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Candidates must write the Set No. on the title page of the

**DAV PUBLIC SCHOOLS, ODISHA ZONE –I
PA-II EXAMINATION, 2021-22**

- Check that this question paper contains 13 printed pages.
- Set number given on the right hand side of the question paper should be written on the OMR SHEET by the candidate.
- Check that this question paper contains 60 questions.

**CLASS – XII
SUB : ECONOMICS(030)****Time : 90 Minutes****Maximum Marks: 40****General Instructions:**

1. *There are a total 60 questions in this paper out of which 50 questions are to be attempted.*
2. *This paper is divided into three Sections:*
 - a. *Section A – Contains 24 questions. Attempt any 20 questions.*
 - b. *Section B – Contains 24 questions. Attempt any 20 questions.*
 - c. *Section C – Contains 12 questions. Attempt any 10 questions.*
3. *All questions carry equal marks.*
4. *There is no negative marking.*

SECTION A

Section–A consists of 24 questions. Attempt any 20 questions from this section. The first attempted 20 questions would be evaluated

(Question numbers 1 to 10 are multiple choice questions. Choose the correct option.)

Q1. Industrial Policy Resolution, _____ laid emphasis on the role of public sector.(Fill in the blank with correct alternative)

- (A) 1951
- (B) 1956
- (C) 1958
- (D) 1991

Q2. Identify the one which was not a part of industrial sector reform under Liberalization process. (Chooses the correct alternative)

- A. Dereservation of various goods produced by small scale industries.
- B. Government to decide prices of all commodities for maximization of social welfare
- C. A significant reduction in industries reserved for public sector
- D. Abolition of licensing policy.

- (A) Fourth (B) fifth (C) sixth (D) seventh

Q3. Choose the correct pair from given below

Column I

Column II

A Revenue Deficit i) Revenue Expenditure -Revenue Receipt

B Fiscal Deficit ii) Total Expenditure Total Receipt other than borrowing + Capital Receipt

C Primary Deficit (iii) Total Deficit – Interest Payment.

- (A) (A)-(i) (B) (B)-(ii) (C) (C)-(iii) (D) Both (a) and (b)

Q4. Read the following statements carefully and choose the correct alternative from the following:

Statement 1-The first five year plan gave importance to self reliance.

Statement 2-It means avoiding export of those goods which are required for growth of India itself

- (A) Both the statements are true
- (B) Both the statements are false
- (C) Statement 1 is true and statement 2 is false.
- (D) Statement 2 is true and Statement 1 is false.

Q5 Occupational structure refers to _____.(Fill in the blank with correct alternative)

- (A) Size of labour force
- (B) Number of people living in a country
- (C) Distribution of work force among different sectors of a economy
- (D) Nature of different occupations.

Q6 Read the following statements carefully and choose the correct alternative from the following:

Statement 1- Demand for American goods will rise in India due to appreciation of Indian currency

Statement2- Appreciation will make domestic currency more valuable and with the same amount of money more American goods can be purchased.

As a result, their demand will rise.

- (A) Both the statements are true
- (B) Both the statements are false
- (C) Statement 1 is true and statement 2 is false.
- (D) Statement 2 is true and Statement 1 is false.

Q7 If the exchange rate between India and USA changes from Rs. 50 = \$ 1 to Rs. 70 = \$ 1, due to increase in Indian tourists abroad, we say that our currency has been(Choose the correct alternative)

- (A) Appreciated
- (B) depreciated
- (C) devalued
- (D) revalued

Q8 Price of one currency in terms of other foreign currencies is determined by forces of demand and supply, is known as-----.(Fill in the blank with correct alternative)

- (A) Equilibrium Rate of Income
- (B) Fixed Exchange rate
- (C) Exchange Rate
- (D) Flexible Exchange rate

Q9 _____refers to a situation when the import and export of visible items are equal.(Fill in the blank with correct alternative)

- (A) Balance of Trade
- (B) Balance of Payments
- (C) Trade surplus
- (D) None of these

Q10 Read the following statements carefully and choose the correct alternative from the following:

Statement1-Profits received from investments abroad is recorded in capital account.

Statement 2- Profit received from investment is also recorded in current account as it neither affects foreign exchange assets nor foreign exchange liabilities

- (A) Both the statements are true
- (B) Both the statements are false
- (C) Statement 1 is true and statement 2 is false.
- (D) Statement 2 is true and Statement 1 is false.

Q11 At a given time money multiplier =10.What will be the value of Legal Reserve Ratio?(Choose from the correct alternative)

- (A) 10%
- (B) 15%
- (C) 20%
- (D) 25%

Q12 On the eve of independence, approx. 70% of our population was engaged in _____ sector.(Fill in the blank with correct alternative)

- (A) Primary
- (B) Mining
- (C) Industrial
- (D) Both (b) and (c)

Q13 Prior to 1991, more importance was given to _____ sector.

- (A) Public(Fill in the blank with correct alternative)
- (B) Private
- (C) Joint
- (D) None of these

Q14 Objectives of _____ are plan-specific(Fill in the blank with correct alternative)

- (A) Long-term plans
- (B) Plans
- (C) Planning
- (D) None of these

Read the following statements carefully and choose the correct alternative from the following:

Statement 1-M1is known as transaction money.

Q15 Statement2-M1 can be directly used for making transactions

- (A) Both the statements are true
- (B) Both the statements are false
- (C) Statement 1 is true and Statement 2 is false
- (D) Statement 2 is true and Statement 1 is false

Q16 Before the advent of Green revolution in 1960s India was primarily dependent on _____ for the supply of food grains.(Fill in the blank with correct alternative)

- (A) USA
- (B) Britain
- (C) Mexico
- (D) Soviet Union

Q17 Higher repo rate implies(Choose the correct option)

- (A) Higher credit creation capacity of the banks
- (B) Lower credit creation capacity of the banks
- (C) No change in credit creation capacity of the banks
- (D) None of these

- Q18** Value of money multiplier _____ with a decrease in cash reserve ratio.(Fill in the blank with correct alternative)
 (A) Increases (B) Decreases
 (C) Remains unchanged (D) Increases as well as decreases
- Q19** If the total deposits created by commercial banks is rs 12,000 crores and Legal Reserve requirements is 25%,then the initial deposits will be -----.(Choose the correct alternative)
 (A) Rs 6000 (B) Rs 4000 (C) Rs 3000 (D) Rs 2000
- Q20** Identify the system followed by RBI for issuing currency.(Choose the correct alternative)
 (A) Minimum Reserve System (B) Proportionate system
 (C) Fixed fiduciary issue system (D) Simple deposit system.
- Q21** GST is a consumption of goods and service,tax based on -----.(choose the correct option)
 (A) Development (B) Destiny (C) Destination (D) Dividend
- Q22** Arrange the following event in chronological order
 i.The year of great divide
 ii.Establishment of Tata Iron and Steel Company
 iii Introduction of Railways in India by the British
 iv Opening of Suez Canal
 (A) iv,ii,i,iii (B) i,iv,iii,ii (C) ii,iii,iv,I (D) iii,iv,ii,i
- Q23** Identify the sector which contributes the highest to national income.(Choose the correct alternative)
 (A) Service sector (B) Agricultural sector
 (C) Secondary sector (D) Foreign trade

Q24

COLUMN 1	COLUMN 2
1. Demonetization	(A)1950
2. Planning commission	(B)2015
3. NITI Aayog	(C)1951
4. First five year plan	(D)2016

Match the following:

- (A) 1A, 2B, 3C, 4D (B) 1B, 2A, 3D, 4C
 (C) 1D, 2A, 3B, 4C (D) 1C, 2A, 3B, 4D

SECTION B

Section–B consists of 24 questions. Attempt any 20 questions from this section. The first attempted 20 questions would be evaluated.

(Question numbers 25 to 48 are multiple choice questions. Choose the correct option.)

Q25 Assertion (A) : Face value of money is not always greater than its intrinsic value.

Reason (R) : Paper currency fully embodied in nature.

- (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 and 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

Q26 Assertion (A) : GST is a direct tax..

Reason (R) : GST is levied on goods and services.

- (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 and 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

Q27 Assertion (A) : Forward rate of exchange is a contractual rate of exchange.

Reason (R) : Forward exchange rate is honoured sometimes in future.

- (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 and 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

Q28 Assertion (A) :Accommodating transactions are undertaken to make equilibrium in BOP account.

Reason (R) : Accommodating items are called above the line items.

- (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 and 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

- Q29 Assertion (A) :Tax is the main source of Govt. Revenue which is used to provide services.**
Reason (R) :Public goods are non exclusive and non rival consumption.
. Choose one of the correct alternatives given below :
- (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 and 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
- Q30 Assertion (A) :Makein India campaign initiated by the government leads to rise in foreign exchange rate.**
Reason (R) :Inflow of Foreign exchange improves the trade deficit of the country.
. Choose one of the correct alternatives given below :
- (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 and 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
- Q31 Assertion (A) : Industrialisation leads to structural shift in the economy.**
Reason (R) : SSI promotes balanced regional growth.
Choose one of the correct alternatives given below :
- (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 and 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
- Q32 Assertion (A) : Lack of warehousing causes loss of revenue to the farmers.**
Reason (R) : In the absence of warehousing, the farmers are compelled to sell their produce immediately after harvesting it.
. Choose one of the correct alternatives given below :
- (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 and 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
- Q33 Assertion (A) : Demand deposits are considered as a convenient mode of payment for execution of even high value transactions**
Reason (R) : Demand deposits are non-withdrawal in nature and

cannot be withdrawn against issue of cheques and other similar instruments of payment.

Choose one of the correct alternatives given below :

- (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 and 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

Q34 Assertion (A) : Trade of invisible items between two nations is a part of capital account of Balance of Payment

Reason (R) : Transaction that affects the asset and liability status of a country in relation to the rest of the world are known as capital account transaction.

Choose one of the correct alternatives given below :

- (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 and 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

Q35 Extreme poverty and poor healthcare lead to

- (A) less life expectancy.(B) high infant mortality rate.
- (C) high maternal mortality rate. (D) All of these.

Q36 If Primary deficit is Rs.3000 and interest payment is Rs.500 ,the fiscal deficit is _____.(Fill in the blank with correct alternative)

- (A) Rs.3,500 (B) Rs.3,100 (C) Rs.4,000 (D) Rs.4,100

Q37 Why were controls imposed by the government soon after independence? (Choose the correct alternative)

- (A) To check the growth of private monopolies
- (B) Minimize the hold of large industrial houses
- (C) Both (a) and (b)
- (D) None of these

Q38 Which of the following is not an advantage of demonetisation?(Choose the correct alternative)

- (A) Check on funding to terrorists (B) Unearth black money
- (C) Resolve the cash crunch (D) None of these

Q39 Which of the following is not true about the tax reforms initiated in our country?(choose the correct alternative)

- (A) A fall in income tax and corporation tax
- (B) A reformation in the indirect tax structure has taken place
- (C) Tax reforms have paved the way for increased tax compliance and raise tax revenue of the government

(D) None of these

Q40 Which of the given pair is incorrectly matched?

Column A

Column B

A. Crude Death Rate

i. 7.3 per thousand

B. Literacy Rate

ii. 77.7%

C. Life Expectancy

iii. 69.27 years

D. Infant Mortality rate

iv. 64 per thousand live birth

(A) A-(i)

(B) B-(iii)

(C) C-(iii)

(D) D-(iv)

Q41 Indicators of Development in Education and Health sector

Particulars	1951	1981	1991	2001	2014-15
Real Per Capita Income in Rupees	7651	12174	15748	23095	72900
Crude Death Rate per 1000 population	25.10	12.5	9.80	8.10	6.70
Infant Mortality Rate	146	110	80	63	37
Life Expectancy of males at birth (in years)	37.2	54.1	59.7	63.90	67
Life Expectancy of females at birth (in years)	36.2	54.7	60.9	66.90	70
Literacy Rate %	16.67	43.57	52.21	65.20	76

On the basis of the above mentioned information answer the following question:

The crude death rate of India (as per the given data) has decreased by ____ %

between 1951 and 2014-15.(Choose the correct alternative)

- (A) 68.2% (B) 76.5% (C) 73.3% (D) 65.1%

Q42 Institutional structure of rural banking consists of-----.(Fill in the blank with correct alternative)

- (A) Commercial Banks
(B) Regional Rural Banks
(C) Cooperative Credit Societies & Land Development Banks
(D) All of these

Q43 Under -----farmers can pool their milk produced according to different grading (based on quality) and the same is processed and marketed to urban centres through cooperatives.(Fill in the blank with correct alternative)

- (A) Operation Flood (B) Operation Milk
(C) Blue Revolution (D) Yellow Revolution

Q44 The major obstacles that hinder the mechanism of agricultural marketing includes-----.(Fill the blank with correct alternative)

- (A) inadequate storage facilities which result in distress sale of agricultural produce
(B) Transportation facilities are highly inadequate in rural areas
(C) Lack of importance given to grading of the produce
(D) All the above

Q45 The Minimum Support Prices are announced by the government of India on recommendations of the -----.(Fill in the blank with correct alternative)

- (A) Commission for Agricultural Costs and Prices
(B) Committee for Agricultural Support and Prices.
(C) Commission on Agricultural Support and Prices
(D) Committee for Agricultural Costs and Prices.

Q46 Identify the scheme which started in 1993 to create self employment opportunities for educated unemployed youth in rural areas and small towns.

- (A) NREGA
(B) Prime Minister Rozgar Yojana
(C) Swarna Jayanti Gram Swarajgar Yojana
(D) National Rural Livelihood Mission

Q47 Read the following statements carefully and choose the correct alternative from the following:

Statement 1-Demographic dividend refers to growth that can arise when the population has large number of working population.

Statement 2-World Bank in its report “India and the knowledge Economy leveraging strength and opportunities” advised India to make a transition to

industrial economy.

- (A) Both the statements are true
- (B) Both the statements are false
- (C) Statement 1 is true and Statement 2 is false
- (D) Statement 2 is true and Statement 1 is false

Q48 Read the following statements carefully and choose the correct alternative from the following:

Statement 1-RBI acts as the banker to the central government and commercial banks act as banker to the State government.

Statement 2- When the commercial banks are in need of credit ,RBI comes to rescue them from cash crunch.

- (A) Both the statements are true
- (B) Both the statements are false
- (C) Statement 1 is true and Statement 2 is false
- (D) Statement 2 is true and Statement 1 is false

SECTION C

Section–C consists of 12 questions. Attempt any 10 questions from this section. The first attempted 10 questions would be evaluated.

Q. No 49-54 are to be answered on the basis of the following data:

Government budget is an annual estimated statement of receipt and expenditures of the government prepared annually with various objectives .The Finance Ministry of the country prepares the budget and is presented by the Finance Minister .It is an annual process. An annual budget is divided into several parts to take care of all types of income and expenditures. Mrs Nirmala Sitharaman, the Finance Minister of the country announced two relief packages during Covid-19 Lockdown to help people getting food and source of income .This announcement was in addition to the budget presented during April 2020 to March 2021.

[source: economics times]

Q49 Government expenditure on Mid Day Meal scheme running in government state run schools is a -----type of expenditure in government budget.

- (A) Revenue Expenditure
- (B) Capital Expenditure
- (C) Both A and B
- (D) Neither A nor B

Q50 The union budget is comprised of .(choose the correct alternative)

- (A) Revenue Budget
- (B) Capital budget
- (C) Both A and B
- (D) Neither A nor B

Q51 The Union budget is presented in the parliament by _____

- (A) Prime Minister
- (B) Finance Minister
- (C) Representative of the Union Ministry
- (D) Group of Union Ministers

Q52 **Assertion(A)**- Relief Package announced during covid outbreak is a non - planned expenditure.

Reason (R)- No provision can be made for any unforeseen circumstances in the country.

From the given alternatives choose the correct one:

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 and 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

Q53 A government budget is prepared -----.

- (A) Half yearly
- (B) Annually
- (C) Quarterly
- (D) In 5 years

Q54 Read the following statements carefully and choose the correct alternatives given below:

Statement1- Budget is a statement of estimated receipt and expenditure of the government.

Statement II- Budget is presented every year on the first working day of February.

Alternatives:

- (A) Both the statements are true.
- (B) Both the statements are false
- (C) Statement 1 is true and statement 2 is false
- (D) Statement 2 is true and Statement 1 is false.

Read the following case study carefully and answer the questions **55-60** on the basis of the same :

Two third of people in India live in poverty.68.8% of the Indian population lives on less than \$2 a day. Over 30% even have less than \$1.25per day available, they are considered extremely poor. This makes the Indian subcontinent one of the poorest countries in the world ,women and children ,the weakest members of Indian society suffer most.

India is the second most populous country after China with about 1.2 billion people and is the seventh largest country in the world with an area of 3,287,000 km square .The highly contrasted country has enjoyed growth rate of up to 10% over many years and is one of the largest economies in the world, with a

GDP of 1,644 billion US dollars. But only a small percentage of the Indian population has benefitted from this impressive economic boom so far ,as the majority of people in India are still living in abject poverty.

Source: Economic Survey Report

- Q55** Choose the correct option.
The absolute number of poor in the country has and some states have less proportion of poor than even the national average
- (A) Gone down (B) Gone up
(C) Remains the same (D) Can't say due to lack of reliable data
- Q56** _Gave the concept of Jail Cost of Living.
(A) DadabhaiNaraji (B) Mahalanobis
(C) M. S Swaminathan (D) V.K.R.V Rao
- Q57** **In India over 30% even have less than----- per day available and they are considered extremely poor.(choose the correct alternative)**
(A) \$1.25 (B) \$2.25(C) \$3.25 (D) \$6.25
- Q58** **Assertion(A)-** The policy towards poverty alleviation has evolved in a progressive manner .Over the last five and a half decades ,it has not undergone any radical transformation.
Reason(R)-There has been a radical change in the ownership of assets, process of production and improvement of basic amenities to the needy
From the given alternatives choose the correct one:
- (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 and 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
- Q59** **Refers to poverty of people in comparison to other people,regions or nations.(Fill in the blank with correct alternative)**
(A) Absolute poverty (B) Relative poverty
(C) Transient poverty (D) Churning poverty
- Q60** **In India a small percentage of the Indian population has benefited from this impressive economic-----.(Fill in the blank with correct alternative)**
(A) Boom (B) recession. (C) Inflation (D) deflation