

**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
<b>Total</b>	<b>20*1=20</b>	<b>4*3=12</b>	<b>6*4=24</b>	<b>4*6=24</b>	<b>80</b>

**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
<b>Total Questions</b>	<b>24</b>	<b>34</b>	

## Questions

Q	Macroeconomics	Marks
1	If the value of the multiplier is 5, then calculate the value of marginal propensity to consume	1
2	Under what circumstances, net exports is negative?	1
3	What are demand deposits?	1
4	State whether the statement is true or false. (Give reason) APC can never be zero.	1
5	Name the primary functions of money.	1

6	The process of money creation or credit creation is done by (a) Commercial banks (b) Central bank (c) World bank (d) Rural bank	1										
7	Which of the following is a demerit of fixed exchange rate system? (a) BOP deficit countries run down the stock of gold (b) BOP surplus countries run down the stock of gold (c) Has no effect on the stock of gold (d) Either (a) or (b)	1										
8	The formula to calculate Primary deficit is ..... (Fill up the blank with correct answer)	1										
9	From the set of statements given in Column I and Column II, choose the correct pair of statements: <div style="text-align: center;">1</div> <table><tr><td>Column I</td><td>Column II</td></tr><tr><td>(a) Export of coffee to France</td><td>(i) Debit side of Current Account of Balance of Payments</td></tr><tr><td>(b) Import of Macbook from China</td><td>(ii) Capital Account of Balance of Payments</td></tr><tr><td>(c) Remittances to relative staying abroad</td><td>(iii) Debit side of current account</td></tr><tr><td>(d) Investment by Samsung firm in India</td><td>(iv) Credit side of Current Account of Balance of Payments</td></tr></table>	Column I	Column II	(a) Export of coffee to France	(i) Debit side of Current Account of Balance of Payments	(b) Import of Macbook from China	(ii) Capital Account of Balance of Payments	(c) Remittances to relative staying abroad	(iii) Debit side of current account	(d) Investment by Samsung firm in India	(iv) Credit side of Current Account of Balance of Payments	1
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10	Is capital gain a direct tax or indirect tax? Give reason.	1										
11	The value of nominal GDP of an economy is ₹ 4000 crores in year 2020. The value of GDP of that country during the same year, evaluated at some base price is ₹5000 crores. Calculate the value of GDP deflator for the year in percentage. Has the price level risen between the base year and the year under which GDP is ₹4000 Crores?	3										
12	Calculate the value of Marginal Propensity to Consume (MPC), if in an economy, autonomous consumption is ₹ 250 crores, ex-ante investments are ₹ 2000 crores and equilibrium level of Income of the economy is ₹ 9,000 crores. <div style="text-align: center;">Or</div> Suppose in a hypothetical economy, the savings increase by ₹ 40 crores when national income increases by ₹ 200 crores. Compute the additional investments needed to attain an increase in national income by ₹ 12,000 crores?	3										

13	Discuss any one of the following functions of a central bank: a) As government's bank b) Open market operations.	4																																										
14	Give the meaning of favourable balance of payments. Also explain the components of balance of payment briefly.	4																																										
15	Elaborate the objective of 'reallocation of resources' in the government budget.	4																																										
16	<p>Calculate National Income by Income and Expenditure method:</p> <table border="1"> <thead> <tr> <th>S No</th><th>Particulars</th><th>Amount (cr)</th></tr> </thead> <tbody> <tr> <td>(i)</td><td>Private final consumption expenditure</td><td>350</td></tr> <tr> <td>(ii)</td><td>Government final consumption expenditure</td><td>100</td></tr> <tr> <td>(iii)</td><td>Mixed income of self employed</td><td>35</td></tr> <tr> <td>(iv)</td><td>Gross domestic fixed capital formation</td><td>70</td></tr> <tr> <td>(v)</td><td>Opening Stock</td><td>15</td></tr> <tr> <td>(vi)</td><td>Compensation of employees</td><td>250</td></tr> <tr> <td>(vii)</td><td>Closing stock</td><td>25</td></tr> <tr> <td>(viii)</td><td>Imports</td><td>20</td></tr> <tr> <td>(ix)</td><td>Rent</td><td>75</td></tr> <tr> <td>(x)</td><td>Consumption of fixed capital</td><td>10</td></tr> <tr> <td>(xi)</td><td>Net indirect taxes</td><td>25</td></tr> <tr> <td>(xii)</td><td>Interest</td><td>25</td></tr> <tr> <td>(xiii)</td><td>Net factor income from abroad</td><td>(-5)</td></tr> </tbody> </table>	S No	Particulars	Amount (cr)	(i)	Private final consumption expenditure	350	(ii)	Government final consumption expenditure	100	(iii)	Mixed income of self employed	35	(iv)	Gross domestic fixed capital formation	70	(v)	Opening Stock	15	(vi)	Compensation of employees	250	(vii)	Closing stock	25	(viii)	Imports	20	(ix)	Rent	75	(x)	Consumption of fixed capital	10	(xi)	Net indirect taxes	25	(xii)	Interest	25	(xiii)	Net factor income from abroad	(-5)	6
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17	'An economy is operating at an under-employment level of income'. What is meant by the given statement? Discuss one fiscal measure and one monetary measure to tackle the situation.	6																																										
	<b>Indian Economic Development</b>																																											
18	<p>Land ceiling refers to:</p> <ol style="list-style-type: none"> <li>Fix rural landholdings at the existing level</li> <li>Fix land area for irrigation purposes</li> <li>Fix urban landholdings at the existing level</li> <li>Fix quantum of land held by an individual</li> </ol>	1																																										
19	State whether the following statement is true or false: 'The latest demonetization of currency was undertaken by the Government of India on November 8, 2016'.	1																																										

20	What do you mean by infant mortality rate?	1										
21	<div>Identify the correct sequence of alternatives given in Column II by matching them with respective terms in Column I:</div> <table><tr><th>Column – I</th><th>Column – II</th></tr><tr><td>(a). Subsidies</td><td>i. Increase in production of food grain using high yielding variety seeds</td></tr><tr><td>(b) Land reforms</td><td>ii. Portion of agricultural produce sold in the market</td></tr><tr><td>(c) Green Revolution</td><td>iii. Fixing the maximum limit of land holding for an individual.</td></tr><tr><td>(d) Marketed Surplus</td><td>iv. A direct or indirect payment to individuals or firms, usually in the form of a cash payment from the government</td></tr></table>	Column – I	Column – II	(a). Subsidies	i. Increase in production of food grain using high yielding variety seeds	(b) Land reforms	ii. Portion of agricultural produce sold in the market	(c) Green Revolution	iii. Fixing the maximum limit of land holding for an individual.	(d) Marketed Surplus	iv. A direct or indirect payment to individuals or firms, usually in the form of a cash payment from the government	1
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22	Mention any two self-employment programmes initiated by the Government of India.	1										
23	Give two characteristics of NABARD	1										
24	What do you mean by Operation Flood?	1										
25	Solar energy can be converted into electricity with the help of ..... (Photovoltaic cell/Lithium cells). (Fill up the blank with correct alternative)	1										
26	<div>Arrange the following events of China in chronological order and choose the correct alternative:</div> <div>i. Great Proletarian Cultural Revolution</div> <div>ii. Great Leap Forward campaign</div> <div>iii. Introduction of Economic Reforms</div> <div>iv. First five-year plan</div> <div>Choose the correct alternative:</div> <div>a) ii, iv, iii, i</div> <div>b) iv, ii, i, iii</div> <div>c) ii, iv, i, iii</div> <div>d) iv, i, ii, iii</div>	1										
27	First five-year plan of _____ commenced in 1956 (Pakistan/India/China)	1										
28	<div>India is currently facing the problem of unemployment. Briefly discuss any three causes of unemployment in India.</div> <div>OR</div> <div>Power development has been significant during the last four decades of planning. However, power generation is still insufficient and demand is quite high. Explain the challenges faced by the Indian power sector facing today.</div>	3										
29	'Use of chemical fertilizers, to compensate food shortage, gives good dividends in the form of increased production.' Critically analyse the statement.	3										

30	What is a five-year plan? Explain the basic goals of a five-year plan.	4
31	'The opening up of the Indian Economy has led to a rapid increase in Foreign Direct Investments and Foreign Exchange Reserves of the country'. Defend or refute the given statement. OR Suppose you are a native of a hypothetical village in India which is facing the problem of poverty. Advise a few measures to tackle the problem of poverty to the village head.	4
32	Give the reasons for the slow growth and re-emergence of poverty in Pakistan.	4
33	"Rural Economic development is essential for Indian Economic development". Do you agree with the given statement? Support your answer with valid reasons.	6
34	Poverty has always been a curse for our country India. Poverty Alleviation Programmes have been taken as steps against poverty. Discuss the causes behind the failure of these programs.	6