

## INDIAN SCHOOL MUSCAT HALF YEARLY EXAMINATION ECONOMICS (030)

CLASS: XII

Time Allotted: 03 Hrs.

18.09.2022

Max. Marks: 80

### **GENERAL INSTRUCTIONS**

1. This question paper contains two parts:

Part A - Macro Economics (40 marks)

Part B - Indian Economic Development (40 marks).

- 2. Marks for questions are indicated against each question.
- 3. Question No. 1-10 and Question No. 18 27 are 1 mark questions and are to be answered in one word/sentence.
- 4. Question No. 11-12 and Question No. 28 29 are 3 marks questions and are to be answered in 60 80 words each.
- 5. Case Based Questions (CBQ's) are Question No. 13 and Question No. 30.
- 6. Question No. 14-15 and Question No. 31 32 are 4 marks questions and are to be answered in 80-100 words each.
- 7. Question No. 16-17 and Question No. 33 34 are 6 marks questions and are to be answered in 100-150 words each.
- 8. Answers should be brief and to the point and the above word limit be adhered to as far as possible.

# SECTION - A: MACROECONOMICS (40 Marks)

- 1. Money enables People to save. Which function of money does this describe? (Choose the correct alternative):
  - (a) Store of value
  - (b) Unit of account
  - (c) Medium of exchange
  - (d) All of the above
- 2. Demand deposits include. (Choose the correct alternative):
  - (a) Saving account deposits and fixed deposits
  - (b) Saving account deposits and current account deposits
  - (c) Current account deposits and fixed deposits
  - (d) All type of bank deposits
- 3. Choose one of the correct alternatives given below:

Assertion (A): Commercial Bank acts as a banker to the Government

Reason (R): Reserve Bank is the only institution which can issue currency

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

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1

4.	Public goods are those goods: (Choose the correct alternative): <ul> <li>(a) Which satisfy collective needs of the people</li> <li>(b) Which satisfy needs of the government</li> <li>(c) Which are available to only those who are below poverty line</li> <li>(d) Which satisfy only private needs of the people.</li> </ul>	1
5.	Read the following statement carefully. Write 'True' or 'False' with reason. Government budget is a statement of actual receipts and actual expenditure of the government during the past year.	1
6.	Borrowing by the Government is a: (Choose the correct alternative):  (a) Revenue receipt (b) Capital receipt (c) Revenue expenditure (d) Capital expenditure	1
7.	Choose the appropriate word and fill in the blank: Selling of shares of Air India by the Government to Tata's is called (disinvestment / investment)	1
8.	Goods which are not used in the production of other goods are called: (Choose the correct alternative):  (a) Capital goods (b) Consumption goods (c) Intermediate goods (d) Producer goods	1
9.	Read the following statement carefully. Write 'True' or 'False' with reason Unexpected obsolescence is an element of depreciation.	1
10.	Read the following statement carefully. Write 'True' or 'False' with reason. In a circular flow of income, Money flows are opposite to real flows:	1
11.	Is deficit budget a sign of government inefficiency?  OR  What is are the implications of fiscal deficit?	3
12.	State with reason whether the following are a stock or a flow?  (a) Income of a household.  (b) Wealth.  (c) Money supply or quantity of money of the nation.	3
13.	Case based question Read the excerpt given and answer the question. The total stock of money circulating in an economy is the money supply. The circulating money involves the currency, printed notes, money in the deposit accounts and in the form of other liquid assets. Valuation and analysis of the money supply help the economist and policy makers to frame the policy or to alter the existing policy of increasing or reducing the supply of money. The valuation is important as it ultimately affects the business cycle and thereby affects the economy. Periodically, every country's central bank publishes the money supply data based on the monetary	4

	Questions (1 – Mark each)	
	1. Money Supply is a(stock/flow) concept.	
	2. Define money.	
	3. Which of the following is not included in money supply? (Choose the correct alternative)	
	(a) High powered money	
	(b) Bank money	
	(c) Time deposits	
	(d) Inter-bank deposits	
	4. M1 is the most liquid measure of money supply. State true or false. Give reason.	
14.	Explain how the government can use the budgetary policy in reducing inequalities in incomes.  OR	4
	Categories the following into revenue receipts and capital receipts. Give reason.	
	(i) Income tax	
	(ii) Recovery of loans	
	(iii) Profit from public enterprises	
	(iv) Borrowing from RBI	
	(11) Bollowing Holli RDI	
15.	What is meant by circular flow of income? What is the principle of circular flow of income and product?	4
16.	Explain the Issuing of notes and Banker to the government functions of central bank.  OR	6
	How central bank control the money supply in the economy though the following monetary	
	instruments:	
	(i) Bank Rate:	
	(ii) Cash Reserve Ratio (CRR)	
	(iii) Open Market Operations	
17.	What is the difference between revenue expenditure and capital expenditure? Explain how taxes and government expenditure can he used to influence distribution of income in the society.	6
EC"	TION B: INDIAN ECONOMIC DEVELOPMENT (40 Marks)	
18.	The main objective of the reminders during the solaried and for land and an extension of the reminders during the solaried and for land and the solaried and for land and the solaried and the so	_
	The main objective of the zamindars during the colonial rule for land settlement was to: (Choose the correct alternative):	1
	(a) Improve the economic conditions of the cultivators	
	(b) Improve the crop yield by making significant contributions in technology and fertilizer	
	usage	
	(c) Collection of rent with no interest in the economic conditions of the cultivators.	
	(d) Cooperating with the colonial government to improve the condition of agriculture.	
9.	Which of the following statement is incorrect with regard to the demographic status of India on	1
	the eve of Indian Independence: (Choose the correct alternative):	1
	(a) The first census under British India was conducted in 1881	
	(b) India entered the second stage of demographic transition post 1947	
	(c) Female literacy rate was as low as 7%	
	(d) Infant mortality rate was at 218 per thousand live births	
	Cy and was at 210 per diousult live offuls	

aggregates set by them. In India, the Reserve Bank of India follows M1, M2, M3 and M4

monetary aggregates.

	so as to ac	hieve a	n obje	ntivo	iesigni	ng an	d shap	ing the socio economic processes in such a way		
	(a) Eco	nomic g	ui objec	JUVE						
	(b) Eco	nomic o	develoi	nment						
	(c) Eco	nomic p	olannir	o						
		nomic p								
Ι.	Which of th	ne follov	wing is	not the	e role d	of on -	_ the _	job training? (Choose the correct alternative):		
	(a) Erac	dicate Ir	nequali	ty		or on	tile	job training? (Choose the correct alternative):		
	(b) Enc	ourages	Innov	ations						
	(c) Pror	motes m	nodern	method	d					
	(d) Enh	ances p	roducti	vity						
2.	Human Cap	ital and	Huma	ın Deve	elopme	ent are	e: (Cho	ose the correct alternative):		
	(a) Opp	osne co	ncepts				`	is a second disconditive).		
	(b) Diff	erent co	ncepts							
	(c) Both	ı mean t	the san	ne						
	(d) Rela	ited con	cepts, l	but cer	tainly 1	not id	entical			
3.	Match the c	olumns	with c	orrect o	combin	ation	s:			
			Column					Column – B		
	A. Lar	nd Ceilin	ng					(i) Increase in the production of food		
								grains using high yielding variety of seeds		
	B. Lar	nd Refor	rms					(ii) Portion of agricultural produce sold in the market.		
	C. Gre	en Revo	olution			-		(iii)Fixing the maximum limit of land		
	D. Mar	rketed S	Surplus					holding for an individual (iv)Change in ownership of land holdings		
	Codes	<del> </del>				· · ·		(land to tillers)		
		$\mathbf{A}$	В	$\mathbf{C}$	D					
	(a)	(iv)	(ii)	(iii)	(i)					
	(b)	(iv)	(i)	(ii)	(iii)					
	(c)	(iii)	(i)	(ii)	(iv)					
	(d)	(iii)	(iv)	(i)	(ii)					
	The main	1 . C								
	development	oal of	tne li	naustri	al Pol	icy F	Resolut	ion 1956 was to ensure balanced regional		
	is: (Choose t	, MICH DE	iaic coi	HHHOHE	g me c	comm	anding	heights of the economy. The given statement		
		He corre	ct ane	manve	<b>)</b> :					
•	(a) True									
	(a) True									
•	(a) True (b) False									
•	(a) True (b) False (c) Neutr	ral	the Ind	l1104m² ~ 1	m c 1 ! =			•		
	(a) True (b) False (c) Neutr	ral goals of	the Ind	lustrial	policy	gave	equal	importance to both public sector and private		
	(a) True (b) False (c) Neutr (d) The g sector	ral goals of r.								
	(a) True (b) False (c) Neutr (d) The g sector	ral goals of r. owing s	stateme	nt care	fully '	Write	'True'	or 'False' with reason.  turn of then existing policy of licensing Quota		

26. Choose the appropriate word and fill in the blank: barriers refer to barriers on imports through high import duty. (Tariff / Non-Tariff) Integrating the economy of a country with the economies of other countries is known as: (Choose 27. the correct alternative): (a) Liberalisation (b) Globalization (c) Privatization (d) Nationalization What objectives did the British intend to achieve through their policies of infrastructure 28. development in India? What policies were followed for development of Agriculture sector between 1950-1990? 29. OR What policies were followed for development of Industrial sector between 1950-1990 30. Case based question Read the excerpt given and answer the question. As Goods & Services Tax completes five years of its implementation, the words of our former Finance Minister, Arun Jaitley, in the Parliament's Central Hall on the midnight of 30 June 2017 still reverberates afresh in our ears "The goods and service tax may be a destination tax, but for India it will begin an altogether new journey...". Indeed, for India, a completely new journey commenced on July 1, 2017 with goods and services tax, being touted as one of the biggest economic reforms of independent India, which set sail in the country after a decade of deliberations. The voyage of four years has been a roller-coaster ride for all stakeholders with equitable share of hits, misses and expectations. Besides removing the cascading effect of taxation, one of the biggest hits in the journey of GST has been the pursuit towards achieving an automated indirect tax ecosystem. From electronic compliances, generation of e-invoices to tracking movement of goods through e-waybill, everything is sought to be run online. E-invoicing system is not only aimed at weeding out the rampant menace of fake invoicing, but would also usher the taxpayers into a fully automated compliance regime wherein the computation of tax liabilities and matching of input tax credit would become very simple. This is no mean feat and not many countries in the world have attempted or been able to achieve the implementation of such a large scale and complex digital tax transformation project. **Questions (1 - Mark each)** Goods and Services Tax Act, 2016, which came into effect from July 2017, is expected to: (Choose the correct alternative) (a) Generate additional revenue for the government. (b) Reduce tax evasion. (c) Create 'one nation, one tax and one market' (d) All of the above GST is a ..... based tax structure. (Choose the correct alternative) 2. (a) Destination based/consumption based

1

1

3

3

4

(b) Production based(c) Both (a) & (b)(d) None of the above

Under GST How many standard rates are there. (Choose the correct alternative) 3. (a) One (b) Five (c) Four (d) Two Read the following statement carefully. Write 'True' or 'False' with reason. 4. GST is applicable throughout the country with one rate for all types of goods/services. Briefly explain goals or objectives of planning in India are as follows: 31. Why expenditure on education considered as important source for Human Capital Formation? 32. Distinguish between 'Physical Capital' and 'Human Capital'. Agriculture sector appears to be adversely affected by the reform process. Why? 33. 6 Why has the industrial sector performed poorly in the reform period? Briefly explain any six Importance of Human Capital Formation for an economy. 34. 6 **End of the Question Paper** 



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#### SECTION - A: MACROECONOMICS (40 Marks)

- 1. Demand deposits include. (Choose the correct alternative):
  - (a) Saving account deposits and fixed deposits
  - (b) Saving account deposits and current account deposits
  - (c) Current account deposits and fixed deposits
  - (d) All type of bank deposits
- 2. Choose one of the correct alternatives given below:

Assertion (A): Commercial Bank acts as a banker to the Government

Reason (R): Reserve Bank is the only institution which can issue currency

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- (c) Assertion (A) is true but Reason (R) is false.
- (d) Assertion (A) is false but Reason (R) is true.
- 3. Read the following statement carefully. Write 'True' or 'False' with reason Unexpected obsolescence is an element of depreciation.
- 4. Public goods are those goods: (Choose the correct alternative):
  - (a) Which satisfy collective needs of the people

Page 1 of 6



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1



	<ul><li>(b) Which satisfy needs of the government</li><li>(c) Which are available to only those who are below poverty line</li><li>(d) Which satisfy only private needs of the people.</li></ul>	
5.	Borrowing by the Government is a: (Choose the correct alternative):  (a) Revenue receipt  (b) Capital receipt	
	(c) Revenue expenditure (d) Capital expenditure	
6.	Money that is issued by the authority of the government is called: <ul> <li>(a) Full bodied money</li> <li>(b) Credit money</li> <li>(c) Fiat money</li> <li>(d) Fiduciary money</li> </ul>	
7.	Choose the appropriate word and fill in the blank: Selling of shares of Air India by the Government to Tata's is called (disinvestment / investment)	
8.	Read the following statement carefully. Write 'True' or 'False' with reason.  Tax payments to the Government does not provide any direct benefit to the tax payer.	]
9.	Which one of the following is an intermediate good? (Choose the correct alternative): <ul> <li>(a) Purchase of pulses by consumers</li> <li>(b) Machine purchased by a firm</li> <li>(c) Wheat used by a flour mill</li> <li>(d) Wheat used by a household.</li> </ul>	]
10.	Read the following statement carefully. Write 'True' or 'False' with reason. In a circular flow of income, Money flows are opposite to real flows:	1
11.	Is deficit budget a sign of government inefficiency?  OR	3
	What is are the implications of fiscal deficit?	
12.	State with reason whether the following are a stock or a flow.  (a) Amount of bank deposit s on 31-08-2022  (b) Number of persons employed during the month of August  (c) Wealth	3
13.	Case based question Read the excerpt given and answer the question.	4
	The total stock of money circulating in an economy is the money supply. The circulating money involves the currency, printed notes, money in the deposit accounts and in the form of other liquid assets. Valuation and analysis of the money supply help the economist and policy makers to frame the policy or to alter the existing policy of increasing or reducing the supply of money. The valuation is important as it ultimately affects the business cycle and thereby affects the economy. Periodically, every country's central bank publishes the money supply data based on the monetary aggregates set by them. In India, the Reserve Bank of India follows M1, M2, M3 and M4 monetary aggregates.	

Questions (1 – Mark each)

	1. Money Supply is a(stock/flow) concept.	
	2. Define money.	
	3. Which of the following is not included in money supply? (Choose the correct alternative)	
	(a) High powered money	
	(b) Bank money	
	(c) Time deposits	
	(d) Inter-bank deposits	
	4. M1 is the most liquid measure of money supply. State true or false. Give reason.	
1 /	What is made 1. 1. C. C. O. W. C. C. O. W. C.	
14.	What is meant by circular flow of income? What is the principle of circular flow of income and	
	product?	
1.5		
15.	Distinguish between revenue expenditure and capital expenditure. Give an example of each	2
	OR	
	Classify the following given valid reasons as revenue expenditure or capital expenditure	
	(a) Salary paid to Army Officers	
	(b) Purchase of Metro coaches from Korea	
	(c) Pension paid to retired Government employees	
	(d) Repayment of loan taken from World Bank.	
16.	Explain the Issuing of notes and Banker to the government functions of central bank.	. 6
	OR	
	How central bank control the money supply in the economy though the following monetary	
	instruments:	
	(i) Bank Rate:	
	(ii) Cash Reserve Ratio (CRR)	
	(iii) Open Market Operations	
17	W/L 4 1 1 1 CC 1 1 4 1 1 CC 1 1 4 1 1 CC 1 1 1 1	
17.	What is the difference between revenue expenditure and capital expenditure? Explain how taxes	(
	and government expenditure can he used to influence distribution of income in the society.	
SEC	I'ION B: INDIAN ECONOMIC DEVELOPMENT (40 Marks)	
18.	The main objective of the zamindars during the colonial rule for land settlement was to: (Choose	
	the correct alternative):	
	(a) Improve the economic conditions of the cultivators	
	(b) Improve the crop yield by making significant contributions in technology and fertilizer	
	usage	
	(c) Collection of rent with no interest in the economic conditions of the cultivators.	
	(d) Cooperating with the colonial government to improve the condition of agriculture.	
19.	The main and of the Industrial Dalle, D. 14' 1056	
19.	The main goal of the Industrial Policy Resolution 1956 was to ensure balanced regional	
	development with state controlling the commanding heights of the economy. The given statement	
	is: (Choose the correct alternative):	
	(a) True	
	(b) False	
	(c) Neutral	
	(d) The goals of the Industrial policy gave equal importance to both public sector and private	
	sector.	
20.	was introduced in India with the aim of maintaining law & order: (Choose the correct	
	alternative):	

	(a) Pailway		
	(a) Railways		
	(b) Air transport		
	(c) Water transport		
	(d) Electric telegraph		
21	Which of the following in the		
	(a) Eradicate Inequality	the role of on – the – job training? (Choose the correct alternative):	1
		· · · · · · · · · · · · · · · · · · ·	1
	<ul><li>(b) Encourages Innovations</li><li>(c) Promotes modern metho</li></ul>	1	
	(d) Enhances productivity	a	
	(a) Emilinees productivity		
22.	Land reforms were required to a	ahiaaaa	
	(a) Equity	cmeve:	1
	(b) Modernization		Ī
	(c) Self- reliance		
	(d) Growth		
	(5) 515 (111		
23.	Match the columns with correct	Combinations	
	Column – A		1
	A. Land Ceiling	Column – B	
		(i) Increase in the production of food grains using high	
	B. Land Reforms	yielding variety of seeds	
	C. Green Revolution	(ii) Portion of agricultural produce sold in the market.	
	or the volution	(III) Fixing the maximum limit of land holding for an	
	D. Marketed Surplus	individual (iv) Character 1 in 1 i	
	Codes	(iv)Change in ownership of land holdings (land to tillers)	
	A B C	D	
	(a) (iv) (ii) (iii)	(i)	
	(b) (iv) (i) (ii)	(iii)	
	(c) (iii) (i) (ii)	(iv)	
	(d) (iii) (iv) (i)	(ii)	
24.	Integrating the economy of a cou	ntry with the economies of other countries is known as: (Choose	
		choose strong as: (Choose	1
	(a) Liberalisation		
	(b) Globalization		
	(c) Privatization		
	(d) Nationalization		
25	D. Lilia oraș		
25.	Read the following statement care	fully. Write 'True' or 'False' with reason.	1
	New Economic Policy of 1991 wa	as a complete U – turn of then existing policy of licensing Quota	1
	and Permits	- mooning poincy of meensing Quota	
26.	Trongford		
20.	Transfer of ownership and disinve	stment are used in the process of	- 1
	(a) Giovanzation		1
	(b) Privatization		
	(c) Liberalization		
	(d) Familiarization		
27.	Which source of H		
~/.	living?	Formation includes cost of transportation and higher cost of	1
	mama!	inglier cost of	T

- (a) Expenditure on Migration
- (b) On- the- Job Training
- (c) Expenditure on information
- (d) Expenditure on education
- 28. What objectives did the British intend to achieve through their policies of infrastructure development in India?
- 29. What policies were followed for development of Agriculture sector between 1950-1990?

OR

3

3

4

What policies were followed for development of Industrial sector between 1950-1990

- 30. Why is there a need for government intervention in education and health sectors? Discuss.
- 31. Case based question

#### Read the excerpt given and answer the question.

As Goods & Services Tax completes five years of its implementation, the words of our former Finance Minister, Arun Jaitley, in the Parliament's Central Hall on the midnight of 30 June 2017 still reverberates afresh in our ears "The goods and service tax may be a destination tax, but for India it will begin an altogether new journey...". Indeed, for India, a completely new journey commenced on July 1, 2017 with goods and services tax, being touted as one of the biggest economic reforms of independent India, which set sail in the country after a decade of deliberations. The voyage of four years has been a roller-coaster ride for all stakeholders with equitable share of hits, misses and expectations.

Besides removing the cascading effect of taxation, one of the biggest hits in the journey of GST has been the pursuit towards achieving an automated indirect tax ecosystem. From electronic compliances, generation of e-invoices to tracking movement of goods through e-waybill, everything is sought to be run online. E-invoicing system is not only aimed at weeding out the rampant menace of fake invoicing, but would also usher the taxpayers into a fully automated compliance regime wherein the computation of tax liabilities and matching of input tax credit would become very simple. This is no mean feat and not many countries in the world have attempted or been able to achieve the implementation of such a large scale and complex digital tax transformation project.

#### Questions (1 - Mark each)

- 1. Goods and Services Tax Act, 2016, which came into effect from July 2017, is expected to: (Choose the correct alternative)
  - (a) Generate additional revenue for the government.
  - (b) Reduce tax evasion.
  - (c) Create 'one nation, one tax and one market'
  - (d) All of the above
- 2. GST is a ...... based tax structure. (Choose the correct alternative)
  - (a) Destination based/consumption based
  - (b) Production based
  - (c) Both (a) & (b)
  - (d) None of the above
- 3. Under GST How many standard rates are there. (Choose the correct alternative)
  - (a) One
  - (b) Five
  - (c) Four
  - (d) Two
- 4. Read the following statement carefully. Write 'True' or 'False' with reason.

  GST is applicable throughout the country with one rate for all types of goods/services.

	End of the Question Paper	(
34.	Briefly explain any six Importance of Human Capital Formation for an economy.	
	Why has the industrial sector performed poorly in the reform period?	
33.	Agriculture sector appears to be adversely affected by the reform process. Why?	(
	OR Distinguish between 'Physical Capital' and 'Human Capital'.	
32.	emportant source for Human Capital Formation?	



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**SECTION - A: MACROECONOMICS (40 Marks)** 

- 1. Money enables People to save. Which function of money does this describe? (Choose the correct alternative):
  - (a) Store of value
  - (b) Unit of account
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- 2. Demand deposits include. (Choose the correct alternative):
  - (a) Saving account deposits and fixed deposits
  - (b) Saving account deposits and current account deposits
  - (c) Current account deposits and fixed deposits
  - (d) All type of bank deposits
- 3. **Assertion (A):** Money Multiplier refers to the process of creation of credit by the commercial Bank.

Reason (R): Money creation by commercial bank raises the National Income.

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
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Page **1** of **6** 

1

4.	Public goods are those goods: (Choose the correct alternative): <ul> <li>(a) Which satisfy collective needs of the people</li> <li>(b) Which satisfy needs of the government</li> <li>(c) Which are available to only those who are below poverty line</li> <li>(d) Which satisfy only private needs of the people.</li> </ul>	1
5.	Read the following statement carefully. Write 'True' or 'False' with reason.  Government budget is a statement of actual receipts and actual expenditure of the government during the past year.	1
6.	Borrowing by the Government is a: (Choose the correct alternative): <ul> <li>(a) Revenue receipt</li> <li>(b) Capital receipt</li> <li>(c) Revenue expenditure</li> <li>(d) Capital expenditure</li> </ul>	1
7. 8.	Choose the appropriate word and fill in the blank:  Outsourcing is an important outcome of	1
9.	(d) Producer goods  Read the following statement carefully. Write 'True' or 'False' with reason	1
10.	Unexpected obsolescence is an element of depreciation.  Read the following statement carefully. Write 'True' or 'False' with reason.  In a circular flow of income, Money flows are opposite to real flows:	1
11.	Is deficit budget a sign of government inefficiency?  OR  What is are the implications of fiscal deficit?	3
12.	State with reason whether the following are a stock or a flow?  (a) Income of a household.  (b) Wealth.  (c) Money supply or quantity of money of the nation.	3
13.	Case based question Read the excerpt given and answer the question. The total stock of money circulating in an economy is the money supply. The circulating money involves the currency, printed notes, money in the deposit accounts and in the form of other liquid assets. Valuation and analysis of the money supply help the economist and policy makers to frame the policy or to alter the existing policy of increasing or reducing the supply of money. The valuation is important as it ultimately affects the business cycle and thereby affects the economy. Periodically, every country's central bank publishes the money supply data based on the monetary aggregates set by them. In India, the Reserve Bank of India follows M1, M2, M3 and M4 monetary aggregates.	4

	Questions (1 – Mark each)	
	1. Money Supply is a(stock/flow) concept.	
	2. Define money.	
	3. Which of the following is not included in money supply? (Choose the correct alternative)	
	(a) High powered money	
	(b) Bank money	
	(c) Time deposits	
	(d) Inter-bank deposits	
	4. M1 is the most liquid measure of money supply. State true or false. Give reason.	
14.	Explain how the government can use the budgetary policy in reducing inequalities in incomes.  OR	4
	Categories the following into revenue receipts and capital receipts. Give reason.  (i) Income tax	
	(ii) Recovery of loans	
	(iii) Profit from public enterprises	
	(iv) Borrowing from RBI	
15.	What is meant by circular flow of income? What is the principle of circular flow of income and product?	4
1.6		
16.	Explain the Issuing of notes and Banker to the government functions of central bank.  OR	6
	How central bank control the money supply in the economy though the following monetary	
	instruments:	
	(i) Repo Rate:	
	(ii) Reverse Repo Rate	
	(iii) Statutory Liquidity Ratio	
17.	What is the difference between revenue expenditure and capital expenditure? Explain how taxes and government expenditure can he used to influence distribution of income in the society.	6
SEC	TION R. INDIAN ECONOMIC DEVEL OPPORTUNE (10.25.	
18.	TION B: INDIAN ECONOMIC DEVELOPMENT (40 Marks)	
10.	The main objective of the zamindars during the colonial rule for land settlement was to: (Choose the correct alternative):	1
	(a) Improve the economic conditions of the cultivators	
	(b) Improve the crop yield by making significant contributions in technology and fertilizer	
	usage	
	(c) Collection of rent with no interest in the economic conditions of the cultivators.	
	(d) Cooperating with the colonial government to improve the condition of agriculture.	
19.	Which of the following the	
19.	Which of the following statement is incorrect with regard to the demographic status of India on	1
	the eve of Indian Independence: (Choose the correct alternative):	
	(a) The first census under British India was conducted in 1881	
	(b) India entered the second stage of demographic transition post 1947	
	(c) Female literacy rate was as low as 7%	
	(d) Infant mortality rate was at 218 per thousand live births	
20.	Choose the appropriate word and fill in the blank:	
		1
	means designing and shaping the socio economic processes in such a way	

	so as to achieve an objective  (a) Economic growth  (b) Economic development  (c) Economic planning  (d) Economic process		
21	<ul><li>(a) Major share of education</li><li>(b) No education cess is imp</li><li>(c) Human development is b</li><li>well-being</li></ul>	nts is true? In expenditure goes to higher education loosed by the government on all union taxes loases on the idea that education and health are integral to human land be used as synonyms of each other	1
22.	Human Capital and Human Deve (a) Opposite concepts (b) Different concepts (c) Both mean the same (d) Related concepts, but cer	elopment are: (Choose the correct alternative): tainly not identical	1
25.	Match the columns with correct of <b>Column – A</b>		1
	A. Land Ceiling	Column – B	
	- Coming	(i) Increase in the production of food grains using high	
	B. Land Reforms	yielding variety of seeds  (ii) Portion of coving the days	
	C. Green Revolution	(ii) Portion of agricultural produce sold in the market.	
		(iii)Fixing the maximum limit of land holding for an individual	
	D. Marketed Surplus		
	Codes	(iv)Change in ownership of land holdings (land to tillers)	
	A B C (a) (iv) (ii) (iii) (b) (iv) (i) (ii) (c) (iii) (i) (ii) (d) (iii) (iv) (i)	D (i) (iii) (iv) (ii)	
24.	One of the reason for classifying Resolution of 1956 was to:  (a) To promote regional equal (b) To protect the domestic in (c) To increase the role of agriculture (d) To increase the role of private (d) To increase (d) To	dustry icultural sector	1
25.	Read the following statement care New Economic Policy of 1991 wa and Permits	fully. Write 'True' or 'False' with reason. as a complete U – turn of then existing policy of licensing Quota	1
26.	Choose the appropriate 1	C11	
20.	Choose the appropriate word and the charging refer to	ill in the blank:	1
	Tariff) barriers refer to	barriers on imports through high import duty. (Tariff / Non-	•
27.	Integrating the economy of a counthe correct alternative):	atry with the economies of other countries is known as: (Choose	1

- (a) Liberalisation
- (b) Globalization
- (c) Privatization
- (d) Nationalization
- What objectives did the British intend to achieve through their policies of infrastructure 28. development in India?

3

What policies were followed for development of Agriculture sector between 1950-1990? 29.

3

4

What policies were followed for development of Industrial sector between 1950-1990

30. Case based question

Read the excerpt given and answer the question.

As Goods & Services Tax completes five years of its implementation, the words of our former Finance Minister, Arun Jaitley, in the Parliament's Central Hall on the midnight of 30 June 2017 still reverberates afresh in our ears "The goods and service tax may be a destination tax, but for India it will begin an altogether new journey...". Indeed, for India, a completely new journey commenced on July 1, 2017 with goods and services tax, being touted as one of the biggest economic reforms of independent India, which set sail in the country after a decade of deliberations. The voyage of four years has been a roller-coaster ride for all stakeholders with equitable share of hits, misses and expectations.

Besides removing the cascading effect of taxation, one of the biggest hits in the journey of GST has been the pursuit towards achieving an automated indirect tax ecosystem. From electronic compliances, generation of e-invoices to tracking movement of goods through e-waybill, everything is sought to be run online. E-invoicing system is not only aimed at weeding out the rampant menace of fake invoicing, but would also usher the taxpayers into a fully automated compliance regime wherein the computation of tax liabilities and matching of input tax credit would become very simple. This is no mean feat and not many countries in the world have attempted or been able to achieve the implementation of such a large scale and complex digital tax transformation project.

Questions (1 - Mark each)

- Goods and Services Tax Act, 2016, which came into effect from July 2017, is expected to: 1. (Choose the correct alternative)
  - (a) Generate additional revenue for the government.
  - (b) Reduce tax evasion.
  - (c) Create 'one nation, one tax and one market'
  - (d) All of the above
- GST is a ...... based tax structure. (Choose the correct alternative) 2.
  - (a) Destination based/consumption based
  - (b) Production based
  - (c) Both (a) & (b)
  - (d) None of the above
- Under GST How many standard rates are there. (Choose the correct alternative) 3. (a) One

  - (b) Five
  - (c) Four
  - (d) Two
- 4. Read the following statement carefully. Write 'True' or 'False' with reason. GST is applicable throughout the country with one rate for all types of goods/services.

	End of the Question Paper	
34.	Briefly explain any six Importance of Human Capital Formation for an economy.	6
	Why has the industrial sector performed poorly in the reform period?	Ü
33.	Agriculture sector appears to be adversely affected by the reform process. Why?	6
	OR Distinguish between 'Physical Capital' and 'Human Capital'.	
32.	Why expenditure on education considered as important source for Human Capital Formation?	4
31.	Give a review of development of foreign trade between 1950-1990	4

Roll Number		

SET



## INDIAN SCHOOL MUSCAT HALF YEARLY EXAMINATION ECONOMICS (030)

CLASS: XII

Time Allotted: 03 Hrs.

1

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Max. Marks: 80

18.09.2022

### **GENERAL INSTRUCTIONS**

1. This question paper contains two parts:

Part A - Macro Economics (40 marks)

Part B - Indian Economic Development (40 marks).

- 2. Marks for questions are indicated against each question.
- 3. Question No. 1-10 and Question No. 18 27 are 1 mark questions and are to be answered in one word/sentence.
- 4. Question No. 11-12 and Question No. 28 29 are 3 marks questions and are to be answered in 60 80 words each.
- 5. Case Based Questions (CBQ's) are Question No. 13 and Question No. 30.
- 6. Question No. 14-15 and Question No. 31 32 are 4 marks questions and are to be answered in 80-100 words each.
- 7. Question No. 16-17 and Question No. 33 34 are 6 marks questions and are to be answered in 100-150 words each.
- 8. Answers should be brief and to the point and the above word limit be adhered to as far as possible.

#### **SECTION - A: MACROECONOMICS (40 Marks)**

- 1. Money enables People to save. Which function of money does this describe? (Choose the correct alternative):
  - (a) Store of value
  - (b) Unit of account
  - (c) Medium of exchange
  - (d) All of the above
- 2. Demand deposits include. (Choose the correct alternative):
  - (a) Saving account deposits and fixed deposits
  - (b) Saving account deposits and current account deposits
  - (c) Current account deposits and fixed deposits
  - (d) All type of bank deposits
- 3. **Assertion (A):** Money Multiplier refers to the process of creation of credit by the commercial Bank.

Reason (R): Money creation by commercial bank raises the National Income.

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

4.	Public goods are those goods: (Choose the correct alternative): <ul> <li>(a) Which satisfy collective needs of the people</li> <li>(b) Which satisfy needs of the government</li> <li>(c) Which are available to only those who are below poverty line</li> <li>(d) Which satisfy only private needs of the people.</li> </ul>	1
5.	Read the following statement carefully. Write 'True' or 'False' with reason. Government budget is a statement of actual receipts and actual expenditure of the government during the past year.	1
6.	Borrowing by the Government is a: (Choose the correct alternative): <ul> <li>(a) Revenue receipt</li> <li>(b) Capital receipt</li> <li>(c) Revenue expenditure</li> <li>(d) Capital expenditure</li> </ul>	1
7.	Choose the appropriate word and fill in the blank:	1
8.	Outsourcing is an important outcome of	1
	Goods which are not used in the production of other goods are called: (Choose the correct (a) Capital goods (b) Consumption goods (c) Intermediate goods (d) Producer goods	1
9.	Read the following statement carefully. Write 'True' or 'False' with reason Unexpected obsolescence is an element of depreciation.	1
10.	Read the following statement carefully. Write 'True' or 'False' with reason. In a circular flow of income, Money flows are opposite to real flows:	1
11.	Is deficit budget a sign of government inefficiency?  OR	3
	What is are the implications of fiscal deficit?	
12.	State with reason whether the following are a stock or a flow?  (a) Income of a household.  (b) Wealth.	3
	(c) Money supply or quantity of money of the nation.	
13.	Case based question Read the excerpt given and answer the question. The total stock of money circulating in an economy is the money supply. The circulating money involves the currency, printed notes, money in the deposit accounts and in the form of other liquid assets. Valuation and analysis of the money supply help the economist and policy makers to frame the policy or to alter the existing policy of increasing or reducing the supply of money. The valuation is important as it ultimately affects the business cycle and thereby affects the economy. Periodically, every country's central bank publishes the money supply data based on the monetary aggregates set by them. In India, the Reserve Bank of India follows M1, M2, M3 and M4 monetary aggregates.	4

	Questions (1 – Mark each)	
	1. Money Supply is a(stock/flow) concept.	
	2. Define money.	
	3. Which of the following is not included in money supply? (Choose the correct alternative)	
	(a) High powered money (Choose the correct alternative)	
	(b) Bank money	
	(c) Time deposits	
	(d) Inter-bank deposits	
	4. M1 is the most liquid measure of money supply. State true or 6-1.	
	4. M1 is the most liquid measure of money supply. State true or false. Give reason.	
14.	OR	4
	Categories the following into revenue receipts and capital receipts. Give reason.	
	(1) Income tax	
	(ii) Recovery of loans	
	(iii) Profit from public enterprises	
	(iv) Borrowing from RBI	
15.	What is meant by circular flow of income? What is the principle of circular flow of income and	
	product? what is the principle of circular flow of income and	4
16.	Explain the Issuing of notes and Banker to the government functions of central bank.	6
	OR	0
	How central bank control the money supply in the economy though the following monetary	
	instruments:	
	(i) Repo Rate:	
	(ii) Reverse Repo Rate	
	(iii) Statutory Liquidity Ratio	
17.	What is the difference between revenue expenditure and capital expenditure? Explain how taxes	
	and government expenditure can he used to influence distribution of income in the society.	6
SEC	TION B: INDIAN ECONOMIC DEVELOPMENT (40 Marks)	
18.	The main objective of the zamindars during the colonial rule for land settlement was to: (Choose the correct alternative):	
	the correct alternative):	1
	(a) Improve the economic conditions of the cultivators	
	(b) Improve the crop yield by making size is	
	(b) Improve the crop yield by making significant contributions in technology and fertilizer usage	
	(c) Collection of rent with no interest in the economic conditions of the cultivators.	
	(d) Cooperating with the colonial government to improve the condition of agriculture.	
19.	Which of the following statement is incorrect with regard to the demographic status of India on the eye of India Independence: (Change the	_
	the eve of Indian Independence: (Choose the correct alternative):	1
	(a) The first census under British India was conducted in 1881	
	(b) India entered the second stage of demographic transition post 1947	
	(c) Female literacy rate was as low as 7%	
	(d) Infant mortality rate was at 210 man the arranged to the	
	(d) Infant mortality rate was at 218 per thousand live births	
20.	Choose the appropriate word and fill in the blank:	
	means designing and shaping the socio economic processes in such a way	1
	S S may shaping the socio economic processes in such a way	

	so as to achieve an objective  (a) Economic growth				
	(b) Economic development				
	(c) Economic planning (d) Economic process				
	(d) Economic process				
21.	Which of the following statemen	-4 0			
21. Which of the following statements is true?  (a) Major share of education expenditure goes to higher education  (b) No education expenditure goes to higher education					
	(b) No education case is imp	expenditure goes to higher education			
	(c) Human development is h	posed by the government on all union taxes			
	well- being	pases on the idea that education and health are integral to human			
	(d) Education and literacy ca	an be used as synonyms of each other			
22.	Human Capital and Human Day	planmont area (Cl			
	(a) Opposite concepts	elopment are: (Choose the correct alternative):	1		
	(b) Different concepts				
	(c) Both mean the same				
	(d) Related concepts, but cer	tainly not identical			
	cy and the contract of	tamily not identical			
23.	Match the columns with correct of	combinations:			
	Column – A	Column – B	1		
	A. Land Ceiling	(i) Increase in the production of food grains using high			
		yielding variety of seeds			
	B. Land Reforms	(ii) Portion of agricultural produce sold in the market.			
	C. Green Revolution	(iii)Fixing the maximum limit of land holding for an			
		individual			
	D. Marketed Surplus	(iv)Change in ownership of land holdings (land to tillers)			
	Codes	T state wortenings (tand to tiness)			
	A B C	D			
	(a) (iv) (ii) (iii)	(i)			
	(b) (iv) (i) (ii)	(iii)			
	(c) (iii) (i) (ii)	(iv)			
	(d) (iii) (iv) (i)	(ii)			
24.	One of the reason for alarmic				
	Resolution of 1956 was to:	ing industries in different categories in the Industrial Policy	1		
	(a) To promote regional equal				
	(b) To protect the domestic in	districture			
	(c) To increase the role of agr	icultural goeter			
	(d) To increase the role of private the role of private the role of private the role of private the role of agriculture and agriculture and the role of agriculture and the role of agriculture and the role of agriculture and ag	Wate sector			
	control of pile	vate sector			
25.	Read the following statement care	fully. Write 'True' or 'False' with reason.			
	New Economic Policy of 1991 wa	as a complete U – turn of then existing policy of licensing Quota	1		
	and Permits	turn of their existing policy of licensing Quota			
26.	Choose the appropriate word and	fill in the blank:			
	barriers refer to	barriers on imports through high import duty. (Tariff / Non-	1		
	Tariff)	- mport day, (Tailli / IVON-			
27.	Integrating the				
41.	the correct alternative):	atry with the economies of other countries is known as: (Choose	1		
	die correct atternative):				
		Page 4 of 6			

- (a) Liberalisation
- (b) Globalization
- (c) Privatization
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- 28. What objectives did the British intend to achieve through their policies of infrastructure development in India?

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Questions (1 - Mark each)

- 1. Goods and Services Tax Act, 2016, which came into effect from July 2017, is expected to: (Choose the correct alternative)
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- 4. Read the following statement carefully. Write 'True' or 'False' with reason. GST is applicable throughout the country with one rate for all types of goods/services.

	End of the Question Paper	
34.	Briefly explain any six Importance of Human Capital Formation for an economy.	6
<i>33</i> .	Agriculture sector appears to be adversely affected by the reform process. Why?  OR  Why has the industrial sector performed poorly in the reform period?	6
33.		
	OR Distinguish between 'Physical Capital' and 'Human Capital'.	
32.	Why expenditure on education considered as important source for Human Capital Formation?	4
31.	Give a review of development of foreign trade between 1950-1990	4