

Sample Questions 2020-21**Class 12th
MM – 80****Economics (030)
Time: 3 Hours****General Instructions:**

1. This question paper contains two parts:
Part A - Macro Economics (40 marks)
Part B - Indian Economic Development (40 marks).
2. Marks for questions are indicated against each question.
3. Question No. 1-10 and Question No. 18 – 27 (including two Case Based Questions) are 1-mark questions and are to be answered in one word/sentence.
4. Case Based Questions (CBQ's) are Question No. 7-10 and Question No. 25-27.
5. Question No. 11-12 and Question No. 28 – 29 are 3 marks questions and are to be answered in 60 - 80 words each.
6. Question No. 13-15 and Question No. 30 – 32 are 4 marks questions and are to be answered in 80-100 words each.
7. Question No. 16-17 and Question No. 33 – 34 are 6 marks questions and are to be answered in 100-150 words each.
8. Answers should be brief and to the point and the above word limit be adhered to as far as possible.

Blue Print

Section-A Macro Economics					
Unit name	1 mark	3 Marks	4 Marks	6 marks	Total
National Income	1(R)	1(U)		1(A)	10
Money and Banking	1(U),1(A)		1(U)		6
Income determination	1(R), 1(U), 1(E)	1(A),		1(U)	12
Government Budget	1(U), 1(E)		1(R)		6
Balance of Payment	1(A), 1(E)		1(E)		6
Section A	10*1=10	2*3=6	3*4=12	2*6=12	40
Section- B Indian Economic Development					
Development Experience and Economic Reforms	1(R), 1(U), 1(A), 1(E)		1(R), 1(U)		12
Current Challenges facing Indian Economy	1(R), 1(U), 1(A), 1(E)	1(U), 1(A)		1(R), 1(E)	22
Development Experience of India	1(U), 1(E)		1(A)		6
Section B	10*1=10	2*3=6	3*4=12	2*6=12	40
Total	20*1=20	4*3=12	6*4=24	4*6=24	80

Creative Answer Type Questions: Q.No. – 29, 32, 34

Change in Questions:

Marks Category	2018-19	2019-20	Changes
1 mark	8	20	Increased by 12
3 marks	4	4	No change
4 marks	6	6	No change
6 marks	6	4	Decreased by 2
Total Questions	24	34	

Questions

Q	Macroeconomics	Marks
1	Average Propensity to Consume can never be (choose the correct alternative) a) positive b) zero c) more than one d) less than one	1
2	Wealth is aconcept whereas the income is a concept. (Fill up the blank with correct alternative) a. stock, flow b. flow, stock c. stock, stock d. flow, flow	1

3	If in an economy the value of Net Factor Income from Abroad is ₹ 200 crores and the value of Factor Income to Abroad is ₹ 40 crores. Identify the value of Factor Income from Abroad. (Choose the correct alternative) a) ₹ 200 crores b) ₹ 160 crores c) ₹ 240 crores d) ₹ 180 crores	1
4	MPC of the poor is more than that of the rich. State true or false. Give reason to support your answer.	1
5	The monetary policy generally targets to ensure..... (Choose the correct alternative) a) price stability in the economy. b) employment generation in the country. c) stable foreign relations. d) greater tax collections for the government.	1
6	In an economy, break-even point and equilibrium point may lie at the same level of income, if ex-ante investments are (Fill up the blank with correct answer)	1
7	The demand curve for foreign exchange is a. Downward sloping b. Upward sloping c. Horizontal d. Vertical	1
8	Why are exports entered as positive items in the Balance of Payment account?	1
9	Name any two items included in the balance of trade account.	1
10	Pension paid to retired government employees. Identify whether it is a revenue expenditure or capital expenditure. (Give reason)	1
11	"India's GDP is expected to expand 8% in 2019-20: World Bank" - The Economic Times. Does the given statement mean that welfare of people of India increases at the same rate? Comment with reason.	3
12	In an economy, income increases by 10,000 as a result of a rise in investment expenditure by 1,000. Calculate: (a) Investment Multiplier (b) Marginal Propensity to Save. Or The Saving function of an economy is $S = -200 + 0.25Y$, find the consumption function for the economy and also find the equilibrium level of income if the autonomous investment is Rs 2200. Cr.	3
13	Explain the process of money creation by the commercial banks with the help of a numerical example. Taking Initial deposit as Rs 1000 and CRR = 10%	4

14	Explain the impact of devaluation of domestic currency on the export and imports of an economy.	4																																				
15	Find the (i) Fiscal Deficit and (ii) Primary deficit for the following data. a. Interest payment - Rs.7500 b. Estimated total expenditure of the government Rs.150,000 c. Revenue receipts - Rs.120,000 d. Non debt capital receipts - Rs.10,000	4																																				
16	From the following data, calculate (a) Gross Domestic Product at Factor Cost. (b) Factor Income to Abroad	6																																				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">S No</th> <th style="width: 60%;">Particulars</th> <th style="width: 30%;">Amount (cr)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Compensation of employees</td> <td style="text-align: center;">800</td> </tr> <tr> <td>(ii)</td> <td>Profits</td> <td style="text-align: center;">200</td> </tr> <tr> <td>(iii)</td> <td>Dividends</td> <td style="text-align: center;">50</td> </tr> <tr> <td>(iv)</td> <td>Gross national product at market price</td> <td style="text-align: center;">1400</td> </tr> <tr> <td>(v)</td> <td>Rent</td> <td style="text-align: center;">150</td> </tr> <tr> <td>(vi)</td> <td>Interest</td> <td style="text-align: center;">100</td> </tr> <tr> <td>(vii)</td> <td>Gross domestic capital formation</td> <td style="text-align: center;">300</td> </tr> <tr> <td>(viii)</td> <td>Net fixed capital formation</td> <td style="text-align: center;">200</td> </tr> <tr> <td>(ix)</td> <td>Change in stock</td> <td style="text-align: center;">50</td> </tr> <tr> <td>(x)</td> <td>Factor income from abroad</td> <td style="text-align: center;">60</td> </tr> <tr> <td>(xi)</td> <td>Net indirect taxes</td> <td style="text-align: center;">120</td> </tr> </tbody> </table>	S No	Particulars	Amount (cr)	(i)	Compensation of employees	800	(ii)	Profits	200	(iii)	Dividends	50	(iv)	Gross national product at market price	1400	(v)	Rent	150	(vi)	Interest	100	(vii)	Gross domestic capital formation	300	(viii)	Net fixed capital formation	200	(ix)	Change in stock	50	(x)	Factor income from abroad	60	(xi)	Net indirect taxes	120	
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17	Explain the concept of excess demand and inflationary gap with the help of a diagram. Suggest any two measures to correct this situation.	6																																				
	Indian Economic Development																																					
18	Which industry received the major setback due to the British rule. a. Cement b. Handicraft c. Paper d. Iron and steel	1																																				
19	The role of RBI is reduced from regulator to facilitator of the financial sector. State whether true or false.	1																																				
20	What is meant by economic planning?	1																																				

21	Think of yourself as an advisor to the Prime Minister of India, out of profit making and loss-making PSUs which would you advise to be privatised and why?	1
22	Which is the apex institution of rural financing in India?	1
23	What type of economic system is followed in India, Pakistan, and China?	1
24	Group the following features pertaining to India. a. One-child policy b. Low fertility rate c. High degree of urbanisation d. High density of population e. Growth due to service sector f. Mixed Economy	1
25 an indicator which is used for analyzing the employment situation of a country. (Fill up the blank with correct answer)	1
26	In 1955, Karve committee was constituted for aiming the..... (Fill up the blank with correct answer)	1
27	What do you mean by agricultural marketing?	1
28	Recently Indians have drifted away from the traditional knowledge and practices and caused large scale damage to the environment". Explain how, adopting the traditional practices can be helpful in achieving the objective of sustainable development? OR Explain any three priority environmental issues of India today.	3
29	'Human capital' and 'human development' sound similar, however they are different. State the difference between the two phrases.	3
30	Define (i) Import Substitution (ii) Outsourcing	4
31	Towards the end of the British rule, Indian economy had many good and bad impacts. Discuss a few good impacts of the British rule in India. OR How was the Indian economy before the Britishers came to India?	4

32	<p>Answer the following questions on the basis of the following data: a) Comment upon the population growth rates among the three countries. b) Which country has most skewed in sex ratio?</p> <table border="1" data-bbox="358 344 1240 674"><thead><tr><th></th><th>Country Estimated Population (in million)</th><th>Annual Growth of Population (in %)</th><th>Sex Ratio</th></tr></thead><tbody><tr><td>India</td><td>1311</td><td>1.2</td><td>929</td></tr><tr><td>China</td><td>1371</td><td>0.5</td><td>941</td></tr><tr><td>Pakistan</td><td>188</td><td>2.1</td><td>947</td></tr></tbody></table> <p>Source: World Development Indicators, 2015, www.worldbank.org</p>		Country Estimated Population (in million)	Annual Growth of Population (in %)	Sex Ratio	India	1311	1.2	929	China	1371	0.5	941	Pakistan	188	2.1	947	4
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33	<p>Environmental degradation is one of the major problems faced by the world. Discuss the five rules, which should be followed to achieve sustainable development.</p>	6																
34	<p>'In spite of the increase in public health expenditure Indian Health System is an ailing system in itself'. Defend the statement citing any three major problems of the Health sector in India.</p>	6																