



COMMON PRE-BOARD EXAMINATION 2022-23

Subject: ECONOMICS (030)



Date:

Duration: 3 Hours

TOTAL MARKS: 80

GENERAL INSTRUCTIONS:

1. This question paper contains two sections:

Section A – Macro Economics

Section B – Indian Economic Development

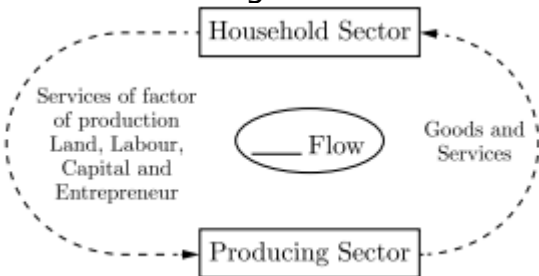
2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.

3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.

4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.

5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.

Q.NO.	SECTION A – MACRO ECONOMICS	Marks
1.	<p>Read the following statements carefully:</p> <p>Statement 1: The value of the multiplier varies directly with MPC.</p> <p>Statement 2: Higher the MPC, the higher will be the value of the multiplier and lower the MPC, the smaller will be the value of multiplier.</p> <p>In the light of the given statements, choose the correct alternative from the following:</p> <p>(a) Statement 1 is false and statement 2 is true</p> <p>(b) Statement 1 is true and statement 2 is false</p> <p>(c) Both statements 1 and 2 are false</p> <p>(d) Both statements 1 and 2 are true</p>	1
2.	<p>A change from \$1 = ₹60 to \$ 1 = ₹70 implies _____ of Indian rupee.</p> <p>(a) revaluation</p> <p>(b) appreciation</p>	1

	(c) depreciation (d) None of these	
3.	_____ is an institution that accept deposits for lending purposes. (a) Commercial Banks (b) Life Insurance Corporation (c) Reserve Bank of India (d) Government of India	1
4.	Two friends Mira and Sidhi were discussing the exchange rate systems. 'Under this system, the exchange rates are determined by the market forces of demand and supply. However, deliberate efforts are made by the competent authority to keep the exchange rates within a specific range'. The above-mentioned statement was given by Sidhi. Identify the type of exchange rate system was she talking about? (a) Floating Exchange Rate (b) Fixed Exchange Rate (c) Managed Fixed Exchange Rate (d) Managed Floating Exchange Rate	1
5.	<p>Read the following figure carefully and choose the correct option from the alternatives given below</p>  <p>Alternatives: (a) Real (b) Nominal (c) Circular (d) Both (a) and (c)</p> <p style="text-align: center;">OR</p> <p>Market prices include: a)Subsidies b)Indirect taxes c)Intermediate consumption d)Depreciation</p>	1
6.	<p>Read the following statements carefully: Statement 1: APC is the ratio of consumption expenditure to total income, i.e., $APC = \frac{Y}{C}$</p>	1

	c) What is the significance of point B?	1																																	
	d) At which level of income, Average Propensity to Consume will be equal to one and why?	1																																	
14.	a) Explain the meaning of average propensity to consume. What is its relation with average propensity to save?	2																																	
	b) An economy is in equilibrium. Calculate investment expenditure from the following: National income = 800 Marginal propensity to save = 0.3 Autonomous consumption expenditure = 100	2																																	
15.	Explain the working of money multiplier with the help of a numerical example.	4																																	
	OR																																		
	Explain the following functions of the Central Bank: a) Bank of issue b) Lender of Last Resort	4																																	
16.	a) From the following data calculate the value of Domestic Income:	3																																	
	<table border="1"> <thead> <tr> <th>S.No.</th><th>ITEMS</th><th>Amount (in ₹ Crores)</th></tr> </thead> <tbody> <tr> <td>i)</td><td>Compensation of Employees</td><td>2,000</td></tr> <tr> <td>ii)</td><td>Rent and Interest</td><td>800</td></tr> <tr> <td>iii)</td><td>Indirect Taxes</td><td>120</td></tr> <tr> <td>iv)</td><td>Corporate Tax</td><td>460</td></tr> <tr> <td>v)</td><td>Consumption of Fixed Capital</td><td>100</td></tr> <tr> <td>vi)</td><td>Subsidies</td><td>20</td></tr> <tr> <td>vii)</td><td>Dividend</td><td>940</td></tr> <tr> <td>viii)</td><td>Undistributed Profits</td><td>300</td></tr> <tr> <td>ix)</td><td>Net Factor Income from Abroad</td><td>150</td></tr> <tr> <td>x)</td><td>Mixed Income of Self Employed</td><td>200</td></tr> </tbody> </table>	S.No.	ITEMS	Amount (in ₹ Crores)	i)	Compensation of Employees	2,000	ii)	Rent and Interest	800	iii)	Indirect Taxes	120	iv)	Corporate Tax	460	v)	Consumption of Fixed Capital	100	vi)	Subsidies	20	vii)	Dividend	940	viii)	Undistributed Profits	300	ix)	Net Factor Income from Abroad	150	x)	Mixed Income of Self Employed	200	
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	b) What precautions are to be taken while estimating National Income by Expenditure Method.	3																																	

17.	<p>a) Giving reasons classify the following into revenue receipts and capital receipts: i) Income tax, Excise duty, Fees and fines. ii) Borrowing from public iii) Profits of public sector undertakings</p> <p>b) Define Government Budget. Elaborate the objective of 'economic growth' in the Government budget.</p> <p style="text-align: center;">OR</p> <p>a) Distinguish between direct and indirect taxes, with suitable examples.</p> <p>b) Explain components of Capital Receipts.</p>	<p>3</p> <p>3</p> <p>3</p> <p>3</p>
SECTION B – INDIAN ECONOMIC DEVELOPMENT		
18.	<p>Liberalisation of the economy under the new economic policy changed the role of RBI in the economy.</p> <p>(a) from 'regulator' to a facilitator of the financial sector (b) from a controller to a 'manager' of the government debt (c) both (a) and (b) (d) none of these</p>	1
19.	<p>Identify which of the following statement is correct:</p> <p>(a) British colonial rule made India net importer of raw material. (b) The real motive behind infrastructure development by British was to serve the people of India. (c) India generated large export surplus during the British rule. (d) Indian handicraft industry enjoyed world-wide reputation under the British rule.</p> <p style="text-align: center;">OR</p> <p>From the following, identify the incorrect statement in the light of India's pre-independence occupational structure.</p> <p>(a) Agricultural sector accounted for the largest share of workforce. (b) Industrial and Service sectors grew at a faster rate than the agricultural sector. (c) Agricultural sector was marked with disguised unemployment. (d) Unbalanced growth was created due to unequal distribution of workforce.</p>	<p>1</p> <p>1</p>
20.	<p>Number of persons unemployed = Labour Force - _____.</p> <p>a) Supply of labour b) Workforce c) Total Population d) Participation rate</p>	1

21.	Self-help Groups(SHG) and Micro Credit Programmes are an emerging phenomenon in the context of _____ credit. a) rural b) urban c) both (a) and (b) d) none of these	1
22.	<p>Arrange the following events of China in chronological order and choose the correct alternative: (i) Special Economic Zones (ii) Great Proletarian Cultural Revolution (iii) Commune System (iv) Establishment of People's Republic of China Choose the correct alternative: (a) (iv), (i), (ii), (iii) (b) (iv), (iii), (ii), (i) (c) (ii), (iv), (iii), (i) (d) (ii), (iv), (i), (iii)</p> <p style="text-align: center;">OR</p> <p>_____ and _____ are the reasons for the slowdown of the Pakistan economy since independence. I. political instability II. over-dependence on remittances from abroad III. stable performance of agriculture sector IV. growth of service sector Alternatives: (a) I and II (b) II and III (c) III and IV (d) I and IV</p>	1
23.	<p>Read the following statements-Assertion (A) and Reason (R). Choose one of the correct alternatives given below: Assertion (A): Human capital and human development are not identical concepts. Reason (R): Human capital is means to achieve human development.</p> <p>Alternatives: (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A) (c) Assertion (A) is false but Reason (R) is true (d) Assertion (A) is true but Reason (R) is false</p>	1
24.	<p>Which of the following countries adopted 'One Child Policy' as a measure to control population? a) India</p>	1

	a)Both the statements are true b)Both the statements are false c)Statement I is true, Statement II is false d)Statement II is true, Statement I is false	
28.	Mention some obstacles that hinder the mechanism of agricultural marketing. <p style="text-align: center;">OR</p> Discuss any two factors that contribute to human capital formation.	3 3
29.	Explain any one similarity and two dissimilarities among India, China and Pakistan.	3
30.	How do the following factors contribute to the environmental crisis in India? What problem do they pose for the government? a) Rising population b) Air pollution	4
31.	Give a quantitative appraisal of India's demographic profile during the colonial period.	4
32.	a) 'In recent times the Indian Economy has experienced the problem of Casualisation of the workforce. This problem has been aggravated by the outbreak of COVID – 19. Do you agree with the given statement? Discuss any two disadvantages of casualization of the workforce in the light of the above statement. b) Differentiate between biotic and abiotic elements of environment.	2 2
33.	a) Do you think outsourcing is good for India? Why are developed countries opposing it? Ans. Yes, outsourcing is good for India. The following points suggest that outsourcing is good for India. <ol style="list-style-type: none"> Employment: For a developing country like India, employment generation is an important objective and outsourcing proves to be a boon for creating more employment opportunities. It leads to generation of newer and higher paying jobs. Exchange of technical know-how: Outsourcing enables the exchange of ideas and technical know-how of sophisticated and advanced technology from developed to developing countries. International worthiness: Outsourcing to India also enhances India's international worthiness credibility. This increases the inflow of investment to India. Encourages other sectors: Outsourcing not only benefits the service sector but also affects other related sectors like industrial and agricultural sector through various backward and forward linkages. 	4

	<p>5. Contributes to human capital formation: Outsourcing helps in the development and formation of human capital by training, imparting them with advanced skills, thereby increasing their future scope and their suitability for high ranked jobs.</p> <p>6. Better standard of living and eradication of poverty: By creating more and higher paying jobs, outsourcing improves the standard and quality of living of the people in the developing countries. It also helps in reducing poverty.</p> <p>7. Greater infrastructural investment: Outsourcing to India requires better quality infrastructure. This leads to the modernization of the economy and larger investment by the government to develop quality infrastructure and to develop quality human capital. (Any two points)</p> <p>a) However, outsourcing to India is good, but developed countries oppose this because outsourcing leads to the outflow of investments and funds from the developed countries to the less developed countries.</p> <p>b) Also the MNCs contribute more to the development of the host country than the home country. Further, outsourcing reduces the employment generation in the developed countries as the same jobs can be done in the developing countries at relatively cheap wages.</p> <p>c) Moreover this leads to job insecurity in the developed countries as at a point of time jobs can be outsourced to the developing countries. (Any two points)</p>	
	<p>b) Enlist any two problems faced by farmers in the initial years of organic farming.</p> <p style="text-align: center;">OR</p> <p>a) Discuss the importance of credit in rural development.</p> <p>b) Compared to urban women, more rural women are found working. Why?</p> <p>Ans. Participation rate for women is higher in rural areas compared with urban areas. It is because in rural areas, poverty forces women to seek employment. Without education, women in rural areas find only less productive jobs and</p>	<p>2</p> <p>3</p> <p>3</p>
34.	<p>Read the following text carefully and answer the given questions on the basis of the same and common understanding:</p> <p>The Green Revolution in India began in the mid-1960s marking a transition from traditional agriculture in India to high-yielding varieties of seeds and the associated modern agricultural techniques. The need for introduction of Green Revolution in India arose due to a shortage of food-grains in the post-independent period.</p>	

	<p>The government in the post-independent India wanted to ensure self-dependence in terms of food-grain production. Such efforts coincided with the development of high-yielding varieties of seeds of wheat developed by Dr. Norman Borleng and his associates in Mexico. These seeds also necessitated changes in farming techniques such as the addition of fertilizers, pesticides and better irrigation facilities. High yielding varieties of seeds were first introduced in India in the states of Punjab, Haryana and parts of western Uttar Pradesh.</p> <p>In the early period of the green revolution in India, the focus was to acclimatise the new system with the more resource-intensive agricultural methods. The argument for introducing the new crop varieties was to increase agricultural production in terms of higher crop yields. The seeds introduced during the early period of the green revolution in Punjab were not high yielding by themselves. These high yields were possible due to the seeds being highly responsive to certain inputs such as irrigation water and fertilizers.</p> <p>The green revolution in India, thus, necessitated a resource-intensive process whereby, those who could make significant capital investments could benefit, whereas, those others became more marginalized in regions affected by practices of the green revolution in India. On one hand, the results derived from the green revolution helped farmers to increase their yield and income and on the other hand, it helped the government to procure and preserve more food grains through agencies like Food Corporation of India. These food grain reserves were helpful in creation of buffer stocks in India, which helped in the situations of adversities.</p>	
	a) Why was Green revolution implemented and how did it benefit the farmers?	3
	b) Justify the following statement with valid explanation: 'Green revolution enabled the government to procure sufficient food grains to build its stocks that could be used during time of shortage'.	3

END OF QUESTION PAPER