

O. P. JINDAL SCHOOL, SAVITRI NAGAR**Half Yearly Examination - (2024 – 2025)****Class: XII****MM: 80****Subject: Economics (030)****Time: 3 Hrs.**

(Fifteen minutes extra will be given for reading the Question Paper.)

General Instruction:

- i. All questions are compulsory. However, there is internal choice in some questions.
 - ii. Marks for questions are indicated against each question.
 - iii. Question No.1-10 and Question No.21 to 30 are very short answer questions carrying 1 mark each.
 - iv. Question No.11-14 are short answer questions carrying 3 marks each.
 - v. Question No.15-18 and Question No. 31-32 are also short answer questions carrying 4 marks each. .
 - vi. Question No.19-20 and 34 are long answer questions carrying 6 marks each.
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Section A (Macro Economics)

1. Read the following statements carefully:

1

Statement 1: Consumption curve is upward sloping because MPC is constant.

Statement 2 : Aggregate demand and consumption curve are parallel to each other.

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

- a) Both the statements are true.
- b) Both the statements are false
- c) Statement 1 is true & Statement 2 is false.
- d) Statement 2 is true & Statement 1 is false.

2. Under the flexible Exchange Rate system, due to relaxation of global Covid- 19 pandemic Restriction on travel, there is increased movement of tourists from India to Singapore. This leads to _____ in domestic currency of India.

- a) Depreciation
- b) Appreciation
- c) Devaluation
- d) Revaluation

1

3. _____ is the fraction of deposits that banks are required to keep as reserve legally with the central bank in the form of cash. 1

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

4. An Indian company acquires a British Car company. This transaction would be recorded on _____ side of _____ account. 1

- a) Debit, Capital b) Credit, Capital
c) Debit, Current d) Credit, Current

5. Read the following statement carefully:

Statement 1 : A foreigner working in Yes bank located in India is a normal resident of India.
Statement 2 : Increase in national income does not always imply increase in domestic income as well.

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

- a) Both the statements are true.
b) Both the statements are false
c) Statement 1 is true & Statement 2 is false.
d) Statement 2 is true & Statement 1 is false.

6. In case of an underemployment equilibrium, which of the following alternative is not true?

- a) Aggregate demand is equal to Aggregate supply.
- b) There exist excess production capacities in the economy.
- c) Resources are not fully and efficient utilized.
- d) Resources are fully and efficient utilized.

7. The policy initiated by the Central Bank is called _____.

- (i) Fiscal Policy (ii) Currency Policy (iii) Bank Policy (iv) Monetary Policy
- a) Only (i) b) Only (iv)
- c) only (ii) and (iii) d) None of these

8. Read the following Statements – Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A) : If aggregate demand exceed aggregate supply, income rises.

Reason (R) : Excess aggregate demand will reduce planned inventory and firms would tend to increase the employment and output.

- a) Both (A) & (R) both are true and (R) is correct explanation of (A).
- b) Both (A) & (R) both are true but (R) is not correct explanation of (A.)
- c) (A) is true but (R) is false.
- d) (A) is false but (R) is true.

1

9. Which of the statements is correct about the relationship between the average propensity to save (APS) and average propensity to consume (APC)?

- a) Both APS and APC rise in case of an increase in the national income.
- b) Both APS and APC fall in case of an increase in the national income.
- c) APC rises, but APS falls in case of an increase in the national income.
- d) APS rises, but APC falls in case of an increase in the national income.

1

10. When there is a _____ in the economy, a trade deficit emerges.

- a) The value of commodities exported is less than the value of imported items.
- b) Commodities are exported at a higher rate than they are imported.
- c) The value of exported services is less than the value of imported services.
- d) The value of exported services surpasses the value of imported services.

1

11. "Gross Domestic Product and sum of Gross Value Added in an economy are always equal" Justify the given statement with valid arguments.

3

Or

"Gross Domestic Product Deflator is represented by the ratio of Real GDP and Nominal GDP." Do you agree with the given statement? Justify your answer with valid arguments and hypothetical numerical example.

12. Find the value of subsidies.

3

S.N	Particulars	Amoun (in Rs. Lakhs)
1	GNP at FC	27,710
2	Consumption of fixed capital	4000
3	Indirect Tax	120
4	Factor income from abroad	400
5	NDP at MP	24,000
6	Factor income from abroad	600

13. Calculate (a) Revenue Receipts (b) Fiscal Deficit (c) Primary Deficit 3

S.N	Particular	Rs. In crore
1	Non- debt Creating Capital Receipts	2500
2	Revenue Deficit	1200
3	Interest Payments	700
4	Revenue Expenditure	2000
5	Capital Expenditure	3500

14. "Many large Multinational Corporations have recently shifted their investments from China and have started their production in India, thereby boosting the Make in India plans of the Government"

Presuming other factors being constant, discuss the effect of the given statement on Foreign Exchange rate with reference to the Indian Economy. 3

15. What are the components of capital account? 4

16. (a) Distinguish between Depreciation and Capital Loss. 3

(b) Define Public Investment. 1

17. "Reserve Ratio and Credit Creation are inversely related" Do you agree with the given statement? Justify your answer with suitable numerical example. 4

Or

Why Central Bank known as Banker's Bank and Supervisor?

18. In an economy , Bank rate is increased, how will it affect the demand for credit? Explain. 4

19. (a) The Government, under PM Surya Ghar Muft Bijli Yojana, which aims to achieve 300 Units of free electricity per month to 1 crore households through rooftop solarisation for poor people. What Objective the government is trying to fulfill through the government budget and how? Explain. 3

(b) Why Public goods must be provided by the government? Explain. 3

20. (a) The equilibrium level of income in an economy is Rs.2500 crores. The autonomous Consumption expenditure is equal to Rs.125 crore and investment expenditure Rs.500 Calculate : (i) Consumption expenditure at equilibrium level of national income (ii) Marginal Propensity to Save (iii) Break level of income. 3

(b) Do you agree that MPS cannot be negative, but APS can be? 3

Or

(a) The Breakeven point for an economy occurs at the income level of Rs.500 crores If MPC Is 0.6 , determine (i) Autonomous Consumption (ii) Saving Function (iii) Level of income when saving is Rs. 600 crores.

(b) Describe the adjustments that may take place in economy when Ex- ante saving are less than Ex- ante investments.

Section- B (Indian Economic Development)

21. Identify which of the following does not reflect a direct relationship between human capital formation and economic growth. 1

- a) Employability of an educated person is higher than that of an educated person.
- b) On the job training will reduce the skills of labour.
- c) Healthy workforce is a boon of the economy.
- d) Digital information helps in taking real time decisions.

22. Read the following statement carefully: 1

Statement 1 : Human Development is based on the idea that education and health are integral to human well- being.

Statement 2 : Human capital treats humans as a means to an end.

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

- a) Both the statements are true.
- b) Both the statements are false
- c) Statement 1 is true & Statement 2 is false.
- d) Statement 2 is true & Statement 1 is false.

23. Identify the correct pair. 1

Column I	Column II
(a) Opening of suez canal	(i) 1862
(b) First Railway Bridge linking Bombay and Thane	(ii) 1854
(c) Battle of Plassey	(iii) 1750
(d) Setting up TISCO	(iv) 1905

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

24. Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternative.

Assertion (A): Commercialisation of agriculture means production of crops for sale rather than for family consumption.

Reason (R): Cash crops are food crops like wheat, rice, etc.

Alternatives:

- a) Both (A) & (R) both are true and (R) is correct explanation of (A).
- b) Both (A) & (R) both are true but (R) is not correct explanation of (A.)
- c) (A) is true but (R) is false.
- d) (A) is false but (R) is true.

25. Which of the following statements is correct about British rule in India? 1

- a) The literacy rate was high during the British rule in India
- b) The infant mortality rate was high during the British rule in India
- c) The life expectancy rate was high during the British rule in India
- d) The female literacy rate was high during the British rule in India

26. Assertion (A) - At the time of independence, the Indian economy was a 'depleted economy.

Reason (R) - Depleted economy refers to an economy, where no arrangements have been made to replace the physical assets, depreciated due to excessive use.

Alternatives:

- a) Both (A) & (R) both are true and (R) is correct explanation of (A).
- b) Both (A) & (R) both are true but (R) is not correct explanation of (A.)
- c) (A) is true but (R) is false.
- d) (A) is false but (R) is true. 1

27. Which of the following statements about the fiscal deficit is correct? 1

- a) It is a part of the total government expenditure that is met by imposing more taxes
- b) It is a part of the total government expenditure that is met through borrowings
- c) It is a part of the total government expenditure that is met by selling the shares held by them in public companies
- d) It is a part of the total government expenditure that is met by imposing public assets

28. Which of the following statements correctly describes the process of privatisation? 1

- a) The privatisation process involves transferring a company to a non-profit organisation
- b) The privatisation process involves outsourcing services to other companies
- c) The privatisation process involves selling off a few public sector units to the private sector
- d) None of the above

29. Which of the following was one of the most important measures introduced in the foreign trade policy from 1991? 1

- a) The reduction of restrictions on imports from other countries
- b) The reduction of restrictions on exports to other countries

c) Both a and b are incorrect

d) Both a and b are correct

30. Mention the correct statement about the industrial sector in the Indian economy on the eve of Independence. 1

a) Exporting of raw materials to Britain was reduced by India.

b) India had to face the ultimate shortage of goods which were produced in the country itself.

c) Reduced the rate of growth of the industrial sector in India.

d) The goods in India that were imported by Britain were of cheap quality.

31. Explain some of the shortfalls of the Industrial Policy pursued by the British colonial administration. 4

32. "Many economists believe that economic reforms process of 1991 had adversely affected the agriculture sector"

Do you agree with the given statement? Justify your answer with valid arguments. 4

Or

Describe any four purposes for the founding of World Trade Organisation in 1995.

33.(a) "In India, National Education Policy 2020 has stressed a lot on in- service training of the teachers".

(i) Identify the source of Human Capital Formation (HCF) indicated in the aforesaid statement.

(ii) Elaborate the likely impacts on this source on the economic development of India. 1+2

(b) Why unemployment is highest among the educated youth? 3

34.(a) "India's inward looking trade policy during the post independence period was well supported by various tariff and non tariff barriers."

Do you agree with the given statement? Justify your answer with valid arguments. 3

(b) "Navratna policy has facilitated the maintenance, promotion and disinvestment of Public Sector Undertakings(PSUs)"

Justify the given statement with valid explanation. 3

Or

Discuss briefly for "growth with equity" and "modernization as planning objectives for Indian economy. 6

