

Class - XII
min.

Time - 90

Subject - Economics (030)
40

M.M.-

General Instructions:-

- i. There are a total 60 questions in this paper out of which 50 questions are to be attempted.
- ii. This paper is divided into three Sections:
 - a. Section A - Contains 24 questions. Attempt any 20 questions.
 - b. Section B - Contains 24 questions. Attempt any 20 questions.
 - c. Section C - Contains 12 questions. Attempt any 10 questions.
- iii. All questions carry equal marks.
- iv. There is no negative marking.

SECTION A

(20 questions out of 24 questions are to be attempted)

1. Identify the correctly matched pair of items in Column A and Column B.

Column A	Column B
1. Supply of money	a. Money in circulation at a point
2. Stock of money	b. Supply of money considered over a period of time
3. Flow of money	c. Money held by public and the bank today
4. Reserve money	d. Supply of money studied at a point of time

- a. 1 - a
 - b. 2 - b
 - c. 3 - c
 - d. 4 - d
2. Which of the following is not a revenue receipt?
- a. Recovery of loans
 - b. Foreign grants
 - c. Profit of Public Enterprises
 - d. Wealth tax
3. The main aim of monetary policy is:
- a. To bring price stability in the economy
 - b. Employment generation in the economy
 - c. To increase trade surplus
 - d. To generate tax revenue
4. Which of the following is one of the objectives of the government budget?
- a. To achieve economic growth
 - b. To achieve social growth
 - c. To achieve social welfare
 - d. To achieve political growth
5. Poor variety of seeds and low productive seeds were mainly the reason for:
- a. Slow growth of agriculture sector
 - b. Slow growth of industrial sector
 - c. Slow growth of tertiary sector
 - d. All of these

6. Fiscal deficit equals _____.
- Primary deficit - Interest Payments
 - Primary deficit + Interest Payments
 - Total budget expenditure - Total Receipts
 - None of these
7. Which of the following statements is not true?
- Borrowings from the Asian Development Bank by the government is an accommodating transaction.
 - Loans given to Sri Lanka by the government is an accommodating transaction.
 - Buying and selling of machinery from Japan is an accommodating transaction.
 - Borrowing from public is an accommodating transaction.
8. Tenancy reforms refers to
- Those who take cultivable land on rent and pay either in terms of money or a part of produce
 - Bringing together all plots of land of a cultivator into one compact block
 - Dividing the land into small plots
 - None of these
9. Identify the correctly matched pair of items in Column A and Column B.

Column A	Column B
1. Prime Minister	a. Chairperson of Planning Commission
2. GDP	b. Quantity of items that can be imported
3. Quota	c. The money value of all the final goods and services produced within the country in one year
4. Land Reforms	d. Improvement in the field of agriculture to increase its productivity

- 1 - a
 - 2 - b
 - 3 - c
 - 4 - d
10. In how many categories industries were divided in Industrial Policy, 1956?
- 3
 - 2
 - 5
 - 4
11. Which concept is related to the disposal of equity of public sector units in the market for covering the fiscal deficit of the central government?
- Privatisation
 - Denationalisation
 - Disinvestment
 - Liberalisation
12. Which of the following is a long-term goal to eradicate poverty?
- Cheaper housing
 - GDP growth
 - Subsidised food
 - Free education
13. The broad definition of money is based on:

- a. Store of value
 - b. Medium of exchange
 - c. Standard of deferred payments
 - d. None of these
14. FDI inflows is recorded in which of the following accounts of Balance of Payment:
- a. Current account
 - b. Capital account
 - c. Foreign Reserve account
 - d. Depends on the type of FDI
15. The Foreign exchange reserves have surged in India. What effect does it have on the country?
- a. BOP surplus
 - b. BOT surplus
 - c. BOP deficit
 - d. BOT deficit
16. _____ is the main source of money supply in an economy.
- a. Central bank
 - b. Commercial banks
 - c. Both (a) & (b)
 - d. Government

17. Identify the correctly matched pair of items in Column A and Column B.

Column A	Column B
1. Borrowings from IMF	a. Current Account
2. Import of shipping services	b. Invisible Items
3. Export of machinery	c. Accommodating Items
4. Foreign Aid	d. Visible Items

- a. 1 - a
 - b. 2 - b
 - c. 3 - c
 - d. 4 - d
18. Which crop was benefitted most by Green Revolution?
- a. Wheat
 - b. Tea
 - c. Cotton
 - d. Oil seeds
19. Which of the following statements is not true about the problems of small sector in India?
- a. Shortage of capital
 - b. Underdeveloped production system
 - c. Problem of raw material
 - d. Lack of unorganised market
20. Features of New EXIM Policy are:
- a. Abolition of quantitative restrictions on export.
 - b. Special incentives on exports of agricultural products.
 - c. Improvement in facilities of SEZ.
 - d. All of the above.

21. Identify the correctly matched pair of items in Column A and Column B.

Column A	Column B
1. NABARD	a. Apex institute for rural credit
2. RBI	b. Established in 1975
3. AXIS Bank	c. Established in July 1982
4. IDBI	d. Not an institution for credit

- a. 1 - a
- b. 2 - b

- c. 3 – c
 - d. 4 – d
22. Under the new trade policy import licensing was abolished except in case of
- a. Hazardous and environmentally sensitive industries
 - b. Textile industries
 - c. Consumer goods industries
 - d. IT industries
23. SHG stands for:
- a. Social Help Group
 - b. Society Help Group
 - c. Self Help Group
 - d. Social Housing Group
24. Active factor in production is:
- a. Physical Capital
 - b. Human Capital
 - c. Both (a) & (b)
 - d. None of these

SECTION B

(20 questions out of 24 questions are to be attempted)

25. Assertion (A): With a view to avoiding distress sales, government is offering warehousing facilities to the farmers.
Reason (R): Storage helps the farmers to sell their produce at a time when the market price is lucrative.
- a. Both A and R are true and R is the correct explanation of A.
 - b. Both A and R are true and R is not the correct explanation of A.
 - c. A is true but R is false.
 - d. A is false but R is true.
26. Assertion (A): Depletion of foreign exchange reserves was one of the compelling reasons for the government to shift to LPG policies.
Reason (R): Good amount of foreign exchange reserves enhances the economic confidence of the global investors in the Indian markets.
- a. Both A and R are true and R is the correct explanation of A.
 - b. Both A and R are true and R is not the correct explanation of A.
 - c. A is true but R is false.
 - d. A is false but R is true.
27. Assertion (A): Owing to the impact of British culture, a new class emerged in India which was keen to adopt the western lifestyle.
Reason (R): This changed the pattern of demand against the Indian products and in favour of the British products.
- a. Both A and R are true and R is the correct explanation of A.
 - b. Both A and R are true and R is not the correct explanation of A.
 - c. A is true but R is false.
 - d. A is false but R is true.
28. Assertion (A): M_1 is the least liquid measure of money supply.
Reason (R): M_1 includes the currency in circulation, demand deposits with the bank and other deposits with the RBI.
- a. Both A and R are true and R is the correct explanation of A.
 - b. Both A and R are true and R is not the correct explanation of A.
 - c. A is true but R is false.
 - d. A is false but R is true.
29. Assertion (A): Demand deposits are not legal tenders.

Reason (R): They are with the bank, so only can be used as a legal tender when cheques are issued for the transfer.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

30. Assertion (A): Money is what money does.

Reason (R): Money facilitates exchange of goods and services.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

31. Assertion (A): M_4 is the least liquid measure of money supply.

Reason (R): M_4 includes all the money supply included in M_3 as well as the Total deposits with the Post Office.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

32. Assertion (A): Current account is a part of Balance of Trade.

Reason (R): Current account records exports and imports of goods and services and transfer payments.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

33. Assertion (A): Import of machinery is reflected in current account of balance of payments.

Reason (R): Export and Import of goods and invisibles are recorded in current account of balance of payments.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

34. Assertion (A): Autonomous items cause movements of goods and services across the borders.

Reason (R): Accommodating items cause to clear the deficit or surplus in the Balance of Payment.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

35. Assertion (A): Indian economy was a source of raw material for British industries.

Reason (R): During colonial period, the raw materials were exported from India to Britain to be used in the industry.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

36. Assertion (A): The goal of equity was fully served by abolition of intermediaries.

Reason (R): The growth of the country can lead to income inequality and with more modernization, unemployment will increase leading to people living under poverty line.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

37. Assertion (A): In cottage industries, machines are not used whereas these are used in small sector.

Reason (R): Cottage industries are smaller than the small sector industries.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

38. Assertion (A): Calorie based norm is not adequate to identify the poor.

Reason (R): It groups all the poor together and does not differentiate between the very poor and the other poor.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

39. Assertion (A): Credit is one of the major components which contributes in rural development.

Reason (R): There is a long - gap between crop sowing and realisation of income and farmers need money to meet initial investments on seeds, fertilizers, implements etc.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

40. Assertion (A): Regional disparities in India are high and have been rising in recent years.

Reason (R): Some areas have faced continuous political instability.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

41. Assertion (A): Government policies have failed to address the vast majority of vulnerable people who are living on or just above the poverty line.

Reason (R): High growth alone is not sufficient to reduce poverty. Without the active participation of the poor, successful implementation of any programme is not possible.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.
- d. A is false but R is true.

42. Assertion (A): The measures towards poverty alleviation has evolved in a progressive manner, over the last five decades, it has not undergone any radical transformation.

Reason (R): There has been a radical change in the ownership of assets, process of production and improvement of basic amenities to the needy.

- a. Both A and R are true and R is the correct explanation of A.
- b. Both A and R are true and R is not the correct explanation of A.
- c. A is true but R is false.

- d. A is false but R is true.
43. Assertion (A): It is important to develop proper storage facilities in rural areas.
Reason (R): Farmers are forced to sell their crops at very low prices to traders because of the fear of it getting damaged from fire, rodents or pests due to lack of proper storage.
- Both A and R are true and R is the correct explanation of A.
 - Both A and R are true and R is not the correct explanation of A.
 - A is true but R is false.
 - A is false but R is true.
44. Assertion (A): Farmers suffer a lot as a result of distress sales because they not only get low prices but are also cheated by the use of false weights and are charged high commissions.
Reason (R): The extent of distress sale and farm suicide has been completely eliminated from India.
- Both A and R are true and R is the correct explanation of A.
 - Both A and R are true and R is not the correct explanation of A.
 - A is true but R is false.
 - A is false but R is true.
45. Assertion (A): Rural development depends on availability of cheap and adequate credit from time to time.
Reason (R): It is necessary for farmers to diversify agricultural production because there is a greater risk in depending exclusively on one crop.
- Both A and R are true and R is the correct explanation of A.
 - Both A and R are true and R is not the correct explanation of A.
 - A is true but R is false.
 - A is false but R is true.
46. Assertion (A): People migrate that can fetch them high earning jobs than what they get in their native places.
Reason (R): Enhanced earnings in the new place exceeds the cost of migration.
- Both A and R are true and R is the correct explanation of A.
 - Both A and R are true and R is not the correct explanation of A.
 - A is true but R is false.
 - A is false but R is true.
47. Assertion (A): Agricultural diversification implies diversification of crop production and shifting of workforce to other allied activities such as livestock, poultry etc.
Reason (R): Most of the agricultural employment activities are concentrated in Kharif season while during Rabi season it becomes difficult to find gainful employment opportunities due to lack of irrigation facilities.
- Both A and R are true and R is the correct explanation of A.
 - Both A and R are true and R is not the correct explanation of A.
 - A is true but R is false.
 - A is false but R is true.
48. Assertion (A): The main goal of planning in India is to promote rapid and balanced economic development with equality and social justice.
Reason (R): Poverty alleviation and unemployment are regarded as the major hindrances towards the development of India.
- Both A and R are true and R is the correct explanation of A.
 - Both A and R are true and R is not the correct explanation of A.
 - A is true but R is false.
 - A is false but R is true.

SECTION C

(10 questions out of 12 questions are to be attempted)

Q.No. 49 - 54 are to be answered on the basis of the following data:

Government budget is an annual statement of receipt and expenditures of the government. Prepared annually with various objectives. The Finance Ministry of the country prepares the budget and it is presented by the Finance Minister. It is an annual process and prepared by the government at various level. A government budget is different from the Five-Year Plans which is prepared with long-term objectives. However, both of these are prepared and presented keeping in mind the objective of the government. An annual union budget is divided into several parts to take care of all types of income and expenditures. Mrs. Nirmala Sitharaman, the Finance Minister of the country announced two relief packages during Covid-19 lockdown to help people getting food and source of income. This announcement was in addition to the budget presented during April 2020 and March 2021.

49. The annual budget is prepared only by the union government. Choose from the options below:
- True
 - False
 - Partially true
 - Incomplete statement
50. The union budget is comprised of
- Revenue budget
 - Capital budget
 - Both (a) & (b)
 - Neither (a) & (b)
51. The union budget is presented in the Parliament by
- Group of Union Ministers
 - Prime Minister
 - Representative of Union Ministry
 - Finance Minister
52. Assertion (A): Relief packages announced during Covid outbreak is a non - plan expenditure.
Reason (R): No provision can be made for any unforeseen circumstances in the country.
- Both A and R are true and R is the correct explanation of A.
 - Both A and R are true and R is not the correct explanation of A.
 - A is true but R is false.
 - A is false but R is true.
53. A government budget is prepared _____.
- Half Yearly
 - Annually
 - Quarterly
 - In 5 years
54. Expenditure on health due to Covid-19 is _____ expenditure of the government.
- Direct
 - Revenue
 - Both (a) & (b)
 - None of these

Q.No. 55 - 60 are to be answered on the basis of the following data:

The performance of Indian economy during the period of first seven five-year plans (1950-1990) was satisfactory if not very impressive. On the eve of independence, India was an industrially backward country, but during this period of first seven plans our industries became far more diversified, with the stress being laid on the public investments in the industrial sector. The policy of import substitution led to

protection of the domestic industries against the foreign producers but we failed to promote a strong export surplus. Although public sector expanded to a large extent but it could not bring desired level of improvement in the secondary sector. Excessive government regulations prevented the natural trajectory of growth of entrepreneurship as there was no competition, no innovation and no modernisation on the front of the industrial sector. Many Public Sector Undertakings (PSUs) incurred huge losses due to operational inefficiencies, red-tapism, poor technology and other similar reasons. These PSUs continued to function because it was difficult to close a government undertaking even if it is a drain on country's limited resources. On the agricultural front, due to measure taken under Green Revolution, India more or less became self-sufficient in the production of food grains. So, the needs for reforms of economic policy was felt widely in the context of changing global economic scenario to achieve desired growth in the country.

55. Which of the following was not a reason for the public sector to play a major role in the initial phase of Indian Economic Planning?
- Private entrepreneurs lacked sufficient capital for investment.
 - Government aimed at social welfare.
 - The market was big enough to encourage private industrialists for investment.
 - The government wanted to protect the indigenous producers from the foreign competition.
56. Inward looking trade strategy aimed at _____.
- Protecting domestic industries from foreign competition
 - Industrialization
 - Improving performance of public sector
 - None of the above
57. Mechanization of the Indian agriculture was one of the causes of _____ in India.
- Green Revolution
 - White Revolution
 - Yellow Revolution
 - None of the above
58. Assertion (A): Many public sector undertakings incurred huge losses due to operational inefficiencies.
Reason (R): Red-tapism was one of the reasons for continuation of such enterprises.
- Both A and R are true and R is the correct explanation of A.
 - Both A and R are true and R is not the correct explanation of A.
 - A is true but R is false.
 - A is false but R is true.
59. Founder of Green Revolution is:
- Norman E. Borlaug
 - M.S. Swaminathan
 - Gerri Baker
 - None of the above
60. Which of the following is not true about problems of public sector in India?
- Lack of technical efficiency
 - Discriminatory policy of the organisation
 - Lack of incentives
 - Adequate control of Parliament