



**Date: 7/11/24**  
**GRADE: XII**

**MONTHLY TEST -03 (2024-25)**  
**ECONOMICS**

**Max marks: 20**  
**Time: 50 minutes**

General Instructions:

1. There are 9 questions in the question paper. All questions are compulsory.

Qn. No		Marks allocated
1	Managed floating exchange rate	1
2	(a) Statement 1 is true and statement 2 is false	1
3	(c) credit; current account	1
4	(a) (iv),(iii),(ii),(i)	1
5	*Tax on Injurious goods, subsidies to welfare goods *Govt. can use its resources for the production of socially welfare goods	3
6	Subsidies- revenue expenditure , it neither creates assets nor reduces liabilities. Repayment of loan- capital expenditure, it either creates assets or reduces liabilities	3
7	The annual growth rate of population is greater in India , when compared to China.The sex ratio in India is greater than that of China. This is because of the one-child policy followed by China	3
8	I defend this statement as increase in the value of domestic currency will lead to appreciation when compared to foreign currency. The domestic country can purchase more goods and it will attract foreign investment.	3
9	Fiscal deficit in a government budget- Total expenditure-Total revenue It indicates- inflation, country in debt, Ineffecient use of resources.	4
	<b>THE END</b>	