



Date:6/11/23
GRADE: XII

MONTHLY TEST -03 (2022-23)
ECONOMICS (code 030)

Max marks: 20
Time: 1 Hour

General Instructions:

- There are 11 questions in the question paper. All questions are compulsory.

Qn No		Marks allocate d
1	Which of the following item will not be included while calculating NDP at market price? a. Private Final Consumption Expenditure b. Consumption of Fixed Capital c. Government Final Consumption Expenditure d. Net Exports	1
2	National Income = Domestic Income, when a. NFIA is positive b. NFIA is zero c. NFIA is negative d. None of the above	1
3	Mr. Kishan , an economics teacher was explaining the concept of 'sometimes commercial banks are in need of funds in emergency And this happens in times when banks suffer the crisis of confidence of its depositors From the following choose the correct alternative which specifies the function of central bank explained by him a. Issue of currency b. Lender of last resort c. Banker's bank d. Banker to the government	1
4	Reserve Bank of India imposes Rs.25 lakh penalty on Axis Bank for violating KYC rules-September1,2020. A person read this headline and wondered which of the following functions, RBI has performed while doing this? a. Banker to the government b. Banker's bank and supervision c. Custodian of FOREX d. Controller of money supply	1
5	The Tata Iron and Steel Company was incorporated in 1947 Defend and Refute 1907	1
6	India remained a poor nation due to steady----- by Britain. Deindustrialisation	1

7	<p>Giving reasons explain how should the following be treated in the estimation of national income</p> <ol style="list-style-type: none"> Non-marketable goods Purchase of refrigerator by a firm for own use <p>Ans</p> <ol style="list-style-type: none"> It refers to the production for self-consumption and its value should be included in imputed form It is treated as investment expenditure and will be included in estimating national income 	2																
8	<p>What is money multiplier? What determines the value of this multiplier?</p> <p>Money multiplier indicates the maximum amount of additional money that the commercial banks can legally create.</p> <p>It is determined by the formula $k=1/CRR$</p> <p>Where CRR is the percentage of deposits which a bank must keep as cash reserves with itself. For eg. If CRR =10% of deposits, the credit multiplier=$1/10\%=10$</p> <p>This implies that the commercial banks can create credit 10 times of their additional cash reserves.</p> <p>The determination of the value of money multiplier is based upon the value of CRR. Higher CRR lower the volume of credit creation and vice -versa</p>	3																
9	<p>Underscore some of India's most crucial economic challenges at the time of independence</p> <ol style="list-style-type: none"> Inadequate infrastructural facilities Industrialisation inadequate Agricultural sector stagnant and backward In occupational sector agricultural sector was predominant High infant mortality, low life expectancy and literacy Widespread poverty 	3																
10	<p>Find the national income from the following using expenditure method:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 60%;">Particulars</th> <th style="text-align: right; width: 40%;">Rs. In crores</th> </tr> </thead> <tbody> <tr> <td>1. Current transfer from rest of the world</td> <td style="text-align: right;">50</td> </tr> <tr> <td>2. Net indirect taxes</td> <td style="text-align: right;">100</td> </tr> <tr> <td>3. Net exports</td> <td style="text-align: right;">-25</td> </tr> <tr> <td>4. rent</td> <td style="text-align: right;">90</td> </tr> <tr> <td>5. Private final consumption expenditure</td> <td style="text-align: right;">900</td> </tr> <tr> <td>6. Net domestic capital formation</td> <td style="text-align: right;">200</td> </tr> <tr> <td>7. Compensation of employees</td> <td style="text-align: right;">500</td> </tr> </tbody> </table>	Particulars	Rs. In crores	1. Current transfer from rest of the world	50	2. Net indirect taxes	100	3. Net exports	-25	4. rent	90	5. Private final consumption expenditure	900	6. Net domestic capital formation	200	7. Compensation of employees	500	1
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	8. Net factor income from abroad -10 9. Government final consumption expenditure 400 10. profit 220 11. Mixed income of self employed 400 12. interest 230 <p style="text-align: right;">NDPmp=1475 NNPfc=1365</p>	
11	Explain the role of any 3 quantitative measures in controlling credit or money supply Bank rate, repo rate, reverse repo rate, open market operations, varying legal reserve requirements.	3
	THE END	