O. P. JINDAL SCHOOL, SAVITRI NAGAR

Half Yearly Examination - (2026 – 2027)

Class: XII **MM: 50**

Subject: Economics (030) **Time: 2 Hrs.**

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

General Instructions:

(i) This question paper contains 20 questions. All questions are compulsory.
((ii) This question paper contains 10 Multiple Choice type questions. Each question carries 1 mark.
(iii)This question paper contains 4 Short Answer Type-I questions. Each question carries 3 marks. Answer these questions in 60 to 80 words.
(iv) This question paper contains 4 Short Answer Type-II questions. Each question carries 4 marks. Answer these questions in 80 to 100 words.
(v) This question paper contains 2 Long Answer type questions. Each question carries 6 marks. Answer these questions in 100 to 150 words.
(vi) There is no overall choice in the question paper. However, an internal choice has been provided in few questions. Only one of the choices in such questions has to be attempted.

MACRO ECONOMICS

1. ''The Ministry of Statistics and Programme Implementation (MoSPI) is underway to revise the base year of Gross Domestic Product (GDP). The base year is revised periodically to better capture the structural changes happening in the economy. The proposed new base year for the GDP is 2022 – 23.''
The step taken by the Government of India is for revision of _____ Gross Domestic Product (GDP), as it is measured at _____ prices.
(Choose the correct option to fill in the blanks)
(A) Real, constant (B) Nominal, current
(C) Real, current (D) Nominal, constant

2. Money supply is a _____ variable, as it refers to the total volume of money held by the _____ at a particular point of time.
(Choose the correct option to fill in the blanks)
(A) stock, banks (B) flow, banks
(C) stock, public (D) flow, public

3. Following are the steps to measure National Income (NNPFC) by Value Added method :
(i) Calculate Domestic Income (NDPFC) by subtracting Depreciation and Net Indirect Taxes from GDPMP.
(ii) Estimate GDPMP by adding GVA of each firm.
(iii) Estimate and add Net Factor Income from Abroad to NDPFC to arrive at NNPFC.
(iv) Identify and classify the production units into primary, secondary and tertiary sector.
The correct order of arrangement of steps would be:
(Choose the correct option)

Options :

(A) (ii), (iii), (i), (iv)
(B) (iv), (ii), (i), (iii)
(C) (iv), (ii), (iii), (i)
(D) (iii), (iv), (ii), (i)

Or

Read the following statements carefully:
Statement I: Positive externalities refer to the benefits a firm/an individual provides to another for which they are paid.
Statement II : In case of positive externalities, Gross Domestic Product (GDP) of an economy might lead to an overestimation of the actual welfare.
In the light of the given statements, choose the correct option from the following :
(A) Statement I is true and Statement II is false.
(B) Statement I is false and Statement II is true.
(C) Both Statements I and II are true.
(D) Both Statements I and II are false.

4.Deposit creation by bank comes to an end when:
(A) Fresh deposit with banks becomes zero

(B) LRR become zero

(C) Money multiplier become zero

(D) Total reserve equal to initial deposit

5. An economy may operate at a level below full employment due to a deficiency in Aggregate Demand (AD) leading to a/an _____ employment equilibrium.
(i) Full
(ii) Over
(iii) Under
(Choose the correct option to fill in the blank)
Options :
(A) Only (i)
(B) Only (ii)
(C) Only (iii)
(D) (ii) and (iii)

6. Suppose, for a hypothetical economy, Reserve Ratio (RR) decreases from 25% to 20%, the total deposits would _____ to ₹ _____, if primary deposits are ₹ 1,000.
(Choose the correct option to fill in the blanks)
(A) increase, 5,000
(B) decrease, 5,000
(C) increase, 4,000
(D) decrease, 4,000

Or

Ankita approached a bank for taking loan. The head of the loan department told that there will be a difference between the amount of loan granted to him and the market value of the security offered by him against the loan.

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

(A) Cash Reserve Ratio
(B) Marginal Requirements
(C) Bank rate
(D) Statutory Liquidity Ratio

7. The Cabinet led by Prime Minister has decided that the Central Government will provide free food grains to ₹81.35 crore (approx.) beneficiaries under the PradhanMantriGaribKalyan Anna Yojana (PMGKAY) for a period of five years with effect from 1st January, 2024."

(A) Reallocation of resources (B) Economic Stability

(C) Redistribution of Income (D) Economic Instability

8. ASSERTION (A):Capital receipts of the government leads to decrease in assets or increase in liabilities.

REASON (R):Tax and non-tax receipts are the two sources of capital receipts.

Options :

(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

9. On the basis of given information, Money Supply (M 1) would be ₹ _____ crore.

S.N.	Components	Amount (in ₹ . Crore)
1	Currency held with public	320
2	Net Demand Deposits with commercial banks	260
3	Net time deposits with commercial Banks	200

Options:

(A) 580 (B) 780

(C)675 (D) 875

10.**(A)**: Currency Held by Public is a monetary liability of central bank.

Reason(R): Central bank controls credit, whereas commercial bank creates credit with currency held by Public.

Options :

(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

11. Elaborate the "Bankers Bank" function of the Central Bank of a nation. 3

12. If National Income is ₹250 crore and Savings is ₹80 crore, find out Average Propensity to Consume. When National Income rises to ₹390 crore and Savings to ₹115 crore, what will be the Average Propensity to Consume and the Marginal Propensity to Save? 3

OR

As per the following news published in The Economic Times on 26thDecember, 2024: 'Reserve Bank of India has sold governmentsecurities worth ₹ 8,710 crore in the secondary market, over thelast four weeks, to drain out excessive liquidity'. Identify the likely cause and the consequences behind, this type of action plan of the Reserve Bank.

13. "In an economy, ex-ante investment (I) exceeds ex- ante savings"

Explain the likely impact of the given situation on output, employment and income. 3

14. Calculate Investment from the following: 3

(i) Equilibrium Income :₹ 500
(ii) Consumption at zero level of income :₹ 50
(iii) Marginal Propensity to consume : 0.7

15.(A) Calculate Gross Domestic Product at market price using Expenditure method: 4

Items Amount	(in₹crore)
(i) Private final consumption expenditure	9,800
(ii) Government final consumption expenditure	12,000
(iii) Change in stock	275
(iv) Gross domestic fixed capital formation	875
(v) Consumption of fixed capital	600
(vi) Net exports	(-)90
(vii) Net factor income from abroad	790

OR

(B) Explain the concept of Double Counting in the context of calculating National Income and provide a practical way to avoid it.

16. Describe the economic scenario when ex-post Aggregate Demand surpasses ex-post Aggregate Supply and its potential consequences on price levels, production and employment. 4

17. Explain the working of Money Multiplier with the help of a numerical example. 4

18.(A)Domestic income is always less than national income. 3
Do you agree with the given statement, giving valid arguments in support of your answer?

(B) What do you mean by Public Provision? 1

19. (A) Outline a hypothetical scenario where a government is considering implementing a new tax policy. In this scenario, explain how the introduction of a Progressive Tax would affect individuals with low middle and high incomes. 3

(B). Utilizing the provided data, compute Revenue Deficit, Fiscal Deficit and Primary Deficit: 3

Given Data	(in₹crore)
A Revenue expenditure	80,350
B Capital expenditure	92,000
C Interest payments	18,000
D Revenue receipts	63,875
E Borrowings	59,640
F Capital receipts	74,000

OR

(A) Government has raised its expenditure on free services like education and health to the poor. Explain the economic value it reflects.

(B). Highlight three main objectives that guide the government to frame their policies and decisions. Explain any objective providing examples.

20.(A) In the estimation of a country's National Income, are the following items included? Provide reasons for each. 3

(i) Rent-free house to an employee by an employer
(ii) Purchases by foreign tourists
(iii) Purchase of a truck to carry goods by a production unit

(B) Exports are not a part of "Net Factor Income from Abroad". Elaborate the reason behind the given statement. 3