

O. P. JINDAL SCHOOL, SAVITRI NAGAR

Half Yearly Examination - (2025 – 2026)

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.1-14 and Question No.23 to 28 are very short answer questions carrying 1 mark each.
- iv. Question No.15-16 and 29-30 are short answer questions carrying 3 marks each.
- v. Question No.17-19 and Question No. 31-33 are also short answer questions carrying 4 marks each. .
- vi. Question No.20-22 and 34 are long answer questions carrying 6 marks each.

Section A (Macro Economics)

1. Statement 1: -An American working in International Labour Organisation 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.

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. 1

2. Real national income refers to: 1
a) National income at current prices
b) National income at factor cost
c) National income at constant prices
d) National income at market price

3. If $NDPfc = 4300$, depreciation=1350, subsidies= 250, $NFIA = 330$, $GDPmp$ will be: 1
a) 2370
b) 2700
c) 5400
d) 6230

4. 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 statute prevailing in the country'. From the following, choose the correct alternative which specifies towards the concept explained by her? 1

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

Or

Two friends Akash and Amit were discussing about the features of central bank. "This feature saves the commercial banks from possible breakdown"

The above-mentioned statement was given by Akash, identify the feature was he taking about...

- a) Banker's bank
- b) Lender of the last resort
- c) Controller of credit
- d) Financial advisor

5. Deposit creation by bank comes to an end when: 1

- a) Fresh deposit with banks becomes zero
- b) LRR become zero
- c) Money multiplier become zero
- d) Total reserve equal to initial deposit

6. Read the following statement -Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A): Ex-post Investments represent planned Investments; whereas ex-ante Investments represent the actual level of investments. 1

Reason (R): At the equilibrium level, Ex-ante Savings and Ex-ante Investments are always equal.

Alternatives:

- a) The Assertion (A) is true, but the Reason (R) is false.
- b) The Assertion (A) is false, but the Reason (R) is true.
- c) Both the Assertion (A) and Reason (R) are true, but the Reason (R) is not the correct explanation of the assertion.
- d) Both the Assertion (A) and Reason (R) are true, and the Reason (R) is the correct explanation of the assertion.

7. Which among the following is induced investment ? 1

- i. Government has set up public health centers in rural areas.
- ii. Government has decided to invest Rs. 1,000 crores to save Sunder ban Forests.
- iii. Airtel has invested Rs 1,000 crore to improve its services.

- a) i & ii
- b) ii & iii
- c) iii alone
- d) All of these

| | Rs. (in crores) |
|------------------------------------|-----------------|
| Fiscal deficit | 12500 |
| Revenue deficit | 9200 |
| Primary deficit | 5250 |
| Revenue receipts | 6100 |
| Non-debt creating capital receipts | 10000 |

a) 7250

b) 6650

c) 9120

d) 8250

14. The influence exerted by international borrowing on the foreign exchange supply within an economy is indicated when it:

- a) minimally affects the supply of foreign exchange
- b) tends to diminish the supply of foreign exchange
- c) intends to increase the supply of foreign exchange
- d) confined solely to alterations in the supply of domestic currency

1

15. Calculate intermediate consumption from the following data.

3

| Items | (₹ in lakhs) |
|------------------------------------|--------------|
| (i) Value of output | 2000 |
| (ii) Depreciation | 40 |
| (iii) Subsidy | 10 |
| (iv) Sales tax | 30 |
| (v) Net Value Added at factor cost | 1600 |

Or

Use following information of an imaginary country.

| Year | 2019-20 | 2020-21 | 2021-22 |
|--------------|---------|---------|---------|
| Nominal GDP | 12 | 14 | 15 |
| GDP Deflator | 100 | 140 | 120 |

(i) For which year is real GDP and nominal GDP same and why?

(ii) Calculate Real GDP for the given year, Is there any year for which Real GDP falls?

16. ‘During the last few years’ initiatives such as Jan Dhan Yojna, Aadhar-enabled payment systems, e-Wallets, National Financial Switch (NFS), and others have strengthened the government’s resolve to go cashless.’ Elaborate on how such initiatives may have affected the Indian economy.

3

17. “Growth of Indian Economy requires investment.” In this context, how RBI can use the instrument of Cash Reserve Ratio.

4

Or

“Indian government has taken steps to channelize household savings into financial system” Do you agree with this? Discuss its economic value in the context of Indian Economy.

18(A) If in an economy Saving function is given by $S = (-) 50 + 0.2 Y$ and $Y = \text{Rs } 2000$ crores; consumption expenditure for the economy would be Rs 1,650 crores and the autonomous investment is Rs 50 crores and the marginal propensity to consume is 0.8. True or False? Justify your answer with proper calculations.

2

(B) In a hypothetical economy when saving are Zero, It is given that:

Level of Income = Rs.100 crore

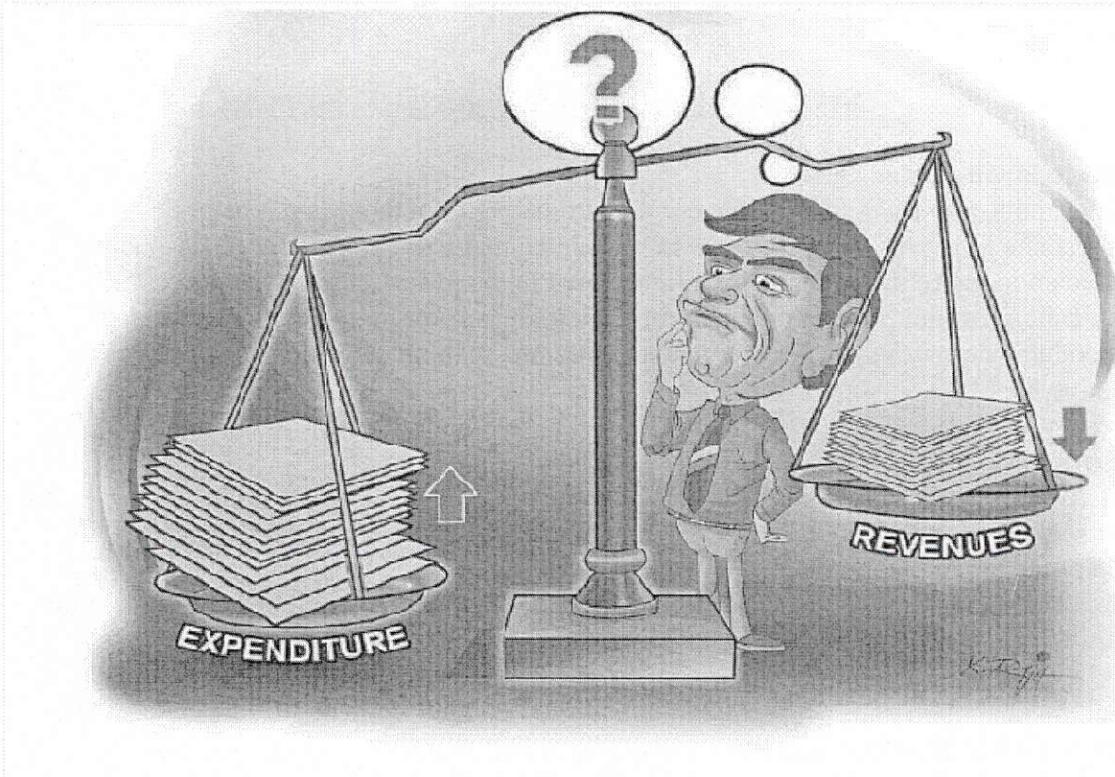
Autonomous Consumption = Rs.40 crore

Calculate Marginal Propensity to consume in the economy.

2

19(A) From given picture suggest any two ways to reduce fiscal deficit. 2

(B) Differentiate between Public Provision and Public Production. 2



20(A) Due to low production of oil seeds government of India import oil seed. What will be its impact on foreign exchange rate and how? 3

(B) Mr. Rohan as normal resident of India sold his property in UK and his son wants to expand their business for it he purchased machinery from China to set up steel plant. Being a commerce student give your view where these both transaction recorded in Balance of Payment. 3

Or

(A) America imposed reciprocal tariffs on Gems and Jewellery import from India. As per president of Gem Jewellery Export Promotion Council said that new tariffs will impact on export.

How it will be impact on our exchange rate? 3

(B) Explain, how exchange rate is determined under a free market exchange rate system.

21(A) If in an economy , Repo rate is increased , how will it affect the demand for credit? Explain. 3

(B) In an economy, ex-ante Aggregate Supply is more than ex- ante Aggregate Demand". Explain its impact on the level of output, income and employment. 3

22. (A) Ms. Reeta is a retired employee. Every month she received pension and Rent from her property, dividend receive from his investment in shares of a foreign company. She sold her property which is located in Delhi and received amount in her bank account.

Classify ,Ms. Reeta income as factor income or transfer income, giving valid reasons in support Of your answer. 4

(B) Differentiate fixed investment and inventory investment. 2

Section B (Indian Economic Development)

23. Read the following statements: 1

Assertion (A) and Reason (R). Choose the correct alternative from those given below.

Assertion (A): The industrial sector reforms implemented under liberalization policies in a country led to an increase in Foreign Direct Investment in the manufacturing sector.

Reason (R): Liberalization policies aimed to toughen trade barriers ,regulate industries, and provide a conducive environment for Indigenous investors, making the manufacturing sector more attractive for FDI.

Alternatives:

- a) The Assertion (A) is true, but the Reason (R) is false.
- b) The Assertion (A) is false, but the Reason (R) is true.
- c) Both the Assertion (A) and Reason (R) are true, but the Reason (R) is not the correct explanation of the assertion.
- d) Both the Assertion (A) and Reason (R) are true, and the Reason (R) is the correct explanation of the assertion.

24. The multifaceted process of demographic transition within the context of India pertains to:

- a) a sudden decline in the population growth rate due to migration
- b) a change in the population density across different states in India
- c) a significant increase in the birth rate and death rate simultaneously
- d) a shift from high birth and death rates to low birth and death rates over time. 1

24. Assertion (A): The WTO agreements cover trade in services to facilitate international multilateral trades only through removal of tariff and non-tariff.

Reason (R): The WTO agreements cover trade in goods as well as services to facilitate bilateral and multilateral international trade. 1

Alternatives:

- a) The Assertion (A) is true, but the Reason (R) is false.
- b) The Assertion (A) is false, but the Reason (R) is true.
- c) Both the Assertion (A) and Reason (R) are true, but the Reason (R) is not the correct explanation of the assertion.
- d) Both the Assertion (A) and Reason (R) are true, and the Reason (R) is the correct explanation of the assertion.

26. _____ means production of crops for sale in the market rather than for self consumption.

- a) Zamindari System
- b) Commercialization of Agriculture
- c) Land Settlement System
- d) None of these 1

27. _____ was known as Architect of Indian Economic Planning

1

28. Choose the correct pair.

1

| Column I | Column II |
|------------------------------|-------------------------------------|
| a) Financial Sector Reforms | (i) Rationalisation of Direct taxes |
| b) Foreign Exchange Reforms | (ii) Devaluation of Rupee |
| c) Industrial Sector Reforms | (iii) Change in the role of RBI |
| d) Tax Reforms | (iv) Removal of Export duties |

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

29. Identify and briefly explain three key features of the Indian economy on the eve of independence that contributed to its predominantly stagnant structure.

3

OR

Describe three key features of India's foreign trade on the eve of independence. Illustrate with examples the country's trading patterns with other nations.

30. "Considering 'Agricultural Subsidy as a Vice,' analyze three prominent negative implications stemming from agricultural subsidies associated with providing subsidies to farmers. 3

31. "Navratna policy has facilitated the maintenance, promotion and disinvestment of PSUs" Justify the given statement with valid explanation. 4

32. Discuss any two liberalization measures pertaining to the tax reforms, introduced by the government during the economic reform process of 1991. 4

33. Highlighting three significant adverse impacts, conduct a comprehensive analysis to evaluate the potential negative repercussions of implementing the economic strategy of Import Substitution in developing nations. 4

Or

How was the licensing policy misused by some industrial houses?

34. (a) "Suez Canal was used as a highway between India and Britain" Justify the given statement with valid arguments.

3

(b) 'Under the Industrial Policy Resolution 1956 in India, the system of Industrial licensing was introduced to promote regional equality.' Justify the given statement with valid arguments.3

Or

(a) Discuss briefly the role of Small Scale Industries in the growth journey of India. 3

(b) Discuss briefly the estimates made by notable scholar regarding the national income and per capita income during the colonial rule in India. 3

