



Date:1/12/23  
GRADE: XII

MODEL 1 EXAMINATION (2023-24)  
ECONOMICS (code 030)

Max marks: 80  
Time: 3 Hour

**General Instructions:**

- The question paper contains two sections:  
Section A- Macro Economics  
Section B – Indian Economic Development
- This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
- This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
- This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80-100 words.
- This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.

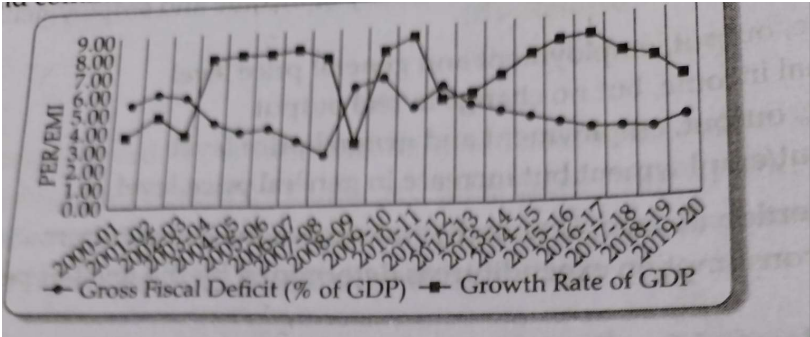
Qn. No	SECTION A	Marks allocated
1	<p>If in an economy the value of Net factor Income from abroad is Rs.200crores and the value of Factor income from abroad is Rs.40crores. Identify the value of Factor Income from Abroad.</p> <p>a. Rs.200crores    c. Rs.240crores b. Rs.160crores    d. Rs.180crores</p> <p style="text-align: center;">OR</p> <p>Read the following statements 1 and 2 and choose the correct alternatives: Statement 1: Payment of interest by a government firm is included in the National Income. Statement 2 : Festival gifts to employees is not included in the National Income.</p> <p>a. Both statements are true                  b. Only statement 1 is true b. Both statements are false                  c. Only statement 2 is true</p>	1

2	<p>In the present COVID-19 Times many economists have raised their concerns that Indian economy may have to face a deflationary situation, due to reduced economic activities in the country. Suppose you are a member of the high powered committee constituted by the Reserve Bank of India (RBI) you have suggested that as the supervisor of commercial banks ----- of the money supply be ensured by the Reserve Bank of India (RBI) (Choose the correct alternatives)</p> <p>a. restriction b. release c. both a and b d. neither a nor b</p> <p>OR</p>	1										
	<p>Supply of money refers to ----- (Choose the correct alternative)</p> <p>a. Currency held by public b. Currency held by Reserve Bank of India c. Currency held by the public and demand deposits with commercial banks d. Currency held in the government account</p>											
3	<p>Read the following sentences. Assertion (A) and Reason (R) and choose the correct alternative:</p> <p><b>Assertion:</b> A fall in saving rates offered by banks decreases money supply with public.</p> <p><b>Reason:</b> Saving rates or Bank rates are the quantitative credit control measure used by the Central Bank to control the supply of money with the public.</p> <p><b>Alternatives:</b></p> <p>a. Both assertion and reason are correct and reason is the Correct explanation of reason b. Both assertion and reason are correct and reason is not the correct explanation of assertion. c. Assertion is true but reason is false d. Assertion is false but reason is true.</p>	1										
4	<p>Identify the correct pair of formula from the following column I and II. Choose the correct alternative.</p> <table border="1" data-bbox="256 1402 1247 1738"> <thead> <tr> <th data-bbox="256 1402 751 1444"><b>Column A</b></th> <th data-bbox="756 1402 1247 1444"><b>Column B</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="256 1444 751 1514">A. Current Account Surplus</td> <td data-bbox="756 1444 1247 1514">i. Receipts &lt; Payments</td> </tr> <tr> <td data-bbox="256 1514 751 1583">B. Current Account Surplus</td> <td data-bbox="756 1514 1247 1583">ii. Receipts &gt; Payments</td> </tr> <tr> <td data-bbox="256 1583 751 1652">C. Balance Current Account</td> <td data-bbox="756 1583 1247 1652">iii. Receipts = Payments</td> </tr> <tr> <td data-bbox="256 1652 751 1738">D. Current Account Deficit</td> <td data-bbox="756 1652 1247 1738">iv. Receipts <math>\neq</math> Payments</td> </tr> </tbody> </table> <p><b>Alternatives:</b></p> <p>a. A-i b. B-ii c. C-iii d. D-iv</p>	<b>Column A</b>	<b>Column B</b>	A. Current Account Surplus	i. Receipts < Payments	B. Current Account Surplus	ii. Receipts > Payments	C. Balance Current Account	iii. Receipts = Payments	D. Current Account Deficit	iv. Receipts $\neq$ Payments	1
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5	<p>Identify which of the following statements is true? <b>(Choose the correct alternative)</b></p> <ul style="list-style-type: none"> <li>a. The flexible exchange rate system gives the government more flexibility to maintain large stocks of foreign exchange reserves.</li> <li>b. In the managed floating exchange rate system, the government intervenes to buy and sell foreign currencies.</li> <li>c. In the managed floating exchange rate system, the Central Bank intervenes to moderate exchange rate fluctuations.</li> <li>d. In the fixed exchange rate system market forces fix the exchange rate</li> </ul>	1
6	<p>An Indian real estate company receives rent from Google in New York. The transaction would be recorded on ----- side of ---- ----- account. <b>(Fill up the blanks with correct alternative)</b></p> <ul style="list-style-type: none"> <li>a. Credit, current</li> <li>b. Debit, capital</li> <li>c. Credit, capital</li> <li>d. debit, current</li> </ul>	1
7	<p>Cut in repo rate by RBI is likely to ----- the demand for goods and services in the economy (Choose the correct alternative)</p> <ul style="list-style-type: none"> <li>a. Increase</li> <li>b. Decrease</li> <li>c. remains the same</li> <li>d. none of the above</li> </ul>	1
8	<p>The difference by which actual Aggregate Demand exceeds the Aggregate Supply, required to establish full employment equilibrium is known as -----.<b>(choose the correct alternative)</b></p> <ul style="list-style-type: none"> <li>a. Inflationary gap</li> <li>b. Deflationary gap</li> <li>c. deficient demand</li> <li>d. effective demand</li> </ul> <p style="text-align: center;">OR</p> <p>Decrease in Cash Reserve Ratio will lead to -----(Choose the correct alternative)</p> <ul style="list-style-type: none"> <li>a. Fall in aggregate demand</li> <li>b. Rise in aggregate demand</li> <li>c. no change in aggregate demand</li> <li>d. fall in general price level</li> </ul>	1

9	<p>The impact of 'Excess Demand' under Keynesian theory of income and employment , in an economy are : <b>(choose the correct alternative)</b></p> <ol style="list-style-type: none"> <li>a. Decrease in income, output, employment and general price level.</li> <li>b. Decrease in nominal income, but no change in real output</li> <li>c. Increase in income, output, employment and general price level.</li> <li>d. No change in output/employment but increase in general price level</li> </ol>	1
10	<p>Read the following Assertion (A) and Reason(R) and choose the correct alternative:</p> <p><b>Assertion (A) :</b> Private consumption expenditure is determined by the level of personal disposable income of the economy.</p> <p><b>Reason (R) :</b> The total demand for all goods or services by the household in an economy during an accounting year is termed as Private consumption expenditure.</p> <p><b>Alternative :</b></p> <ol style="list-style-type: none"> <li>(A) Both Assertion(A) and Reason (R) are correct and Reason ( R ) is the correct explanation of Assertion (A)</li> <li>(B) Both Assertion ( A) and Reason ( R ) are correct and Reason is not the correct explanation of Assertion (A)</li> <li>(C) Assertion (A) is true but reason ( R) is false.</li> <li>(D) Asssertion (A) is false but Reason ( R) is true.</li> </ol>	1
11	<p>State with valid reason, which of the following statements are true or false:</p> <ol style="list-style-type: none"> <li>(i) Gross value added at market price and Gross domestic product at market price are one and the same thing.</li> <li>(ii) Intermediate goods are always durable in nature</li> </ol>	3
12	<p>State giving valid reasons, whether the following statements are True or false:</p> <ol style="list-style-type: none"> <li>(i) Current account in Balance of Payments records only the exports and imports of goods and services.</li> <li>(ii) Borrowings from abroad are recorded in the Capital Account of the Balance of Payments on the debit side.</li> </ol> <p style="text-align: center;">OR</p> <p>Trade deficit must exist if a country is facing a situation of Current Account Deficit- Defend or refute the statement with valid arguments.</p>	3


13	<p>(i) Define money multiplier.</p> <p>(ii) 'Credit creation is inversely related to the reserve deposit ratio'. Justify the given statement using a hypothetical example.</p>	1 3
14	<p>In an economy <math>C=200+0.5Y</math> is the consumption function where <math>c</math> is the consumption expenditure and <math>Y</math> is the national income. Investment expenditure is Rs.400cr. Is the economy in equilibrium at an income level Rs.1500cr. Justify your answer.</p> <p style="text-align: center;">OR</p> <p>Define:</p> <p>i. Ex-ante savings</p> <p>ii. Full employment</p>	4
15	<p>"India's GDP contracted 23.9% in the April-June quarter of 2020-21 as compared to same period of 2019-20, suggesting that the lockdown has hit the economy hard"</p> <p style="text-align: center;"><b>The Hindustan Times, 1<sup>st</sup> September, 2020</b></p> <p>State and discuss any two fiscal measures that may be taken by the Government of India to correct the situation indicated in the above news report.</p>	4
16	<p>Suppose the Gross Domestic Product (GDP) of Nation X was Rs.2000cr.in 2018-19, whereas the Gross Domestic Product (GDP) of Nation Y in the same year was Rs.1,20,000cr. If the GDP of Nation X rises to Rs.4000 cr. In 2019-20 and the GDP of Nation Y rises to Rs.2,00,000cr.in 2019-20. Compare the rate of change of GDP of Nations X and Y taking 2018-19 as base year.</p> <p style="text-align: center;">OR</p> <p>i. Domestic /household services performed by a woman may not be considered as an economic activity- Defend or refute the given statement with valid reason.</p> <p>ii. Compensation to the victims of a cyclone is an example of a welfare measure taken by the government- State with valid reason should it be included/not included in the estimation of national income of India.</p>	6 3 3

17	<p>(i) Elaborate the objective of allocation of resources in the Government Budget.</p> <p>(ii) Study the graph and comment on it</p> 	3+3
<b>SECTION B</b>		
18	<p>Read the following statements 1 and 2 and choose the correct alternative</p> <p><b>Statement 1:</b> Under economic reforms of privatization the business and production units were given freedom to import capital goods to upgrade their technology.</p> <p><b>Statement 2 :</b> Under economic reforms of liberalization the need for licensing was abolished.</p> <p>a. Both statements are true      c. Only statement 1 is true b. Both statements are false      d. Only statement 2 is true</p>	1
19	<p><b>Read the following statements- Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</b></p> <p><b>Assertion (A) :</b> India became an exporter of primary products and an importer of finished consumer and capital goods produced in Britain.</p> <p><b>Reason ( R ) :</b> Restrictive policies of commodity production, trade and tariff pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade.</p> <p>Alternatives:</p> <p>a. Both Assertion ( A ) and Reason ( R ) are true and Reason ( R ) is the correct explanation of Assertion ( A )</p> <p>b. Both Assertion ( A ) and Reason ( R ) are true and Reason ( R ) is not the correct explanation of Assertion ( A ).</p> <p>c. Assertion ( A ) is true but Reason( R ) is false</p> <p>d. Assertion ( A ) is false but Reason ( R ) is true</p>	1

20	<p><b>Read the following statements-Assertion ( A ) and Reason ( R ).</b></p> <p><b>Choose one of the correct alternatives given below:</b></p> <p><b>Assertion ( A ):</b> The major policy initiatives i.e., land reforms and green revolution helped India to become self-sufficient in food grain production.</p> <p><b>Reason ( R ):</b> The proportion of people depending on agriculture did not decline as expected,</p> <p>Alternatives:</p> <ol style="list-style-type: none"> <li>Both Assertion ( A ) and Reason ( R ) are true and Reason ( R ) is the correct explanation of Assertion ( A )</li> <li>Both Assertion ( A ) and Reason ( R ) are true and Reason ( R ) is not the correct explanation of Assertion ( A )</li> <li>Assertion ( A ) is true but Reason ( R ) is false</li> <li>Assertion ( A ) is false but Reason ( R ) is true</li> </ol> <p style="text-align: center;">OR</p> <p>Read the following statement- Assertion ( A ) and Reason ( R ) .</p> <p>Choose one of the correct alternatives given below:</p> <p><b>Assertion ( A ):</b> India became an exporter of primary products and an importer of finished consumer and capital goods produced in Britain.</p> <p><b>Reason ( R ):</b> Restrictive policies of commodity production, trade and tariff pursued by the colonial government adversely affected the structure , composition and volume of India's foreign trade.</p> <p>Alternatives:</p> <ol style="list-style-type: none"> <li>Both Assertion ( A ) and Reason ( R ) are true and Reason ( R ) is the correct explanation of Assertion ( A )</li> <li>Both Assertion ( A ) and Reason ( R ) are true and Reason ( R ) is not the correct explanation of Assertion ( A )</li> <li>Assertion ( A ) is true but Reason ( R ) is false</li> <li>Assertion ( A ) is false but Reason ( R ) is true</li> </ol>	1
21	<p><b>Read the following statements-Assertion ( A ) and Reason ( R ). Choose the correct alternatives given below:</b></p> <p><b>Assertion ( A ) :</b> Every year government fixes a target for disinvestment of Public Sector Enterprises (PSEs)</p> <p><b>Reason ( R ) :</b> Disinvestment is an excellent tool for discarding the loss incurring Public Sector Enterprises (PSEs)</p> <p><b>Alternatives:</b></p> <ol style="list-style-type: none"> <li>Both Assertion ( A ) and Reason ( R ) are true and Reason ( R ) is the correct explanation of Assertion ( A )</li> <li>Both Assertion ( A ) and Reason ( R ) are true and Reason ( R ) is not the correct explanation of Assertion ( A )</li> <li>Assertion ( A ) is true but Reason ( R ) is false</li> <li>Assertion ( A ) is false but Reason ( R ) is true</li> </ol>	1





	<p>Identify the incorrect statement from the following ( Choose the correct alternative)</p> <ol style="list-style-type: none"> <li>Diversification in agriculture sector provides sustainable livelihood options to rural population</li> <li>Diversification includes change in cropping pattern , shift in workforce from agriculture to other allied activities and non-agriculture sector.</li> <li>Objective of investment in new agricultural avenues( non-farm activities ) increases financial risks for the rural population.</li> <li>Diversification reduces the proportion of unemployed population in rural areas to considerable limits.</li> </ol>	
28	<p>Interpret the given picture on account of education to farmers and its impact on their productivity</p> <div style="text-align: center;">  </div> <p style="text-align: center;">OR</p> <p>Discuss any two steps taken by the government in the direction of improving agricultural marketing system in India, since Independence.</p>	3
29	<p>Discuss briefly the concept of informalization of workforce in the context of Indian economy.</p>	3
30	<p>"Agricultural sector appears to be adversely affected by the economic reform process". Explain the given statement</p>	4

31	<p>“Atmanirbhar Bharat” had been at the roots of the Indian planning process in the form of ‘self-reliance’ as an objective of the planning Process. Do you agree with the given statement? Justify the rationale of the given statement</p> <p style="text-align: center;">OR</p> <p>Discuss briefly any two major steps taken by the Government of India on ‘Financial Sector’ front under the Economic Reforms of 1991</p>	4    4																
32	<p>Compare and analyse the given data of India and China with valid arguments. Annual Growth of Gross Domestic Product (%), 1980-2017</p> <table border="1" data-bbox="256 590 1295 741"> <thead> <tr> <th>Country</th> <th>1980-90</th> <th>2015-2017</th> </tr> </thead> <tbody> <tr> <td>India</td> <td>5.7</td> <td>7.3</td> </tr> <tr> <td>China</td> <td>10.3</td> <td>6.8</td> </tr> <tr> <td>Pakistan</td> <td>188</td> <td>2.1</td> </tr> </tbody> </table> <p>Source : Key indicators for Asia and Pacific 2016, Asian Development Bank, Philippines, World Development Indicators 2018.</p>	Country	1980-90	2015-2017	India	5.7	7.3	China	10.3	6.8	Pakistan	188	2.1	4				
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33	<p>(i) “If the rate of resource extraction exceeds the rate of generation it leads to reduction in carrying capacity of the environment” Discuss the rationale of the given statement with valid reasons.</p> <p>(ii) How has population explosion and the advent of industrial revolution resulted in environmental crisis?</p> <p style="text-align: center;">OR</p> <p>(i) Why are less women found in regular salaried employment?</p> <p>(ii) Analyse the recent trends in sectoral distribution of workforce in India Trends in Employment Pattern (Sector-wise) 1993-2012 ( in %)</p> <table border="1" data-bbox="256 1346 1295 1497"> <thead> <tr> <th>Sector</th> <th>1993-94</th> <th>1999-2000</th> <th>2011-2012</th> </tr> </thead> <tbody> <tr> <td>Primary</td> <td>64</td> <td>60.4</td> <td>24.3</td> </tr> <tr> <td>Secondary</td> <td>16</td> <td>15.8</td> <td>24.3</td> </tr> <tr> <td>Services</td> <td>20</td> <td>23.8</td> <td>26.8</td> </tr> </tbody> </table>	Sector	1993-94	1999-2000	2011-2012	Primary	64	60.4	24.3	Secondary	16	15.8	24.3	Services	20	23.8	26.8	3  3  2  4
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34	<p>Read the hypothetical case study given below and answer the question that follows:</p> <p>Prime Minister Narendra Modi on Monday virtually transferred about Rs.19,500 crore to over 9.75 crore beneficiaries farmers under the government's PM-KISAN scheme. With this, the government has so far transferred nine installments amounting around Rs.1.57lakh crore to farmer families under the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)scheme.</p> <p>After the release of the amount, the Prime Minister interacted with beneficiaries of this scheme from across the country. An annual financial benefit of Rs.6000 is provided to eligible beneficiary farmer families, payable in three equal four-monthly of installments of Rs.2000 each, under the PM-KISAN scheme</p>	
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	<p>The scheme was announced in February 2019 in the Budget. The first installment was for December 2018- March 2019 period. The fund is transferred directly to the bank accounts of the beneficiaries. Addressing the virtual event in the presence of the Prime Minister, Agriculture Minister Narendra Singh Tomar said that before the ninth installment, the central government had disbursed about Rs.1.37 lakh crore to around 11 crore beneficiaries under the scheme.</p> <p>The government has linked 2.28cr.PM-KISAN beneficiaries with Kisan Credit Card scheme, under which they have been able to avail loan upto Rs.2.32.lakh crore so far.</p> <p>He also said the farmers have worked hard despite challenges of COVID-19 and ensured bumper production last year. Better output is expected in the coming days due to continued farmer's effort.</p> <p>Expressing concern over shortage of edible oils and pulses, Tomar said the government is focusing on boosting the domestic production through several schemes so that the country's dependence on imports decreases.</p> <p>Union Ministers of State for Agriculture Kailash Choudhary and Sobha Karandlaje as well as Agriculture Secretary Sanjay Aggarwal were among state ministers and officials present in the event</p> <p>-PM transfers about Rs.19,500cr. To over 9.75 cr. Farmers under PM-KISAN-The Economic Times-Aug09,2023.</p> <p>a. What is the above article talking about? What is the main aim of the scheme talked about in the above article?</p> <p>b. How will the scheme help the farmers?</p>	<p>3</p> <p>3</p>
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