Total No. of Printed Pages—8

HS/XII/A.Com/Ec/22

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ECONOMICS

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

General Instructions :

(i) All questions in both the Parts are compulsory.

(ii) Marks for questions are indicated against each question.

(iii) Question Nos. **1**–**5** and **18**–**22** are objective-type questions carrying *1* (one) mark each.

(iv) Question Nos. **6**–**10** and **23**–**27** are very short answer-type questions carrying *1* (one) mark each. Answers to them should be in one sentence each.

(v) Question Nos. **11**, **12**, **28** and **29** are short answer-type questions carrying *3* (three) marks each. Answers to them should normally not exceed *60* (sixty) words each.

(vi) Question Nos. **13**–**15** and **30**–**32** are also short answer-type questions carrying *4* (four) marks each. Answers to them should normally not exceed *70* (seventy) words each.

(vii) Question Nos. **16**, **17**, **33** and **34** are long answer-type questions carrying *6* (six) marks each. Answers to them should normally not exceed *100* (hundred) words each.

(PART : A—OBJECTIVE)

(Introductory Macroeconomics)

(*Marks* : 40)

Choose and write the correct answer of the following from the given alternatives : 1×10=10

1. Net investment is equal to

(a) gross investment + depriciation

(b) gross investment – depreciation

(c) gross investment – indirect taxes

(d) None of the above 1

2. Which of the following is the common accepted definition of money?

(a) Any good which is commonly accepted as a store of value only

(b) Any good which is exchanged for gold at a fixed rate

(c) Any good which is acceptable to a bank

(d) Any good which is commonly accepted as a medium of exchange 1

3. Consumption function is a functional relationship between

(a) income and saving

(b) price and consumption

(c) income and consumption

(d) consumption and saving 1

4. The difference between fiscal deficit and interest payment is

(a) revenue deficit

(b) primary deficit

(c) budget deficit

(d) capital deficit 1

5. The exchange rate which is determined by the government is known as

(a) flexible exchange rate

(b) fixed exchange rate

(c) floating exchange rate

(d) None of the above 1

6. What is macroeconomics? 1

7. What is a central bank? 1

8. What is a tax? 1

Or

Calculate revenue deficit, if revenue expenditure is ₹ 22,250 crore and revenue receipt is ₹ 17,750 crore.

9. What is balance of trade? 1

10. Mention the components of balance of payments. 1

11. Find C, when $\overline{C} = 200$, MPC = 0·5 and $Y = 1000$. 3

Or

What is deficient demand? Illustrate with the help of a diagram. 1+2=3

12. What is meant by visible and invisible items in the balance of payments account? Give two examples of invisible items. 2+1=3

13. Distinguish between *(a)* consumption goods and capital goods and *(b)* stocks and flows. 2+2=4

Or

Calculate nominal GDP, if real GDP is ₹ 200 crore and price index is 110. 4

14. Explain how bank rate is helpful in controlling credit creation of commercial banks. 4

15. What is government budget? Briefly explain any three of its objectives. 1+3=4

16. What is national income? Distinguish between gross domestic product (GDP) and gross national product (GNP). 2+4=6

17. Explain with the help of a diagram, the determination of equilibrium level of income, using saving-investment approach. 6

Or

An economy is in equilibrium. Calculate MPC from the following data : 1+2+3=6

National income (Y) = ₹ 10,000 crore

Autonomous consumption ($\overline{C}$) = ₹ 1,000 crore

Investment (I) = ₹ 2,500 crore

PART—B

(Indian Economic Development)

(*Marks* : 40)

18. The Industrial Policy Resolution of 1956 classified industries into

(a) two categories

(b) three categories

(c) four categories

(d) None of the above 1

19. Which of the following was the reason for the initiation of economic reforms in India?

(a) Mounting fiscal deficit

(b) Rise in prices

(c) Huge deficit in balance of payments

(d) All of the above 1

20. The term used to divide people as poor and non-poor is called

(a) proverty index

(b) poverty ratio

(c) poverty line

(d) All of the above 1

21. The stock of skill and expertise of a nation at a point of time is known as

(a) social infrastructure

(b) human capital

(c) physical capital

(d) None of the above 1

22. Growth rate of population is highest in which of the following countries?

(a) India

(b) China

(c) Pakistan

(d) None of the above 1

23. What is composition of trade? 1

24. What is informal sector? 1

Or

What is disguised unemployment? 1

25. What is medical tourism? 1

26. What is organic farming? 1

27. Name two indicators of Human Development Index (HDI). 1

28. Explain any two goals of India's Five-year Plan. 3

29. Explain the credit needs of farmers in India. 3

Or

What is global warming? Briefly explain two causes of global warming. 1+2=3

30. Explain the participation of people in employment in India. 4

Or

Distinguish between the following : 2+2=4

(a) Renewable and non-renewable resources

(b) Overuse of resources and misuse of resources

31. What is poverty? How is relative poverty different from absolute poverty? 1+3=4

32. Bring out a comparison between India and China on the basis of *(a)* sectoral share in output and *(b)* Human Development Index (HDI). 2+2=4

33. Explain the problems faced by Indian agriculture. 6

Or

Explain the main features of economic reforms undertaken in India since 1991. 6

34. Explain the role of human capital in the process of growth and development. 6

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