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प्री-बोर्ड परीक्षा: 2024-25
PRE-BOARD EXAMINATION: 2024-25

SUBJECT : ECONOMICS (030) TIME : 3 HOURS
CLASS : XII MM : 80

सामान्यनिर्देश/GENERAL INSTRUCTIONS:

1. This question paper contains two sections:
   Section A – Macro Economics
   Section B – Indian Economic Development
2. This paper contains 20 Multiple Choice Questions of 1 mark each.
3. This paper contains 4 Short Answer Questions of 3 marks each to be answered in 60 to 80 words.
4. This paper contains 6 Short Answer Questions of 4 marks each to be answered in 80 to 100 words.
5. This paper contains 4 Long Answer Questions of 6 marks each to be answered in 100 to 150 words.

Q.	SECTION A: MACRO ECONOMICS	MM
1	"9 years, 9 schemes: Making a Difference 24.82 crore uplifted from poverty with gains in health, education & standard of living" - (Ministry of Information & Broadcasting) January 19, 2024 Identify the objective of the government budget with the help of the statement given above. A. Reallocation of resources B. Economic stability C. Redistribution of income and wealth D. Sustainable development	1
2	Identify, which of the following is not a Primary deficit? A. Fiscal deficit – Interest payment B. Borrowing – Interest payment C. Budget deficit – Interest payment D. Total expenditure - total receipt excluding borrowing – Interest payment	1
3	Which of the following is/are correct statement(s) regarding the balance of payment account of the country: 1. Current account deficit also means that the balance of trade is necessarily in deficit. 2. Current account deficit is to be financed by borrowing from abroad or foreign investment which is the component of the capital account of balance of payment. 3. A positive balance in the Capital Account of the Balance of Payments of a country indicates that it is receiving more foreign investments than it is making abroad	1

	4. Import of machinery will be recorded in the capital account while purchase of a factory in the USA by an Indian will be recorded in the current account of balance of payment. Choose the correct alternative: A. 1, 2 & 3 B. 2, 3 & 4 C. 2 & 3 D. 3 & 4	
4	When commercial banks need more funds in order to be able to create more credit, they may go to market for such funds or go to the RBI. This role of RBI, that of being ready to lend to banks at all times is another important function of the central bank. This function of RBI is termed as: A. Issuing of currency notes B. Lender at last resort C. Banker to the government D. Credit creation	1
5	Central bank has raised the required reserve from 20% to 30% due to inflationary trends in the economy. How much extra reserves are required for State Bank of India if it received the cash deposits of Rs. 5000 cr. A. 250 cr. B. 500 cr. C. 1250 cr. D. 1000 cr.	1
6	Which among the following statements is not correct: A. Depreciation does not take into account unexpected or sudden destruction or disuse of capital as can happen with accidents, natural calamities or other such extraneous circumstances. B. The replacement investment is the same as depreciation of capital. C. In economics, the stock of unsold finished goods, or semi-finished goods, or raw materials which a firm carries from one year to the next is called inventory. Inventory is a stock variable. D. The ratio of real to nominal GDP is a well-known index of prices. This is called GDP Deflator.	1
7	When foreign investors invest in India, the exchange rate tends to .... Which led to the .... in exports from India. A. Increase, Increase B. Decrease, Increase C. Increase, Decrease D. Decrease, Decrease	1
8	Consumption function is given as C = 100 + 0. 5 Y, the equilibrium level of income is Rs. 4000 cr. the value of autonomous investment is Rs. : A. 1000 cr. B. 1050 cr. C. 1900 cr. D. 1800 cr.	1
9	..... is the record of trade in goods and services and transfer payments and ... .is the difference between the value of exports and value of imports of goods of a country in a given period of time. A. Capital Account, Current Account B. Current Account, Balance of Trade C. C. Current Account, Capital Account D. Current Account, Balance of payment	1
10	Read the following statements: Assertion (A) and Reason (R). Choose the correct option from those given below: Assertion (A): The Central Bank sells government securities in the open market to decrease the lending capacity of commercial banks.	1

<table>
<tr><td></td><td>Reason (R): Lending capacity of commercial banks play a major role to create the inflationary and deflationary gap in the economy.

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.</td><td></td></tr>
<tr><td>11</td><td>Depreciation and devaluation has the same impact on export and import of goods. Justify the statement. What is the difference between depreciation and devaluation of a currency?</td><td>2,1</td></tr>
<tr><td>12</td><td>Find sales from the data given below:

<table><tr><td>Sl no</td><td>Particulars</td><td>Value (Rs.)</td></tr><tr><td>1</td><td>National income</td><td>5000</td></tr><tr><td>2</td><td>Net factor income from abroad</td><td>50</td></tr><tr><td>3</td><td>Intermediate cost</td><td>1000</td></tr><tr><td>4</td><td>Depreciation</td><td>100</td></tr><tr><td>5</td><td>Change in stock</td><td>20</td></tr><tr><td>6</td><td>Net indirect tax</td><td>80</td></tr></table>
OR

Explain the steps involved in computing national income using value added method.</td><td>3</td></tr>
<tr><td>13</td><td>The value of national income is Rs. 2000 cr. and the value of consumption is Rs. 1500 cr. the value of Average propensity to Save will be ...

If the national income increases up to Rs. 5000 cr. which results in the increase in consumption up to 3000 cr. what will be the value of the investment multiplier.</td><td>1,

3</td></tr>
<tr><td>14</td><td>Explain the likely impact on inventories, output and employment if exante savings are greater than investment. Use diagram.
OR
Saving curve can be derived with the help of the consumption curve. Write the steps involved in deriving saving curve from consumption curve.</td><td>4</td></tr>
<tr><td>15</td><td>A. Capital receipts affect the asset and liability status of the government budget. Explain with the help of example.
B. The borrowing requirements of the government is Rs 2000 cr. and the interest payments are Rs. 800 cr. find the fiscal deficit of the government.</td><td>3

1</td></tr>
</table>

16	An economy is operating at an under employment level of output. How this problem can be solved using: A. REPO rate B. Bank rate C. Reverse REPO rate **OR** One of the functions of Central bank is to control the credit created by the commercial banks. Explain how central bank can control the credit creation during inflationary trends using: A. Cash reserve ratio B. Margin requirements C. Open Market Operations	6
17	A. Externalities do not have any market in which they can be bought and sold. Define externalities. Give an example each of the externality that harms and increase the economic welfare of the country. B. Suppose the GDP at market price of a country in a particular year was Rs 1,100 crores. Net Factor Income from Abroad was Rs 100 crores. The value of Net Indirect taxes was Rs 150 crores and National Income was Rs 850 crores. Calculate the aggregate value of depreciation.	3 3
	SECTION B – INDIAN ECONOMIC DEVELOPMENT	
18	Which among the following is true statement regarding the Great Leap Forward campaign by China: 1. The Great Leap Forward (GLF) campaign initiated in 1978. 2. It aimed at industrialising the country on a massive scale. People were encouraged to set up industries in their backyards. 3. In rural areas, communes were started. Under the Commune system, people collectively cultivated lands. 4. GLF campaign met with many problems. A severe drought caused havoc in China killing about 30 million people. Alternatives: A. 1 & 2 B. 2, & 3 C. 2, 3, 4 D. 1, 2, 3 & 4	1
19	Read the following statements carefully: Statement 1: Global environmental issues such as global warming and ozone depletion also contribute to increased financial commitments for the government. Statement 2: The opportunity costs of negative environmental impacts are high. In 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	1
20	Which among the following statement is **not** correct regarding organic farming:	1

	A. It restores, maintains and enhances the ecological balance. B. Organic agriculture offers a means to substitute costlier agricultural inputs (such as HYV seeds, chemical fertilisers, pesticides etc.) C. The produce is pesticide-free and produced in an environmentally sustainable way D. The yields from organic farming are more than modern agricultural farming in the initial years.	
21	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below. Assertion (A): India agreed to the conditionalities of World Bank and IMF and announced the New Economic Policy (NEP). Reason (R): The thrust of the policies was towards creating a more competitive environment in the economy and removing the barriers to entry and growth of firms. Alternatives: 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.	1
22	Which among the following statement is **true** regarding the condition of Indian economy on the eve of independence: A. The colonial government made a sincere attempt to estimate India's national and per capita income. B. There was a large capital goods industry to help promote further industrialisation in India. C. The most important characteristic of India's foreign trade throughout the colonial period was the generation of a large export surplus. D. Various details about the population of British India were first collected through a census in 1951.	1
23	Sustainable development has become a catch phrase today. It is 'indeed' a paradigm shift in development thinking. Though it has been interpreted in a number of ways, adherence to this path ensures lasting development and non-declining welfare for all. Which among the following is not a way to define sustainable development? A. Allow all future generations to have a potential average quality of life that is at least as high as that which is being enjoyed by the current generation. B. Development that meets the need of the present generation without compromising the ability of the future generation to meet their own needs C. Which is directly concerned with increasing the material standard of living of the poor at the grass root level D. The ability of the environment to absorb degradation.	1

24	Worker-population ratio is: A. Divide the total number of workers in India by the population in India and multiply it by 100. B. Divide the total number of population in India by the workers in India and multiply it by 100. C. Divide the total number of workers in India by the population in India. D. Option B and C	1
25	Which among the following is not the source of human capital formation: A. Expenditure on health and education B. Expenditure on economic growth C. Expenditure on On the Job Training D. Expenditure on migration and information	1
26	From the set of statements given in Column I and Column II, choose the correct pair: <table><tr><th></th><th>Column I</th><th></th><th>Column II</th></tr><tr><td>A</td><td>Medium term development plan</td><td>I</td><td>Pakistan</td></tr><tr><td>B</td><td>Commune system</td><td>II</td><td>India</td></tr><tr><td>C</td><td>Great proletarian cultural revolution</td><td>III</td><td>Pakistan</td></tr><tr><td>D</td><td>Voluntary economic reforms</td><td>IV</td><td>India</td></tr></table>A. A-I B. B-II C. C- III D. D-	1
27	Which among the following is not the goal of a five year plan? A. Growth, which refers to increase in the country's capacity to produce the output of goods and services within the country. B. Modernisation, which not only refer to the use of new technology but also to changes in social outlook. C. Self-reliance which means avoiding imports of those goods which could be produced in India itself. D. Equity in agriculture called for land reforms which primarily refer to change in the ownership of landholdings.	1
28	Marketable surplus has changed the village economy. Justify the statement in the view of marketable surplus as a benefit of the green revolution. **Or** The excessive regulation of what came to be called the **permit license raj** prevented certain firms from becoming more efficient. Explain how the industrial policy resolution 1956 created permit license raj.	3

29	Explain the phased economic reforms adopted by China.	3
30	Agricultural diversification is the need of the time. Explain two ways by which agricultural diversification can take place.	4
31	A. Define the carrying capacity of the environment. B. Explain any three functions of the environment.	1 3
32	A. Write two negative implications of the 'one child norm' in China? B. What do you mean by great proletarian Cultural Revolution?	2 2
33	A. India has certain advantages which makes it a favourite outsourcing destination. What are these advantages? B. What do you understand by the drain of Indian wealth during the colonial period?	3 3
34	Read the following passage and answer the questions that follow: 'Kudumbashree' is a women-oriented community-based poverty reduction programme being implemented in Kerala. In 1995, a thrift and credit society was started as a small savings bank for poor women with the objective to encourage savings. The thrift and credit society mobilised Rs 1 crore as thrift savings. These societies have been acclaimed as the largest informal banks in Asia in terms of participation and savings mobilised. Growth of rural economy depends primarily on infusion of capital, from time to time, to realise higher productivity in agriculture and non-agriculture sectors. At the time of independence, moneylenders and traders exploited small and marginal farmers and landless labourers by lending to them on high interest rates and by manipulating the accounts to keep them in a debt-trap. A major change occurred after 1969 when India adopted social banking and multi agency approach to adequately meet the needs of rural credit. A. 'Kudumbashree' is the best example of a self help group. What are self help groups and how they are playing their roles in rural credit. B. Explain why formal sector credit needs to expand for rural development.	 3 3

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