

ANANDALAYA MID - TERM EXAMINATION

Class : XII

Subject: Economics Date : 28/09/2019

M.M: 80 Time: 3 Hours

Date	. 20/09/2019		liouis		
	ral Instructions:				
1.	. Please check that this question paper contains 34 questions.				
2.	All questions are compulsory.				
3.	Marks for questions are indicated against each question.				
4.	One mark questions are required to be answered in one sentence each.				
5.					
_	Three marks questions should be answered in about 60 words each.				
6.	Four marks questions should be answered in about 70 words each.				
7.	7. Six marks questions should be answered in about 100 words each.				
1	Which of the fallowing instruments deal wi	the the availitative and it control?	(1)		
1.	Which of the following instruments deal wi	•	(1)		
	(a) Open Market Operations	(b) Moral Suasion			
	(c) Bank Rate	(d) None of these			
2.	If MPC = 1, the value of multiplier is		(1)		
	(a) 0	(b) 1			
	(c) Between 0 and 1	(d) Infinity			
	(c) Between 6 and 1	(a) mining			
3.	Direct tax is called direct because it is colle	cted directly from	(1)		
5.		-	(1)		
	(a) The producers on goods produced	(b) The sellers on goods sold			
	(c) The buyers of goods	(d) The income earners			
			(1)		
4.		a country the price of foreign currency rises, national	(1)		
	income is				
	(a) Likely to rise	(b) Likely to fall			
	(c) Likely to rise and fall both	(d) Not affected			
5.	Aggregate demand can be increased by		(1)		
5.	(a) Increasing bank rate	(b) Selling government securities by RBI	(1)		
	(c) Increasing Cash Reserve Ratio	(d) None of these			
		OR			
	In the following diagram, the gap EF is termed as				
	Y				
	*				
	<u> </u>	/			
	(A)				
	p				
	$F_{AD_1}(C+I+\Delta I)$				
	a = 7 = AD(C + 1)				
	Full Employment Equilibrium Equilibrium				
	66	K			
	gre	Full Employment			
	⁶ √ 45°	Equilibrium			
	45	→X			

Employment (b) Deflationary Gap (d) Neither a nor b

ō

M

Income / Output /

6.	 Which of the following statements is true? (a) Loans from IMF is a revenue receipt. (b) Higher revenue deficit necessarily leads t (c) Borrowings by government represents a s (d) Revenue deficit is the excess of capital response of the statement of t	situation of fiscal deficit.	(1)
7.	 Reason behind the decay of handicrafts industry in India was		(1)
8.	 Which of the following is false? (a) NNP at market price = GNP at market price + Depreciation (b) NDP at market price = NNP at market price - Net factor income from abroad (c) NDP at factor cost = NDP at market price - Indirect taxes + Subsidies (d) GDP at factor cost = NDP at factor cost + Depreciation 		(1)
9.	 National Income includes	dia	(1)
10.	If an economy is to control recession like some of can be appropriate? (a) Reducing Repo Rate (c) Both a and b	(b) Reducing CRR(d) None of these	(1)
11.	 Balance of Payments deficit is the excess of	ccount receipts. count receipts. receipts.	(1)
12.	The value of money multiplier = $_$	1	(1)
	(a) $\frac{1}{\frac{1}{CRR}}$	(b) $\frac{1}{SLR}$	
	(c) $\frac{1}{\text{LRR}}$	(d) None of these	
	Demand deposits are	R	
	(a) Chequeable deposits		
	(b) Non- chequeable deposits(c) Deposits which can be withdrawn on den(d) Both a and c	nand	
13.	Manager of Bank of India, Parliament Street: "I needs for five days."	am in dire need of funds to meet my short-term	(1)
	Manager of Syndicate Bank, Karol Bagh: "Why Which of the interest rate will be charged to mee	t the short-term needs for five days?	
	(a) Repo Rate(c) Bank Rate	(b) Reverse Repo Rate(d) Margin Requirements	
14.	National Income = Domestic Income, when		(1)
	(a) NFIA is positive	(b) NFIA is negative	、 /
	(c) NFIA is zero	(d) None of these	
15.	Are the following statements true or false? Give(a) Value of investment multiplier varies bet(b) Alternative approach to AD = AS is C = 1	ween zero and infinity.	(1)

16. Complete the equation: $NNP_{FC} = NNP_{MP} - _$

17. The portion of agricultural produce which is sold in the market by the farmers is called (1)

(1)

(1)

(1)

(3)

- 18. GST is an example of ______ tax
- 19. Match the events in column A with their year of occurrence in column B.

(a)	1951
2. First Census (c) (d)	1851 1881 1921 1850 1951

20. Indicate which currency is appreciating and which one is depreciating by matching appropriate (1) options in column A and column B.

А.	В.
1.A change from 3 \$ = 2 £ to 4 \$ = 2 £ 2.A change from `95 = 2 \$ to `150 = 2 \$	 (a) \$ is appreciating & ` is depreciating (b) \$ is appreciating & £ is depreciating (c) £ is appreciating & \$ is depreciating (d) ` is appreciating & \$ is depreciating

- 21. Distinguish between average propensity to consume and marginal propensity to consume. The (3) value of which of these can be greater than one and when?
- 22. Classify the following statements as revenue receipts or capital receipts. Give valid reasons in (3) support of your answer:
 - (a) Financial help from a multinational corporation for victims in a flood affected area.
 - (b) Sale of shares of a Public Sector Undertaking (PSU) to a private company, Y Ltd.
 - (c) Borrowings from International Monetary Fund (IMF).

OR

Distinguish between Revenue Expenditure and Capital Expenditure in a government budget. Give an example of each.

- 23. Discuss briefly the meaning of the following:
 - (a) Fixed Exchange Rate
 - (b) Managed Floating Exchange Rate System

OR

How is exchange rate determined in a flexible exchange rate system?

- 24. Which among the following are capital goods and which are consumer goods and why? (3)
 - (a) A car used as a taxi
 - (b) Refrigerator in a hotel
 - (c) Air-conditioner in a house
- 25. What is 'deficient demand'? Explain the role of 'Bank Rate' in removing it. (4)
- 26. Explain how the government can use the budgetary policy in reducing inequalities in incomes. (4)
- 27. Critically appraise some of the shortfalls of the industrial policy pursued by the British colonial (4) administration.

OR

"There was huge 'Drain of Wealth' during British Rule." Do you agree with the given statement?

28. Discuss briefly, the circular flow of income in a two sector economy with the help of a suitable (4) diagram.

29. Visit to foreign countries for sightseeing etc. by the people of India is on the rise. What will be its (4)likely impact on foreign exchange rate and how?

OR

Distinguish between autonomous and accommodating transactions of balance of payments account.

- 30. An economy is in equilibrium. Find investment expenditure: (4)National Income = 1,200Autonomous consumption expenditure = 150Marginal propensity to consume = 0.8
- 31. (a) Explain the need and type of land reforms implemented in the agriculture sector. (3)(b) Explain how import substitution can protect domestic industry. (3)
- 32. Calculate Operating Surplus and Domestic Income:

Particulars	` In Crores
Compensation of employees	2,000
Rent and interest	800
Indirect taxes	120
Corporation tax	460
Consumption of fixed capital	100
Subsidies	20
Dividend	940
Undistributed profits	300
Net factor income to abroad	150
Mixed income	200

OR

(a) Calculate gross value added at factor cost: **Particulars** In Crores Domestic sales 3.000 Change in stock (-) 100 Depreciation 300 Intermediate consumption 2,000 500 **Exports** Indirect taxes 250 Net factor income from abroad (-) 50

(b) Differentiate between National Income at Constant Prices and National Income at Current (3)Prices. Which of the two presents a better view of the economic growth of economy and why?

- Explain how the following tools can be used for credit control by the central bank in an economy? 33. (6)
 - (a) Open market operations
 - (b) Margin requirements
- Explain how an initial increase in investment affects the level of final income of the economy? 34. (6)Show its working with a suitable numerical example. OR

Discuss the adjustment mechanism in the following situations:

- (a) Aggregate demand is lesser than Aggregate Supply.
- (b) Ex-Ante Investments are greater than Ex- Ante Savings.

(3)

- (6)