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Candidates must write the Set No.
on the title page of the answer book.

**DAV PUBLIC SCHOOLS, ODISHA-ZONE
HALF YEARLY EXAMINATION, 2023-24**

- Please check that this question paper contains **6** 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 this period.

**CLASS - XII
SUB- ECONOMICS (030)**

Time: 3 Hours

Maximum 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 of 1 mark each.
3.	This paper contains 4 Short Answer Questions of 3 marks each to be answered in 60 to 80 words.
4.	This paper contains 6 Short Answer Questions of 4 marks each to be answered in 80 to 100 words.
5.	This paper contains 4 Long Answer Questions of 6 marks each to be answered in 100 to 150 words.

SECTION A – MACRO ECONOMICS

1. GNP_{FC} includes _____. (Choose the correct option) 1
- I. depreciation II. NFIA
 III. direct tax IV. transfer payment

Alternatives:

- a) I and II b) II and III c) III and IV d) I and IV
2. Normal residents include ____ but do not include _____. 1
- a) Individuals, International organisations b) International organisations, Individuals
 c) Individuals, Domestic organisations d) Domestic organisations, Individuals

10. If the value of Average Propensity to Save (APS) is 0.2 and National Income is Rs. 4,000 crores, then consumption will be _____. 1
 a) Rs. 4,000 crores b) Rs. 3,200 crores c) Rs. 3,800 crores d) Rs. 2,600 crores

11. Suppose the GDP at market price of a country in a particular year was Rs.1,100 crore. Net factor income from abroad was Rs.100 crore. The difference between indirect taxes and subsidies was Rs.150 crore and National income was Rs.850 crore. Calculate the value of depreciation. 3

12. (A) ‘Credit creation is inversely related to the Cash Reserve Ratio’. Justify the given statement using a hypothetical example. 3

OR

(B) Explain any three functions of money.

13. In an economy $C=200+0.5Y$ is the consumption function, where C is the consumption expenditure and Y is the national income. Investment expenditure is Rs 400 crores. Is the economy in equilibrium at an income level of Rs. 1500 crores? Justify your answer. 4

14. Read the following text carefully. 1+3 = 4

As per the following news published in ‘The Economic Times’ on 4th March 2021: RBI will purchase government securities of different maturity dates aggregating to Rs 20,000 crores and sell these securities aggregating to Rs 15,000 crores.

- (a) Identify the relevant function of the RBI indicated in the press release.
 (b) State the conditions necessary for the success of the identified function of RBI .

15. (A) Explain the various components of the expenditure method that are used to calculate national income. 4

OR

(B) Explain the problems of double counting with the help of a numerical example. Mention two alternative ways of avoiding the problems.

16. (A) Explain the determination of equilibrium level of income through Aggregate Demand and Aggregate Supply curves. Explain the changes that take place in an economy when the economy is not in equilibrium. 2+2+2=6

OR

(B) Explain the determination of equilibrium level of income through Saving and Investment curves. Explain the changes that take place in an economy when the economy is not in equilibrium.

17. There are only two producing sectors A and B in an economy. Calculate: 3+3 = 6

- (a) Gross Value Added at Market Price by each sector
 (b) National income

Items	RS. (in crores)
(i) NFIA	20
(ii) Sales by A	1000
(iii) Sales by B	2000
(iv) Change in stock of B	(-) 200
(v) Closing stock of A	50
(vi) Opening stock of A	100
(vii) Consumption of fixed capital by A and B	180
(viii) Indirect taxes paid by A and B	120
(ix) Purchase of raw materials by A	500
(x) Purchase of raw materials by B	600
(xi) Exports by B	70

SECTION B - INDIAN ECONOMIC DEVELOPMENT

18. Arrange the following events in the correct chronological order: 1
 I. The year of Great Divide II. Establishment of TISCO
 III. Introduction of Railways in India by the British IV. Opening of Suez Canal

Alternatives:

- a) IV, II, I, III b) II, III, IV, I c) I, IV, III, II d) III, IV, II, I
19. _____ policy was needed to protect domestic producers from foreign competition. 1
 (Choose the correct option)
 a) Low import tariffs, reduced import quotas b) Low import tariffs, increased import quotas
 c) High import tariffs, reduced import quotas d) High import tariffs, increased import quotas

20. The main architect of Five-Year Plan in India was _____. (Choose the correct option) 1
 a) Prof. P.C. Mahalanobis b) Dr.V.K.R.V. Rao
 c) Pandit Jawaharlal Nehru d) William Digby

21. Read the following statements: Assertion(A) and Reason(R).Choose one of the 1
 correct alternatives given below:

Assertion(A): Human capital is intangible, and hence cannot be sold in the market.

Reason(R) : The movement of human capital is restricted by culture and is not perfectly mobile.

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.
22. From the set of statements given in Column I and Column II, choose the correct 1
 pair of statements:

	Column I		Column II
A.	Village traders	I.	An institutional source of rural credit.
B.	Kudumbashree	II.	Started in 1995 in Kerala
C.	Agricultural marketing	III.	An emerging challenge
D.	Alternative marketing channel	IV	Sale by the farmers to the middlemen

Alternatives:

- (a) A- I (b) B- II (c) C- III (d) D-IV
23. Read the following statements carefully and choose the correct alternative: 1
Statement 1: Jobless growth refers to a situation when there is an overall acceleration in the growth rate of GDP in the economy without corresponding expansion in employment opportunities.
Statement 2: There has always been fluctuations in the growth of GDP but employment grew at the rate of more than 12%.
Alternatives:
 a) Both the statements are true. b) Both the statements are false.
 c) Statement 1 is true and Statement 2 is false. d) Statement 2 is true and Statement 1 is false.

31. (A) Discuss the different challenges faced for Human Capital Formation. 4
- OR**
- (B) Discuss the importance of Human Capital Formation for an economy.
32. State whether the following statements are TRUE /FALSE with valid reasons: 2 +2 = 4
- a) There are no benefits of diversification of agricultural activities.
- b) Information technology plays an important role in achieving sustainable development and food security.
33. (A) a) Evaluate economic reforms in India in the light of social justice and welfare. 3 + 3 = 6
- b) Analyse the different reasons for introduction of economic reforms in India.
- OR**
- (B) a) Evaluate the Navaratna Policy of the government which helps in improving the performance of Public Sector Undertakings in India.
- b) Analyse the different reasons behind introduction of Demonetization in India.
34. In light of the many potential benefits of International Trade such as increased sales/revenues, cost reductions, technology transfers, the search for higher quality products, industry development, general economic growth etc, several countries have surprisingly either chosen to abstain altogether from the practice of trading goods and services with other nations or simply imposed economic and regulatory hurdles designed to drastically restrict the flow of tradable goods and services across their borders. More specifically, countries such as China, Cuba, Iraq, India and even the United States, to a certain degree at some point in their history have subscribed to one form of protectionism or another.

Kishore G. Kulkarni, International Journal of Economic Research,2008.

- a) Give the meaning of Import Substitution. State its implications. 4 +2 = 6
- b) Explain the different forms of protection that can be used as a medium to restrict import.
