

Time Allowed: 3 hours

S.R. Study Material

S R SAMPLE PAPER 2

Class 12 - Economics

Genera	l Instructions:		
	1. This question paper contains two sections:		
	Section A – Macro Economics		
	Section B – Indian Economic Development		
	2. This paper contains 20 Multiple Choice Question	s type questions of 1 mark each.	
	pe questions of 3 marks each to be answered in 60 to 80 word	ds.	
	pe questions of 4 marks each to be answered in 80 to 100 wo	rds.	
	5. This paper contains 4 Long Answer Questions ty	pe questions of 6 marks each to be answered in 100 to 150 w	ords.
	SECTION A – M	IACRO ECONOMICS	
1.	Statement I: External assistance is recorded in the o	capital account of the Balance of Payments.	[1]
	Statement II: The Central Bank may finance a deficit in balance of payments by reducing reserves of foreign		
	currency.		
	a) Both the statements are false.	b) Both the statements are true.	
	c) Statement II is true and statement I is false.	d) Statement I is true and statement II is false.	
2.	What solves the problem of double coincidence of wants?		
	a) Goods	b) Money	
	c) Banks	d) All of these	
3.	If Marginal Propensity to Save (MPS) is equal to zero, it indicates that the National Income of the economy will		
	be		
	a) < 1	b) not defined (∞)	
	c) 0	d) 1	
4.	In a flexible exchange rate regime, when the price of domestic currency (rupees) in terms of foreign currency (Dollars) decrease, it is called of the domestic currency (rupees) in terms of foreign currency (dollars)		[1]
	a) Devaluation	b) Revaluation	
	c) Appreciation	d) Depreciation	
5.	Aggregate supply is		[1]
	a) C + S	b) C	
	c) S	d) C - S	

Maximum Marks: 80

- 6. Which of the following statements is correct with respect to the correction of Excess Demand?
 - a) Government reduces the taxes.
- b) Government reduces its expenditure.
- c) The Central Bank reduces bank rates
- d) The Central Bank sells securities from the Open Market.

7. If APC = 0.6, APS = $_$

[1]

[1]

a) 2.4

b) 1

c) 0.4

- d) None of these
- 8. Which of the following is not a flow variable?

[1]

- a. Income
- b. Capital formation
- c. Supply of money in a country
- d. Leakage of water from the overhead tank
 - a) Only B

b) Only A

c) Only C

- d) Both B and D
- 9. In order to control the Excess money supply in the economy, the Central Bank may ______.
- [1]

[1]

- a) buy securities in the open market
- b) sell securities in the open market

c) reduce the cash reserve ratio

- d) reduce the repo rate
- 10. The increase in the value of the domestic currency in relation to foreign currency due to fluctuations in the foreign exchange rate is called:



a) Devaluation

b) Depreciation

c) Appreciation

- d) Revaluation
- 11. Are the following normal residents of Indian Economy:

[3]

- i. Indians employed in World Health Organisation located in India.
- ii. An American tourist staying in India.
- iii. Indian working in the USA embassy in India.
- 12. Name the broad categories of transactions recorded in the Current Account of the Balance of Payments Account. [3]

OR

When foreign exchange rate in a country is on the rise, what impact is it likely to have on imports and how?

13. Explain the situation of excess demand in an economy with the help of diagram.

- [4]
- 14. Explain the impact of the increase in investment on the equilibrium level of income. Use the diagram.

[4]

OR

Calculate 'Autonomous Consumption Expenditure' from the following data about an economy which is in equilibrium:

Marginal Propensity to Save = 0.10

Investment Expenditure = Rs 80

Explain the lender of last resort function of the Central Bank. 15.

[4] [6]

16. Answer the following questions:

(i) Calculate sales from the following data [3]

S.no.	Contents	(Rs. in Lakhs)
(i)	Net Value Added at Factor Cost	560
(ii)	Depreciation	60
(iii)	Change in Stock	(-) 30
(iv)	Intermediate Cost	1,000
(v)	Exports	200
(vi)	Indirect Taxes	60

Calculate Gross Value Added at Factor Cost. ii.

[3]

S.no.	Content	(Rs. in Lakhs)
(i)	Domestic Sales	3,000
(ii)	Change in Stock	(-) 1,00
(iii)	Depreciation	300
(iv)	Intermediate Consumption	2,000
(v)	Exports	500
(vi)	Indirect Taxes	250
(vii)	Net Factor Income from Abroad3	(-) 50

OR (ii)

State the various components of the Expenditure Method that are used to calculate national i. income.

[3]

[3]

Calculate Gross National Product at Market Price from the following data. ii.

S.no.	Contents	(Rs. in Crores)
(i)	Compensation of Employees	2,000
(ii)	Interest	500
(iii)	Rent	700
(iv)	Profits	800
(v)	Employer's Contribution to Social Security Schemes	200
(vi)	Dividends	300
(vii)	Consumption of Fixed Capital	100

(viii)	Net Indirect Taxes	250
(ix)	Net Exports	70
(x)	Net Factor Income to Abroad	150
(xi)	Mixed-Income of Self Employed	1,500

		` '	v	'	1
17.	Answer	the following questions:		,	_ [6]
	(i)	Giving reasons, classify the following into	direct tax and indirect tax:		[3]
		i. Wealth tax			
		ii. Entertainment tax			
		iii. Income tax			
	(ii)	Explain the concept of revenue expenditure		o of examples.	[3]
10	X47l +		CONOMIC DEVELOPMENT		[4]
18.		ortion of India's workforce is dependent on a	_		[1]
	a) 2/3	3	b) 4/5		
	c) 1/5	5	d) 3/5		
19.	Proporti	on of people below poverty line is more in:			[1]
	a) In	dia	b) Pakistan		
	c) US	SA	d) China		
20.	An is a system of production and exchange of goods and services.				[1]
	a) Er	nvironment	b) Economy		
	c) Ec	conomic	d) Eco System		
21.	Farmers need credit for consumption purposes for marriage, birth or death etc. This is called:				[1]
	→ S	Classification of Agricultural Credit e basis of enure On the basis of Purpose Productive edium term Long term			
	a) No	one of these	b) Unproductive credit		
	c) Pr	oductive credit	d) Productive scheme		
22.	Assertic	on (A): The role of RBI was reduced from fa	acilitator to regulator of financial sect	or under NEP.	[1]
	Reason (R): The limit of foreign investment in banks was raised to around 51% under economic reforms.				
	a) Bo	oth A and R are true and R is the correct	b) Both A and R are true but R is	not the	
	ex	planation of A.	correct explanation of A.		
	c) A	is true but R is false.	d) A is false but R is true.		
23.	The exp	enditure on education by the Government is	expressed as a percentage of		[1]
	a) Di	isinvestment	b) Gross Domestic Product (GDP))	

	c) Fisc	al Deficit	d) Goods and Se	rvices tax	
24.	In terms of the sectoral contribution to GDP, the economies of India and Pakistan depend heavily				[1]
	a) seco	ndary sector	b) tertiary sector		
	c) prim	nary sector	d) both primary	and secondary sector	
25.	The CPCE	The CPCB has identified categories of industries which are significant polluters.			
	a) 15		b) 12		
	c) 13		d) 17		
26.	control, dr Statemen crops, a la	t I: During the British colonial period, Indicating and desalinisation of soil. t II: While a small section of farmers change section of tenants, small farmers and shoot invest in agriculture.	ged their cropping p	pattern from food crops to commercial	- [1]
		ement II is true, but statement I is false.	h) Statement I is	true but statement II is false	
		the statements are true.	·	b) Statement I is true, but statement II is false.d) Both the statements are false.	
27.	,	following, options are as follows	u) Botti tile state	ments are raise.	[1]
_,,	a. Industr			i. 1973	7
	b. MRTP			ii. 1951	-
	c. FERA			iii. 1956	1
	a) a. (b. (c. (c) a. (b. (c. (iii) ii) ii)	b) a. (iii) b. (ii) c. (i) d) a. (ii) b. (iii) c. (i)		
28.	damage to	Indians have drifted away from the trad or environment. Explain how, adopting the of sustainable development.	_	-	[3]
	Explain th	e concepts of the greenhouse effect and gre	eenhouse gases.		
29.		e difference between labour force and work			[3]
30.		ernisation as a planning objective create co		ght of employment generation? Explain	
31.		e the objectives behind Trade and Investme	OR		[4]
22		ositive impacts of globalisation and liberali		and industry in India.	F 47
32. 33.		ole of education in human capital formation ne following questions:	п.		[4] [6]
<i>5</i> 0,		 i. What is organic farming and how do 	es it promote sustai	nable development?	[3]
		ii. Why has rural banking not been able	_		[3]

- i. Why do you attach so much importance to agriculture in present Indian economy?
- ii. Discuss three problems of animal husbandry in India.

[3]

[3]

34. Read the following text carefully and answer the questions given below:

and answer the questions given below: [6] SINO-PAK FRIENDSHIP CORRIDOR

The China-Pakistan Economic Corridor (CPEC) relationship between the two nations. But it has also sparked criticism for burdening Pakistan with mountains of debt and allowing China to use its debt strategic assets of Pakistan.

The foundations of CPEC, part of China's Belt and Road Initiative, were laid in May 2013. At the time, Pakistan was reeling under weak economic growth. China committed to play an integral role in supporting Pakistan's economy.

Pakistan and China have a strategic relationship that goes back decades. Pakistan turned to China at a time when it needed a rapid increase in external financing to meet critical investments in hard infrastructure, particularly power plants and highways. CPEC's early harvest projects met this need, leading to a dramatic increase in Pakistan's power generation capacity, bringing an end to supply-side constraints that had made rolling blackouts a regular occurrence across the country.

Pakistan leaned into CPEC, leveraging Chinese financing and technical assistance in an attempt to end power shortages that had paralyzed its country's economy. Years later, China's influence in Pakistan has increased at an unimaginable pace.

China As Pakistan's Largest Bilateral Creditor: China's ability to exert influence on Pakistan's economy has grown substantially in recent years, mainly due to the fact that Beijing is now Islamabad's largest creditor. According to documents released by Pakistan's finance ministry, Pakistan's total public and publicly guaranteed external debt stood at USD 44.35 billion in June 2013, just 9.3 percent of which was owed to China. By April 2021, this external debt had ballooned to USD 90.12 billion, with Pakistan owing 27.4 percent —USD 24.7 billion — of its total external debt to China, according to the International Monetary Fund (IMF). Additionally, China provided financial and technical expertise to help Pakistan build its road infrastructure, expanding north-south connectivity to improve the efficiency of moving goods from Karachi all the way to Gilgit-Baltistan (POK). These investments were critical in better integrating the country's ports, especially Karachi, with urban centers in Punjab and KhyberPakhtunkhwa provinces.

Despite power asymmetries between China and Pakistan, the latter still has tremendous agency in determining its own policies, even if such policies come at the expense of the longterm socioeconomic welfare of Pakistani citizens.

Questions:

- i. Outline and discuss any two economic advantages of China Pakistan Economic Corridor (CPEC) accruing to the economy of Pakistan.
- ii. Analyse the implication of bilateral 'debt-trap' situation of Pakistan vis-à-vis the Chinese Economy.

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