



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

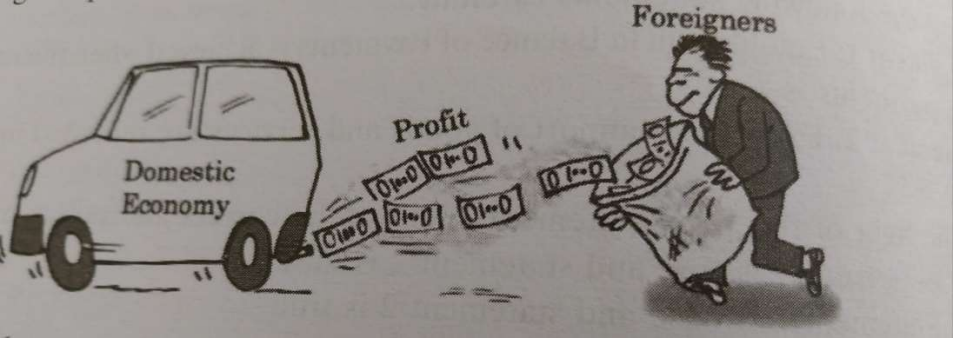
- I. This question paper contains two sections:  
Section A- Macro Economics  
Section B- Indian Economic Development
- II. This paper contains 20 Multiple Choice Type Questions of 1 mark each.
- III. This paper contains 4 Short Answer Type Questions of 3 marks each to be answered in 60-80 words.
- IV. 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	Read the following statements-Assertion (A) and Reason (R) . Choose one of the correct alternatives given below: Assertion ( A): Acquisition of a domestic economy by a foreign company will be recorded on the credit side of Balance of Payment Accounts. Reason ( R ): It leads to outflow of foreign exchange from the domestic economy Options: 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.	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



7	The following 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		
The values of Sales will be-----				
a. Rs.2,000 lakhs			c. Rs.2500 lakhs	
b. Rs.2070 lakhs			d. Rs.2300 lakhs	
8	<p>Read the following statements-Assertion ( A ) and Reason ( R ). Choose one of the correct alternatives given below: Assertion ( A): Sum of APC and APS is equal to one. Reason ( R ): Income of an economy is either saved or consumed. Options:</p> <p>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.</p>		1	
9	<p>Choose the correct alternative to be filled in the given blanks A, B and C</p> <div style="text-align: center;"> <pre> graph TD     A --&gt; RB[Revenue Budget]     A --&gt; CB[Capital Budget]     RB --&gt; B     RB --&gt; RE[Revenue Expenditure]     CB --&gt; C     CB --&gt; CE[Capital Expenditure] </pre> </div> <p>a. A- Revenue receipts, B-Capital receipts, C- Government Budget b. A- Capital receipts, B- Government Budget, C-Revenue receipts c. A- Capital receipts, B-Revenue receipts, C- Government Budget d. A- Government Budget, B- Revenue receipts, C- Capital receipts</p>		1	

10	<p>Read the following statements carefully:          Statement 1: Equilibrium in Balance of Payments is achieved when the net value of all the receipts and payment is zero.          Statement 2: Export and import of goods and services are recorded in the Current Account of BoP.          In the light of the given statements, choose the correct alternative from the following:</p> <p>(a) Statement 1 is true and statement 2 is false          (b) Statement 1 is false and statement 2 is true          (c) Both statements 1 and 2 are true          (d) Both statements 1 and 2 are false</p>	1
11 (a)  (b)	<p>"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.</p>	3
12 (A)    (B)	<p>'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          "Trade deficit must exist if a country is facing a situation of Current Account Deficit" Defend or refute the given statement with valid arguments.</p>	3    3
13	<p>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.</p>	4

14	<p>In an economy <math>C=200+0.5Y</math> 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.</p>	4
15 (A)	<p>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</p> <p style="text-align: center;">OR</p>	4
(B)	<p>Explain the distinction between the following:</p>	4
a.	Revenue Expenditure and Capital expenditure in a government budget	
b.	Primary deficit and fiscal deficit	
16		3+3
(A)	<p>Explain the meaning of deflationary gap. Use diagram. Also,</p>	
(B)	<p>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.</p> <p style="text-align: center;">OR</p>	
(C)	<p>Explain the concept of inflationary gap. Use diagram. Also, explain the role of legal reserves in reducing this gap.</p>	3+3
(D)	<p>Explain the role of bank rate in dealing with the problem of deficient demand</p>	
17	<p>Interpret the given picture on account of domestic and national income.</p>	3+3
(a)		
		











29	<p>(A) Discuss any two steps taken by the government in the direction of improving agricultural marketing system in India, since independence.</p> <p style="text-align: center;">OR</p> <p>(B) Discuss the importance of credit in rural development.</p>	3												
30	<p>State whether the following statements are true or false, with valid arguments.</p> <p>a. Green revolution has enabled the government to procure sufficient food grains to build its stocks that could be used during times of shortage.</p> <p>b. India's first official census was undertaken in year 1850.</p>	4												
31	<p>Analyse the trends in sectoral distribution of workforce in India on the basis of the given information.</p> <p>Trends in Employment Pattern (Sectorwise), 1993-2012(in%)</p> <table border="1" data-bbox="224 1213 1333 1377"> <thead> <tr> <th>Sector</th> <th>1993-94</th> <th>2011-2012</th> </tr> </thead> <tbody> <tr> <td>Primary</td> <td>64</td> <td>24.3</td> </tr> <tr> <td>Secondary</td> <td>16</td> <td>24.3</td> </tr> <tr> <td>Service</td> <td>20</td> <td>26.8</td> </tr> </tbody> </table>	Sector	1993-94	2011-2012	Primary	64	24.3	Secondary	16	24.3	Service	20	26.8	4
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32	<p>Inward looking trade strategy adopted by India in the first seven plans basically aimed at substituting imports with domestic products. Discuss</p> <p style="text-align: center;">OR</p> <p>(B) The government should continue with agricultural subsidies. Do you agree? Give reason in support of your answer.</p>	4												
33	<p>(A) Define worker-population ratio. What does it signify?</p> <p>(B) Mention any two advantages of organic farming.</p> <p>(C) State and discuss any two principal causes of environmental degradation</p> <p style="text-align: center;">OR</p>	2+2+2												

(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	<p>Read the following text carefully:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p><b>China as Pakistan's Largest Bilateral Creditor:</b></p> <p>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).</p> <p>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</p>	3+3

	<p>welfare of Pakistani citizens.</p> <p>On the basis of the given text and common understanding , answer the following questions:</p> <ol style="list-style-type: none"><li>a. Outline and discuss any two economic advantages of China-Pakistan Economic-Corridor (CPEC) accruing to the economy of Pakistan.</li><li>b. Analyse the implication of bilateral debt-trap situation of Pakistan vis-à-vis the Chinese Economy.</li></ol>	
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