



Delhi Public School, Howrah

PREBOARD - (2024-2025)

Class-XII

Care must be taken not to write anything on the question paper. All the questions must be attempted in the correct sequence.

SUBJECT: ECONOMICS (CODE-030)

Time Allowed - 3 Hours

Maximum Marks - 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 type questions of 1 mark each.
3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.

PART -A MACROECONOMICS

1.	Why are increasing crude oil prices matter of concern ? A. Increasing crude oil prices are increasing transportation cost. B. Increasing crude oil prices are making economy potentially unstable. C. Increasing crude oil prices are volatising growth process. D. Increasing crude oil prices are adversely affecting demand.	1
2.	Read the following statements – Assertion (A) and Reason (R). Choose one of the correct alternatives given below: Assertion (A): Increased lending abroad are recorded on the debit side of the capital account. Reason (R): Lending affect the assets and liabilities of the economy and involves outflow of income. 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 and 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.	1
3.	Given are two statements. Choose the correct alternative from the following options. Statement 1: Borrowings are capital receipts but payment of interest on borrowings are revenue expenditure. Statement 2: Borrowings creates liability but payment of interest does not reduce liability. In the 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
4.	Given are two statements. Choose the correct alternative from the following options. Statement 1: Full employment does not stands for Zero Unemployment.	1

Statement 2: Involuntary Unemployment is a situation where an able bodied person unwilling to work does not get work at the prevailing wage rate.

Choose the correct alternative:

- A. Both statements are true.
- B. Both statements are false.
- C. Statement 1 is true and Statement 2 is false.
- D. Statement 1 is false and Statement 2 is true.

5. Who out the following is included in "Residents"?

- a) Firms
- b) Foreign military personnel
- c) Government agencies
- d) Individuals

Choose the correct answer from the options given below

- A. Only a, c and d
- B. a, b, c, d
- C. Only a
- D. Only a and b

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

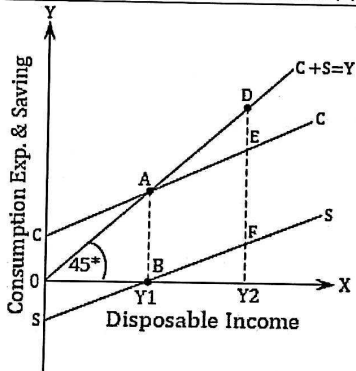
Assertion (A): Public expenditure generates investment-friendly environment in the economy.

Reason (R): Public expenditure raises the infrastructural development in the economy.

Alternatives:

- A. Both Assertion (A) and Reason (R) are true.
- B. Both Assertion (A) and Reason (R) are false.
- C. Assertion (A) is true and Reason (R) is false.
- D. Assertion (A) is false and Reason (R) is true.

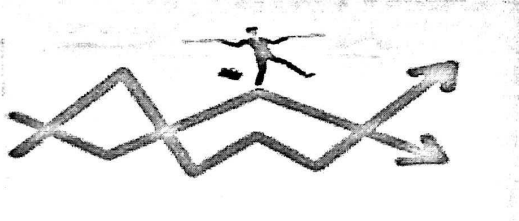
7.



Average Propensity to Consume is _____ at point A and Average Propensity to save is _____ at point B.

Choose the correct option from the following:

- A. 0,1
- B. 1,0
- C. 1,1
- D. 0,0

8.	<p>What is the value of money multiplier when initial deposits are Rs 500 crores and LRR is 10% ?</p> <p>A. 0.1 B. 0.2 C. 10 D. 20</p>	1												
9.	<p>Match the following:</p> <table border="1" data-bbox="226 274 1099 525"> <thead> <tr> <th>Column A</th> <th>Column B</th> </tr> </thead> <tbody> <tr> <td>i. Break-even point</td> <td>a. Value varies between 0 and 1</td> </tr> <tr> <td>ii. Autonomous Consumption</td> <td>b. Propensity to Consume</td> </tr> <tr> <td>iii. MPS</td> <td>c. Consumption= National Income</td> </tr> <tr> <td>iv. APC</td> <td>d. Consumption at zero level of National Income</td> </tr> <tr> <td>v. Consumption Function</td> <td>e. C/Y</td> </tr> </tbody> </table> <p>A. i-e,ii-d,iii-a,iv-b, v-c B. i-b,ii-d,iii-c,iv-e,v-a C. i-c,ii-d,iii-a,iv-e, v-b D. i-d,ii-e,iii-a,iv-b, v-c</p>	Column A	Column B	i. Break-even point	a. Value varies between 0 and 1	ii. Autonomous Consumption	b. Propensity to Consume	iii. MPS	c. Consumption= National Income	iv. APC	d. Consumption at zero level of National Income	v. Consumption Function	e. C/Y	1
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10.	<p>Identify which objective of the government budget should we use to tackle the issue depicted in the image given below?</p>  <p>Alternatives:</p> <p>A. Allocation of resources B. Reducing income inequalities C. Economic stability D. Reducing regional disparities</p>	1												
11.	<p>In an economy, industry P sells output to Q. Q sells output to R for Rs 600. Q's value added is $\frac{1}{2}$ of P's value added. Assuming P's value of inputs are 0 (zero), calculate how much P sells to Q.</p>	3												
12.A	<p>How is tax revenue different from administrative revenue?</p>	3												
OR														
12.B	<p>What is a balanced government budget? Explain the multiplier effect of a balanced budget.</p>	3												
13.A	<p>In an economy $C = 300 + 0.5Y$ and $I = Rs. 600$ (where C is consumption, Y is income or investment). Calculate the following:</p> <p>a. Equilibrium level of income. b. Consumption expenditure at equilibrium level of income.</p>	4												
OR														
13.B	<p>How does an increase in aggregate demand affect equilibrium income in the short run?</p>	4												
14.	<p>Represent the concept of inflationary gap with the help of diagram and also explain the role of the varying reserves requirement in removing the gap.</p>	4												

15.	How does Reserve Bank of India help in bringing down the foreign exchange rate which is very high?	4																										
16.A	<p>Giving reasons, state whether the following statements are true or false.</p> <p>a. Standard of deferred payments led to capital formation and economic development of the economy.</p> <p>b. Measure of value function has removed the difficulty of lack of double coincidence of wants.</p> <p>c. Post office saving are less liquid than demand deposits?</p> <p>d. All the compensations in form of money than toys is more convenient to an employee working in a toy manufacturing factory?</p>	6																										
16.B	<p style="text-align: center;">OR</p> <p>a. As per the following news published in The Economic Times on 26th December, 2021: 'Reserve Bank of India has sold government securities worth ₹ 8,710 crore in the secondary market, over the last four weeks, to drain out excessive liquidity'. Identify the likely cause and the consequences behind, this type of action plan of the Reserve Bank.</p> <p>b. Money acts as a yardstick of standard measure of value to which all other things can be compared. Justify.</p>																											
17.A	<p>Given the following data, find the missing value of 'Government final Consumption Expenditure' and 'Mixed Income of Self Employed'.</p> <table border="1" data-bbox="170 554 993 1117"> <thead> <tr> <th>Particulars</th> <th>₹ (in Crore)</th> </tr> </thead> <tbody> <tr> <td>(i) National Income</td> <td>71,000</td> </tr> <tr> <td>(ii) Gross Domestic Capital Formation</td> <td>10,000</td> </tr> <tr> <td>(iii) Government Final Consumption Expenditure</td> <td>?</td> </tr> <tr> <td>(iv) Mixed Income of Self-employed</td> <td>?</td> </tr> <tr> <td>(v) Net Factor Income from Abroad</td> <td>1,000</td> </tr> <tr> <td>(vi) Net Indirect Taxes</td> <td>2,000</td> </tr> <tr> <td>(vii) Profits</td> <td>1,200</td> </tr> <tr> <td>(viii) Wages and Salaries</td> <td>15,000</td> </tr> <tr> <td>(ix) Net Exports</td> <td>5,000</td> </tr> <tr> <td>(x) Private Final Consumption Expenditure</td> <td>40,000</td> </tr> <tr> <td>(xi) Consumption of Fixed Capital</td> <td>3,000</td> </tr> <tr> <td>(xii) Operating Surplus</td> <td>30,000</td> </tr> </tbody> </table>	Particulars	₹ (in Crore)	(i) National Income	71,000	(ii) Gross Domestic Capital Formation	10,000	(iii) Government Final Consumption Expenditure	?	(iv) Mixed Income of Self-employed	?	(v) Net Factor Income from Abroad	1,000	(vi) Net Indirect Taxes	2,000	(vii) Profits	1,200	(viii) Wages and Salaries	15,000	(ix) Net Exports	5,000	(x) Private Final Consumption Expenditure	40,000	(xi) Consumption of Fixed Capital	3,000	(xii) Operating Surplus	30,000	6
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17.B	<p>How the following should be treated in estimation of National Income? Give reasons for your answer.</p> <p>(i) Interest paid by banks on deposits by individuals.</p> <p>(ii) National debt interest.</p>																											
<p>PART-B INDIAN ECONOMIC DEVELOPMENT</p>																												
18.	<p>Read the following statements relating to foreign trade during British rule and choose the correct sequence of these statement.</p> <p>i) India was exporter of products like raw silk, cotton etc.</p> <p>ii) Britain maintained monopoly control over India's foreign trade.</p> <p>iii) India generated large export surplus.</p> <p>iv) Exports did not result in any flow of wealth into the country.</p>	1																										

Alternatives

- A. i, ii, iii, iv
- B. iv, iii, ii, i
- C. iii, iv, ii, i
- D. iii, ii, i, iv

19. From the set of events given in column I and corresponding facts given in column II choose the correct pair of statement.

	Column A		Column B
1	Human development index	a	Highest in China
2	Fertility Rate	b	Highest in China
3	Density of population	c	Highest in China
4	Growth rate of Population	d	Highest in China

- A. 1-a
- B. 2-b
- C. 3-c
- D. 4-d

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

Assertion (A): Madhya Pradesh govt. implemented 'Jeevan Shakti Yojana across the nation but not for the labour.

Reason (R): It is implemented to increase the employment opportunities of women entrepreneurs in urban areas of the state.

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 and 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.

21. Read the following hypothetical text and answer the given questions: -

India's economy under the British colonial rule remained fundamentally agrarian — about 85 per cent of the country's population lived mostly in villages and derived livelihood directly or indirectly from agriculture. However, despite being the occupation of such a large population, the agricultural sector continued to experience stagnation and, not infrequently, unusual deterioration. Agricultural productivity became low though, in absolute terms, the sector experienced some growth due to the expansion of the aggregate area under cultivation. This stagnation in the agricultural sector was caused mainly because of the various systems of land settlement that were introduced by the colonial government. Particularly, under the zamindari system which was implemented in the then Bengal Presidency comprising parts of India's present-day eastern states.

Commercialisation of agriculture increased the burden of revenue on farmer due to _____.

- A. Lower productive
- B. Lower profit
- C. Higher margins of Middlemen's
- D. All above

22. The following is a rural developmental agency that works on a national level to encourage new research into rural development programmes. It is a non-profit organisation. The developmental research is carried out on renewable energy, agriculture, sustainable development, and animal husbandry. It was established in 1968. Identify the agency from the following:
- Department of Personnel and Training
 - Nimbkar Agriculture Research Institute
 - National Commission on Agriculture
 - National Cooperative Development Corporation

1

23. During post economic reform period, India has been witnessing more employment opportunities in the service sector. But what is the nature of new jobs?
- New jobs are found mostly in formal sector and the nature of the job is mostly regular.
 - New jobs are found mostly in informal sector and the nature of the job is mostly regular.
 - New jobs are found mostly in formal sector and nature of the job is mostly casual.
 - New jobs are found mostly in informal sector and the nature of the job is mostly casual.

1

24. Read the following statements – Assertion (A) and Reason (R). Choose one of the correct alternatives given below:
 Assertion: Rural Banking has always given lesser attention on the credit requirements of small and marginal farmers.
 Reason: Marginal farmers enjoy better credit worthiness.
- Alternatives:
- Both assertion and reason are true, and reason is the correct explanation of assertion.
 - Both assertion and reason are true, but reason is not the correct explanation of assertion.
 - Assertion is true, but reason is false.
 - Assertion is false but reason is true.

1

25. On the basis of the information given below, answer the following question

Employed	Frictional unemployed	Structurally unemployed	Cyclically unemployed	Not in labour force
1,70,000	10,000	5,000	5,000	1,00,000


The number of labour force in the given country is _____.

- 1,80,000
- 1,90,000
- 1,95,000
- 2,00,000

1

26. Modernization indicates
- Increase the production of goods and services by adopting new technology.
 - Avoiding imports of those goods which could be produced in India itself.
 - Recognition the women should have the same right as men.
- Alternatives:
- only 1
 - Both 1 and 3
 - Only 3
 - All 1,2,3

1

27.	Alok was making a survey on the employment status of women in rural and urban areas. Before survey he had one perception. But after the survey he found out that his survey result is contrasting with his perception. Which one of the following statement is true in the context of Indian economy? A. Compared to urban women, more rural women are found working. B. Compared to rural women, more urban women are found working. C. Both rural and urban women are equally working. D. None of the above.	1
28.	Illustrate the changing role of state in Indian economy since introduction of reforms.	3
29.A	Evaluate the various factors that led to the rapid growth in economic development in China.	3
OR		
29.B	Give reasons for the slow growth and re-emergence of poverty in Pakistan.	
30.A	'The challenge is to build cost effective IT based system to improve the living standard of Indian rural population.' Justify the statement.	4
OR		
30.B	"Regulation of Agricultural Marketing is pre-requisite for rural development" Illustrate.	
31.	 <p>Identify the type of farming and how does it promote sustainable development?</p>	4
32.	Compare and contrast the development of India, China and Pakistan with respect to some salient human development indicators.	4
33.A	Why and how was private sector regulated under the IPR 1956?	6
33.B	While subsidies encourage farmers to use new technology, they are a huge burden on government finances. Demonstrate the usefulness of subsidies in the light of this fact.	
34.A	According to you what are the main problems of human capital formation in India? Give reasons to support your answer.	6
OR		
34.B	Establish the need for acquiring information relating to health and education expenditure for the effective utilisation of human resources.	