

Pratap Public School, Karnal

Mid-Term Examination (2023)

Class - XII

Subject - Economics

Time : 3 Hours

M.M : 80

Name Roll No. Section

General Instructions

All questions are compulsory

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.

6. The above mentioned word limit is not applicable to numerical illustrations.

SECTION A – MACRO ECONOMICS [40 marks]

1. Statement 1:- All goods purchased by producers are intermediate goods.

Statement 2:- All goods purchased by consumers are final goods.

Choose the correct alternative: -

[1]

(a) Statement I is true and statement II is false

(b) Statement II is true and statement I is false

(c) both statements are true

(d) both statements are false

2. Assertion (A) Income earned by foreigners working in a foreign bank in India is a part of gross domestic income.

Reason (R) It is included in gross domestic income because foreign bank is located within the domestic territory of the country.

[1]

Choose the correct alternative: -

(a) Both (A) & (R) are correct and (R) is the correct explanation of (A)

(b) Both (A) & (R) are correct and (R) is not the correct explanation of (A)

(c) (A) is correct, but (R) is incorrect

(d) Both (A) & (R) are incorrect

3. _____ is the revenue receipt of the government.

[1]

(a) Funds raised by the govt. by issuing NSCs. (b) Profits of LIC

(c) Amount borrowed from Japan for construction (d) Sale of 40% shares of PSUs.

4. Assertion (A) Govt. budget is the statement showing estimated receipts and expenditure of govt. in the coming financial year. [1]

Reason (R) Govt. budget is presented by finance minister of India.

Choose the correct alternative: -

- (a) Both (A) & (R) are correct and (R) is the correct explanation of (A)
- (b) Both (A) & (R) are correct and (R) is not the correct explanation of (A)
- (c) (A) is correct, but (R) is incorrect
- (d) Both (A) & (R) are incorrect

5. Identify the correct reason(s) that may affect the demand for foreign exchange in an economy. [1]

I. Imports of visible

II. Exports of invisibles

III. Remittances by residents working abroad

IV. Purchase of assets abroad

Choose the correct alternative: -

a) I and II

b) II and III

c) III and IV

d) I and IV

6. As per the Reserve Bank of India (RBI) press report, dated 29th December, 2022: [1]
"Net external commercial borrowings to India recorded an outflow of US\$ 0.4 billion in the second quarter (2022-23)"

The above transaction will be recorded in the _____ account on _____ side of Balance of payments account of India. (Choose the correct alternative to fill up the blanks)

a) current, credit

b) current, debit

c) capital, credit

d) capital, debit

7. Assertion (A) Import of goods and services reflects demand of foreign currency. [1]
Reason (R) Import of goods and services shows inflow of foreign exchange.

Choose the correct alternative: -

- (a) Both (A) & (R) are correct and (R) is the correct explanation of (A)
- (b) Both (A) & (R) are correct and (R) is not the correct explanation of (A)
- (c) (A) is correct, but (R) is incorrect
- (d) Both (A) & (R) are incorrect

8. The main aim of monetary policy is _____ [1]

(a) to bring price stability

(b) to generate employment opportunities

(c) to increase trade surplus

(d) to generate greater tax revenue

9. Statement 1:- All the coins are issued by finance ministry in India.
Statement 2:- All the currency notes are issued by RBI.

Choose the correct alternative: -

[1]

- (a) Statement I is true and statement II is false
- (b) Statement II is true and statement I is false
- (c) Both statements are true
- (d) both statements are false

10. Define high powered money? [1]
11. Currency is issued by the central bank, yet we say that commercial banks create money. Explain, how is this money creation by commercial banks likely to affect the National Income? [3]
12. Discuss briefly the concept of managed floating system of foreign exchange rate determination. [3]

OR

When the price of a foreign currency falls, the supply of that foreign currency also falls. Explain why? (Use diagram)

13. From the following data, calculate (a) Revenue deficit & (b) Fiscal deficit [4]

<i>Particulars</i>	<i>Rs (In Crores)</i>
1. Tax receipts	1000
2. Revenue expenditure	3821
3. Non- tax revenue	2000
4. Recovery of loans	135
5. Capital expenditure	574
6. Disinvestment	100
7. Interest payments	1013

OR

State whether the following statements are true or false. Support your answer with reason.

- (a) Taxation is an effective tool to reduce the inequalities of income.
- (b) Revenue deficit increases when government fails to recover loans forwarded to different nations.

14. Answer the following questions: - [2, 2]

- (a) Explain the medium of exchange function of money giving example.
- (b) Explain any two quantitative credit control methods of RBI to control inflationary situation in the economy.

15. Differentiate between devaluation and depreciation giving examples of each. [4]

16. Answer the following questions: - [3, 3]

- (a) Are the following statements true or false? Give reasons.
- Excess of foreign exchange receipts over foreign exchange payments on account of accommodating transactions equals deficit in the BOP.
 - Export and import of machines are recorded in capital account of the BOP.
 - Foreign investments are recorded in the capital account of BOP.
- (b) Differentiate between current account and capital account of the BOP on the basis of its components.

OR

(a) "Capital account transactions lead to future claims." Defend or refute the given statement with valid arguments.

(b) What will be the effect of the following on BOP:-

i) Make in India programme

ii) Import of pulses.

17. Answer the following questions: -

[3, 3]

(a) Differentiate between Nominal GDP & Real GDP. (3 points)

(b) Calculate National Income by income and expenditure method (1.5 each)

Particulars	Rs (In Crores)
1) Compensation of employees	16,100
2) Govt. final consumption exp.	4700
3) Indirect taxes <i>Fixed</i>	3800
4) Gross domestic capital formation	12,400
5) Mixed income of self employed	21500
6) Operating surplus	8000
7) Net addition to stock	2000
8) Export of goods & services	2100
9) Import of goods & services	2200
10) Private final consumption expenditure	32,000
11) Net factor income from abroad	(-) 200
12) Subsidies	200
13) Consumption of fixed capital	1800

SECTION B – INDIAN ECONOMIC DEVELOPMENT [40]

18. India's first official census was undertaken in: -

[1]

a) 1850

b) 1881

c) 1891

d) 1921

19. India entered the _____ stage of demographic transition after the year 1921.

[1]

a) Fourth

b) second

c) third

d) first

20. When was NITI Aayog established?

[1]

a) 1991

b) 2001

c) 2011

d) 2015

21. Arrange the following events in the correct chronological order.

[1]

i) Constitution of Karve committee

ii) Beginning of first year plan

iii) Establishment of planning commission

iv) Establishment of NITI Aayog

a) (i) (ii) (iv) (iii)

b) (ii) (i) (iii) (iv)

c) (ii) (iii) (iv) (i)

d) (iii) (ii) (i) (iv)

Who is the father of green revolution in India?

a) Pt. Jawahar Lal Nehru

c) M.S. Swaminathan

b) A.M. Khusro

d) V.K.R.V. Rao

[1]

23. Industrial Policy Resolution 1956 formed the basis of the _____ Five year plan.

a) First

c) Second

b) Fourth

d) Third

[1]

24. National Bank of Agriculture and Rural Development was set up in:

a) July 19, 1969

c) April 1, 1949

b) July 12, 1982

d) June 12, 1982

[1]

25. Which period is known as golden revolution?

a) 1991-2003

c) 1951-1971

b) 2003-2010

d) 1960-2012

[1]

26. As per census, the literacy rate is _____.

a) 65.4%

c) 86%

b) 73%

d) 6.1%

[1]

27. Assertion (A) Human capital treats human beings as a means to an end (increase in productivity)

Reason (R) Human capital formation decreases by way of investments in education and health.

[1]

Choose the correct alternative: -

(a) Both (A) & (R) are correct and (R) is the correct explanation of (A)

(b) Both (A) & (R) are correct and (R) is not the correct explanation of (A)

(c) (A) is correct, but (R) is incorrect

(d) Both (A) & (R) are incorrect

28. Do you think outsourcing is good for India? Why are developed countries opposing it? [3]

OR

Explain briefly the benefits of GST to Indian Economy. (3 points)

29. Identify 3 benefits and 3 limitations of organic farming. [3]

30. Explain any four problems of human capital formation in India. [4]

OR

In your view, is it essential for the government to regulate the fee structure in education and health care institutions, If so, why?

31. Does modernization as a planning objective create contradiction in the light of employment generation? Explain. [4]

32. Why was public sector given a leading role in industrial development during the planning period? (3 reasons) [4]

33. Answer the following questions: - [3, 3]

(a) The traditional handicrafts industries were ruined under the British rule. Do you agree with this view? Give 3 reasons in support of your answer.

(b) Were there any positive contributions made by the British in India? Discuss.

OR

(a) Comment upon any 3 salient features of occupational structure of India on the eve of independence.

(b) Discuss any three causes of India's agricultural stagnation during the colonial period.

34. Answer the following questions: -

[3. 3]

(a) Write a note on WTO and its two impacts on the Indian economy.

(b) Distinguish between the following:

i) Strategic and Minority sale

ii) Bilateral and Multilateral trade.
