

BUDHA DAL PUBLIC SCHOOL PATIALA
Pre Board Examination (16 January 2024)
Class XII (Commerce/Humanities)
Subject - Economics
(Set - A)

Time: 3hrs.

M.M. 80

GENERAL INSTRUCTIONS:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economy
2. Marks are indicated against each question.
3. Calculator is not allowed.

Part - A (Macro Economics) 40 Marks

- Q1.** From the given data of an imaginary economy, find the value of consumption expenditure: (1)
- i) Autonomous consumption = Rs. 150 crore
 - ii) Marginal Propensity to save = 0.25
 - iii) National Income = Rs. 1,000 crore
- a) Rs. 700 crore b) Rs. 800 crore c) Rs. 900 crore d) Rs. 850 crore
- Q2.** Fees of government college is a revenue receipt because : (1)
- a) It creates liabilities of the government.
 - b) It increases assets of the government.
 - c) It neither creates any asset nor reduces any liability of the government.
 - d) It neither creates any liability nor reduces any asset of the government.
- Q3.** Banks create credit : (1)
- a) On the basis of assets
 - b) On the basis of securities
 - c) On the basis of deposits
 - d) None of these
- Q4.** Read the following statements carefully (1)
- Statement 1 :** Milk purchased by a tea stall is 'intermediate good'.
- Statement 2 :** Bus purchased by a school is a final good.
- a) Statement 1 is true Statement 2 is false.
 - b) Statement 1 is false Statement 2 is true.
 - c) Both statements 1 and 2 are true.
 - d) Both statements 1 and 2 are false.
- Q5.** Real GDP = 200 (1)
- Nominal GDP = 210
- Calculate Price Index (base = 100)

- Q6. _____ is exercised through discussions, letters and speeches to banks. (1)
- a) Moral suasion b) Selective credit control
c) Margin requirement d) Open market operation

- Q7. How will you treat the following in National Income? (1)
'Commission received from the sale of second hand goods'.

- Q8. Identify the correct pair from the following Column I and Column II. (1)

Column I	Column II
A. Expenditure on collection of taxes	(i) Capital expenditure
B. Expenditure on scholarships	(ii) Revenue expenditure
C. Expenditure on purchasing computers	(iii) Revenue expenditure
D. Expenditure on building a bridge	(iv) Revenue expenditure

Alternatives:

- a) A - (i) b) B - (ii) c) C - (iii) d) D - (iv)

- Q9. Total addition of capital goods to the existing stock of capital during the given year is known as _____. (1)
- a) Depreciation b) Gross costs c) Gross investment d) Net investment

- Q10. Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below: (1)

Assertion (A) : The monetary policy is a policy formulated by the govt.

Reason (R) : This policy involves measures taken to regulate the supply of money, availability, and cost of credit in the economy.

- a) Both (A) & (R) are true and (R) is the correct explanation of (A).
b) Both (A) & (R) are true and (R) is not the correct explanation of (A).
c) (A) is true, (R) is false.
d) (A) is false, (R) is true.

- Q11. What is depreciation of home currency? What is its likely impact on Indian imports and how? (3)

- Q12. What are official reserve transactions (ORT)? Explain their importance in the Balance of Payments Account. (3)

- Q13. Read the following text carefully and discuss briefly the relevant function of the money indicated here. How has this function overcome the problem of barter system? (4)

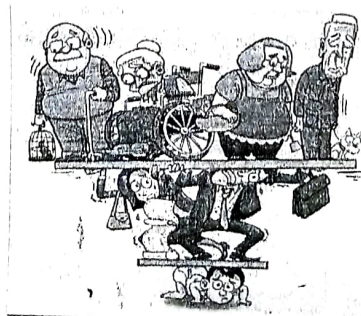
Right from the beginning, money has been performing the various important functions in the society. Money facilitates transactions of goods and services. Producers sell their goods to wholesalers. Wholesalers, in turn, sell their goods to the retailers and the retailers sell these goods to the consumers. In the same way, all sections of society sell their services for money and with that money, buy goods and services which they need.

- Q14. "Economists are generally concerned about the rising Marginal Propensity to Save (MPS) in an economy." Why so? Explain. (4)
- Q15. Suppose in the budget, the government proposed to raise the excise duty on cement. It also proposed to raise the income tax on individuals earning more than rupees one crore per annum. (4)
- Identify and explain the type of taxes proposed by the government.
 - Was the objective only to earn revenue for the government?
 - What possible welfare objective could the government be considering?
- Q16. Briefly explain the concept of under-employment equilibrium with the help of diagram. How does an increase in investment help in achieving full employment equilibrium. (6)
- Q17. "India's GDP is expected to expand 7.5% in 2019-20: World Bank" (6)
- Does the given statement mean that welfare of people of India increase at the same Rate? Comment with reason.
 - Find the Net Value Added at Factor Cost (NVA_{FC}) using the given data:

S.No.	Particulars	(Rs. in crore)
1.	Sale of rice in the market	48
2.	Purchase of tractor	30
3.	Procurement of rice by the government	10
4.	Self consumption of rice during the year	05
5.	Expenditure of running and maintenance of tractor	10
6.	Fertiliser subsidies received from the government	02

Part - B (Indian Economy) 40 Marks

- Q18. When was NABARD set up in India? (1)
- Q19. Interpret the given image on account of Population Policy and resultant effects in China. (1)



Q20. Arrange the following events in China in chronological order and choose the correct alternative: (1)

- i) Great leap forward campaign
- ii) First five year plan
- iii) Great proletarian cultural revolution
- iv) Introduction of economic reforms
- a) (ii), (iv), (iii), (i) b) (iv), (ii), (i), (iii)
- c) (ii), (i), (iii), (iv) d) (iv), (i), (ii), (iii)

Q21. From the set of events/systems given in Column I and corresponding relevant fact given in Column II, choose the correct pair of statement : (1)

Column I	Column II
A. Agrarian Economy	(i) An economy with about 50% of the country's population earning their living from primary sector
B. Export Surplus	(ii) During the British regime, India's imports exceeded its exports.
C. Mortality Rate	(iii) Annual number of deaths per 100 people
D. Occupational Structure	(iv) Distribution of workforce in primary, secondary and tertiary

Alternatives:

- a) A - (i) b) B - (ii) c) C - (iii) d) D - (iv)

Q22. In which type of unemployment, marginal productivity of worker is zero? (1)

- a) structural b) involuntary c) seasonal d) disguised

Q23. Which of the following policies were followed by Pakistan (1)

- i) Special Economic Zones
- ii) Great Proletarian Cultural Revolution
- iii) Great Leap Forward Campaign
- iv) Import Substitution

- a) (ii) and (iv) b) (iii) and (iv) c) (i) and (ii) d) only (iv)

Q24. Diversification of growth process can be achieved through the development of _____ sector. (1)

- a) Agricultural b) Service c) Industrial d) None of these

Q25. Carrying capacity of environment means _____. (1)

Q26. Name the state which is held as a success story in the efficient implementation of milk cooperatives. (1)

- a) Maharashtra b) Punjab c) Gujarat d) Andhra Pradesh

- Q27. Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below: (1)

Assertion (A) : In order to attract foreign investors, Special Economic Zones (SEZs) were set up.

Reason (R) : SEZ is a geographical region that has economic laws different from the country's typical economic laws. Usually, the goal is to increase foreign investment.

- a) Both (A) & (R) are true and (R) is the correct explanation of (A).
b) Both (A) & (R) are true and (R) is not the correct explanation of (A).
c) (A) is true, (R) is false.
d) (A) is false, (R) is true.

- Q28. Explain the concept of "Privatisation". In the wake of privatization, what was the govt. policy for PSU's and comment on the performance of PSU's. (3)

- Q29. Explain the 'policy of protection' in industrial sector adopted by Indian Govt. in pre 1991 phase and it's effects. (3)

- Q30. What are the typical features of small scale industries? (4)

- Q31. Analyse the growth of GDP and changing structure of employment in India. (4)

- Q32. Answer the following questions on the basis of the following data : (4)

Country	IMR (per 1000 live births)	Undernourished Children (%)
China	9	9
Pakistan	66	45

What does this table indicate? Compare and analyse comparative indicators in two economies.

- Q33. "Existence of widespread unemployment in India is the cumulative result of many causes." Elaborate the given statement. (6)

- Q34. Case Based Questions: (6)

Read the following text carefully and answer the following questions on the basis of same and common understanding:

Chipko Movement, also called Chipko Andolan, non-violent social and ecological movement by rural villagers, particularly women, in India in the 1970s, aimed at protecting trees and forests slated for government-backed logging. The movement originated in the Himalayan region of Uttarakhand (then part of Uttar Pradesh) in 1973 and quickly spread throughout the Indian Himalayas. The Hindi word chipko means "to hug" or "to cling to" and reflects the demonstrators' primary tactic of embracing trees to impede loggers. The interior roads built for the conflict attracted many foreign-based logging companies that sought access to the region's vast forest resources. Although the rural villagers depended heavily on the forests for subsistence-both directly, for food and fuel, and indirectly, for services such as water purification and

soil stabilisation-government policy prevented the villagers from managing the lands and denied them access to the lumber. Many of the commercial logging endeavours were mismanaged, and the clear-cut forests led to lower agricultural yields, erosion, depleted water resources and increased flooding throughout much of the surrounding areas.

- a) What was Chipko Movement? How were villagers depended upon forest for their survival?
- b) How have people tried to prevent indiscriminate cutting of trees? Discuss the two movements started by them for achieving the objective.
- c) What effects on environment and sustainable development you can think of, by organizing these kind of movements?