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B



INDIAN SCHOOL MUSCAT HALF YEARLY EXAMINATION

ECONOMICS

CLASS: XII

Sub. Code: 030

Time Allotted: 3 hours

29.09.2019

Max. Marks: 80

General Instructions:

- a) This question paper contains 34 questions.
- b) All questions in both sections are compulsory. However, there is internal choice in some questions. Marks for questions are indicated against each question. Question No. 01 – 10 and 18 – 27 are Objective Type/Multiple choice questions of 1 mark each. They are required to be answered in one sentence/one word.
- c) 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.
- d) Question No. 13 – 15 and 30 – 32 also short answer questions carrying 4 marks each. Answers to them should not normally exceed 70 words each.
- e) 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
- f) Answers should be brief and to the point and the above word limit be adhered to as far as possible.
- g) All questions of a particular section must be attempted in the same section.

SECTION – A – INTRODUCTORY MACROECONOMICS

1. Define externalities. 1
2. State whether the following statement True or False. Give reason 1
Capital formation is a stock variable
3. Choose appropriate word an fill in the blank: 1
Real GDP refers to GDP at _____ prices. (current/constant)
4. Define autonomous consumption. 1

OR

Define marginal propensity to consume.

5. The formula used for calculating money multiplier: (Choose the correct alternative) 1
 - (a) $\frac{1}{\text{Cash Reserve Ratio}}$
 - (b) $\frac{1}{\text{Statutory Liquidity Ratio}}$
 - (c) $\frac{1}{\text{Legal Reserve Ratio}}$
 - (d) All of the above

6. AD curve starts: (Choose the correct alternative) 1
- From the origin
 - Point below to the origin
 - Point above the origin
 - None of these
7. Choose appropriate word and fill in the blank: 1
- _____ is the ratio between saving and income (APS/MPS)
8. The producer sector (firms) depends on the household sectors of the economy for the supply of. (Choose the correct alternative) 1
- Goods and services
 - Factors of production
 - Both (a) and (b)
 - None of the above
9. State whether the following statement True or False: 1
- If APC is 30%, then APS will be 70%
10. Which of the following can be used to correct inflationary gap? 1
- Increase in taxation
 - Cut in the cost of credit
 - Cut in government expenditure
 - Both (a) and (c)
11. Explain the concept of inflationary gap with the help of a diagram. 3

OR

Complete the following table:

Income (₹)	Saving (₹)	Marginal Propensity to Consume	Average Propensity to Save
20	(-) 12		
40	(-) 6		
60	0		

12. In the present scenario when the industrial growth is low, do you think a cut in repo rate by the RBI would accelerate the pace of industrial growth? 3
13. Explain with the help of a numerical example how an increase in investment in an economy affects its level of income. 4

14. Giving reasons, how will the following be treated while estimating the national income? 4
- Profits earned by an Indian bank from its branches abroad.
 - Payment of GST by a firm
 - Scholarships given to Indian students studying in India by a foreign company
 - Expenditure on free services provided by the Government
15. Explain the banker to the government function of the central bank. 4

OR

Explain the 'bankers' bank' function of the central bank.

16. Explain using a well labelled diagram how the economy achieves equilibrium level of income using consumption and investment approach 6

OR

Explain using a well labelled diagram how the economy achieves equilibrium level of income using savings and investment approach.

17. From the following data, calculate gross national product at market price by (a) Income method and (b) Expenditure method 6

	(₹ in crores)
Net domestic capital formation	3,750
Compensation of employees	6,000
Net indirect taxes	1,500
Profit	4,500
Rent	2,000
Private final consumption expenditure	11,000
Consumption of fixed capital	1,150
Government final consumption expenditure	7,000
Interest	2,500
Mixed income of self employed	5,000
Net factor income from abroad	(-) 150
Net exports	(-) 250

SECTION – B – INDIAN ECONOMIC DEVELOPMENT

18. Self-reliance means. (Choose the correct alternative) 1
- Avoiding imports
 - Produce goods in India which are imported from abroad
 - Export promotion
 - None of these

19. Which of the following statements is not true about India's economic development during British rule? (Choose the correct alternative) 1
- (a) Handicraft products were well known worldwide.
 - (b) Agriculture was the main source of livelihood
 - (c) India transformed into supplier and consumer of finished industrial products
 - (d) Per capita income grew by half percent in the first half of twentieth century
20. State whether the following statement True or False: 1
- Small scale industries promote balanced regional development.
21. State whether the following statement True or False: 1
- The Government of India, following the principle of 'One Nation and One Tax', and wanting a unified market in order to ensure the smooth flow of goods across the country implemented the Goods and Services Tax (GST) from July 1, 2017.
- OR**
- State whether the following statement True or False:
- Under demonetisation, Government made an announcement on November 8, 2016 that the two largest denomination notes, ₹1000 and ₹2,000 were 'demonetised' with immediate effect, ceasing to be legal tender.
22. State whether the following statement True or False: 1
- Land ceiling means fixing the minimum size of land owned by an individual.
23. Choose appropriate word and fill in the blank: 1
- The second stage of demographic transition began after _____. (1921/ 1930)
24. Privatization means: (Choose the correct alternative) 1
- (a) Allowing the private sector to set up industries which were previously reserved for the public sector.
 - (b) Existing enterprises of the public sector are either wholly or partially sold to private sector
 - (c) Both (a) and (b)
 - (d) None of these.
25. Choose appropriate word and fill in the blank: 1
- In India, the financial sector is regulated and controlled by the _____.
(RBI/Commercial Bank)
26. State whether the following statement True or False: 1
- Fiscal policy refers to tax revenue and expenditure policy of the government.
27. What do you meant by devaluation? 1
28. What was the condition of the industrial sector under the colonial rule in India? 3

29. Give the meaning of the following terms: 3
- (a) Structural changes
 - (b) Equity
 - (c) Quantitative restrictions

OR

Give any three benefits of Green Revolution

30. Give any four salient features of demonetisation introduced by the Government of India on November 8, 2016 4
31. How was the Indian foreign trade directed in the favour of the Britishers during the colonial rule in India? 4

OR

Give a critical appraisal on the development of infrastructure during the colonial period.

32. Why the public sector was given a leading role in industrial development during the planning period. 4
33. Define the following terms: 6
- (a) Privatisation
 - (b) Disinvestment

What reform measures were introduced in the industrial sector in the new economic policy?

OR

Agriculture sector appears to be adversely affected by the reform process. Why?

34. Discuss the common goals of all five year plans with respect to the following:
- (a) Growth
 - (b) Modernisation
 - (c) Self Reliance

End of the Question Paper