

Vishika

222-C

GYAN BHARATI SCHOOL
Pre-Board Examination (2023-24)



Set-A
Economics (030)
Class-SS2

Time: 3 hrs.

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 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.

SECTION A MACRO ECONOMICS

1. If the GDP deflator is 150% and real GDP is ₹1,100, the nominal GDP will be _____.
- a) ₹733
 - b) ₹1,650
 - c) ₹1,100
 - d) ₹2,750

OR



On the basis of the above diagram, state which of the following indicates to flow variable?

- a) Deposits ₹10,000 per month
 - b) Saving A/c balance ₹25,000
 - c) Withdrawal ₹5,000 per month
 - d) Both a and c
2. If CRR is 3% and SLR is 18.5%, what will be the value of the money multiplier?
- a) 2.15
 - b) 3.33
 - c) 5.40
 - d) 4.65
3. SLR implies _____.
- a) Certain percentage of the total bank's deposits has to be kept in the current account with RBI.
 - b) Certain percentage of the net total demand and time deposits has to be kept by the banks with themselves.
 - c) Certain percentage of the net demand deposits has to be kept by the banks with themselves.

d) Certain percentage of the net total demand and time deposits has to be kept by the banks with RBI.

4 Decrease in CRR will lead to _____.

- a) Fall in aggregate demand in the economy.
- b) Rise in aggregate demand in the economy.
- c) No change in aggregate demand in the economy.
- d) Fall in general price level in the economy.

5 In an economy, break-even point and equilibrium point may lie at the same level of income, if ex-ante investments are _____.

- a) Zero
- b) Equal to consumption
- c) Equal to ex-ante savings
- d) Equal to national income

6 Suppose in a hypothetical economy, the income rises from ₹500 crores to ₹600 crores. As a result, the consumption expenditure rises from ₹400 crores to ₹500 crores. Marginal propensity to consume in such a case would be _____.

- a) 0.8
- b) 0.4
- c) 1.0
- d) 0.6

7 Which of the following can help reduce the fiscal deficit?

- a) Increasing subsidies
- b) Increasing the PSU profits
- c) Investing in public goods
- d) Decreasing the burden and incidence of tax

OR

Which of the following is TRUE about revenue receipts?

- a) Non-recurring in nature
- b) May create corresponding liability
- c) Do not lead to an increase in liability
- d) Include loans taken by the government

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

Assertion (A): Higher value of fiscal deficit creates an alarming situation for the economy as a whole.

Reason (R): Fiscal deficit indicates the borrowing requirements of the government.

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.

9 An Indian real estate company receives rent from Google in New York. The transaction will be recorded on _____ side of _____ account of Balance of Payment.

- a) Credit, current
- b) Credit, capital
- c) Debit, capital
- d) Debit current

OR

Which of the following will be debited on the Capital account of India's Balance of Payments Account?

- a) An Indian woman buying a Chinese company.
- b) An Indian woman sending remittances home from UK.
- c) An American company buying shares of an Indian company.
- d) An American company selling mobile phones to Indian customers.

10 From the set of statements given in Column I and Column II, choose the correct pair of statements. 1

	Column I		Column II
A	Export of software to France	(i)	Debit side of current account of Balance of Payments
B	Import of Machinery from China	(ii)	Capital Account of Balance of Payments
C	Remittances to relative staying abroad	(iii)	Debit side of current account of Balance of Payments
D	Investment by Apple phones firm in India	(iv)	Credit side of current account of Balance of Payments

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

11 Giving valid reasons explain, whether the following statements will be included or not included in the estimation of National Income of India. 3

- a) Purchase of shares of Sethi Ltd. by an investor in the Bombay Stock Exchange.
- b) Salaries paid by Indian Embassy situated in Japan to the local workers.
- c) Depreciation on capital assets charged by firms.

12 Explain "Banker to the Government" function of the Central bank. 3

OR

Explain "Banker's Bank" function of the Central bank.

13 a) "Average Propensity to Save" can be negative." Defend or refute the given statement with valid explanation. 2

b) Estimate the value of ex-ante Aggregate Demand (AD), if autonomous investment and consumption is ₹60 crore, Marginal Propensity to Consume is 0.8 and level of income is ₹500 crore. 2

OR

- a) "Average Propensity to Save" can be zero." Defend or refute the given statement with valid explanation. 2
- b) Calculate equilibrium level of income for a hypothetical economy if: 2
 - i. Autonomous Investment = ₹2,500 crores
 - ii. $C = 1000 + 0.8Y$

14 From the following data, calculate: 2

- a) Revenue deficit 2
- b) Fiscal deficit 2

Particulars	₹ in Crores
(i) Non-tax revenue	2,000
(ii) Tax Revenue	1,200
(iii) Recovery of Loans	145
(iv) Other Revenue Expenditure	2,630
(v) Capital Expenditure	500
(vi) PSU Disinvestment	120
(vii) Interest Payments	1,070

15 How is exchange rate determined under the flexible exchange rate system? Draw a diagram.

16 a) Distinguish between positive externalities and negative externalities. Give one example of each.

b) From the following data, calculate the value of Gross National Product at Factor Cost (GNP_{FC}).

S. No.	Particulars	₹ in Crores
(i)	Compensation of Employees	12,000
(ii)	Rent and Interest	1,800
(iii)	Indirect taxes	1,120
(iv)	Profits	1,500
(v)	Depreciation	1,100
(vi)	Subsidies	210
(vii)	Net Factor Income from Abroad	(-) 120
(viii)	Mixed Income of Self Employed	1,300

OR

a) Distinguish between final good and intermediate good. Give one example of each.

b) From the following data, calculate the value of Net Value Added at Factor Cost (NVA_{FC}).

S. No.	Particulars	₹ in '000
(i)	Sale of Rice in the market	580
(ii)	Purchase of Tractor and Thrasher	400
(iii)	Procurement of Rice by the government	20
(iv)	Self-consumption of Rice during the year	15
(v)	Expenditure on running and maintenance of Tractor and Thrasher	20
(vi)	Fertiliser subsidies received from the government	3

17 Explain determination of equilibrium level of income and output using saving and investment approach. Draw a diagram.

SECTION B – INDIAN ECONOMIC DEVELOPMENT

18 Write the correct sequence of alternatives given in column B by matching them with respective terms in column A:

	Column A		Column B
A	India's first official census	i	Less than 2%
B	Introduction of the railways in India	ii	About 7%
C	India's annual growth rate of aggregate real output during the colonial period	iii	1850
D	Female literacy level at the time of Independence	iv	1881

- a) i,ii,iii,iv
- b) iii,ii,i,iv
- c) ii,i,iv,iii
- d) iv,iii,i,ii

19 Consider the following statements.
 I There was high birth and death rate in India
 II India was predominantly an agricultural economy
 III The infant mortality rate was low in India.
 IV India became an exporter of finished consumer goods and an importer of primary products.
 Which one of the following is not the characteristic of the Indian economy during the British rule?

- a) I and II
- b) I and III
- c) II only
- d) III and IV

OR

Statement 1: During the British rule, there was huge export surplus due to excess exports.
Statement 2: British government established a monopoly control over India's foreign trade.

- a) Both the statements are true
- b) Both the statements are false
- c) Statement 1 is true, but statement 2 is false
- d) Statement 2 is true, but statement 1 is false

20 The objective of equitable distribution goals in planning is to:

- a) Ensure a fair and just society for all citizens
- b) Foster competition by reducing government intervention in markets
- c) Focus on short term gains rather than long term societal benefits
- d) Enhanced economic growth through targeted investments in specific sectors

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OR

Carrying capacity implies:

- i) Resource extraction should remain below the rate of resource regeneration
 - ii) Resource extraction should remain above the rate of resource regeneration
 - iii) Generation of waste should remain within the absorption capacity of the environment
 - iv) Generation of waste should be more than the absorption capacity of the environment
- a) (i) and (iv)
 - b) (i) and (iii)
 - c) (ii) and (iii)
 - d) (ii) and (iv)

21 After agreeing to the conditions of _____, India announced the New Economic Policy.

- a) International Monetary Fund (IMF)
- b) International Bank for Reconstruction and Development (IBRD)
- c) Reserve Bank of India
- d) Both (a) and (b)

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22 Which of the following is a Maharatna Company?

- a) Indian Oil Corporation Limited (IOCL)
- b) Steel Authority of India Ltd (SAIL)
- c) Both (a) and (b)
- d) Mahanagar Telephone Nigam Limited (MTNL)

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23 Which of the following policies was adopted to increase the competitive position of Indian goods in international markets?

- a) Export duties were removed
- b) Import licensing was abolished
- c) The rate of corporation tax was reduced
- d) Foreign Institutional investors were allowed to invest in India

1

OR

Which of the following statements do not support with the function of RBI as supervisor to the commercial banks?

- a) Regulates the expansion, merger, acquisition etc. of the bank
- b) Formulates all rules and regulations for the commercial banks
- c) Extend loans to commercial banks
- d) Inspection of operations of banks

24 Identify the incorrect statement in context of human capital.

- a) Human capital is intangible in nature
- b) Human capital is perfectly mobile

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- c) Human capital is inseparable from its owner
- d) Human capital cannot be sold in market like commodity

- 25 Read the following statements carefully- Assertion (A) and Reason (R) and choose the correct alternative:
 Assertion (A): Economists have stressed the need for expanding educational opportunities in a nation.
 Reason (R): As it accelerates the economic development process.
- 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 but 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
- 26 Identify the incorrect statement from the following:
- a) Horticulture has emerged as a successful sustainable livelihood option for farmers in India.
 - b) Horticulture is an important sector for potential diversification and value addition in agriculture.
 - c) India is blessed with supportive climatic and soil conditions for horticulture
 - d) Horticulture is the business related to producing storing and distributing food grains.
- 27 "In order to reduce over-dependence on agriculture sector it is necessary to opt for diversification" With reference to the given statement, diversification includes _____
- i) Change in cropping pattern
 - ii) Shift of workforce from agriculture to allied activities
 - iii) Shift of workforce from agriculture to non-agriculture sector
- a) (i) and (ii)
 - b) (i), (ii) and (iii)
 - c) (i) and (iii)
 - d) Only (iii)
- 28 Discuss briefly the rationale behind choosing 'Self-reliance' as a planning objective for an Indian economy.
- 29 The policy of liberalisation changed the role of Reserve Bank of India (RBI) from 'a regulator' to 'a facilitator' in the financial sector. Defend or refute the given statement with valid arguments.
- OR
- "Recently the Government of India has decided to merge MTNL and BSNL on account of rising losses." Justify the steps taken by the Government of India.
- 30 Evaluate the various factors that led to the rapid growth of economic development in China.
- 31 "India and Pakistan initiated their journey of development, nearly at the same time, yet the two economies have travelled different distances." Justify the given statement with valid arguments.
- 32 What factors contribute to human capital formation? Explain any four of them.
- OR
- "The difference in literacy rates between males and females are narrowing signifying a positive development in gender equity, still the need to promote education for women in India is imminent." Do you agree with the statement? Give reasons in support of your answer.

a) Answer the following questions on the basis of the picture given below:

Garment workers: Upcoming factory employment for one hundred women



- i) In which industrial sector are the women working in government's factory? 1
ii) Are the garment workers, depicted in the picture, formal sector workers or informal sector workers? Justify your answer by giving a valid reason. 1

b) Discuss briefly, why less women are found in regular salaried employment? 2

c) 'Shyam is able to get work only for two hours in a day. Rest of the day, he is looking for work.' Is he unemployed? What kind of job could person like Shyam be doing? 2

OR

- a) Explain the role of micro-credit in meeting credit requirements of the poor. 4
b) Enlist any two problems faced by farmers during the initial years of organic farming. 2

14 CASE STUDY: Read the following passage carefully and answer question on the basis of the same:

The CPCB of India is a statutory organisation under the Ministry of Environment, Forest and Climate change (M.O.E.F.C). It was established in 1974 under the Water (Prevention and control of pollution Act, 1974. The CPCB is also entrusted with the powers and functions under the Air (Prevention and Control of Pollution) Act, 1981. It serves as the field formation and also provides technical services to the Ministry of Environment and Forests under the provisions of the Environment (Protection) Act, 1986. It coordinates the activities of State Pollution Control boards by providing technical assistance and guidance and also resolves disputes among them. It is the apex organisation in country in the field of pollution control, as a technical wing of M.O. E.F.C.

CPCB has its head office in New Delhi with seven zonal offices and five laboratories. The board conduct environment assessments and research. It is also responsible for maintaining national standards under a variety of environmental laws in consultation with zonal offices, tribal and local governments. It has responsibilities to conduct monitoring of water and air quality and maintains monitoring data. The agency also works with industries and all levels of government in a wide variety of voluntary pollution prevention programs and energy conservation efforts. It advises the central government to prevent and control water and air pollution. It also advises the government of Union territories on industrial and other sources of water and air pollution.

- a) What is the full form of CPCB? 1
b) What is the aim of sustainable economic development? 1
c) State any four functions/responsibilities of CPCB? 4

X