

DAV PUBLIC SCHOOLS, ODISHA
PRE-BOARD EXAMINATION
(2023-24)

SET -2

- Please check that this question paper contains **6** printed pages.
- Check that this question paper contains **34** questions.
- Write down the Serial Number of the question in the left side of the margin before attempting it.
- 15minutes time has been allotted to read this question paper. The question paper will be distributed 15 minutes prior to the commencement of the examination. The students will read the question paper only and will not write any answer on the answer script during this period.

CLASS-XII

SUB-ECONOMICS (030)

Time Allowed: 3 Hours

Maximum Marks -80

General Instructions:

Read the following instructions carefully and strictly follow them:

1. This question paper contains 34 questions. All questions are compulsory
2. This question paper contains two sections:
 - Section A – Macro Economics
 - Section B – Indian Economic Development
3. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
4. This paper contains 4 Short Answer Questions type- I questions of 3 marks each to be answered in 60 to 80 words.
5. This paper contains 6 Short Answer Questions type-II questions of 4 marks each to be answered in 80 to 100 words.
6. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
7. Attempt all parts of a question together.

Section A- Macro Economics

1. Read the following statements carefully: (1)

Statement I: The consumption curve is an upward sloping straight line curve due to the direct relationship between income and consumption and the assumption of constant MPC

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

In the light of the given statements, choose the correct alternative 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 the statements I and II are true. (d) Both the statements I and II are false.

2. Net factor income from abroad is zero when _____. (1)
 (a) National income = Domestic Income (b) $GDP_{FC} > GDP_{MP}$
 (c) $NNP_{FC} < NNP_{MP}$ (d) $GDP_{FC} > GDP_{MP}$
3. Excess demand in an economy may give birth to _____. (Choose the correct option) (1)
 (a) deflationary gap (b) inflationary gap
 (c) low level of employment (d) excess capacity.
4. Investments by large multinational corporations (MNCs) in India will ensure greater inflow of foreign exchange, leading to an increase in the _____. (Choose the correct option) (1)
 a) Supply of foreign currency b) Supply of domestic currency
 c) Demand for foreign currency d) Demand for domestic currency
5. In the web of financial interactions, when individuals harmoniously enter into agreements to honor the repayment of a loan at a designated point in the future, they are engaging in which pivotal function of money. (Choose the correct option) (1)
 a) a safe place to keep the wealth
 b) a tool that helps to compare the value of different things
 c) a bridge between people who want to buy things and people who want to sell things
 d) a steady foundation that helps to agree on how to settle debts or loans at a later time
6. State Bank of India receives a deposit of Rs.60,000 and the reserve requirement is 15%. If the bank decides to hold reserves equal to 20% of the deposit instead of the required amount, the excess reserve which the bank holds is _____.(Choose the correct option) (1)
 a) Rs.4,000 b) Rs.3,000
 c) Rs.12,000 d) Rs.16,000
7. Suppose an economy experiences an increase in consumer confidence, leading to a surge in consumer spending on goods and services. At the same time, the government implements an infrastructure development plan, boosting public investments. How will these factors impact the equilibrium in the economy's AD and AS? (Choose the correct option) (1)
 (a) AD will increase, and AS will decrease, resulting in inflationary pressures.
 (b) AD will decrease, and AS will increase, causing deflationary pressures.
 (c) AD will remain unchanged, and AS will decrease, leading to deflation.
 (d) AD will increase, and AS will increase, promoting economic growth with stable prices.
8. Identify the correct reason(s) that may affect the supply of foreign exchange in an economy. (1)
 I. Imports of visible
 II. Exports of invisibles
 III. Remittances by residents working abroad
 IV. Purchase of assets abroad
 Alternatives:
 a) I and II b) II and III
 c) III and IV d) I and IV
9. If APC of an economy is 0.8, the saving at an income level of Rs. 4000 cr. _____. (Choose the correct option) (1)
 (a) Rs.800 cr (b) Rs.600 cr
 (c) Rs.700 cr (d) Rs.1600 cr

10. Observe the following image carefully and choose the correct alternative given below. (1)



- a) Exchange rate
 b) Foreign exchange
 c) Both (a) and (b)
 d) Neither (a) nor (b)
11. State, giving valid reasons, whether the following statements are true or false: (3)
- a. Profits received from investment abroad are recorded in Capital Account.
 b. Imports of machines is recorded in Current Account.

OR

Foreign Institutional Investors (FIIs) remained net sellers in the Indian capital markets over the last few weeks. – The Economic Times.

State and discuss the likely effects of the given statement on foreign exchange rate with reference to the Indian economy (3)

12. Calculate Net Value added at factor cost: (3)

Particulars	Rs in cr
(i) Consumption of Fixed Capital (Rs.)	600
(ii) Import Duty (Rs.)	400
(iii) Output sold (units)	2000
(iv) Price per unit of output (Rs.)	10
(v) Net change in stock (Rs.)	(-)50
(vi) Intermediate cost (Rs.)	10000
(vii) Subsidy (Rs.)	500

13. In an economy the consumption function is $C = 500 + 0.75Y$, where C is consumption expenditure and Y is income. Calculate the equilibrium level of income and consumption expenditure when investment expenditure is Rs. 5,000 cr. (4)
14. Explain the steps needed for derivation of Consumption Curve from Saving Curve. (4)

OR

Demonstrate your understanding on how the Reserve Bank of India can apply monetary policy tools to tackle a scenario of Excess Demand in the economy. Identify and discuss four specific measures that the RBI can employ to effectively correct the situation. (4)

15. Explain 'banker to the government' functions of RBI. (4)
16. From the following data about a Government budget, find out (3)
- (a) (i) Revenue deficit (ii) Fiscal deficit

Sl No	Particulars	Rs. In Cr
1	Capital receipts net of borrowings	95
2	Revenue expenditure	100
3	Interest payments	10
4	Revenue receipts	80
5	Capital expenditure	110

(b) Imagine you are a financial advisor working with a government's finance ministry. One of your responsibilities is to educate the public about the government's budget and its various sources of revenue. Provide two real life examples of non-tax revenue receipts that a government might have in its fiscal year and briefly describe each of them. (3)

OR

(a) Explain the 'allocation of resources' objective of Government budget (3)

(b) Identify the following as capital receipts or revenue receipt with reasons. (3)

(i) Profits of LIC, a public enterprise.

(ii) Dividends paid to the Government by State Bank of India.

(iii) Amount borrowed from Japan for construction of Metro.

17. (a) Give valid reasons and explain how the following would be treated while estimating domestic income? (3)

(i) Payments made by an American tourist for goods purchased in India.

(ii) Tomatoes grown by Ms. Puja in her kitchen garden.

(iii) Purchase of water pump by farmer.

b) As a financial analyst working for a government economic research institute, you have been invited to speak at a public seminar on economic indicators. During the seminar, you are asked to define and elaborate on the concepts of Nominal Gross National Product (GNP) and Real Gross National Product (GNP). Additionally, you are requested to provide real-life examples to illustrate the significance of these measures in economic analysis and decision-making. (3)

SECTION- B- INDIAN ECONOMIC DEVELOPMENT

18. Structural composition refers to the -----.(Choose the correct option) (1)

a) number of people engaged in training.

b) number of people engaged in different sectors.

c) number of people engaged in tertiary sector.

d) number of people facing unemployment.

19. Out of the following statements, which one is correct? (1)

a) Life Expectancy is higher in Pakistan as compared to India.

b) Pakistan's GDP per capita is higher than India.

c) China's performance in providing sanitation is better than India.

d) Pakistan ranks high in HDI as compared to India.

20. Inward looking trade strategy relies on _____(Choose the correct option) : (1)

(a) Export promotion (b) Import substitution

(c) MNC (d) Foreign trade

21. Identify the correct answer from the image given below. (1)



(a) Co-operatives

(b) Green revolution

(c) Golden revolution

(d) Operation Flood

22. Read the following statement -Assertion (A) and Reason (R). Choose one of the correct alternatives given below: (1)

Assertion (A): Post 1991, India has become the favorable outsourcing destination in the world.

Reason (R): Indian economy has abundant skilled labor force.

- (a) Both the assertion and reason are true, and the reason is the correct explanation of the assertion
 (b) Both the assertion and reason are true, but the reason is not the correct explanation of the assertion
 (c) The assertion is true, but the reason is false.
 (d) The assertion is false, but the reason is true.
23. The nationalization of capital goods industries took place in _____ in the 1970s. (1)
 (a) India (b) Pakistan
 (c) China (d) Both (a) and (b)
24. Identify the incorrect statement from the following: (1)
 a) Human capital is intangible in nature.
 b) Human capital is perfectly mobile.
 c) Human capital is inseparable from its owner.
 d) Human capital is as productive as physical capital.
25. State any one area in which Pakistan has an edge over India. (Choose the correct option) (1)
 (a) Pakistan has achieved better results with regard to urbanization.
 (b) Pakistan ranks high in human development index
 (c) Pakistan has low death rate
 (d) Both (b) and (c)
26. Read the following statements carefully: (1)
Statement 1: In case of self-employment, worker uses his own resources to make a living.
Statement 2: Self-employment is a major source of livelihood in both urban and rural areas.
 In light of the given statements, choose the correct alternative 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 the statements I and II are true.
 (d) Both the statements I and II are false.
27. Identify the correctly matched pair in Column A and Column B from the following : (1)
- | Column A | Column B |
|-----------------|------------------------------|
| (1) India | (a) Economic reforms in 1947 |
| (2) Pakistan | (b) Economic reforms in 1991 |
| (3) China | (c) Economic reforms in 1978 |
| (4) India | (d) GST rolled out in 1999 |
- Alternatives :
 (a) 1-(a) (b) 2-(b)
 (c) 3-(c) (d) 4-(d)
28. 'Strategically and economically, Suez Canal is one of the most important waterways in the world'. Justify the given statement with valid arguments. (3)

OR

- 'The huge export surplus that India generated did not result in any flow of gold or silver into India'. Explain the statement (3)
29. Enlist any three benefits received by farmers in the initial years of organic farming in India. (3)
30. Identify four key policy initiatives implemented by the Chinese government to achieve economic growth and industrialization. (4)
31. Give a thorough analysis of four primary obstacles encountered by rural banking establishments when fostering financial inclusion and driving economic growth within a developing nation. (4)

OR

As a socio-economic researcher, you are conducting a study on unemployment in India. Based on your research, identify and categorize the four main causes of unemployment in the country.

(4)

32. Identify and interpret the image given below.

(4)



- .33. (A). Consider the concept of Agricultural Subsidies, provided by governments to support farmers and agricultural production. As a policymaker, evaluate the virtues and analyze the vices of agricultural subsidies on the agricultural sector, the economy, and society as a whole. (3)
(B) “In India, after 1947 land reforms were introduced on a large scale.” In the light of the given statement, discuss any one such land reform. (3)

OR

(A) “The demonetization of currency undertaken by the Government of India as on November 8 2016 had an adverse impact on the economic activities.” Do you agree with the statement? Give reasons in support of your answer. (3)

(B) “In the post-reform period, the Government of India decided to retain profit-making Public Sector Undertakings (PSUs). It provided a special status to PSUs to enable them to expand in the global market”. Give valid reasons in support of your answer. (3)

34. Read the following passage on the causes of the environmental crisis and answer the questions that follow:

Sustainable development is the development that meets the needs of the present, without compromising the ability of future generations to meet their own needs. India is critical in determining the success in a pursuit to achieve sustainable development. The Union Budget 2023 presented by Finance Minister Nirmala Sitharaman builds on India’s commitment to lead the global action against climate change, preserve biodiversity and support sustainable development. The government has accelerated the pace of Green Growth as India is facing the grave reality of depleting natural resources, limited supply of water, minerals, and fossil fuels. In a bid to counter the climate threat, India has committed to achieving net zero by 2070; released a low-carbon development strategy; and introduced the concept of ‘LIFE’ (Lifestyle for Environment) to promote responsible consumption. The Green Growth actions include several pointed measures that would facilitate the much needed steady de carbonization of Indian industries, reduce dependency on fossil fuel imports and establish technology and market leadership in this sunrise sector. For instance: The allocation of Rs 35,000 crore of priority capital investment towards achieving net zero by 2070 and clean energy transition ensures the country’s energy security. The outlay of Rs 19,700 crore for the Green Hydrogen Mission will mobilise a green hydrogen production capacity of 5 metric million tonnes by 2030. Moreover, to encourage the optimal use of wetlands, enhance biodiversity, carbon stock, eco-tourism opportunities and income generation for local communities, the Amrit Dharohar scheme will be implemented over three years.

On the basis of the given text and common understanding, answer the following questions:

- (i) Define sustainable development. (2)
(ii) Briefly elaborate, any two reasons behind the objective of Green Growth being set up by the Indian Government. (4)