## **SAMPLE QUESTION PAPER (2023-24)**

## ECONOMICS (030) CLASS XII

TIME: 3 HOURS M.M. – 80

## **GENERAL INSTRUCTIONS:**

1. This question paper contains two sections:

Section A – Macro Economics

Section B – Indian Economic Development

- 2. This paper contains 20 Multiple Choice Questions of 1 mark each.
- 3. This paper contains 4 Short Answer Questions of 3 marks each to be answered in 60 to 80 words.
- 4. This paper contains 6 Short Answer Questions of 4 marks each to be answered in 80 to 100 words.
- 5. This paper contains 4 Long Answer Questions of 6 marks each to be answered in 100 to 150 words.

Q.NO.	SECTION A – MACRO ECONOMICS	MARKS
1	Read the following statements carefully:  Statement 1: Consumption function assumes that, consumption changes at a constant rate as income changes.  Statement 2: Autonomous consumption is the ratio of total consumption (C) to total income (Y).  In light of the given statements, choose the correct alternative from the following:  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.	1
2	For a closed economy (with no foreign trade), which one of the following is correct?  a) GDP = GNP b) GDP > GNP c) GDP < GNP d) GDP + GNP=0	1
3	The value of can be greater than one.  (Choose the correct alternative to fill up the blank)  a) Marginal Propensity to Consume  c) Marginal Propensity to Save  d) Average Propensity to Save	1
4	As per the Reserve Bank of India (RBI) press report, dated 29th December, 2022:  "Net external commercial borrowings to India recorded an outflow of US\$ 0.4 billion in the second quarter (2022-23)"  The above transaction will be recorded in the account on side of Balance of payments account of India. (Choose the correct alternative to fill up the blanks)  a) current, credit	1

5	"The value of all goods and services can be expressed in monetary units."  On the basis of the given statement, identify the function performed by money:  a) Medium of exchange  b) Store of Value						
	c) Unit of a	_	, <b>C</b>	,	dard of deferred payments		1
6	Find the mi	ssing figure	es and choose	e the correct altern	native:		
		Round	Deposits	Loans (80%)	Reserve Ratio (20%)		
		I	1,000	800	200		
		II	800	(i)	160		
		Total	(ii)	(iii)	(iv)		
	Alternatives a) 640,100 c) 640,400	0,4000,500		,	000,4000,1000 00,4000,1000		1
7	a) consum b) consum c) investm	nd aption, savir aption, investion, saving	function. ng stment	(Choose the corre	obtained by vertically ct alternative to fill up the	-	1
8	economy.  I. Im II. Ex III. Re	aports of vis aports of invenittances burchase of as b) II as	sibles visibles by residents v ssets abroad nd III	y affect the demar	nd for foreign exchange in	an	1
9	*	1Y crore Saving Fund	ction, Y = Na	oe ₹ crore.	d I = Investment Expendit correct alternative to fill	ŕ	

	Alternatives: a) 4,000 b) 40,000	1	
	c) 40,600 d) 60,400	1	
10	Read the following chart carefully and choose the correct alternative:  Capital Account  External Borrowings  Assistance  Direct Investment		
	<ul><li>a) Interest received on loans</li><li>b) Multilateral Loans</li><li>c) Portfolio Investment</li><li>d) Government Aid</li></ul>	1	
11	Current account deficit in an economy must be financed by a corresponding capital account urplus'.  Do you agree with the given statement? Give valid reason(s) in support of your answer.	3	
12	(A) On the basis of the given data, estimate the value of Domestic Income:		
	S. No. Items Amount (₹in crore)		
	i. Household Consumption Expenditure 600		
	ii. Gross Fixed Capital Formation 200		
	iii. Change in stock 40	3	
	iv. Government Final Consumption Expenditure 200		
	v. Net Exports (-)40		
	vi. Net Indirect Taxes 120		
	vii. Net Factor Income From Abroad 20		
	viii. Consumption of Fixed Capital 40		
	OR  B) State the meanings of the following:  (i) Externalities  (ii) Operating Surplus  (iii) Consumption Goods	3	
13	For a hypothetical economy, the government incurs an investment expenditure of ₹ 1,000 rore. If the value of Marginal Propensity to Save (MPS) falls from 0.25 to 0.10. Calculate the value of increase in income due to change in the value of Marginal Propensity to Save (MPS).	4	

14	` ′		y, ex-ante Aggregate Demand is more ble impact of the same, on the level of <b>OR</b>	66 6	* * *	4
	commercia	l banks t	ective to reduce inflation, Reserved park their surplus funds with it." le behind the step taken by the Reserved	• •	omote the	4
15	Elaborate ti India.	he 'Bank	xer's Bank and Supervisor' function	performed by the Reserve E	Bank of	4
16	<ul> <li>(A) On the basis of the given information, calculate the value of:</li> <li>(i) Fiscal deficit</li> <li>(ii) Primary deficit</li> </ul>			3 2		
	()	S.No.	Items	2021-22		
			Teems	(₹in crore)		
		(i)	Revenue Receipts	20		
		(ii)	Capital Expenditure	15		
		(iii)	Revenue Deficit	10		
		(iv)	Non-debt creating capital receipts	50% of revenue receipts		
		(v)	Interest Payments	4		
	(B) State an	ny two fe	eatures of public goods.			1
			OR			
	(C) Explai	n the eco	onomic stability objective of Govern	ment Budget.		3
	economica	lly backy	ward section of the society'.  ss the nature of the government	•		3
17	(a) Giving	valid r	easons, explain how the following	would be treated while	estimating	
	domestic ir					
		•	made by American tourist for goods	•		3
	(ii)	I omatoe	s grown by Ms. Puja in her kitchen g	garden.		
	` '	-	nased by a firm is always a capital lid reasons for your answer.	good." Do you agree with	the given	3
		SECT	TION B – INDIAN ECONOM	IIC DEVELOPMENT		
18	•		combination of the 'Goals of Indian ity, Modernisation, Self-Reliance	Five Year Plans':		
	b) Devel	opment,	Equality, Modernisation, Sustainabi	lity		
	c) Good	Health, l	Education, Modernisation, Sustainab	oility		
	d) Growt	h, Equity	, Modernisation, Self-Reliance			1

19	'China has performed exceedingly well in various health and economic indicators'.  Identify which of the following is not a health indicator?  a) Infant Mortality Rate (per 1000 live births)  b) Life Expectancy at Birth (years)  c) Percentage of people below poverty line (National)	
	d) Maternal Mortality Rate (per 1 lakh births)	1
20	The shackles of agriculture during the colonial rule were permanently broken by the Green Revolution that resulted from the application of (Choose the correct alternative to fill up the blank)  I. High Yielding Varieties (HYV)  II. Mechanization of Agriculture  III. Chemical Fertilizers and Pesticides  IV. Organic Fertilizers and Pesticides  Alternatives:  a) I, II, IV b) I, II, III  c) II, III, IV d) I, III, IV	1
21	Study the following picture and answer the given question:	
	Province of the Print of the Pr	
	Women in rural households take up bee-keeping as an entrepreneurial activity. Such kind of activities may be envisaged under as diversification activity.	
	(Choose the correct alternative to fill up the blank)	
	a) Animal husbandry b) Fisheries c) Horticulture d) Poultry	1
22	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below.  Assertion (A): In 1991, as an immediate measure to resolve the Balance of Payments crisis, the rupee was devalued against foreign currencies.  Reason (R): Devaluation of currency was eminent, to replenish the deteriorated foreign exchange reserves.  Alternatives:  a)Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of	
	Assertion (A). b) Both Assertion (A) and Reason (R) are true, but Reason (R) is <i>not</i> the correct explanation of Assertion (A).	
	c) Assertion (A) is true, but Reason (R) is false. d) Assertion (A) is false, but Reason (R) is true.	1

23	Under in China, farmers and industri quantities of inputs and outputs on the basis of purchased and sold at market prices.	al units were required to buy and sell fixed prices fixed by the government and the rest	
		se the correct alternative to fill up the blank)	
	a) Commune System b) Great Lea	- · · · · · · · · · · · · · · · · · · ·	1
	c) Dual Pricing d) Great Prol	etarian Cultural Revolution	_
24	Micro credit programmes play a vital role in eneconomy as they(Choose the correction of the cor	-	
	a) (i) and (ii) b) (ii) and (iii)		1
	c) (i) and (iii) d) (i), (ii) and (iii)		
25	social and political decision making.	extent of demographic participation in the	
		se the correct alternative to fill up the blank) perty indicator	
		mographic indicator	1
	e) freuith mareator	mograpme mareator	1
26	Read the following statements carefully:  Statement 1: The nature of unemployment problem in India is uni-faceted.  Statement 2: Worker-Population ratio is an indicator used for analysing the employment situation in a country.  In light of the given statements, choose the correct alternative from the following:  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		1
27	From the set of the events given in column I and choose the correct pair of statements:	corresponding facts given in Column II,	
	Column I	Column II	
	A. Adoption of mixed economic I.	The common development policy of	
	system	India and China	
	B. Introduction of economic II. reforms in China	Imposed by World Bank	
	C. Great Leap Forward Campaign III.	Focussed on massive industrialization	
	D. First Five Year Plan of Pakistan IV.	Announced in 1953	
	Alternatives:		
	a) A-I b) B-II		1
	c) C-III d) D-IV		•

28	(A) "During the colonial period, a number of socio-economic indicators were in a dilapidated state."  List any three such indicators that led to the worsening of India's demographic profile.	3
	OR  (B) "The pre-independent India's occupational structure experienced growing regional variation."  Justify the above statement with valid explanation.	3
29	"Ravya was initially working as an office clerk in a firm. In the pursuit to attain, a higher position and income, she attended a few on-the-job training sessions. These sessions contributed positively to her skills and expertise."  Explain the impact of Ravya's decision on human capital formation.	3
30	"In the late 1970s, China introduced the One-child policy that led to arrest in the population coupled with skewed sex ratio."  Justify the given statement with valid arguments in support of your answer.	4
31	(A) State and elaborate whether the following statements are true or false, with valid arguments:	
	<ul> <li>(i) Agricultural marketing is a process that ensures the transportation of various agricultural commodities only.</li> <li>(ii) Jan-Dhan Yojana has been a crucial step for financial resource mobilization in the Ladion commodities.</li> </ul>	2 2
	OR  (B) "Since independence, the government has been playing an important role in generating employment directly or indirectly." Discuss.	4
32	Identify the situation depicted in the given image. Suggest the impact of the indicated situation, on the Indian economy.	4
33	(A) Green revolution transformed India from a subsistent food grain economy to a food surplus economy."  Justify the statement, giving reasons in support of your answer.	3
	(B) "In order to protect domestic industries, India followed the regime of restrictions on imports."	3

Briefly outline and discuss such steps taken by the government to promote import substitution policy. OR (C) "In India, after 1947 land reforms were introduced on a large scale." 3 In the light of the given statement, discuss any one such land reform. (D) "In the post-reform period, the Government of India decided to retain profit-making Public Sector Undertakings (PSUs). It provided a special status to PSUs to enable them to 3 expand in the global market." Do you agree with the given statement? Give valid reasons in support of your answer. 34 Read the following text carefully: Sustainable development is the development that meets the needs of the present, without compromising the ability of future generations to meet their own needs. India is critical in determining the success in a pursuit to achieve sustainable development. The Union Budget 2023 presented by Finance Minister Nirmala Sitharaman builds on India's commitment to lead the global action against climate change, preserve biodiversity and support sustainable development. The government has accelerated the pace of Green Growth as India is facing the grave reality of depleting natural resources, limited supply of water, minerals, and fossil fuels. In a bid to counter the climate threat, India has committed to achieving net zero by 2070; released a low-carbon development strategy; and introduced the concept of 'LiFE' (Lifestyle for Environment) to promote responsible consumption. The Green Growth actions include several pointed measures that would facilitate the muchneeded steady decarbonization of Indian industries, reduce dependency on fossil fuel imports and establish technology and market leadership in this sunrise sector. For instance: The allocation of Rs 35,000 crore of priority capital investment towards achieving net zero by 2070 and clean energy transition ensures the country's energy security. The outlay of Rs 19,700 crore for the Green Hydrogen Mission will mobilise a green hydrogen production capacity of 5 metric million tonnes by 2030. Moreover, to encourage the optimal use of wetlands, enhance biodiversity, carbon stock, eco-tourism opportunities and income generation for local communities, the Amrit Dharohar scheme will be implemented over three years. Source: https://economictimes.indiatimes.com/industry/renewables/view-budget-2023-ensured-india-is-primed-for-green-growth On the basis of the given text and common understanding, answer the following questions:

(ii) Briefly elaborate, any two reasons behind the objective of Green Growth being set up by

(i) Define sustainable development.

the Indian Government.