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Half Yearly Examination (2024-25)
Economics (030)

Class: XII

M.M: 80

Time: 3 hours

General Instructions:

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

PART –A INTRODUCTORY MACROECONOMICS

Q.1 Which of the following is a stock?

- (a) Savings
- (b) Production
- (c) Consumption of fixed capital
- (d) Capital

Q.2 Read the following statements carefully:

Statement 1 - Net investment is a stock concept.

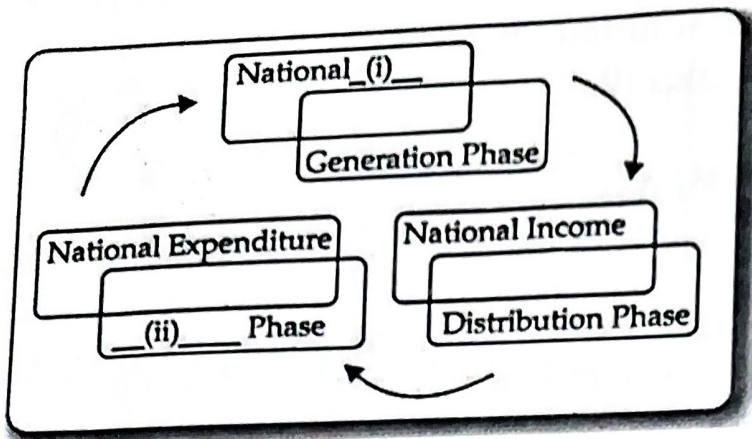
Statement 2 - Capital is a flow concept.

In the light of the given statements, choose the correct alternative from the following:

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

OR

Read the following figure carefully and choose the correct pair from the alternatives given below:



Alternatives:

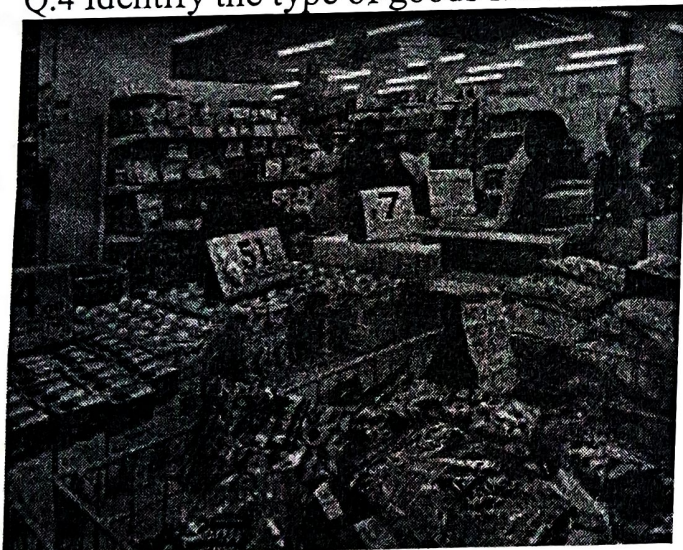
- a) Output, Production
- b) Value added, Production
- c) Output, Disposition
- d) Wealth, Development

Q.3 Identify the correctly matched pair of items in Column A to those in Column B:

Column A	Column B
1. Money flow	(i) Consumption Expenditure
2. Real flow	(ii) Between Households
3. Trade flow	(iii) Only Domestic Economy
4. Capital flow	(iv) Inventory

- (a) 1 - (i)
- (b) 2 - (ii)
- (c) 3- (iii)
- (d) 4 - (iv)

Q.4 Identify the type of goods shown in the below image.



- (a) Consumer goods
- (b) Capital goods
- (c) Intermediate goods
- (d) None of these

Q.5 Foreign embassies in India are a part of India's:

- (a) Economic territory
- (b) Geographical territory
- (c) Both (a) and (b)
- (d) None of the above

Q.6 Which of the following formula is INCORRECT?

- (a) $M1 = \text{Currency} + \text{net demand deposits}$
- (b) $M2 = M1 + \text{Savings with post office savings banks}$
- (c) $M3 = M2 + \text{Net time deposits of commercial banks}$
- (d) $M4 = M3 + \text{Total deposits with post office savings banks (excluding NSC)}$

Q.7 Suppose in an economy, the initial deposits of ₹400 crores lead to the creation of total deposits worth ₹4000 crores. Under the given situation the value of reserve requirements would be _____

(Fill up the blank with correct alternative)

- (a) 0.01
- (b) 1
- (c) 0.1
- (d) 0.4

OR

Ms Sakshi, an economics teacher, was explaining the concept of 'minimum percentage of the total deposits to be kept by any commercial bank with the Central Bank of the country, as per norms and statutes prevailing in the country'.

From the following, choose the correct alternative which specifies the concept explained by her?

- (a) Cash Reserve Ratio
- (b) Repo Rate
- (c) Bank Rate
- (d) Statutory Liquidity Ratio

Q.8 State true or False:

Fiscal Deficit always leads to inflation.

Q.9 Which of the following is not a revenue receipt? (1)

- (a) Recovery of loans
- (b) Stabilization of prices
- (c) Growth of the economy
- (d) Redistribution of income

Q.10 Read the following statements: Assertion (A) and Reason (R). (1)

Assertion (A): In case of public goods, non-paying users are known as free riders.

Reason (R) : Public goods are rivalrous and non-excludable in nature.

Choose the correct alternative among the given below:

- (a) Both Assertion (A) and Reason (R) are true and Reason is the correct expiation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true and Reason is not the correct expiation of Assertion (A).

- (c) Assertion (A) is true but Reason (R) is false.
 (d) Assertion (A) is false but Reason (R) is true.

Q.11 With suitable examples, distinguish between final goods and intermediate goods. (3)

Q.12 From the following data, calculate (a) Revenue Deficit and (b) Fiscal deficit. (3)

Particulars	(Rs. In Crores)
Tax revenue	1,000
Revenue expenditure	3,821
Non- tax revenue	2,000
Recovery of loans	135
Capital expenditure	574
Disinvestment	100
Interest payments	1,013

Q.13 Define money supply and its main components. (4)

OR
 Explain any two functions of money.

Q.14(a) Will the following be included in the domestic product of India? Give reasons for your answer. (4)

- (i) Profits earned by foreign companies in India.
 (ii) Salaries of Indians working in the Russian Embassy in India.

(b) Distinguish between Consumption goods and Capital goods. (Any 2 points)

Q.15 Read the following text carefully, discuss briefly the relevant functions of the Central Bank indicated: (4)

Recently, RBI conducted a statutory inspection for the supervisory evaluation against a Commercial bank. The commercial bank was imposed with stringent penalties, owing to Deficiencies in regulatory compliances. As per RBI, the inspection revealed non-compliances different directions issued by RBI, on the following front:

- (i) ATM cards frauds
 (ii) Ensuring integrity and quality of data
 (iii) Loans to small borrowers

Q.16 (a) Under the Defect Effect, Zero Defect (ZED) scheme, the government of India provides Up to 80% subsidy to Mini, Small and Medium Enterprises (MSMEs).n Identify and explain the objective of government budget highlighted in the above text.

(b) Distinguish Between Direct tax and Indirect tax. (3+3)

Q.17 Given the following data, find the missing value of 'Wages and Salaries' and 'Gross Domestic Capital Formation'.

(6)

S.No	Items	(₹ In crore)
1	Mixed income of self-employed	3,500
2	Net Indirect taxes	300
3	Wages and Salaries	?
4	Government Final expenditure	14,000
5	Net exports	3,000
6	Consumption of fixed capital	300
7	Net factor income from abroad	700
8	Operating surplus	12,000
9	National Income	30,000
10	Profit	500
11	Gross domestic capital formation	?
12	Private final consumption expenditure	11,000

OR

Explain the precautions that should be taken while estimating national income by expenditure method.

SECTION – B INDIAN ECONOMIC DEVELOPMENT

Q.18 Prior to India's independence, the stagnation in the agricultural sector was mainly caused by _____.

- (a) Investment in technology
- (b) Investment in agriculture facilities
- (c) Advanced infrastructural facilities
- (d) Land settlement system

Q.19 Under the British system of land settlement, the zamindar's dues to the state were fixed. What did this mean for the cultivators?

- (a) They received investment support to increase production.
- (b) They were exploited and forced to pay rent regardless of the produce.
- (c) They had the support of the landlords against the oppressive policies of the British.
- (d) They were forced to shift from food crops to commercial crops, leading to food scarcity.

Q.20 Industrial Policy Resolution (IPR), 1956 formed the basis of the _____ Five Year Plan. (Fill up the blank with correct alternative)

- (a) First
- (b) Fourth
- (c) Second
- (d) Third

Q.21 State true or false :

Rising population is not the cause for quality of human capital formation.

(1)

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

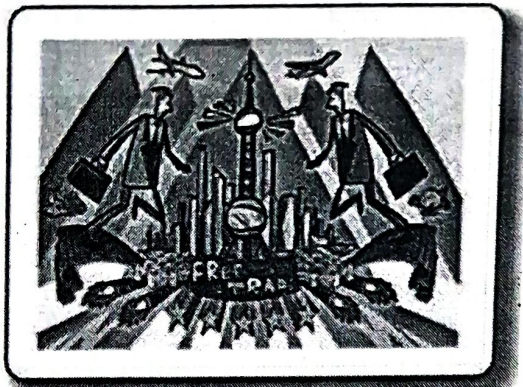
Q.22 Identify the correctly matched pair from Column A to that of Column B:

Column A	Column B
(i) HYV seeds	(a) Seeds having shorter life cycle
(ii) Economic subsidy	(b) Improved seeds
(iii) Green Revolution	(c) Sharp increase in milk production
(iv) Maximum land ceiling	(d) Market reform

Q.23 Which of the following statements is not true about problems in public sector in India?

- (a) Lack of technical efficiency
 (b) Discriminating policy of organisation
 (c) Lack of incentives
 (d) Adequate control of parliament

Q.24 Analyse the below image and identify the element of LPG policy of 1991.



- (a) Liberalisation
 (b) Privatisation
 (c) Globalisation
 (d) All of these

Q.25 **Assertion (A):** India adopted import substitution policy during the first seven Five-year plans precisely.

Reason (R): Import substitution was to substitute the imports of our economy with domestic production.

- (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.

Q.26 -----refers to the stock of skill, ability, expertise, education and knowledge embodied in the people.

- (a) Human resource
 (b) Physical capital
 (c) Human Capital
 (d) None of these

Q.27 Identify which of the following are associated with the problem of human capital formation in India? (1)

(i) Brain – drain

(iii) Rising population

Alternatives:

(a) (i) and (ii)

(c) (i), (ii) and (iii)

(ii) Low academic standards

(iv) Changes in social outlook

(b) (ii) and (iii)

(iv) (i) and (iv)

Q.28 'Agriculture sector has been adversely affected by the Economic reform process'. Comment. (3)

OR

Explain any three reasons for the adoption of New Economic Policy 1991.

Q.29 Explain on the job training source of human capital formation. (3)

Q.30 Critically appraise some of the shortfalls of the industrial policy pursued by the British Colonial administration. (4)

OR

Explain the quantitative appraisal of India's demographic profile during the colonial period

Q.31 Define subsidies. Write two points each in favour and against for agricultural subsidies. (4)

Q.32 Explain the Industrial Policy Resolution (IPR) 1956. (4)

Q.33 (a) Distinguish between Human capital and Physical capital. (3+3)

(b) State with valid reason whether the following statement are true or false: 'Higher productivity and production are the outcome of investment in human resources'

Q.34 Define Privatisation. Explain any three gains and any three losses of privatization. (6)

OR

(a) Explain the financial sector reforms under liberalisation.

(b) Why India is considered as a favorite destination for outsourcing. Explain.