

CLASS 12 - ECONOMICS
ECONOMICS BOARD 2020 GUESS PAPER

Time Allowed: 3 hours

Maximum Marks: 80

General Instructions:

1- ATTEMPT ALL THE QUESTIONSVERY IMPORTANT TO UNDERSTAND EACH AND EVERY QUESTION

2- TRY TO COMPLETE THE 6 MARKER FIRST THEN 4 MARKER AND IT IS NOT NECESSARY THAT YOU HAVE TO FOLLOW A PARTICULAR SEQUENCE ...YOU CAN FIRST ATTEMPT ALL THE 6 MARKERS FROM BOTH THE SECTIONS CONTINUOUSLY.

MACRO ECONOMICS

1. Which of the following will you include while estimating domestic product of India? **[1]**
 - a) Salaries paid to Koreans working in the Indian embassy in Korea
 - b) Rent received by resident Indian from his property in Singapore.
 - c) Salaries of Indians working in Japanese Embassy in India
 - d) Profits earned by branch of American bank in India.
2. M1 in the money stock in India refers to: **[1]**
 - a) Currency plus demand deposits plus other deposits with the RBI.
 - b) Total post office deposits.
 - c) Post office saving deposits.
 - d) Time deposits with banks.
3. The slope, 'b' indicates **[1]**
 - a) APC
 - b) APS
 - c) MPS
 - d) MPC
4. Components of public expenditure is **[1]**
 - a) Revenue and capital expenditure
 - b) budget and capital expenditure
 - c) Revenue and budget expenditure
 - d) investment and capital expenditure
5. Point out a demerit of flexible exchange rate **[1]**
 - a) None
 - b) Wide fluctuations do not affect foreign trade
 - c) Wide fluctuations promotes foreign trade
 - d) Wide fluctuations hamper foreign trade
6. Calculate money multiplier, if initial deposit of Rs. 200 cores lead to creation of total deposits of Rs. 1600 cores. **[1]**

(xi)	Gross Fixed Capital Formation	700
(xii)	Change in Stock	50

16. (i) How will you treat the following while estimating the national income of India? Give reasons [6]
- Payment of interest on borrowings by the general government.
 - Increase in prices of the shares of a company.
 - Government expenditure on sanitation.
 - Growing vegetable in a kitchen garden of the house
- (ii) From the following about firm 'Y', calculate Net Value Added at Market Price by it:

Items	In Thousands
(i) Sales	300
(ii) Depreciation	20
(iii) Net indirect taxes	30
(iv) Purchase of intermediate products	150
(v) Closing Stock	200
(vi) Purchase of machinery	100
(vii) Opening Stock	210

17. Explain the role of the following in correcting deficient demand in an economy. [6]
- Open market operations
 - Bank rate.

INDIAN ECONOMIC DEVELOPMENT

18. What was the condition of agriculture at the time of independence [1]
- Low dependence on monsoon
 - Low level of productivity
 - High use of Fertilizers
 - High level of technology
19. It is a conscious design to shape the socio-economic processes in order to achieve an objective [1]
- Economic planning
 - Economic development
 - Economic growth
 - Economic infrastructure
20. LPG stands for [1]
- Liberalisation, Performance, Growth
 - Liberalisation, Privatisation, Globalisation
 - Liberalisation, Privatisation, Growth
 - Liberalisation, Performance, Globalisation
21. Which state has lowest percentage of population living below poverty line? [1]
- Kerala
 - Punjab
 - Haryana
 - Goa
22. Which of the following is an example of a preventive medicine? [1]

