

12500 + 2 = 12000



TIME: 3 hours

M.M- 80

MID TERM EXAMINATION
CLASS: XII
SUBJECT: ECONOMICS (030)
SET- B

NAME: _____ SECTION: _____ ROLL NO: _____

General Instructions:

- I. Read all the questions carefully.
- II. All questions are compulsory.
- III. Marks for each question are indicated against the question.

SECTION A – MACRO-ECONOMICS		
1.	If GDP at MP = 12,500 crore and GNP at MP = 12,000 crore, then NFIA is: a) 500 crore <input checked="" type="checkbox"/> b) -500 crore c) 1,000 crore d) -1,000 crore	1
2.	Which of the following is a part of national income but not GDP? a) Undistributed profits <input checked="" type="checkbox"/> b) Net factor income from abroad c) Depreciation d) Indirect taxes	1
3.	GDP at Factor Cost is obtained by: a) Adding subsidies to GDP at Market Price <input checked="" type="checkbox"/> b) Subtracting indirect taxes from GDP at Market Price c) Adding depreciation to GDP at Market Price d) Subtracting net factor income abroad	1
4.	In the Income Method, which item is <i>not</i> included? a) Compensation of employees b) Corporate profits <input checked="" type="checkbox"/> c) Net factor income from abroad d) Indirect taxes minus subsidies	1
5.	Full-bodied money refers to money whose: a) Face value exceeds its intrinsic value <input checked="" type="checkbox"/> b) Intrinsic value equals its face value c) Face value is less than intrinsic value d) Used only for deferred payments	1
6.	Read the following statements carefully: Statement 1: Nominal GDP is always less than Real GDP. Statement 2: Nominal GDP is calculated at current prices. In light of the given statements, choose the correct option from the following:	

	<p>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.</p>	
7.	<p>Demand deposits are: a) Time deposits b) Deposits withdrawable only after notice c) Chequeable deposits d) Non-liquid assets</p>	
8.	<p>Which one is not a primary function of commercial banks? a) Accepting deposits b) Credit creation c) Issuing currency d) Agency services</p>	1
9.	<p>Which of the following constitutes High-Powered Money (H)? a) Currency with public + bank reserves b) Currency with public + demand deposits c) Currency with banks + savings deposits d) Only bank reserves</p>	1
10.	<p>Read the following statements: Assertion (A) and Reason (R). Choose the correct option from those given below: <i>Assertion (A):</i> Selling an old car is not included in national income. <i>Reason (R):</i> The sale of second-hand goods does not generate new production.</p> <p>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</p>	1
11.	<p>"Gross Domestic Product (GDP) is not the best indicator of the economic welfare of a country." Defend or refute the given statement with valid reasons.</p>	3
12.	<p>(A). Differentiate between Stock and Flow. OR (B). "Circular flow of income in a two-sector economy is based on the axiom that one's expenditure is other's income." Support your answer with valid reasons.</p>	3
13.	<p>(A). Using a hypothetical numerical example, explain the process of credit creation by a commercial bank. OR (B). "Central Bank acts as the banker to the government." Elaborate the given statement and also explain one more function of central bank.</p>	4
14.	<p>Find Net Value added at market price : (i) Output sold (units) 800 (ii) Price per unit of output (Rs.) 20</p>	4

(iii) Exercise = 1600
 (iv) Transport = 400
 (v) $\Delta S = -500$
 (vi) Depⁿ = 1000

	(vii) Intermediate cost (Rs.)	8000	
15.	How will you treat the following while estimating national income of India? Give reasons.		4
	<ol style="list-style-type: none"> 1. Dividend received by an Indian from his investment in shares of a foreign company. 2. Money received by a family in India from relatives working abroad. 3. Interest received on loans given to a friend for purchasing a car. 4. Dividend received by a foreigner from investment in shares of an Indian company. 		

16.	Calculate National Income by income and expenditure method:		6
		(Rs. in Crores)	
(i)	Subsidies	5	
(ii)	Private final consumption expenditure	100	
(iii)	NFLA	(-) 10	
(iv)	Indirect Tax	25	
(v)	Rent	5	
(vi)	Government final consumption expenditure	20	
(vii)	Net domestic fixed capital formation	30	
(viii)	Operating surplus	20	
(ix)	Wages	.50	
(x)	Net export	(-) 5	
(xi)	Addition to stock	(-) 5	
(xii)	Social security contribution by employers	10	
(xiii)	Mixed income	40	

17.	<p>Read the following case carefully and answer the questions that follow:</p> <p>Ravi, a farmer from a village in Uttar Pradesh, sells his wheat to a local trader and receives payment in the form of <u>rs500</u> currency notes. He uses this money to buy seeds and fertilizer from the market, pay wages to laborers, and buy groceries for his household. Earlier, when money was not used, he had to exchange his wheat for other goods through the barter system. Sometimes, he found it difficult to find someone who wanted wheat in exchange for what he needed.</p> <p>The introduction of money has made his transactions easier and more efficient. Now he can store value, make deferred payments, and measure the value of goods and services conveniently.</p> <p>Answer the following questions:</p> <p>A) What problem did Ravi face under the barter system? Name the function of money that solves this issue.</p> <p>B) Identify and explain any two functions of money that helped Ravi in his transactions.</p> <p>C) What is meant by 'store of value'? How does money help in this regard?</p>	(2-2-2)
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SECTION B – INDIAN ECONOMIC DEVELOPMENT

18.	<p>_____ was the predecessor organisation to World Trade Organisation (WTO). (Choose the correct alternative)</p> <ol style="list-style-type: none"> a) International Bank for Reconstruction and Development (IBRD) b) International Monetary Fund (IMF) c) Reserve Bank of India (RBI) d) General Agreement on Tariffs and Trade (GATT) 	
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Column
 (A) A
 (B) B
 (C) C

19.	<p>The institutional structure of rural banking in contemporary India consists of a set of multi-agency institutions, namely, _____. (Choose the correct option to fill up the blank)</p> <p>(i) Regional Rural Banks (ii) Cooperative Banks (iii) Land Development Banks (iv) Commercial Banks</p> <p>Options:</p> <p>a) (i) and (iv) b) (i), (iii) and (iv) c) (i), (ii) and (iii) d) (i), (ii), (iii), and (iv)</p>	
20.	<p>Owing to the efforts of the _____, the Indian government-initiated modernisation of informal sector enterprises. (Choose the correct option to fill up the blank)</p> <p>a) World Trade Organisation b) International Labour Organisation c) Central Statistical Office d) International Monetary Fund</p>	1
21.	<p>The failure of the "License Raj" in achieving rapid economic growth was mainly due to:</p> <p>a) Overinvestment in infrastructure b) Excessive regulation and bureaucratic hurdles c) High foreign direct investment d) Export dependence</p>	1
22.	<p>Which of the following is not a benefit of organic farming ?</p> <p>a) Cheaper inputs b) Attractive returns on investment c) Greater import possibilities d) Higher nutritional value</p>	1
23.	<p>The term 'casualisation of employment' refers to:</p> <p>a) Increasing government employment b) Movement from informal to formal jobs c) Rise in temporary, insecure jobs without benefits d) Rising unemployment in urban areas</p>	1
24.	<p>Read the following statements carefully: Statement 1: Human capital formation refers to the process of acquiring and increasing the number of skilled people. Statement 2: Migration leads to human capital formation in the source country.</p> <p>In light of the given statements, choose the correct option from the following</p> <p>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.</p>	1
25.	<p>From the set of terms given in Column I and corresponding facts given in Column II, choose the correct pair of statements:</p>	1

leadership on the global stage in terms of economic growth, social justice and equality. Thus, it presents the best way forward for developing and optimising India's resources. To attain the goals of education, NEP 2020 unequivocally endorses a substantial increase in public investment in education by both the Central government and all State governments. This is considered extremely critical for achieving the high-quality and equitable public education system that is truly needed for India's future progress and growth. To achieve this, they need to increase the public investment in Education sector to reach 6% of GDP at the earliest.

One of the primary goals of the schooling system must be to ensure that children are enrolled in and are attending school. As per the 75th round household survey by NSSO in 2017-18, the number of out of school children in the age group of 6 to 17 years is 3.22 crore. With a goal to achieve 100% Gross Enrolment Ratio in preschool to secondary level by 2030, it will be a top priority to bring these children back into the educational fold as early as possible, and to prevent further students from dropping out. For the same, two initiatives that will be undertaken are to provide:

- c. effective and sufficient infrastructure, so that all students have access to safe and engaging school education at all levels from pre-primary school to Grade 12.
- regular trained teachers at each stage, special care shall be taken to ensure that no school remains deficient on infrastructure support)

Source:

https://www.education.gov.in/sites/upload_files/mhrd/files/NEP_Final_English.pdf
 (adapted and modified)

On the basis of the given text and common understanding, answer the following questions:

- A) "Education is considered fundamental for achieving full human potential". Justify the given statement with valid arguments.
 B) Discuss the importance of increasing public expenditure in education.
 C) State any two main initiatives that may be implemented to tackle school dropouts and avert additional students from leaving school.

34.1	<p>(A) "Government made a fresh statement of policy on the 30th April, 1956 which will help speeding up industrialisation and, in particular, to develop heavy industries and machine making industries, to expand the public sector, and to build up a large and growing co-operative sector".</p> <p>Source: http://164.100.161.239/plans/planrel/fiveyr/index2.html (Planning Commission). In the light of the given text and common understanding, comment upon the classification of industries under the revised policy.</p> <p>(B) "The implementation of land ceiling legislation in India encountered several challenges that hindered its effectiveness." Do you agree with the given statement? Give valid reasons in support of your answer.</p>	3+3
OR		
34.2	<p>(A) "The process of globalisation through liberalisation and privatisation has produced positive, as well as, negative results for India." Do you agree with the given statement? Give valid explanation in support of your answer.</p> <p>(B) "The Government of India was compelled to introduce the economic reforms of 1991." State any two reasons behind the introduction of Economic Reforms of 1991.</p>	4-2

Satyam
 21/9/22
 Harry
 (1107)/01/09/22

Q.34 Prepare a two Column cash book

(6)

2025	
Jan. 1	Cash in hand ₹5,600. bank overdraft ₹4,000
Jan 2.	Goods Purchased from Shyam ₹12,000
Jan 3.	Paid into bank ₹600
Jan 11.	Joginder who owned us ₹1,200 became bankrupt and paid as 50 paise per rupee.
Jan 15.	Withdrew from Bank for private expenses ₹300
Jan 20.	Received repayment of loan ₹8,000 and deposited out of it ₹6,000 in Bank.
Jan 20.	Paid Salary By Cheque ₹200
Jan 20.	Bank Debited the Interest ₹1,300
Jan 22.	Paid cheque to Shyam ₹10,500 in full settlement

OR

The transactions for the month of March 2025 of M/s Subhash & Co. are furnished here as under: You are required to enter the same in an appropriate Cash Book:

2025	
March 1	Cash in hand ₹1,415 and Cash at Bank ₹3,530
March 2	Paid wages by cheque ₹350
March 5	Sold Goods to Shyam Lal ₹25,000
March 15	Receivable ₹430 by cheque from Krishna and allowed him discount ₹70
March 16	Paid cheque to Mohan ₹500 in full settlement of his account ₹515
March 18	Cash Sales amounted to ₹2,150
March 20	Bought furniture for ₹800, paid by cheque.
March 22	Bank credited the account with ₹1,200 for interest
March 30	Deposited cash into Bank ₹800