

O.P.JINDAL SCHOOL , SAVITRI NAGAR, TAMNAR

CLASS - XII COMMERCE  
SUBJECT - ECONOMICS (030)

Date – 31/7/2020

1. If a country borrow from IMF, then it is an example of \_\_\_\_\_ item of BoP. (1)

2. In India, paper notes are \_\_\_\_\_ . (1)

- (a) limited legal tender (b) Unlimited legal tender  
(c) full-bodied money (d) None of these

3.State whether the given statement is true or false. Give reason of your answer. (1)  
“Import of machinery recorded in the capital account”

4. From the set of statements given in column I and column II, choose the correct Pair of statements. (1)

	Column I		Column II
A	Export of software to France	i	Debit side of Current account
B	Import of machinery from China	ii	Capital account of BoP
C	Remittance to relative staying abroad	iii	Debit side of current account of BoP
D	Investment by Apple phones firm in India	iv	Credit side of current account of BoP

5. Write the correct pair. (1)

	Column I		Column II
A	Frictional Unemployment	i	Caused by progressive decline of an industry over a long period
B	Structural Unemployment	ii	Temporary unemployment due to changing of jobs
C	Saving > Investment	iii	Producers will plan more output
D	Investment Multiplier	iv	Direct relationship with MPC

6.. How Will you treat the following while estimating national income? Give reasons for your answer.(6)

- (a) Salaries received by Indian residents working in Russian Embassy in India.  
(b) Profits earned by an Indian banks from its branches abroad.  
(c) Entertainment tax received by the government.

7. What is meant by problem of double counting? How this problem can be avoided? (3)

8. Discuss briefly, the circular flow of income in a two sector economy with the help of a suitable diagram. (4)

9.a) State any two precautions that must be taken into consideration while estimating national income by value added method. (2)

b) In an economy, following transactions took place. Calculate value of output and value added by Firm B:

i. Firm A sold to firm B goods of 80 crore; to firm C 50 crore; to household 30 crore and goods of value 10 crore remains unsold.

ii. Firm B sold to firm C goods of 70 crore; to firm D 40 crore; goods of value 30 crore were exported and goods of value 5 crore was sold to government. (5)

This sheet is prepared from home.