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HS/XII/A.Com/Ec/24

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ECONOMICS

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

General Instructions :

- (i) All questions in both the Parts are compulsory.
- (ii) Marks for questions are indicated against each question.
- (iii) Question Nos. **1-5** and **18-22** are objective-type questions carrying 1 (one) mark each.
- (iv) Question Nos. **6-10** and **23-27** are very short answer-type questions carrying 1 (one) mark each. Answers to them should be in one sentence each.
- (v) Question Nos. **11, 12, 28** and **29** are short answer-type questions carrying 3 (three) marks each. Answers to them should normally not exceed 60 (sixty) words each.
- (vi) Question Nos. **13-15** and **30-32** are also short answer-type questions carrying 4 (four) marks each. Answers to them should normally not exceed 70 (seventy) words each.
- (vii) Question Nos. **16, 17, 33** and **34** are long answer-type questions carrying 6 (six) marks each. Answers to them should normally not exceed 100 (hundred) words each.

(2)

PART—A

(Introductory Macroeconomics)

(Marks : 40)

1. Classification of goods into intermediate and final goods depends on the
 - (a) production of goods
 - (b) consumption of goods
 - (c) distribution of goods
 - (d) end-use of goods1
2. Repo rate relates to
 - (a) short-term borrowings by commercial banks from the central bank
 - (b) long-term borrowings by commercial banks from the central bank
 - (c) disinvestment
 - (d) dissavings1
3. In consumption function, $C = \bar{c} + bY$, b represents
 - (a) autonomous consumption
 - (b) savings
 - (c) MPC
 - (d) MPS1
4. By implementing measures like cash transfers to senior citizens and widows, the government is trying to achieve the objective of
 - (a) reallocation of resources
 - (b) redistribution of income
 - (c) regional equality
 - (d) All of the above1

(3)

5. Flexible exchange rate system is also known as
- (a) managed floating system
 - (b) pegged exchange rate system
 - (c) floating exchange rate system
 - (d) None of the above
- 1

6. Define money supply. 1

Or

Given legal reserve ratio (LRR) = 20%, calculate the value of money multiplier.

7. If MPC = MPS, calculate the value of investment multiplier (K). 1
8. What is government budget? 1
9. What is fixed exchange rate? 1
10. Give one distinction between balance of trade and balance of payments. 1
11. Classify the following as intermediate goods or final goods, giving reasons : 1×3=3
- (a) Apples purchased by a fruit seller
 - (b) Sugar purchased by household
 - (c) Wood purchased for making chairs

Or

What is nominal GDP? Given nominal GDP = ₹ 600 crores and real GDP = ₹ 480 crores, calculate price index. 1+2=3

12. Explain any three merits of fixed exchange rate system. 3
13. Examine the functions of money. 4
14. What is full employment? Compare voluntary unemployment and involuntary unemployment. 1+3=4

(4)

- 15.** Giving reasons, categorize the following into revenue receipts and capital receipts : 1×4=4

- (a) Borrowing from rest of the world
- (b) Recovery of loans
- (c) Financial aids from rest of the world
- (d) Disinvestment

Or

- From the following data, calculate (a) revenue deficit, (b) fiscal deficit and (c) primary deficit : 1+2+1=4

Items	₹ (in crore)
(i) Tax revenue	2,000
(ii) Non-tax revenue	300
(iii) Revenue expenditure	2,500
(iv) Capital expenditure	560
(v) Recovery of loans	210
(vi) Disinvestment	100
(vii) Interest payments	125

- 16.** Explain the circular flow of income in a two-sector model. 6
- 17.** What is excess demand? Explain the concept of inflationary gap with the help of a diagram. 1+5=6

Or

- What is equilibrium output? Find out MPC and MPS from the following information if the economy is in equilibrium : 1+4+1=6

National income (Y) ₹ 1,500 crore
Autonomous consumption (\bar{C}) ₹ 250 crore
Autonomous investment (I) ₹ 125 crore

(5)

PART—B

(**Indian Economic Development**)

(Marks : 40)

- 18.** On the eve of Independence, India's demographic condition was characterized by which of the following? 1
- (a) Low level of technology, low mortality rates and high life expectancy
 - (b) High level of literacy, high mortality rates and low life expectancy
 - (c) Low level of literacy, high mortality rates, and high life expectancy
 - (d) Low level of literacy, high mortality rates and low life expectancy
- 19.** The first Industrial Policy Resolution in Independent India was introduced in the year
- (a) 1948
 - (b) 1950
 - (c) 1951
 - (d) 1956 1
- 20.** The traditional sources of rural credit in India are
- (a) moneylenders
 - (b) relatives and friends
 - (c) traders
 - (d) All of the above 1

21. Choose the correct alternative showing chronological order of the following events :

- (i) First Five-Year Plan in India
- (ii) First Five-Year Plan in Pakistan
- (iii) Economic Reforms in China
- (iv) Economic Reforms in India

Select the correct option using the codes given below.

- (a) (i), (ii), (iii), (iv)
- (b) (iv), (iii), (ii), (i)
- (c) (ii), (i), (iv), (iii)
- (d) (iii), (i), (iv), (ii)

1

22. Choose the correct pair :

1

Column—I

Column—II

- | | | |
|------------------------|---|------------|
| (a) Great Leap Forward | : | 1958 |
| (b) One-child norm | : | Pakistan |
| (c) Commune system | : | Industries |
| (d) Mixed economy | : | China |

23. What is privatization?

1

24. Define rural development.

1

Or

What is agricultural marketing?

25. What is the meaning of worker participation ratio?

1

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- 26.** What is infant mortality rate? 1
- 27.** Which campaign initiated industrialization in China? 1
- 28.** What is mixed economy? Compare between Capitalism and Socialism. 1+2=3
- 29.** Explain the types of agricultural diversification. 3

Or

Briefly explain the causes of environmental degradation.

- 30.** What measures would you suggest to solve the problem of unemployment in India? 4

Or

Distinguish between the following : 2×2=4

- (a) Regular workers and Casual workers
- (b) Formal sector and Informal sector

- 31.** How do the following factors contribute to the environmental crisis in India? 2×2=4

- (a) Water contamination
- (b) Rising population

- 32.** Compare the economies of India and China on the following two parameters : 2×2=4

- (a) Human Development Index
- (b) Population Growth

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- 33.** Argue in favour or against the economic reforms initiated in 1991.

6

Or

Examine the role of small scale industries in the economic development of a country.

- 34.** What is meant by human capital? Explain the sources of human capital formation.

1+5=6

Or

What is organic farming? Explain its benefits.

1+5=6

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