

THE MOTHER'S INTERNATIONAL SCHOOL  
PRE BOARD EXAMINATION 2023-24  
CLASS 12  
SUBJECT: ECONOMICS  
DATE: 19<sup>th</sup> DECEMBER 2023

Max Marks: 80

Time: 3 hours

General Instructions

- (i) There are 20 questions of 1 mark each.
- (ii) There are 4 questions of 3 marks each to be answered in 60-80 words.
- (iii) There are 6 questions of 4 marks each to be answered in 80-100 words.
- (iv) There are 4 questions of 6 marks each to be answered in 100-150 words.

SECTION A

1. Which of the following is an example of normal resident of India?

- a) Foreigner working in WHO located in India
- b) The German working as director in IMF office located in India
- c) Ambassador in India from rest of the world
- d) Ambassador of India in rest of the world

(1)

2. Which of the following is an example of limited legal tender money in India?

- a) 1 rupee coin
- b) 20 rupee note
- c) 500 rupee note
- d) None of these

(1)

3. If the reserve ratio is 20%, what will be the amount of total reserves after an initial deposit of rupees 200?

(1)

4. If the entire additional income of an economy is consumed, the value of investment multiplier will be:

- a) Zero
- b) Not defined
- c) One
- d) Ten

(1)

5. Statement 1: The producers suffer losses when actual stocks are less than the desired stocks.

Statement 2: Output is determined by the level of investment in the economy.

(1)

Read the statements carefully and 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 2 is true and statement 1 is false.

(1)

6. In 2021, the government said that despite the current resource crunch, it has decided to hike its capital expenditure by 34.5%. Which of the following could be a reason for this hike?

- a) Increase in salaries of government employees
- b) Repayment of mounting interest on international loans
- c) Paying pending pensions to government employees
- d) Rapid employment generation through infrastructural projects

(1)

7. Which of the following is true about revenue receipts?

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

(1)

8. Dividend received from PSUs are a part of government's \_\_\_\_\_.

- a) Non tax revenue receipts
- b) Tax receipts
- c) Capital receipts
- d) Capital expenditure

(1)

9. The country needs a huge amount of imports for development of programs. Name one step which the Central bank can take to make imports cheaper using foreign exchange market.

(1)

10. Identify the correct reason that may affect the demand for foreign exchange.

- I. Import of visibles
  - II. Export of visibles
  - III. Remittances by residents working abroad
  - IV. Purchase of assets abroad
- a) I and II
  - b) II and III
  - c) III and IV
  - d) I and IV

(1)

11. Explain the treatment assigned to the following while estimating national income. Give reason.

- a) Expenditure on maintenance of a building
- b) Expenditure on adding a floor to the building
- c) Expenditure on fertilizers by farmer

(3)

12. Explain how the government can use the budgetary policy in reducing inequality of income in the country.

(3)

13. How will a change in bank rate affect the demand for credit?. Explain.

(4)

14. What changes will take place to bring an economy in equilibrium if

- i. Planned savings are greater than planned investment.
- ii. Planned savings are less than planned investment.

(4)

15. "Foreign institutional investors remained net sellers in the Indian capital markets over the last few weeks." State and discuss the likely effects of the given statement on foreign exchange rate with reference to Indian economy.

(4)

16. 'An economy is operating at underemployment level of income.' What is meant by the given statement? Draw a diagram. Also discuss one fiscal measure and one monetary measure to tackle the situation.

(6)

17. Given the following data, find the values of 'operating surplus' and 'net exports'. (6)

ITEMS	Rs(IN CRORE)
i) Wages and salaries	2400
ii) National income	4200
iii) Net factor income from abroad	200
iv) Gross domestic capital formation	1100
v) Mixed income	400
vi) Private final consumption expenditure	2000
vii) Net indirect tax	150
viii) Government final consumption expenditure	1000
ix) Depreciation	100
x) Profits	500

### SECTION-B

18. \_\_\_\_\_ is one of the main positive contributions made by British in India. (1)

19. 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)

20. Pakistan has performed better than India in the area of.

- a) Poverty
- b) Sanitation
- c) HDI
- d) Both a) and b)

(1)

21. India is not a member of which of the following regional economic grouping

- a) European union
- b) BRICS
- c) G20
- d) SAARC

(1)

22. Define absorptive capacity of environment. (1)

23. An establishment with 4 hired workers is known as \_\_\_\_\_ sector (1)

24. Operation flood was launched in (1)

- a) 1946
- b) 1966
- c) 1968
- d) 1970

25. Which one of the following organizations regulates the health sector in India? (1)

- a) ICMR
- b) UGC
- c) AICTE
- d) RBI

26. \_\_\_\_\_ and \_\_\_\_\_ currency notes of old Mahatma Gandhi series were banned as legal tender money on 8<sup>th</sup> November 2016. (1)

27. Which of the following is the correct difference between physical and human capital? (1)

- a) Physical capital can be sold but human capital cannot be sold
- b) Physical capital cannot be separated from its owner while human capital can be separated
- c) Physical capital provides both private and social benefits while human capital provides only social benefits
- d) The depreciation of physical capital can be arrested with more investment while human capital will continue to depreciate

28. Answer the following questions on the basis of the following data

- i. Comment upon the population growth rates among the three countries
- ii. Which country has the most skewed sex ratio

COUNTRY	ESTIMATED POPULATION IN MILLION	ANNUAL GROWTH RATE OF POPULATION	SEX RATIO
India	1311	1.2%	929
China	1371	0.5%	941
Pakistan	188	2.1%	947

29. Give reasons for the slow growth and reemergence of poverty in Pakistan. (3)
30. Critically appraise some of the short falls of industrial policy pursued by British colonial administration. (4)
31. Explain the steps taken by government in developing rural markets. (4)
32. Do you think that in the last 50 years, employment generated in the country is commensurate with the growth of GDP in India? Discuss the changing structure of employment during this period. (4)
33. Bring out the relationship between human capital and economic growth. (6)
34. a) Discuss the liberalization measures introduced in 1991 in the industrial sector.  
b) Agriculture sector appears to be adversely affected by the reform process. Why? (3+3=6)

x---THE END---x