

CBSE Class 12 • Economics

Important Questions 2027

Most repeated questions from the last few years of board and sample papers, grouped chapter-wise.

National Income and Related Aggregates

1. In a two sector economy, the flow of factor payments moves from _____ to _____. (A) firms, households (B) firms, government (C) banks, households (D) households, firms

Seen in: Board 2023, 2024, 2026 · Sample 2026

2. Read the following statements carefully. Statement 1: Final goods are those goods which normally lose their identity in the production process. Statement 2: Final goods may get transformed during the consumption process by a consumer. Choose the correct option: (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.

Seen in: Board 2026 · Sample 2026

3. For a hypothetical economy, assuming there are only two firms (X and Y) with equal values of Gross Value Added (GVA). On the basis of the following data, estimate the value of Domestic Sales of both the firms (X and Y): (i) Value of Output of firm Y 700, (ii) Purchases by firm X from firm Y 200, (iii) Exports by firm X 100, (iv) Purchases by firm Y from firm X 150, (v) Additions to Stock of firm X 50. (Amount in Rs. crore)

Seen in: Board 2026 · Sample 2026

4. Ms. Reeta D'Costa, retired from the post of Income Tax Commissioner in the year 2023. Apart from her pension, she also receives the following from various sources: Rental income from a flat she owns; Interest income from her fixed deposits; Money sent by her children settled abroad. Identify and classify her monthly incomes into 'factor income' and 'transfer income', with valid reasons.

Seen in: Board 2026 · Sample 2026

5. "Real Gross Domestic Product (GDP) is estimated to attain a level of Rs. 173.82 lakh crore in the year 2023-24. The corresponding Nominal GDP is estimated to stand at Rs. 295.36 lakh crore in the same year." On the basis of the given data, the value of GDP deflator would be _____. A. 295.36 B. 58.85 C. 169.92 D. 173.82

Seen in: Board 2022 · Sample 2026

6. On the basis of the given data, estimate the value of Domestic Income (NDP_{FC}): (i) Household Consumption Expenditure 800, (ii) Gross Business Fixed Capital Formation 150, (iii) Gross Residential Construction Investment 120, (iv) Government Final Consumption Expenditure 170, (v) Excess of Imports over Exports 20, (vi) Inventory Investment 140, (vii) Gross Public Investment 500, (viii) Net Indirect Taxes 70, (ix) Net Factor Income From Abroad (-)50, (x) Consumption of Fixed Capital 40. (Amounts in Rs. crore)

Seen in: Board 2024 · Sample 2025

7. To arrive at the value of Gross Value Added at Market Price (GVA_{MP}) _____ must be added to Gross Value Added (GVA) at Basic Prices. (A) Product Taxes (B) Net Product Taxes (C) Production Taxes (D) Net Production Taxes

Seen in: Board 2023 · Sample 2025

8. Meera and Shahid are two classmates comparing India's economic growth over the years. Meera referred to the increase in Gross Domestic Product (GDP) at current prices prevailing in market, while Sahid insisted on considering GDP after adjusting for inflation. Their debate on which of the two measures gives a true picture of people's well-being remained inconclusive. Considering the above situation, elaborate with valid reason, which of the two variables is considered a better indicator of welfare and why?

Seen in: Board 2024, 2026

9. Distinguish between Stock and flow variables, using suitable examples.

Seen in: Board 2022, 2025

10. Calculate the value of Net Value Added at Factor Cost (NVA_{FC}): (i) Operating Surplus 3,740, (ii) Increase in unsold stock 600, (iii) Sales 10,625, (iv) Purchase of raw materials 2,625, (v) Consumption of fixed capital 500, (vi) Subsidies 400, (vii) Indirect taxes 1,200. (Amounts in Rs. crore)

Seen in: Board 2022, 2025

11. Elaborate the concept of Externalities with the help of suitable example.

Seen in: Board 2022, 2024

12. Distinguish between 'Value Addition' and 'Final Value of Output'.

Seen in: Board 2022, 2023

Money and Banking

13. "Under the provisions stated in the Section 20 and Section 21 of the Reserve Bank of India (RBI) Act, 1934, the RBI is mandated to handle the banking operations of the Government of India." In the light of the given statement, elaborate the indicated function of the Reserve Bank of India.

Seen in: Board 2023, 2026 · Sample 2026

14. "In the Indian Banking System, the Statutory Liquidity Ratio (SLR) plays a vital role in controlling the credit creation capacity of the Commercial Banks, as it _____. (A) ensures that all the deposits are converted into liquid assets. (B) requires banks to maintain a percentage of deposits in the form of liquid assets. (C) sets the maximum interest rate which the banks can charge on loans. (D) promote banks from lending beyond a specific proportion of their total reserves.

Seen in: Board 2023, 2026 · Sample 2026

15. Read the following statements: Assertion (A): Money is of perishable nature and is generally accepted by all at any point of time. Reason (R): Money serves as a store of value, facilitating individuals to transfer purchasing power from the present to the future. Choose the correct option: (A) Both A and R are true, and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.

Seen in: Board 2026 · Sample 2026

16. In an economy, the currency held by the public, Net Demand Deposits with Commercial Banks and Net Time Deposits with Commercial Banks stand at Rs. 1,42,000 crore, Rs. 22,000 crore and Rs. 86,000 crore respectively. The value of Money Supply (M1) would be Rs. _____ crore. (A) 2,50,000 (B) 86,000 (C) 1,64,000 (D) 1,42,000

Seen in: Board 2026 · Sample 2026

17. Suppose in an economy, primary deposits are Rs. 500, if the Reserve Ratio is 25%. Estimate the total deposits created and the total lending by the banking system.

Seen in: Board 2024, 2025

18. "Irfaan (a student) borrows Rs. 80,000 to finance his college fee. He plans to begin repaying the loan six months after his graduation, making payments over a span of ten years." Based on above text, identify the indicated function of money. (A) Medium of Exchange (B) Unit of Account (C) Standard of Deferred Payments (D) Store of Value

Seen in: Board 2024, 2025

19. (Based on the RBI rate-setting text above) Discuss the likely consequence on money supply if the rate setting panel would have decreased the said rate.

Seen in: Board 2023, 2024

Determination of Income and Employment

20. Suppose in an economy, the Marginal Propensity to Consume (MPC) is 0.8. The government introduced an investment project of Rs. 1,000 crore which led to a manifold increase in National Income (Y) and Consumption Expenditure (C). Estimate: (a) Value of Investment Multiplier (k). (b) Missing Values of (i) and (ii). Table (Rounds, ΔI , ΔY , ΔC , ΔS): Round I: ΔI 1,000, ΔY 1,000, ΔC 800, ΔS 200; Round II: ΔY 800, ΔC 640, ΔS 160; ...; Total: ΔY ..(i).., ΔC ..(ii).., ΔS 1,000.

Seen in: Board 2022 · Sample 2025, 2026

- 21.** [Question for Visually Impaired Candidates only, in lieu of Q. No. 15] State and explain any two measures that can be taken by the Central Bank to control the situation of deficient demand.

Seen in: Board 2022, 2026 · Sample 2025

- 22.** In an economy; $C = 200 + 0.75Y$ (where C is consumption expenditure and Y is National Income). Investment expenditure is Rs. 4,000 Crore. Calculate: (i) Equilibrium level of income. (ii) Total consumption expenditure at equilibrium income level.

Seen in: Board 2022, 2025 · Sample 2025

- 23.** In an economy, when _____ is insufficient to achieve the level of output corresponding to the full employment, the difference is termed a deflationary gap. (A) ex-ante Aggregate Demand (B) ex-post Aggregate Demand (C) ex-ante Aggregate Supply (D) ex-post Aggregate Supply

Seen in: Board 2026 · Sample 2026

- 24.** Identify, which of the following is true at the Break Even level of Income. (A) Slope of Consumption Curve = Slope of Saving Curve (B) Average Propensity to Consume (APC) = Average Propensity to Save (APS) (C) Slope of Saving Curve = Unity (1) (D) Average Propensity to Consume (APC) = Unity (1)

Seen in: Board 2026 · Sample 2026

- 25.** Refer the given image carefully (a balance scale showing 'Value of Money' falling on one side and 'General Price level' rising on the other). Explain any two measures that can be taken by the Central Bank to control the indicated macroeconomic problem (inflation / excess demand).

Seen in: Board 2026 · Sample 2026

- 26.** Define Effective Demand. Explain the adjustment mechanism to attain the level of Effective Demand, if ex-ante Aggregate Demand is more than ex-ante Aggregate Supply.

Seen in: Board 2024 · Sample 2026

- 27.** Suppose, the saving curve of an economy makes an intercept at a negative value of Rs. 50 crores. In the economy, 20% of an increase in income is saved. In the light of above context, identify the value of investment multiplier (K). (A) 2 (B) 5 (C) 10 (D) ∞ (infinite)

Seen in: Board 2023, 2024, 2025

- 28.** "Sum of the Average Propensity to Consume (APC) and Average Propensity to Save (APS) is always equal to one." Justify the given statement with the help of a suitable argument.

Seen in: Board 2023 · Sample 2026

- 29.** Read the following statements carefully. Statement 1: The maximum value of Marginal Propensity to Consume (MPC) can be unity. Statement 2: As the income of an economy increases, the proportionate increase in the level of consumption is always more than the increase in the level of income. Choose the correct option: (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.

Seen in: Board 2024 · Sample 2025

- 30.** Explain the adjustment mechanism in case ex-ante savings are greater than ex-ante investments.

Seen in: Board 2023, 2025

- 31.** Read the following statements - Assertion (A) and Reason (R). Assertion (A): Full employment situation refers to absence of involuntary unemployment. Reason (R): Under full employment situation, all the willing and able bodied people get employment at the prevailing wage rate. Choose the correct alternative: (A) Both A and R are true and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.

Seen in: Board 2023, 2024

Government Budget and the Economy

- 32.** Classify the following as Revenue receipts or Capital receipts. Give valid arguments in support of your answer: Interest received on loan.

Seen in: Board 2023, 2024

- 33.** Read the following text: According to the Economic Survey 2024-25, the government budget's projections for the fiscal year 2025-26 indicate that gross direct tax revenue will rise by 12.7%, while gross indirect tax collections are expected to grow by 8.3% relative to FY 2024-25. Direct taxes include income tax and corporate tax, reflecting earnings and profits of households and firms, and play a key role in revenue growth. Indirect taxes encompass Goods and Services Tax (GST), custom duties and other transaction-based levies. Higher growth projected for direct taxes suggests a push to enhance tax buoyancy through improved compliance and reforms; indirect taxes are expected to benefit from consumption trends and GST administration improvements. The balanced tax strategy aims to mobilise resources while supporting fiscal consolidation and sustainable economic growth. Differentiate between the two types of taxes indicated in the above text, with suitable examples.

Seen in: Board 2026 · Sample 2025

- 34.** "Under the Ayushman Bharat Scheme, the government provides free medical treatment to the poorer section of the society." Identify and explain the nature of budget expenditure and its objective, indicated in the given statement.

Seen in: Board 2025 · Sample 2025

- 35.** As per the data presented in the Union Budget 2023-24, the total receipts of the government other than borrowings and the total expenditure are estimated at Rs. 27.2 lakh crore and Rs. 45 lakh crore respectively. The value of the _____ deficit would be Rs. 17.8 lakh crore. (A) revenue (B) fiscal (C) budgetary (D) primary

Seen in: Board 2023 · Sample 2025

- 36.** Distinguish between 'fiscal deficit' and 'revenue deficit'.

Seen in: Board 2023, 2024

- 37.** [Question for Visually Impaired Candidates only, in lieu of Q. No. 16 b(i)] Explain the stabilisation function of the Government Budget.

Seen in: Board 2023, 2024

Balance of Payments

- 38.** If a country exports goods worth of Rs. 600 crores and imports goods worth of Rs. 450 crores, the value of Balance of Trade of the country would be _____ of Rs. _____ crores. (A) deficit, 150 (B) surplus, 150 (C) deficit, 1,050 (D) surplus, 1,050

Seen in: Board 2023, 2024, 2025 · Sample 2025

- 39.** 'Foreign Portfolio Investment (FPI) witnessed a sharp turnaround during 2023-24 with net FPI inflows of US\$ 32.4 billion.' In which sub-account and on which side of the Balance of Payments account the above transaction will be recorded? Give reasons in support of your answer.

Seen in: Board 2023, 2024 · Sample 2025

- 40.** Read the following statements carefully. Statement 1: Depreciation of currency is an economic action undertaken by the government of a nation under the fixed exchange rate system. Statement 2: Under the floating exchange Rate system, authorities actively intervene in the foreign exchange market by way of maintaining foreign exchange reserves. In the light of the given statements, choose the correct option: (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.

Seen in: Board 2026 · Sample 2026

- 41.** Read the following statements: Assertion (A): Unilateral Transfers are recorded in the Current Account of the Balance of Payments (BoP) of a nation. Reason (R): Capital account records transactions which cause a change in the assets or liabilities of the country. Choose the correct option: (A) Both A and R are true, and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.

Seen in: Board 2026 · Sample 2026

- 42.** Michel, an entrepreneur of Country Zeta, borrowed \$5 million from an overseas bank to expand his textile business. During the same financial year, the Government of Country Zeta secured a loan of \$30 Billion from an International Financial Institution to manage the ongoing Balance of Payments. Samuel, an Economics student categorised both of these transactions as 'autonomous transactions' in the BoP account of the country. Do you agree with his classification? Justify your answer with valid reasons.

Seen in: Board 2026 · Sample 2026

- 43.** Surplus in Balance of Payments (BOP) refers to the excess of _____. (A) Autonomous payments over Autonomous receipts (B) Current Account payments over Autonomous receipts (C) Capital Account receipts over Capital Account payments (D) Autonomous receipts over Autonomous payments

Seen in: Board 2023, 2024

Indian Economy on the Eve of Independence and 1950-1990

- 44.** Read the following statements carefully. Statement 1: During the British rule in India, the export surplus was utilised to import of invisible items from Britain. Statement 2: Indians paid for the expenses incurred by an office set up by the colonial government in Britain. In the light of above statements, choose the correct option: (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.

Seen in: Board 2026 · Sample 2025, 2026

- 45.** "In the post-independence era, India adopted a protective tariff policy." Do you agree with the given statement? Justify your answer with any two valid arguments.

Seen in: Board 2025, 2026

- 46.** 'Under the Industrial Policy Resolution (IPR) 1956 in India, the system of industrial licensing was introduced to promote regional equality.' Justify the given statement with valid arguments.

Seen in: Board 2023, 2024 · Sample 2025

- 47.** Describe briefly a rationale behind choosing 'Self-reliance' as a planning objective for the Indian economy.

Seen in: Board 2025 · Sample 2025

- 48.** "The British sought to achieve their vested interest through their policies of infrastructural development in India." Do you agree with the given statement? Justify your answer with valid explanation.

Seen in: Board 2024, 2026

- 49.** State and explain any two changes which were observed in India's occupational structure during the British Rule.

Seen in: Board 2024, 2026

Economic Reforms since 1991

- 50.** Read the following text: "In the recent times, the Government of India, has introduced several measures to encourage greater public participation in the capital market, including both primary and secondary stock markets." Under which sector have the above mentioned reforms been introduced? (A) Industrial (B) Financial (C) Taxation (D) Foreign Trade

Seen in: Board 2026 · Sample 2026

- 51.** Discuss briefly, how bilateral trade agreements are different from multilateral trade agreements?

Seen in: Board 2023, 2025, 2026

- 52.** 'Strategic sale of a public sector undertaking and minority sale of their shares are methods of disinvestment.' Defend or refute the given statement with valid argument.

Seen in: Board 2026 · Sample 2025

- 53.** Mr. Ravi, an IT entrepreneur from Bengaluru, observed that several MNC's prefer India as their outsourcing Hub for services like software development, customer support, data management etc. His friend Priya believes this is due to certain inherent advantages of the Indian economy. In your opinion, state and explain any two factors that make India a preferred outsourcing destination.

Seen in: Board 2025, 2026

Human Capital Formation in India

- 54.** Read the following statements: Assertion (A): Human capital formation increases the rate of participation of population to economic activities and leads to economic growth. Reason (R): Rate of participation of people refers to the percentage of people engaged in production process of a country. Choose the correct option: (A) Both A and R are true and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.

Seen in: Board 2025 · Sample 2025

- 55.** Read the following statements: Assertion (A): Education facilitates the assimilation of knowledge and competencies. It also fosters inventive capacities and enhances the aptitude to integrate advance technology. Reason (R): Education plays a pivotal role in transforming cognitive perspectives and serves as a catalyst for the economic advancement of a nation. Choose the correct option: (A) Both A and R are true, and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.

Seen in: Board 2026 · Sample 2026

- 56.** Read the following text: To ensure inclusive and quality education for all, the Indian government has launched several important schemes aimed at improving access, equity and learning outcomes, especially among disadvantaged group. The Right to Education (RTE) Act, passed by the India Parliament on August 4, 2009, guarantees free and compulsory education to every child between 6-14 years of age, ensuring all children have access to education in neighbourhood schools until they complete elementary education. Another key initiative is Sarva Siksha Abhiyan (SSA), introduced in 2001, one of India's flagship programmes for Universalisation of Elementary Education. Digital India Campaign, launched on July 1, 2015, focuses on transforming India into a digitally empowered society by improving mobile and internet connectivity, particularly in rural and remote regions, supporting digital learning and access to educational resources. Identify, which law guarantees free and compulsory education upto the age of 14 years. Explain, how does it help in enhancing access to education.

Seen in: Board 2026 · Sample 2026

- 57.** (Based on the education-schemes text above) In your opinion, how the increase in public spending on education contributed to India's social and economic transformation? Support your answer with valid arguments.

Seen in: Board 2026 · Sample 2026

- 58.** "In India, National Education Policy 2020 has stressed a lot on in-service training of the teachers." Identify the source of Human Capital Formation (HCF) indicated in the aforesaid statement.

Seen in: Board 2023, 2024

Rural Development

- 59.** Read the following statements: Assertion (A): The Government of India adopted the measure of regulation of markets to improve marketing conditions for agricultural products. Reason (R): Regulation of market ensured transparent pricing, fair trade practices, and protection for farmers against exploitation in agricultural marketing. Choose the correct option: (A) Both A and R are true, and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.

Seen in: Board 2024, 2026 · Sample 2026

60. State any two examples of allied activities.

Seen in: Board 2024 · Sample 2025

Employment: Growth, Informalisation and Related Issues

61. Distinguish between self-employed and hired workers with the help of a suitable example.

Seen in: Board 2023, 2025 · Sample 2025, 2026

62. State the meaning of 'Disguised Unemployment'.

Seen in: Board 2024, 2025, 2026

63. Identify, which of the following, highlights a highly relevant issue associated with evolving employment trends in India's labour market? (A) Progressive increase in the share of permanent salaried employees. (B) Increase in the proportion of casually employed individuals. (C) Expansion of self-employment avenues in all regions. (D) Significant rise in job opportunities within the formal sector.

Seen in: Board 2022, 2023, 2026

64. "Assuming in a hypothetical economy, Real Gross Domestic Product recorded a growth rate of 9% during a fiscal year. However, the economy faced a significant challenge in terms of creating an adequate number of employment opportunities." Identify the situation indicated in the given statement: A. Casualisation of workforce B. Informalisation of workforce C. Formalisation of workforce D. Jobless growth

Seen in: Board 2023 · Sample 2025

65. [Question for Visually Impaired Candidates only, in lieu of Q. No. 32 (B)] Elaborate any two reasons behind more women employed in economic activities in Rural areas as compared to Urban areas.

Seen in: Board 2025, 2026

Environment and Sustainable Development

66. "Sustainable development refers to the development that meets the need of the present generation without compromising the ability of the future generations, to meet their own needs." The above mentioned definition has been given by _____. (A) United Nations Conference on Environment and Development (B) United Nations Committee on Environment and Development (C) United Nations Committee on Protection of Environment (D) United Nations Conference on Protection of Environment

Seen in: Board 2026 · Sample 2026

67. The population explosion and advent of Industrial Revolution led to the _____. A. reversal of supply-demand relationship of environmental resources B. decrease in demand for environmental resources C. decrease in the average temperature of the earth's lower atmosphere D. increase in the environmental quality

Seen in: Board 2025 · Sample 2026

68. [Question for visually impaired candidates only, in lieu of Q. No. 19] Identify, which of the following is NOT one of the strategies for Sustainable Development. (A) Use of non-conventional sources of energy (B) Use of fossil fuel for transportation (C) Use of traditional knowledge (D) Use of organic compost manure

Seen in: Board 2023, 2024, 2025

69. _____ was setup in 1974 by the Indian government to address two major environmental concerns viz. water and air pollution. A. State Pollution Control Board B. Central Pollution Control Board C. Brundtland Commission D. Montreal Protocol

Seen in: Board 2024 · Sample 2025

70. "Bio-pesticides help to reduce the ill-impacts of green revolution on soil and water bodies while promoting sustainable development." Justify the given statement with valid explanation.

Seen in: Board 2023, 2025

Comparative Development Experiences of India and its Neighbours

71. "In the late 1970's China's population growth rate has sharply declined as compared to India." Elucidate the reasons and impacts of this situation.

Seen in: Board 2024, 2026 · Sample 2025

72. "Pakistan was maintaining a healthy economic growth momentum of 6.3% till 1990s, however it lost its track of economic growth falling to 5.3% between 2015-17." Do you agree with the given statement? Justify your answer with valid arguments.

Seen in: Board 2023 · Sample 2026

73. 'The reform process implemented in the late 1970s, commonly known as China's open door policy, encompassed a wide range of reforms across sectors like agriculture, investment, industry etc. These reforms played a pivotal role in driving the rapid growth of the Chinese economy over subsequent decades.' In the light of the given text, discuss any two reforms responsible for the rapid economic growth of China.

Seen in: Board 2024 · Sample 2025

- 74.** Read the following statements: Assertion (A): Prior to economic reforms, public investment in social infrastructure by China resulted in better Human Development Indicators (HDI). Reason (R): China is ahead of India and Pakistan on many Human Development Indicators (HDI). Choose the correct option: (A) Both A and R are true and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.

Seen in: Board 2024, 2025

- 75.** _____ sector was the primary focus of the Great Leap Forward in China. (A) Tax (B) Industrial (C) Financial (D) Educational

Seen in: Board 2023, 2025