

No. of printed pages : 12

CLASS- XII
POST MID-TERM EXAM
Sub: ECONOMICS
SET- B2

TIME: 3hrs

MM: 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.	<p>Read the following statements carefully:</p> <p>Statement 1: Average propensity to consume is never negative. ✓ Statement 2: APC shows consumption per unit of income. ✓</p> <p>In light of the given statements, <i>choose the correct alternative</i> 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
✓ 2.	<p>For a closed economy, which one of the following is correct?</p> <p>a) $GNP < GDP$ b) $GNP > GDP$ c) $GNP = GDP$ d) $GNP + GDP = 0$</p>	1
③ 3.	<p>Constant slope of the S-line indicates that</p> <p>a) S-line will be a straight line (c) Both (a) and (b) b) S-line will be a linear line (d) Neither (a) nor (c)</p>	1

20
40

MPS

$6080 = 0.24$
 $\frac{6080 - 0}{2} = 3040$

	<p>P: Rise in demand of US Dollars Q: Rise in supply of US Dollars R: An actual depreciation of Rupee S: Fall in demand for Rupee</p> <p>Alternatives: (a) Only P (b) Only Q (c) Only P,Q and R (d) Only P,R and S</p>	
9.	<p>Suppose for a given economy, $C = 80 + 0.8Y$ $I = ₹ 6,000$ crore (Where S = Saving Function, Y = National Income and I = Investment Expenditure) Equilibrium level of Income would be ₹ _____ crore.</p> <p>(Choose the correct alternative to fill up the blank)</p> <p>Alternatives: a) 3,000 b) 3,040 c) 30,400 d) 30,600</p>	1
10.	<p>Read the following chart carefully and choose the correct alternative:</p> <div style="text-align: center;"> <pre> graph TD A[Components of BOP] --> B[Current A/C] B --> C[Visible trade] B --> D[Invisible trade] B --> E[Unilateral transfers] B --> F[] </pre> </div> <p>Alternatives: a) Interest received on loans ✓ b) Income receipt / payment transactions from ROW c) Portfolio Investment ✓ d) Income receipt / payment transactions from Government</p>	1
11.	<p>“Trade deficit must exist if a country is facing a situation of current account deficit.” ✓ Elucidate the given statement , giving reasons.</p>	3

214
1013
1147

<p>12.</p>	<p>Explain how 'Non-Monetary Exchanges' impact the use of Gross Domestic Product as an index of economic welfare.</p> <p>Or,</p> <p>Suppose in a hypothetical economy there are only two Firms A and B, Firm A sold goods for ₹ 2,000 to Firm B and purchased goods for ₹ 1,000. Firm B exported goods for ₹ 2,500 and had domestic sales of ₹ 1,500. Calculate Net Domestic Product at market price, if consumption of fixed capital is ₹ 200.</p> <p>$A = 2,000 - 1,000 = 1,000$ $B = 2,500 + 1,500 - 2,000 = 2,000$ $= 2,000 - 200 = 1,800$</p>	<p>3</p> <p>3</p>									
<p>13.</p>	<p>(i) "An economy facing unintended accumulation of inventories would try to reduce aggregate demand." & ↑ demand Defend or refute the given statement with valid reasons.</p> <p>(ii) "To boost the falling demand in the economy during Covid-19, Reserve Bank of India recently reduced the Reverse repo rate." Elucidate the rationale behind the steps taken by the Central Bank.</p> <p><i>more credit can be extended</i></p>	<p>2+2</p>									
<p>14.</p>	<p>For a hypothetical economy, the government incurs an investment expenditure of Rs. 2000 crore. If the value of Marginal Propensity to Consume rises from 0.75 to 0.90, Calculate the value of increase in income due to change in the value of Marginal propensity to Save (MPS).</p>	<p>4</p>									
<p>15.</p>	<p>Elaborate the 'Banker's Bank and Supervisor' function performed by the Reserve Bank of India.</p> <p>Or,</p> <p>Elaborate the 'Government's Bank and Agent' function performed by the Reserve Bank of India.</p>	<p>4</p> <p>4</p>									
<p>16.</p>	<p>(A) On the basis of the given information, calculate the value of: (i) Revenue Deficit (ii) Fiscal deficit (iii) Primary deficit</p> <table border="1" data-bbox="359 1680 1141 1892"> <thead> <tr> <th>S.no</th> <th>Particulars</th> <th>Amount (Rs. in crores)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Interest Payment</td> <td>1013</td> </tr> <tr> <td>(ii)</td> <td>Revenue Expenditure</td> <td>3821</td> </tr> </tbody> </table>	S.no	Particulars	Amount (Rs. in crores)	(i)	Interest Payment	1013	(ii)	Revenue Expenditure	3821	<p>3+3</p>
S.no	Particulars	Amount (Rs. in crores)									
(i)	Interest Payment	1013									
(ii)	Revenue Expenditure	3821									

(iii)	Non-tax revenue <i>RF ✓</i>	2000
(iv)	Recovery of loans ✓	135
(v)	Capital expenditure <i>TR ✓</i>	1574
(vi)	Disinvestment ✓	100
(vii)	Tax Revenue <i>RF ✓</i>	1000

(B) Define Public goods. Why should the government provide the public goods?

17.

(A) On the basis of the given data, estimate the value of Domestic Income: *NDPfc*

3

S.no	Items	Amount (Rs. in crores)
1	Household Consumption Expenditure	1600 ✓
2	Gross Fixed Capital Formation	400 ✓
3	Change in stock	40 ✓
4	Government Final Consumption Expenditure	1200 ✓
5	Net Exports	(-400) ✓
6	Net Indirect Taxes	140 ✓
7	Net Factor Income from abroad	20
8	Consumption of Fixed Capital	80 ✓

NDPfc

OR,

$$\begin{aligned}
 GDP_{mp} &= 1600 + 440 + 1200 - 400 \\
 &= 2840 \\
 &\quad - 80 \\
 &\hline
 &= 2760 \\
 &\quad - 140 \\
 &\hline
 &= 2620
 \end{aligned}$$

2620

$$\begin{array}{r}
 2155 \\
 1147 \\
 \hline
 1013
 \end{array}$$

NDP_{fc} = 200 - 50 - 10
 = 140

140 = CDE + 45 + 4

Handwritten signature

(A) Calculate Compensation of employees : NDP_{fc}

S.no	Particulars	Amount (Rs.in crores)
i	Profits after tax	20
ii	Interest	45
iii	Gross Domestic Product at MP	200
iv	Goods and Service Tax	10
v	Consumption of fixed capital	50
vi	Rent	25
vii	Corporate Tax	5

(B) Use the following information of an imaginary country:

Year	2017-18	2018-19	2019-20
Nominal GDP	6.5	8.4	9
GDP Deflator	100	140	125

- (i) For which year is the Real GDP and Nominal GDP same and why? 2
- (ii) Is there any year in which the Real GDP falls? 1

Q.No SECTION B – INDIAN ECONOMIC DEVELOPMENT MARKS

18. Identify the incorrect statement from the following: 1

- a) Diversification in the agriculture sector provides sustainable livelihood to the rural population. ✓
- b) Diversification includes - change in cropping patterns, shift of workforce from agriculture to other allied activities. ✓
- c) Objective of investment in new avenues (non-farm activities) increases financial risks for the rural population.
- d) Diversification reduces the proportion of unemployed population in the rural areas.

Handwritten calculations:

$$\begin{array}{r} 3 \\ 1 \\ 125 \\ \underline{12} \\ 250 \\ 2700 \\ \underline{8950} \end{array}$$

Handwritten calculations:

$$\begin{array}{r} 2 \\ 125 \\ \underline{10} \end{array}$$

Handwritten calculations:

$$\begin{array}{r} 900 - 180 = 720 \\ \underline{125} \\ 255 \end{array}$$

Handwritten calculations:

$$\begin{array}{r} 12 \\ 36 \\ \underline{35} \\ 10 \end{array}$$

19.

From the set of events/systems given in column I and corresponding relevant fact given in column II, about China, choose the correct pair of statement:

1

	Column I		Column II
A	Great Leap Forward	i	Cultivating land Collectively
B	Commune System	ii	Opening of the Industries in their homes ✗
C	Proletarian Cultural revolution	iii	Students were sent to work and learn from the countryside
D	Economic Reforms in China	iv	1988 ✗

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

20.

The annual growth rate of the industrial sector during 1950-1990 was:

- a) 4% b) 5% c) 6% d) 10%

1

21.

The Karve committee (1955) was constituted for aiming

- a) Modernisation b) Industrial development
c) Development of small scale industries d) Self-reliance

1

22.

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

1

Assertion (A): The industrial sector became well diversified by 1990.

Reason (R): Protection from foreign competition enabled the development of indigenous industries.

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.

23.	<p>..... was introduced in China in 1965, under which students and professionals were sent to work and learn from the countryside. (Choose the correct alternative to fill up the blank)</p> <p>a) Commune System c) Dual Pricing b) Great Leap Forward d) Great Proletarian Cultural Revolution</p>	1
24.	<p>_____ was the harbinger of major changes in the credit system as it led to the diversification of the portfolio of rural credit towards production oriented lending.</p> <p>a) Golden Revolution c) White Revolution b) Green Revolution d) Operation flood</p>	1
25.	<p>_____ and _____ are the reasons for the slowdown of the Pakistan economy since independence.</p> <p>I. political instability ✓ II. over-dependence on remittances from abroad ✓ III. stable performance of agriculture sector ✓ IV. growth of service sector ✓</p> <p>Alternatives: a) I and II b) II and III c) III and IV d) I and IV</p>	1
26.	<p>Read the following statements carefully:</p> <p>Statement 1: The worker-population ratio in rural India is higher than that in the urban areas. Statement 2: Worker-Population ratio is an indicator used for analyzing 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>	1

	Column-I		Column-II
A	Introduction of economic reforms in China	i	1949 ✓
B	Establishment of people's Republic of China	ii	1953
C	First Five Year Plan of China	iii	1978 ✓
D	Great Leap Forward Campaign	iv	1958 ✓

Alternatives: a) A - i b) B - ii c) C - iii ~~d) D - iv~~

28. Give a quantitative appraisal of India's demographic profile during the colonial period.
Or,
Highlight the salient features of India's pre independence occupational structure.

3

29. "Mohit was initially working as an office clerk in a firm. In the pursuit to attain position and income, he attended a few seminars and it contributed positively to the development of his skills and expertise."
on the job training
Explain the impact of Mohit's decision on human capital formation.

3

30. Compare and contrast the development of India, China and Pakistan with respect to some salient human development indicators.
Or,
Compare and analyze the given data of India and China with suitable arguments:

4

Sectoral Contribution to GVA(%) in 2018-19

Sector	Contribution to GVA	
	India	China
Agriculture	16	7
Industry	30	41
Services	54	52
Total	100	100

31.



4

Identify the situation depicted in the given image. Suggest the impact of the indicated situation, on the Indian economy.

32.

'Developmental Planning envisaged that as the economy grows, more and more workers would become formal sector workers and the proportion of workers engaged in the informal sector would dwindle.'

4

Using the data given below for workers in India, analyze the nature of employment in India.

Workers in Formal/ Informal Sector, 2009-2012

Sector	No. of workers (in millions)			Percentage of workforce
	Male	Female	Total	
Formal	24	6	30	6.3
Informal	310	133	443	93.7
Total	334	139	473	100

33.

State, giving valid reasons whether the following statements are true or false.

(a) There is a one-way causality between human capital formation and economic growth. *One way*

3

(b) The most important characteristic of India's foreign trade throughout the colonial period was the generation of a large export surplus which came at a huge cost to the country's economy.

3

Or,

(i) India's environmental problems pose a dichotomy — they are poverty induced and, at the same time, due to affluence in living standards—is this true?

3

(ii) 'The green revolution would have favoured the rich farmers only if the government did not play an extensive role in ensuring that the small farmer also gains from new technology.' Do you agree with the above statement? Give valid reasons in support of your answer.

3

34.

"We are One Earth, One Family, and we share One Future." This is the opening sentence of the Group of 20 (G20) New Delhi Leaders' Declaration, in which the leaders pledge to "leverage the G20's convening power and its collective resolve to fully and effectively implement the 2030 Agenda and accelerate progress toward the Sustainable Development Goals (SDGs)." The G20 leaders met in New Delhi, India, from 9-10 September 2023. As per the 37-page-long outcome document, the leaders' commitments contained in the Declaration reflect "the philosophy of living in harmony with our surrounding ecosystem." The leaders acknowledge the role of G20 cooperation in determining the course the world takes. They recognize the "cascading challenges and crises [that] have reversed gains" on the 2030 Agenda for Sustainable Development and its SDGs, including climate change, biodiversity loss, pollution, land degradation and

	<p>desertification, rising commodity prices and cost-of-living pressures, poverty, inequality, and conflicts. The leaders "affirm that no country should have to choose between fighting poverty and fighting for our planet."</p> <p>On the basis of the given text and common understanding, answer the following questions:</p> <p>(i) Define sustainable development.</p> <p>(ii) Briefly elaborate, any two reasons, behind the 2030 Agenda for Sustainable Development and its SDGs, by the Indian Government.</p>	<p>2</p> <p>4</p>
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