

LIONS SCHOOL, MIRZAPUR
PREBOARD EXAMINATION - I (2020-21)

SUBJECT – ECONOMICS
CLASS – XII

M.M.- 80
TIME – 3 HOURS

General Instructions: -

- i. All questions in both sections are compulsory. However, there is internal choice in some questions.
- ii. Marks for questions are indicated against each.
- iii. Question No. **1-10** and **18-27** are very short answer questions carrying 1 mark each. They are required to be answered in **one** sentence.
- iv. Question No. **11-12** and **28-29** are short answer questions carrying 3 marks each. Answers to them should not normally exceed **60** words each.
- v. Question No. **13-15** and **30-32** are also short answer questions carrying 4 marks each. Answers to them should not normally exceed **70** words each.
- vi. Question No. **16-17** and **33-34** are long answer questions carrying 6 marks each. Answers to them should not normally exceed **100** words each.
- vii. Answers should be brief and to the point and the above word limit be adhered to as far as possible.

SECTION A

(Macro Economics)

1. _____ is an example of tax revenue receipts. 1
2. If value of Marginal Propensity to Save is equal to zero, the value of investment multiplier will be _____. 1
3. Define Current Account Surplus. 1
4. _____ refers to total ex-ante expenditure in an economy during in an accounting year. 1
5. The process of buying and selling of securities by the Central bank of a country is known as _____. 1
 - a) Margin Requirement
 - b) Open Market Operations
 - c) Cash Reserve Ratio
 - d) Statutory Liquidity Ratio
6. State whether the following statement is *true or false*: 1
"Industrial waste driven into rivers is an example of positive externality."
7. The value of money multiplier is equal to _____. 1
8. Define Indirect tax. 1
9. State whether the following statement is *true or false*: 1
"Devaluation of currency is said to occur when the exchange rate is increased in the fixed exchange rate system."
10. The value of multiplier is: 1
 - a) $\frac{1}{MPC}$
 - b) $\frac{1}{MPS}$
 - c) $\frac{1}{1-MPS}$
 - d) $\frac{1}{MPC-1}$

11. "Net factor income from abroad can be negative." Defend or Refute the given statement with valid argument. 3

OR

Distinguish between exports and net factor income from abroad.

12. From the following data, calculate the (a) Consumption Expenditure and (b) Investment Expenditure for the economy: 3

	Amount in Rs.
i. Equilibrium level of income	5,000
ii. Autonomous Consumption	500
iii. Marginal Propensity to Save	0.4

13. On which side and in which sub-account of Balance of Payments, will 'foreign investment in India' be recorded? State valid reason for your answer. 4

14. Distinguish between fiscal deficit and revenue deficit in a Government Budget. 4

15. Describe the Banker's Bank function of Central Bank. 4

16. What is meant by Deflationary Gap? State any two monetary measures to correct the situation of deflationary gap. 6

OR

a) "To boost the falling demand in the economy, Reserve Bank of India recently reduced Repo Rate and Reverse Repo Rate." Elaborate the rationale behind the steps taken by the Central Bank. 4

b) Define Involuntary Unemployment. 2

17. a) Describe briefly how money received from the sale of a second-hand car will be undertaken in the estimation of National Income. 2

b) Distinguish between 'Real Gross Domestic Product' and 'Nominal Gross Domestic Product'. 4

SECTION B

(Indian Economic Development)

18. Define Infrastructure. 1

19. What are the two major sources of human capital in a country? 1

20. In China, commune system is related to _____ sector. 1

a) Agriculture

b) Industry

c) Service

d) Informal

21. Economic growth combined with _____ (equity/disparity) was the principal goal of planning in India. 1

22. Great Leap Forward (GLF) was the campaign launched by Mao in the year _____. 1

a) 1952

b) 1958

c) 1962

d) 1968

23. State whether the following statement is *true or false*: 1

"Smoke emitted by the industries lead to environmental pollution"

24. Opening of _____ Canal significantly reduced the cost of transportation of goods between Britain and India. 1

25. Define Devaluation of Currency. 1

26. What is meant by Marketable Surplus? 1
- OR
- What is meant by agricultural productivity?
27. In which of the following type of unemployment is the marginal productivity of the workers zero? 1
- a) Structural Unemployment
 - b) Involuntary Unemployment
 - c) Seasonal Unemployment
 - d) Disguised Unemployment
28. State and discuss any two principal causes of environmental degradation? 3
29. What was the two-fold motive behind the systematic de-industrialization affected by the British in pre-independent India? 3
- OR
- Highlight the salient features of India's demographic profile on the eve of independence.
30. State and discuss any two reasons for the poor performance of industrial sector in the reform period. 4
31. Discuss briefly the rationale behind choosing 'self-reliance' as an objective for the planning process of the Indian economy. 4
32. Compare India and Pakistan on the basis of their demography. 4
33. a) Define worker-population ratio. What does it signify? 2
- b) Briefly discuss the causes of poverty in India. 4
34. a) "Infrastructure facilities raise production in the tertiary sector of the economy." Do you agree with the given statement? Give valid reasons to support your answer. 4
- b) What is meant by Informalization of workforce. 2