

Date:11.12.24	Model-I Examination(2024-25)	Max marks: 80
GRADE: XII	ECONOMICS(030)	Time: 3 Hours

## General Instructions:

I. This question paper contains two sections:

Section A- Macro Economics

Section B- Indian Economic Development

- II. This paper contains 20 Multiple Choice Type Questions of 1 mark each.
- III. This paper contains 4 Short Answer Type Questions of 3 marks each to be answered in 60-80 words.
- IV. This paper contains 6 Short Answer Type questions of 4 marks each to be answered in 80-100 words.
- V. This paper contains 4 Long Answer Type Questions of 6 marks each to be answered in 100 to 150 words.

Qn.No	SECTION A- MACRO ECONOMICS	Marks allocated
1	<ul> <li>Read the following statements-Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</li> <li>Assertion (A): Acquisition of a domestic economy by a foreign company will be recorded on the credit side of Balance of Payment Accounts.</li> <li>Reason (R): It leads to outflow of foreign exchange from the domestic economy</li> <li>Options:</li> <li>A. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)</li> <li>B. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)</li> <li>C. Assertion (A) is true, but Reason (R) is false</li> <li>D. Assertion (A) is false, but Reason (R) is true.</li> </ul>	1
2	Aggregate demand can be increased by: a. Increasing bank rate b. Selling government securities by Reserve Bank of India c. Increasing cash reserve ratio d. None of the above	1

3	<ul> <li>Read the following statements carefully:</li> <li>Statement 1: Stock of money with commercial banks is a part of money supply.</li> <li>Statement 2: Gross demand deposits are not a part of money supply.</li> <li>In the light of the given statements, choose the correct alternative from the following:</li> <li>A. Statement 1 is true and Statement 2 is false</li> <li>B. Statement 1 is false and Statement 2 is true</li> <li>C. Both Statements 1 and 2 are true</li> <li>D. Both Statements 1 and 2 are false.</li> </ul>	1
4	Two friends Naman and Hemant were arguing on recording a particular statement in Balance of Payment Accounts of India. Identify who is correct? Naman: Make in India Campaign will bring foreign investments in India and are recorded on the credit side of the capital account. Hemant: Make in India Campaign will bring foreign investments in India and are recorded on the debit side of the current account. a. Naman is correct b. Hemant is correct d. Both are incorrect	1
5	<ul> <li>Read the following statements-Assertion (A) and Reason (R).</li> <li>Choose one of the correct alternatives given below:</li> <li>Assertion (A): Deposits by people in Provident Fund and NSC are revenue receipts of the government.</li> <li>Reason (R): Revenue receipts are the receipts which neither create liabilities nor leads to any reduction in the assets of the government.</li> <li>Options: <ul> <li>A. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertio(A)</li> <li>B. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion of Assertion (A)</li> <li>C. Assertion (A) is true, but Reason (R) is false</li> <li>D. Assertion (A) is false, but Reason (R) is true.</li> </ul> </li> </ul>	1
6	Ms. Sakshi, an economics teacher, was explaining the concept of minimum percentage of the total deposit to be kept by any commercial bank with the Central Bank of the country, as per norms and statute prevailing in the country. From the following, choose the correct alternative which specifies towards the concept explained by her? a. Cash reserve ratio b. Repo rate d. Statutory liquidity ratio	1

7	The foll	lowing information is given for an	imaginary country	1
	S.No.	Particulars	Amount in Rs. lakh	
	1	Intermediate costs	700	-
	2	Consumption of fixed capital	80	
	3	Change in stock	(-)50	-
	4	Subsidy	60	
	5	Net value added at factor cost	1300	-
	6	Exports	50	
		ues of Sales will be		4
		2,000 lakhs	c. Rs.2500 lakhs	
		2070 lakhs	d. Rs.2300 lakhs	
	Choose Assertic Reason consum Option A. F ( B. F C. A		iven below: equal to one. either saved or on (R) are true and anation of Assertion n (R) are true, but explanation of son (R) is false	
9	Choose B and C	the correct alternative to be fille	d in the given blanks A,	1
		Revenue Budget	Capital Budget	
	В	Revenue	C Capital	
		Expenditure	Expenditure	
		Expenditure	Experiatore	
	a. A-	Revenue receipts, B-Capital recei	pts, C- Government	
	Bud	· · · ·	r,	
		Capital receipts, B- Government B	udget, C-Revenue	
	rece	•	-	
		Capital receipts, B-Revenue receip	ots, C- Government	
	Bud	5		
		Government Budget, B- Revenue	receipts, C- Capital	
	rece	eipts		

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10	<ul> <li>Read the following statements carefully:</li> <li>Statement 1: Equilibrium in Balance of Payments is achieved when the net value of all the receipts and payment is zero.</li> <li>Statement 2: Export and import of goods and services are recorded in the Current Account of BoP.</li> <li>In the light of the given statements, choose the correct alternative from the following: <ul> <li>(a) Statement 1 is true and statement 2 is false</li> <li>(b) Statement 1 is false and statement 2 is true</li> <li>(c) Both statements 1 and 2 are true</li> <li>(d) Both statements 1 and 2 are false</li> </ul> </li> </ul>	1
11 (a) (b)	"Domestic /household services performed by a woman may not be considered as an economic activity". Defend or refute the given statement with valid reason. "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.	3
12 (A)	'Indian Rupee plunged to all time low of Rs.84.48 against the US Dollar'. -The Economic Times In the light of the above report, discuss the impact of the situation on Indian exports and imports. OR	3
(B)	"Trade deficit must exist if a country is facing a situation of Current Account Deficit" Defend or refute the given statement with valid arguments.	3
13	Read the following text carefully and explain the relevant function of the Central Bank( RBI) indicated here. Reserve Bank of India on Friday said it has imposed a penalty of Rs.5.72 crore on Federal Bank for deficiencies in regulatory compliance. A penalty of Rs.70 lakh has also been imposed on Bank of India for non-compliance with certain provisions of Know Your Customer norms and instructions on compliance function in banks issued by RBI, it said in a statement. About Federal Bank, RBI said the bank failed to ensure that no incentive( cash or non-cash)was paid to its staff engaged in insurance broking/corporate agency services by the insurance company, according to a separate statement -The Times of India, 8 <sup>th</sup> July, 2022.	

14	In an economy C=200+0.5Y is the consumption function where C is the consumption expenditure and Y is the national income. Investment expenditure is Rs.400 crores. Is the economy in equilibrium at an income level of Rs.1500 crores? Justify your answer.	4
15 (A)	The Government under Ujjwala Yojana, is providing free LPG kitchen gas connections to the families below the poverty line. What objective is the government trying to fulfil through the government budget and how? Explain OR	4
(B)	<ul> <li>Explain the distinction between the following:</li> <li>a. Revenue Expenditure and Capital expenditure in a government budget</li> <li>b. Primary deficit and fiscal deficit</li> </ul>	4
16 (A)	Explain the meaning of deflationary gap. Use diagram. Also,	3+3
(B)	Explain the role of Open Market Operations in reducing this gap. Explain the role of margin requirements in dealing with the problem of excess demand. OR	
(C)	Explain the concept of inflationary gap. Use diagram. Also, explain the role of legal reserves in reducing this gap.	3+3
(D)	Explain the role of bank rate in dealing with the problem of deficient demand	
17 (a)	Interpret the given picture on account of domestic and national income.	3+3

7		OR		3+3		
	From the given data, find the value of Net National Product at Market Price:					
	S.No.					
	1	Gross domestic fixed capital formation	400			
	2	Private final consumption expenditure	8000			
	3	Government final consumption expenditure	3000			
	4	Change in stock	50			
	5	Consumption of fixed capital	40			
	6	Net indirect taxes	100			
	7	Net Export	(-)60			
	8	Net factor income to abroad	(-)80			
	9	Net current transfers from abroad	100			
	10	Dividend	100			
	10		100			
		Section -B Indian Economic Develo	nmont			
8	Dood th			1		
	<ul> <li>Read the following statements- Assertion (A) and Reason (R).</li> <li>Choose one of the correct alternatives given below"</li> <li>Assertion (A): Airport Authority of India has given the status of</li> <li>Maharatnas.</li> <li>Reason (R): Hindustan Aeronautics Limited has given the status of</li> <li>Navratnas.</li> <li>A. Both Assertion (A) and Reason (R) are true and Reason (R)</li> </ul>					
	<ul> <li>A. Doth Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)</li> <li>B. Both Assertion (A) and Reason (R) are true but Reason (R)</li> </ul>					
	is C. As	not the correct explanation of Assert ssertion ( A ) is true, but Reason (R ) ssertion ( A ) is false, but Reason ( R	ion (A) is false			
9	Presider	was formed on the proposal of Zia- nt of Bangladesh.		1		
	b. A9	G-8 or G-7 SEAN	c. BRICS d. SAARC			
20	а. Т b. То	tive of British Government behind de- o get raw material from India at chea o sell British manufactured goods in I rices.	ap rate	1		
	•	o focus on development of agriculture				

	d. To get finished products from India at cheap rate Alternatives:		
	a. i and ii	c. only iii	
	b. ii and iv	d. only iv	
	b. ii dha iv		
21	From the set of events/systems given the set of events and the set of events and the set of the set		1
	corresponding relevant fact given i		
	Choose the correct pair of stateme	int:	
	Column I	Column II	
	A. Apni Mandi	i. It is located in Pune	
	B. Rythu Bazars	ii. These are the fruit	
	,	markets located in	
		Andhra Pradesh	
	C. Hadaspur Mandi	iii. It is located in Punjab,	
		Haryana and	
		Rajasthan.	
	D. Uzhavar Sandies	iv. These are farmer	
		markets in	
	Alternatives:	Maharashtra.	
	(a) A-I (b) B-ii	(c) C-iii (d) D-iv	
22	"Carrying capacity of the environm	nent is like a plimsoll line of the	1
	ship". This statement was given b	-	
	a. Brundtland commission		
	b. Herman Daly	d. John Tucker	4
23	Read the following statements care	•	1
	Statement 1: Horticulture is a bra		
	management and care of farm anii and goats.	hais such as cattle, sheep, pigs	
	Statement 2: At present, the lives	tock sector provides alternate	
	livelihood options to over 70 millio	-	
	including landless laborers.		
	In the light of the given statement	s, choose the correct alternative	
	from the following:		
	(a) Statement 1 is true and s		
	(b) Statement 1 is false and s		
	(c) Both statements 1 and 2		
	(d) Both statements 1 and 2	are false	
1			

24	The two well-managed iron and steel firms during 1950-90s were	1	
	located in and		
	a. Mumbai, Nagpur c. Mumbai, Jamshedpur b. Kolkata, Jamshedpur d. Nagpur, Bhopal		
25	Arrange the following events of India in the correct chronological	1	
	order and choose the correct alternative:		
	i. Introduction of New Economic Policy		
	ii. Enactment of GST		
	iii. Establishment of Tata Airlines		
	iv. Recent announcement of demonetization.		
	a. iii,i,iv,ii c. iii,iv,ii,i		
	b. iii,ii,i,iv d.iii,ii,iv,i		
26	Read the following statements carefully:	1	
	Statement 1: Indian farmers were forced to produce cash crops	-	
	under the British rule.		
	Statement 2: Zamindari system was first implemented in Bengal		
	presidency under the British rule.		
	In the light of the given statements, choose the correct alternative		
	from the following:		
	-		
	<ul><li>(a) Statement 1 is true and statement 2 is false</li><li>(b) Statement 1 is false and statement 2 is true</li></ul>		
	(c) Both statements 1 and 2 are true		
	(d) Both statements 1 and 2 are false		
	(u) Both statements I and Z are faise		
27	Read the following statements- Assertion (A) and Reason (R).	1	
	Choose one of the correct alternatives given below".		
	Assertion : A major change occurred after 1969 when india adopted		
	social banking and multi-agency approach to adequately meet the		
	needs of rural credit.		
	Reason : Self-help groups have emerged to fill the gap in the		
	formal credit system in rural areas.		
	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 not 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.		
20	Interpret the given picture on account of current environmental	3	
20	challenges	J	
<u> </u>			

29				3
(A)	Discuss any two steps t improving agricultural i independence.	marketing system in In		
		OR		_
	Discuss the importance			3
	<ul> <li>State whether the following statements are true or false, with valid arguments.</li> <li>a. Green revolution has enabled the government to procure sufficient food grains to build is stocks that could be used during times of shortage.</li> <li>b. India's first official census was undertaken in year 1850.</li> </ul>			
31	Analyse the trends in s			4
	the basis of the given i			
	Trends in Employment	Pattern (Sectorwise), 1	1993-2012(in%)	
	Sector	1993-94	2011-2012	
	Primary	64	24.3	
	Secondary	16	24.3	
	Service	20	26.8	
(A)	Inward looking trade st plans basically aimed a products. Discuss	t substituting imports		4
(D)		OR		
(B)	The government should continue with agricultural subsidies. Do you agree? Give reason in support of your answer.			4
33	3			2+2+2
(B)	<ul> <li>Define worker-population ratio. What does it signify?</li> <li>Mention any two advantages of organic farming.</li> <li>State and discuss any two principal causes of environmental degradation</li> <li>OR</li> </ul>			
<u> </u>	<u> </u>			

(D)	"India has failed to implement the recommendations of Education Commission of 1964-66" Give valid arguments in support of the given statement.	3+3
(E)		
	"Human capital formation gives birth to innovation, invention and	
	technological improvements". Do you agree with the given statement?	
	Support your answer with valid arguments,	
34	Read the following text carefully:	3+3
	The China-Pakistan Economic Corridor (CPEC) has deepened the	
	decades-long strategic relationship between the two nations. But it	
	has also sparked criticism for burdening Pakistan with mountains of	
	debt and allowing China to use its debt strategic asset of Pakistan.	
	-	
	The foundations of CPEC, part of China's belt and road initiative,	
	were laid in May 2013. At that time, Pakistan was reeling under	
	weak economic growth. China committed to play an integral role in	
	supporting Pakistan's economy.	
	Pakistan and China have a strategic relationship that goes back	
	decades. Pakistan turned to China at a time when it needed a rapid	
	increase in external financing to meet critical investments in hard	
	infrastructure, particularly power plants and highways. CPECs early	
	harvest projects met this need, leading to a dramatic increase in	
	Pakistan's power generation capacity, bringing an end to supply-side	
	constraints that had made rolling blackouts a regular occurrence	
	across the country.	
	Pakistan leaned into CPEC, leveraging Chinese financing and	
	technical assistance in an attempt to end power shortages that had	
	paralysed its country's economy. Year's later China's influence in	
	Pakistan has increased at an unimaginable pace.	
	China as Pakistan's Largest Bilateral Creditor:	
	China's ability to exert influence on Pakistan's economy has grown	
	substantially in recent years, mainly due to the fact that Beijing is	
	now Islamabad's largest creditor. According to documents released	
	by Pakistan's Finance Ministry, Pakistan's total public and publicly	
	guaranteed external debt stood at 44.35 billion dollar in June 2013,	
	just 9.3% of which was owned to China. By April 2021, this external	
	· · · · ·	
	debt had ballooned to 90.12 billion dollar with Pakistan owing	
	27.4%-24.7 billion dollar- of its total external debt to China,	
	according to the International Monetary Fund (IMF).	
	Additionally, China provided financial and technical expertise to help	
	Pakistan build its road infrastructure, expanding north-south	
	connectivity to improve the efficiency of moving goods from Karachi	
	all the way to Gilgit-Baltistan (POK). These investments were	
	critical in better integerating the country's ports, especially Karachi,	
	with urban centers in Punjab and Khyber Paktunkhwa provinces.	
	Despit power asymmetries between China and Pakistan, the latter	
	still has tremendous agency in determining its own policies, even if	
	such policies come at the expense of the long-erm socio-economic	
	puch policies come at the expense of the long-erm socio-economic	

welfare of Pakistani citizens.

On the basis of the given text and common understanding , answer the following questions:

- a. Outline and discuss any two economic advantages of China-Pakistan Economic-Corridor (CPEC) accruing to the economy of Pakistan.
- b. Analyse the implication of bilateral debt-trap situation of Pakistan vis-à-vis the Chinese Economy.