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Candidates must write the Set No. on the title page of the answer book.

SAHODAYA PRE BOARD EXAMINATION: 2023-24

- Please check that this question paper contains 6 printed pages.
- Check that this question paper contains 34 questions.
- Write down the Serial Number of the question in the left side of the margin before attempting it.
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed 15 minutes prior to the commencement of the examination. Students will read the question paper only and will not write any answer on the answer script during this period.

ECONOMICS (030) Class XII

Time Allowed: 3 hours

Maximum Marks: 80

General Instructions:

1. This question paper contains two sections:
Section A – Macro Economics
Section B – Indian Economic Development
2. This paper contains 20 Multiple Choice Questions of 1 mark each.
3. This paper contains 4 Short Answer Questions of 3 marks each to be answered in 60 to 80 words.
4. This paper contains 6 Short Answer Questions of 4 marks each to be answered in 80 to 100 words.
5. This paper contains 4 Long Answer Questions of 6 marks each to be answered in 100 to 150 words

SECTION-A (MACRO ECONOMICS)

1. Read the following statements carefully:
Statement I: Average propensity to save can never be greater than 1, which means that people cannot save more than their income level.
Statement II: When Marginal Propensity to save is zero, entire additional income is consumed and multiplier is infinite.
In the light of the given statements, choose the correct alternative from the following:
(A) Both the statements I and II are true.
(B) Both the statements I and II are false.
(C) Statement (I) is true but statement (II) is false.
(D) Statement (II) is true but statement (I) is false. (1)
2. Identify the incorrect option: (1)
(A) $GDP_{MP} = NDP_{MP} + \text{Depreciation}$ (B) $GNP_{FC} = GNP_{MP} + \text{Net Indirect Tax}$
(C) $NNP_{MP} = NDP_{MP} + NFIA$ (D) $NDP_{FC} = GDP_{FC} - \text{Depreciation}$

3. If the value of APC = 0.8 and National Income is ₹4,000 crores, the value of saving will be: (1)
 (A) ₹100 crores. (B) ₹200 crores. (C) ₹800 crores. (D) ₹500 crores.
4. “Considering the depreciation of Indian currency in the International market, the Reserve Bank of India (RBI) has decided to purchase Indian currency (₹) in the open market”. This represents _____ exchange rate system. (1)
 (A) Fixed (B) Flexible
 (C) Managed floating (D) Manipulated
5. Sushma tried to discharge her debt of ₹25,000 by giving one rupee coins which were not accepted because coins are: (1)
 (A) Part of Money Supply (B) Limited legal tender
 (C) Unlimited legal tender (D) Both (A) and (C)
6. The ratio of total deposits that a commercial bank has to keep with RBI is called: (1)
 (A) Statutory Liquidity Ratio (B) Deposit Ratio
 (C) Cash Reserve Ratio (D) Legal Reserve Ratio
7. The impact of ‘Excess Demand’ under Keynesian Theory of Income and Employment, in an economy is: (1)
 (A) Decrease in Income, output, employment and general price level.
 (B) Decrease in nominal Income, but no change in real output.
 (C) Increase in Income, output, employment and general price level.
 (D) No change in output and employment but increase in general price level.
8. FDI inflow is recorded in which of the following accounts of Balance of payment: (1)
 (A) Current Account (B) Capital Account
 (C) Foreign Reserve Account (D) Depends on the type of FDI
9. During Deflation, it is advisable to: (1)
 (A) Lower the bank rate and purchase of securities in the open market
 (B) Increase the bank rate and purchase of securities in the open market
 (C) Lower the bank rate and sale of securities in the open market
 (D) Increase the bank rate and sale of securities in the open market.
10. Find the odd one out among the following, with respect to the ‘Balance of Payments’ in India: (1)
 (A) Investments by Indian Investors under the ‘Make in India’ Programme
 (B) Loans received from Australia
 (C) Investment from abroad
 (D) Purchase of machinery from abroad
11. Distinguish between Autonomous items and Accommodating items of Balance of Payment. (3)
12. Calculate Net Value Added at Factor Cost from the following: (3)

	Particulars	₹ crores
(i)	Purchases from firm B	200
(ii)	Domestic sales	2800
(iii)	Import of Raw materials	1800
(iv)	Consumption of fixed capital	500
(v)	Exports	500

(vi)	Indirect taxes	350
(vii)	Change in stock	50
(viii)	Production for self-consumption	200

OR

Define the following:

- (a) Mixed Income
- (b) Unilateral Transfers
- (c) Gross Residential Construction Investment.

13. Calculate multiplier when MPC is $\frac{4}{5}$ and $\frac{1}{2}$. From the calculations, establish the relationship between the size of Multiplier and size of MPC. (4)
14. Show equilibrium level of income and employment with the help of Saving and Investment approach. If planned expenditure is less than planned output, what changes will take place in the economy? Use diagram. (4)

OR

- (a) Explain the concept of Inflationary gap with the help of a suitable diagram. (2)
 - (b) 'Decrease in taxes can correct the Inflationary gap'. Defend or refute with valid arguments. (2)
15. 'Money helps to find out exchange ratio between various goods and services'. Identify and explain the relevant function of money from the given statement. (4)
16. (a) Giving valid reasons, explain how the following would be treated while estimating National Income: (3)
- (i) Fees paid by a firm to a mechanic.
 - (ii) Interest paid by an Individual on a car loan taken from a bank.
 - (iii) Expenditure on purchasing a car for use by a firm.
- (b) 'Many goods and services may contribute to welfare, but are not included in estimating Gross Domestic Product (GDP)'. Do you agree with the given statement? Give valid reasons in support of your answer. (3)
17. (a) 'Government budget has an important role to play in fighting deflationary tendencies in an economy'. Explain. (3)
- (b) Classify the following statements as revenue receipts or capital receipts. Give valid reasons in support of your answers. (3)
- (i) Financial help from a multinational corporation for victims in a flood affected area.
 - (ii) Sale of shares of a public sector undertaking (PSU) to a private company.
 - (iii) Dividends paid to the Government by the State Bank of India.

OR

- (a) Is Disinvestment a good means to tackle revenue deficit in India ? Comment. (3)
- (b) Explain the concept of Private goods and Public goods with respective examples. (3)

SECTION-B
(INDIAN ECONOMIC DEVELOPMENT)

18. Identify the incorrect statement from the following: (1)
- (A) Import substitution was the strategy used to save foreign exchange.
 - (B) License Policy ensured regional equality.
 - (C) Russian economic model was the base for the Indian economic system.
 - (D) Small scale industries are one of the essential tools for employment generation.

19. Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below: (1)
- Assertion (A):** Modernisation as a planning objective was expected to contradict with employment generation
- Reason (R):** Modernisation refers to updating and adopting modern technology in the process of growth.

Alternatives:

- (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. Identify the correct sequence of alternatives given in column-II by matching them with respective terms in column-I. (1)

	Column-I		Column-II
(a)	Share of service sector in GDP is the highest	(i)	In India and Pakistan
(b)	Around 45% of the population is engaged in agriculture sector	(ii)	In China
(c)	The growth rate was lowest in 1980s	(iii)	In China, India and Pakistan
(d)	Fertility rate is low	(iv)	In India

Codes:

- | | a | b | c | d |
|-----|-------|-------|-------|-------|
| (A) | (i) | (ii) | (iii) | (iv) |
| (B) | (ii) | (iii) | (iv) | (i) |
| (C) | (iii) | (i) | (iv) | (ii) |
| (D) | (iv) | (i) | (ii) | (iii) |
21. From the following statements regarding Goods and Services Tax (GST), identify the incorrect statement: (1)
- (A) It ensures uniformity of tax rates across all states.
- (B) It ensures better tax compliance and tax collection.
- (C) All types of direct and indirect taxes have been subsumed by it.
- (D) It is imposed on the supply of goods and services.

22. Given image is related to which of the following non-firm activity? (1)



- (A) Horticulture
- (B) Pisciculture
- (C) Sericulture
- (D) Tissueculture

23. Identify the correct indicators of Human Development. (1)
 (A) Life expectancy at birth (B) Infant Mortality Rate
 (C) Liberty indicator (D) Both (A) and (B)
24. Distress sale by the farmers refers to: (1)
 (A) Sale of rotten crop
 (B) Sale of crop through commission agents
 (C) Sale of crop at the MSP fixed by the government
 (D) Sale of crop at a very poor price
25. Arrange the following events of China in chronological order and choose the correct alternative: (1)
 (i) Great Proletarian Cultural Revolution
 (ii) Great Leap Forward Campaign
 (iii) Introduction of Economic Reforms
 (iv) First Five Year Plan

Choose the correct alternative:

- (A) ii, iv, iii, i (B) iv, ii, i, iii
 (C) ii, iv, i, iii (D) iv, i, ii, iii

26. Read the statements carefully and choose the correct alternative among those given below. (1)

Statement-I: High percentage of employment in primary sector points to economic backwardness of India.

Statement-II: Occupational structure in India has shown a massive change over time.

- (A) Both the statements I and II are true
 (B) Both the statements I and II are false
 (C) Statement (I) is true but statement (II) is false
 (D) Statement (II) is true but statement (I) is false

27. To attract _____, China has set up Special Economic Zones (SEZs). (1)
 (A) Foreign Investors (B) Tourist
 (C) Farmers (D) Both (B) and (C)

28. Underscore some of India's most crucial economic challenges at the time of Independence. (3)

OR

Explain important reforms introduced in Foreign Exchange Market under New Economic Policy 1991.

29. 'Human Capital Formation in India suffers from various challenges'. Elaborate any one. (3)
30. Explain valid reasons for the slow growth and re-emergence of poverty in Pakistan. (4)
31. 'Rural development is essential for Indian Economic development'. Do you agree with the given statement? Support your answer with valid reasons. (4)

OR

Critically examine the role of 'Rural Banking' sector in India.

32. Identify the situation depicted in the given image. (4)



Suggest the impact of the indicated situation on the Indian Economy.

33. (a) 'Land ceiling promotes equity'. Support the statement with valid explanation. (3)
(b) 'Process of Globalisation has produced only positive results for India and other countries'. Comment. (3)

OR

- (a) 'Government took steps to protect small scale industries from big firms'. Defend or refute with valid arguments. (3)
(b) 'The service sector in India has experienced rapid growth due to NEP 1991'. Discuss. (3)

34. Read the following text carefully and answer the given questions on the basis of the same and common understanding:

The term 'sustainable development' was used by the Brundtland Commission (1987) which coined what has become the most often-quoted definition of sustainable development "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainable development does not focus solely on environmental issues. The United Nations 2005 World Summit Outcome Document refers to the four 'interdependent and mutually reinforcing pillars' of sustainable development as including: economic development, social development and environmental protection. The fourth pillar is indigenous people and culture. Proponents of Sustainable Development argue that it provides a context in which overall sustainability is improved where cutting edge Green development is unattainable. For example, a cutting edge treatment plant with extremely high maintenance costs may not be sustainable in regions of the world with fewer financial resources. Sustainability requires that human activity only use nature's resources at a rate, which they can be replenished naturally. Inherently, the concept of sustainable development is intertwined with the concept of carrying capacity.

- (a) Give the meaning of sustainable development. Does sustainable development solely focus on environment? Why? (3)
(b) Explain any two strategies for achieving sustainable development in India. (3)

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