1991 Economic Reforms: In response to a severe economic crisis, India implemented a series of reforms in 1991. These reforms, often referred to as the "New Economic Policy," involved liberalizing the economy by reducing trade barriers, encouraging foreign direct investment (FDI), privatizing state-owned enterprises, and deregulating various sectors.</p> <p>Goods and Services Tax (GST): Implemented in 2017, the GST aimed to simplify the tax structure by replacing multiple indirect taxes with a unified tax system. It was a significant step towards creating a common national market.</p> <p>Demonetization: In 2016, the Indian government demonetized high-denomination currency notes in an effort to curb black money, corruption, and counterfeiting.</p> <p>Make in India: Launched in 2014, the Make in India initiative seeks to promote manufacturing and attract foreign investment to make India a global manufacturing hub.</p> <p>Goods and Services Tax (GST): Implemented in 2017, the GST aimed to simplify the tax structure by replacing multiple indirect taxes with a unified tax system. It was a significant step towards creating a common national market.</p> <p>Aatmanirbhar Bharat Abhiyan: Introduced in 2020, the Aatmanirbhar Bharat (Self-Reliant India) initiative aims to boost domestic production and reduce dependence on imports, especially in critical sectors.</p> <p>On the basis of the given text and common understanding, answer the following questions:</p> <p>(i) Define New Economic Policy</p> <p>(ii) Briefly elaborate, any two reasons behind the objective of LPG being set up by the Indian Government.</p>	<p style="text-align: center;">2</p> <p style="text-align: center;">4</p>