



Date: 7/06/24
GRADE: XII

MONTHLY TEST -01 (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	Which of the following is true for Net National Income? a. The Net National Income is the total of Gross National Product and Depreciation b. The Net National Income is the difference between Gross National Product and Depreciation c. The Net National Income is the difference between Gross Domestic Product and Depreciation d. The Net National Income is the difference between Net Domestic Product and Depreciation	1
2	When Nominal GDP is ₹840 crore and price index is 120, then the real GDP will be . (A) ₹700 Cr (B) ₹900 Cr (C) ₹500 Cr (D) ₹800 Cr	1
3	Read the following dialogue between two people. Ramesh: I want 1 kg of potatoes. Suresh: What will you give in exchange? Ramesh: I can give you two litres of milk in return for the potatoes. Suresh: I don't need milk. I want a pair of shoes. Which of the following problem is being faced by Ramesh and Suresh in their exchange process? (a) Lack of double coincidence of wants (b) Absence of common unit of value (c) Lack of store of value (d) Lack of standard of deferred payment	1

4	<p>Assertion (A): Britishers destroyed the indigenous handicraft market in India.</p> <p>Reason (R): India was made market for British manufactured products.</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
5	<p>(A) "During the colonial period, a number of socio-economic indicators were in a dilapidated state."</p> <p>List any three such indicators that led to the worsening of India's demographic profile.</p> <p>OR</p> <p>(B) "The pre-independent India's occupational structure experienced growing regional variation." Justify the above statement with a valid explanation.</p>	3
6	<p>Suppose in a hypothetical economy there are only two Firms A and B, Firm A sold goods for ₹ 2,000 to Firm B and purchased goods for ₹ 1,000. Firm B exported goods for ₹ 2,500 and had domestic sales of ₹ 1,500. Calculate Net Domestic Product at market price, if consumption of fixed capital is ₹ 200.</p>	3
7	<p>Explain the main components of the money supply.</p> <p>OR</p> <p>Explain the functions of money.</p>	3
8	<p>A) Define Gross Domestic Product (GDP) deflator and discuss its importance</p> <p>B) State and discuss any two precautions to be considered while estimating national income by Expenditure Method.</p>	2 2

9	<p>Keeping in view the continuing hardships faced by banks in terms of social distancing of staff and consequent strains on reporting requirements, the Reserve Bank of India has extended the relaxation of the minimum daily maintenance of the CRR of 80% for up to September 25, 2020. Currently, CRR is 3% and SLR is 18.50%.</p> <p>“As announced in the Statement of Development and Regulatory Policies of March 27, 2020, the minimum daily maintenance of CRR was reduced from 90% of the prescribed CRR to 80% effective the fortnight beginning March 28, 2020 till June 26, 2020, that has now been extended up to September 25, 2020,” said the RBI.</p> <p>(A) The full forms of CRR and SLR are:</p> <ul style="list-style-type: none"> a) Current Reserve Ratio and Statutory Legal Reserves b) Cash Reserve Ratio and Statutory Legal Reserves c) Current Required Ratio and Statutory Legal Reserves d) Cash Reserve Ratio and Statutory Liquidity Ratio <p>(B) SLR implies:</p> <ul style="list-style-type: none"> a) Certain percentage of the total banks’ deposits has to be kept in the current account with RBI b) Certain percentage of net total demand and time deposits have to be kept by the bank themselves c) A certain percentage of net demand deposits has to be kept by the Bank with RBI d) None of the above <p>(C) Decrease in CRR will lead to _</p> <ul style="list-style-type: none"> a) fall in aggregate demand in the economy b) rise in aggregate demand in the economy c) no change in aggregate demand in the economy d) fall in the general price level in the economy 	<p>1</p> <p>1</p> <p>1</p>
THE END		