Maximum Marks: 80

Roll No			

SAHODAYA PRE BOARD EXAMINATION, 2024-25

- Please check that this question paper contains 9 printed pages.
- Set number given on the right-hand side of the question paper should be written on the title page of the answer book by the candidate.
- Check that this question paper contains 34 questions.
- Write down the Serial Number of the question in the left side of the margin before attempting it.
- ♦ 15 minutes time has been allotted to read this question paper. The question paper will be distributed 15 minutes prior to the commencement of the examination. The students will read the question paper only and will not write any answer on the answer script during the period. Students should not write anything in the Question Paper.

<u>CLASS – XII</u> ECONOMICS (030)

Time Allowed: 3 hours

General Instructions:

- I. The question paper contains two sections: Section-A: Macro Economics Section-B: Indian Economic Development
- II. This paper contains 20 Multiple Choice Questions of 1 mark each.
- III. This paper contains 4 Short Answer Type Questions of 3 marks each to be answered in 60-80 words.
- IV. This paper contains 6 Short Answer Type Questions of 4 marks each to be answered in 80-100 words.
- V. This paper contains 4 Long Answer Type Questions of 6 marks each to be answered in 100-150 words.

	<u>SECTION-A</u>	
	(INTRODUCTORY MACRO ECONOMICS)	
1.	Read the following statements - Assertion (A) and Reason (R). Choose one of the	1
	correct alternatives given below:	
	Assertion (A) : Saving curve makes a negative intercept on the vertical axis at zero	
	level of income.	
	Reason (R) : Saving function refers to the functional relationship between savings and	
	income.	
	Alternatives :	
	(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					
2.	In the annual Budget 2022-23, the Government of India set up disinvestment targets of	1				
	Rs. 65,000 crore.					
	Such proceeds from disinvestment can be classified as receipts in the					
	Government Budget as it leads to of the Government.					
	Choose the correct alternatives.					
	(A) Capital, decrease in assets (B) Revenue, increase in assets					
	(C) Capital, increase in liabilities (D) Revenue, decrease in liabilities					
3.	For a closed economy (with no foreign trade), which one of the following is correct?	1				
	(A) $GDP = GNP$ (B) $GDP > GNP$					
	(C) $GDP < GNP$ (D) $GDP + GNP=0$					
4.	As per the RBI press report, dated 29 th December, 2022: "Net external commercial	1				
	borrowings to India recorded an outflow of USD \$ 0.4 billion in the second quarter					
	(2022-23)"					
	The above transaction will be recorded in the account on side of					
	Balance of payments account of India.					
	(A) Current, Credit (B) Current, Debit					
	(C) Capital, Credit (D) Capital, Debit					
5.	From the given diagrams, identify the correct option.	1				
	(A) (B) (B) (C) (C) (D) (D) (C) (C) (C) (D) (C) (C) (C) (C) (C) (C) (C) (C) (C) (C					
6.	Primary deficit can be zero if	1				
	(A) Fiscal Deficit = Interest Payments (B) Fiscal Deficit < Interest Payments					
	(C) Fiscal Deficit > Interest Payments (D) Revenue Deficit < Fiscal Deficit					
7.	Read the following statements and choose the correct alternative among those given	1				
	below.					
	Statement-1: Ex-ante savings represent value of planned savings.					
	Statement-2: Savings are directly related to the level of national income.					

	(A) Staten	nent 1 is true and Statement 2 is false.					
	(B) Staten	nent 2 is true and Statement 1 is false.					
	(C) Both t	he Statements 1 & 2 are true.					
	(D) Both t	he Statements 1 & 2 are false.					
8.	In case of a	n underemployment equilibrium, which of	the following is not true?	1			
	(A) Aggre	gate demand is equal to Aggregate supply					
	(B) There	exist excess production capacity in the eco	nomy				
	(C) Resou	esources are not fully and efficiently utilised esources are fully and efficiently utilised					
	(D) Resou	rces are fully and efficiently utilised					
9.	Read the f	ollowing statements and choose the corre	ect alternative among those given	1			
	below.						
	Statement-	1: Recovery of loans is a non-debt creating	capital receipt.				
	Statement-	2: Recovery of loans causes a reduction in	assets of the govt.				
	(A) Staten	nent 1 is true and Statement 2 is false.					
	(B) Staten	nent 2 is true and Statement 1 is false.					
	(C) Both t	he Statements 1 & 2 are true.					
	(A) Both t	he Statements 1 & 2 are false.					
10.	Read the fo	llowing diagram carefully.		1			
		y Exports and y Imports of Goods I	Exports and Imports of Services				
	es						
	in crores		350				
			270				
	Figures						
	7		×				
	7	O O Exports Imports D Exports	xports Imports				
	Ľ						
		nt of exports of goods and services bala	nce is the current account deficit				
		be crores.					
	(A) Rs. 230						
11 (4)	(C) Rs. 250 (D) Rs. 210						
11. (A)		ollowing data, calculate the value of Gross		3			
	Sl. No.	Particulars	Amount (in Crores)				
	i.	Compensation of Employees	1,200				
	ii. Rent and Interest 180						
	iii. Indirect taxes 120						

	iv.	Profits	150					
	v.	Depreciation	110					
	vi.	Subsidies	21					
	vii.	Net Factor Income from Abroad	(-) 12					
	viii.	Mixed Income of Self employed	130					
		OR						
11. (B)	Giving	reasons, identify whether the following	g expenditures incurred are on 3					
		iate products or final products.						
		hase of ticket for train journey by an individ	ual.					
		hase of a car by an employer for office use b						
	III. Purchase of wheat in the wholesale market.							
12.	Chief Mi	nister of Odisha,Mr Mohan Charan Majhi fla	agged off the 'Subhadra Awareness 3					
		ong with Deputy CM and Minister of Wo						
		arida also provided key details about the sch	-					
	Rs 10,00	0cr. It is a major initiative by the governmen	t, benefiting over 1 crore women.					
			Source: ANI Sep 07,2024					
	Based on the aforesaid statement, identify and explain the budgetary objective, the							
	government is trying to achieve.							
13.	Indian investors borrow from abroad, answer the following: 4							
	I. In w	which sub-account and on which side of the	Balance of Payments Account will					
	this	borrowing be recorded? Give reason.						
	II. Explain what is the impact of this borrowing on exchange rate.							
14. (A)	An economy is operating at under-employment level of income. What is meant by the							
	given statement? Discuss two fiscal measures to tackle this problem.							
		OR						
14. (B)	An econ	omy is in equilibrium. Calculate the Marg	ginal Propensity to Save from the 4					
	following	2.						
	National	income = Rs. 1,000 crore						
	Autonom	nous Consumption $=$ Rs. 100 crore						
	Investme	= Rs. 120 crore						
15.	"An eco	nomy facing unintended accumulation of	inventories would try to reduce 4					
		e demand." Do you agree with the given sta	tement? Support your answer with					
	valid reas							
16.		erve Bank of India (RBI) plays a vital role i						
	the econo	omy. One key tool for this is the money mu	altiplier, which is derived from the					

	reserve requirement (or Cash Reserve Ratio, CRR) imposed on commercial banks. The					
	money multiplier reflects how much money the banking system generates with each unit					
	of reserves. For instance, if the CRR is 10%, the money multiplier is 10 (calculated as					
	1/CRR). This mechanism amplifies the initial deposits made by customers, creating					
	multiple rounds of lending. Understanding this concept is crucial for effective monetary					
	policy implementation.					
	Given Data:					
	Total reserves with the RBI: ₹50,000 crore					
	Cash Reserve Ratio (CRR): 5%					
	On the basis of the given text and common understanding, answer the following					
	questions.					
	I. Explain how changes in CRR can affect the money supply in the economy.	3				
	II. Discuss the importance of the money multiplier in the context of economic growth.	3				
17. (A)	I. If the Nominal GDP is Rs.1,200 and Price Index (with base = 100) is 120, calculate					
	Real GDP.	3				
	II. "GDP as an index of welfare may understate or overstate welfare." Explain the					
	statement using examples of a positive and a negative externality.	3				
	OR					
17. (B)	I. "A machine purchased by a firm is always a capital good." Do you agree with the	3				
	given statement? Give valid reasons for your answer.					
	II. "Inclusion of both Intermediate good and Final good in estimation of value of	3				
	output will lead to problem of double counting". In light of the above statement,					
	explain the problem of double counting with the help of a suitable example.					
	Enumerate any one method to avoid the same.					
	<u>SECTION-B</u>					
	(INDIAN ECONOMIC DEVELOPMENT)					
18.	Carrying capacity implies that	1				
	I. resource extraction should remain below the rate of regeneration.					
	II. resource extraction should remain above the rate of regeneration.					
	III. generation of waste should remain within the absorption capacity of the environment.					
	IV. generation of waste should be more than the absorption capacity of the					
	environment.					
	(A) (I) and (IV) (B) (I) and (III)					
	(C) (II) and (III) (D) (II) and (III)					

19.	Read the following statements and choose the correct alternative among those given				
	below.				
	Statement-1: India developed a sound industrial base during the colonial rule.				
	Statement-2: The industrial sector was crying for modernisation, diversification,				
	capacity building and increased public investment.				
	(A) Statement 1 is true and Statement 2 is false.				
	(B) Statement 2 is true and Statement 1 is false.				
	(C) Both the Statements 1 & 2 are true.				
	(D) Both the Statements 1 & 2 are false.				
20.	Read the following statements - Assertion (A) and Reason (R). Choose one of the	1			
	correct alternatives given below:				
	Assertion (A) : Human capital is not traded in the market, however its services are				
	traded.				
	Reason (R) : Human capital is intangible in nature.				
	Alternatives :				
	(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				
21.	Name the policy that promotes the establishment of a maximum amount of land that a				
	landowner may own.				
	(A) Land Ceiling (B) Land Cultivation				
	(C) Land Coverage (D) Land Consoldation				
22.	'The Self Help Groups (SHGs) are an integral part of rural banking.' Identify the correct	1			
	objective of SHGs.				
	(A) To provide micro-finance to rural households.				
	(B) To create a platform for rural women to discuss social issues.				
	(C) To promote collective bargaining power				
	(D) To provide training on entrepreneurship.				
23.	India has become a preferred outsourcing destination because of 1				
	I. Availability of unskilled labour				
	II. Quality of IT services				
	III. Availability of skilled labour				

(A) Only (I) (B) (I) and (II)						
(C) Only (II)						
(D) (II) and (III)						
24. Arrange the following events in chronological order and choose the correct answer fi	rom 1					
the given alternatives:						
I. Establishment of People's Republic of China						
II. Creation of Pakistan						
III. First Five-year Plan of India						
IV. First Five-Year Plan of China						
(A) I-IV-II-III (B) III-II-I-IV						
(C) II-I-III-IV (D) IV-III-II-I						
25 adopted the resolution to ban the use of Chlorofluorocarbon (C	FC) 1					
compounds along with other ozone depleting chemicals.						
(A) Kyoto Protocol (B) Paris Protocol						
(C) Montreal protocol (D) Brundtland Commission Report						
26. Identify which of the following is not a step taken by the government to improve r	ural 1					
marketing.						
(A) Maintenance of buffer stocks						
(B) Regulation of markets to create transparent marketing conditions						
(C) Promotion of cooperative marketing	(C) Promotion of cooperative marketing					
(D) Promoting trade by big rural merchants						
27. In the year, the Indian government made education free and compute	ory 1					
for all children between 6 to 14 years.						
(A) 2001 (B) 2009						
(C) 2003 (D) 2007						
28. (A) 'Agriculture sector has been adversely affected by the economic reform proce	ess.' 3					
Comment.						
OR						
28. (B) Discuss briefly any two major steps taken by the Government of India on 'Finan	cial 3					
Sector' front under the economic reforms of 1991.						
29. Explain the concept of 'Dual Pricing' adopted by China.	3					
	erty 3					
30. Discuss any two major factors responsible for slow growth and re-emergence of pov	in Pakistan.					

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34. (A)	I.	'Atmanirbhar Bharat' had been at the roots of the Indian planning process in the	
		form of 'self reliance' as an objective of the planning process. Do you agree with	3
		the given statement? Justify the rationale of the given statement.	
	II.	The traditional handicrafts industries were ruined under the British rule. Do you	3
		agree with the view? Give reasons in support of your answer.	
		OR	
34. (B)	I.	"There was huge 'Drain of Wealth' during British Rule". Do you agree with the	3
		given statement? Justify.	
	II.	Though public sector is very essential for industries, many public sector	3
		undertakings incur huge losses and are a drain on the economy's resources. Discuss	
		the usefulness of public sector undertakings in the light of this fact.	
