



B K BIRLA CENTRE FOR EDUCATION
SARALA BIRLA GROUP OF SCHOOLS
SENIOR SECONDARY CO-ED DAY CUM BOYS' RESIDENTIAL SCHOOL
PRE BOARD –II (2024-25)
ECONOMICS (030)



CLASS: XII
DATE: 11/12/2024
Admission no.:

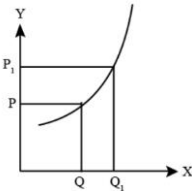
TIME: 3 hrs.
MAX. MARKS:80
Roll No.:

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

SECTION A – MACRO ECONOMICS		
1	<p>Statement 1: Investments by rest of the world in shares of Indian companies are recorded on the credit side of Balance of payment.</p> <p>Statement 2: Any addition to foreign exchange reserves is recorded on the debit side of the balance of payment.</p> <p>a) Statement 1 is true and Statement 2 is false.</p> <p>b) Both the Statements are true.</p> <p>c) Both the Statements are false.</p> <p>d) Statement 2 is true and Statement 1 is false.</p>	[1]
2	<p>Non - Chequable deposits are those</p> <ol style="list-style-type: none">1. Against which no money can be withdrawn2. Against which money can be withdrawn but cheque3. They have a fixed maturity4. Both against which no money can be withdrawn and they have a fixed maturity <p>a) Option (c)</p>	[1]

	<p>b) Option (a)</p> <p>c) Option (b)</p> <p>d) Option (d)</p>	
3	<p>The value of _____ can never be negative, while _____ can have a value equal to one.</p> <p>a) APC, APS</p> <p>b) MPS, APC</p> <p>c) APS, APC</p> <p>d) MPC, APS</p>	[1]
4	<p>Suppose the government plans to reduce the prices of US Dollar from ₹ 50 to ₹ 45. This step is known as _____ of domestic currency.</p> <p>a) revaluation</p> <p>b) appreciation</p> <p>c) devaluation</p> <p>d) depreciation</p>	[1]
5	<p>Aggregate demand can be decreased by:</p> <p>a) All of these</p> <p>b) selling government securities by Reserve Bank of India</p> <p>c) increasing bank rate</p> <p>d) increasing the cash reserve rate</p>	[1]
6	<p>Deficient demand leads to:</p> <p>a) low level of employment</p> <p>b) deflationary gap</p> <p>c) excess capacity</p> <p>d) all of these</p>	[1]
7	<p>If the value of Average Propensity to Save (APS) is 0.2 and National Income is ₹ 4,000 crore, then consumption will be _____.</p> <p>a) ₹ 3,800 crores</p> <p>b) ₹ 4,000crores</p> <p>c) ₹ 3,200 crores</p> <p>d) ₹ 2,600 crores</p>	[1]

8	<p>Market value of a Motor vehicle at the time of purchase was ₹ 7,50,000. After two years, its market value is estimated to be ₹ 4,50,000. The reason for fall in the value is:</p> <p>a) All of these b) Normal Wear and Tear c) Expected Obsolescence d) Passage of Time</p>	[1]
9	<p>The value of credit multiplier will be high when _____.</p> <p>a) Legal reserve ratio is infinity b) Legal reserve ratio is zero c) Legal reserve ratio is high d) Legal reserve ratio is low</p>	[1]
10	<p>The upward - sloping supply curve for foreign exchange reflects:</p>  <p>a) Direct relationship b) Inverse relationship c) Exponential relationship d) Indirect relationship</p>	[1]
11	<p>As per The Economic Times report, dated April 11, 2023</p> <p>Electric Vehicle sales cross 10 Lakh mark in financial year 2022 - 23</p> <p>Analyse the likely impacts of this news on Gross Domestic Product (GDP) and Welfare.</p>	[3]
12	<p>Give the meanings of 'autonomous' transactions and 'accommodating' transactions in the Balance of Payments account.</p> <p>OR</p> <p>Give the meanings of devaluation and depreciation of domestic currency.</p>	[3]
13	<p>Explain the meaning of the deflationary gap with the help of a diagram.</p>	[4]
14	<p>Distinguish between voluntary unemployment and involuntary unemployment. What is the significance of this distinction?</p> <p>OR</p>	[4]

	State and discuss the components of Aggregate Demand in a two sector economy.																																																	
15	Explain the function of Central Bank as Banker's Bank and Supervisor .	[4]																																																
16	<p>Answer the following questions:</p> <p>1.</p> <p>a. State under what conditions in the following statements may be true:</p> <p>i. Domestic Income is equal to National Income.</p> <p>ii. Value of output is equal to Value Added.</p> <p>iii. Gross domestic capital formation = Gross domestic fixed capital formation.</p> <p>iv. Operating surplus = Rent + Royalty + Profit.</p> <p>b. Calculate National Income from the information given below.</p> <table border="1"> <thead> <tr> <th>S.no.</th> <th>Contents</th> <th>(Rs. in Crores)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Net Factor Income to Abroad</td> <td>(-) 50</td> </tr> <tr> <td>(ii)</td> <td>Net Indirect Taxes</td> <td>800</td> </tr> <tr> <td>(iii)</td> <td>Net Current Transfers Form Rest of the World</td> <td>100</td> </tr> <tr> <td>(iv)</td> <td>Net Imports</td> <td>200</td> </tr> <tr> <td>(v)</td> <td>Private Final Consumption Expenditure</td> <td>5,000</td> </tr> <tr> <td>(vi)</td> <td>Government Final Consumption Expenditure</td> <td>3,000</td> </tr> <tr> <td>(vii)</td> <td>Gross Domestic Capital Formation</td> <td>1,000</td> </tr> <tr> <td>(viii)</td> <td>Consumption of Fixed Capital</td> <td>150</td> </tr> <tr> <td>(ix)</td> <td>Change in Stock</td> <td>(-) 50</td> </tr> <tr> <td>(x)</td> <td>Mixed-Income</td> <td>4,000</td> </tr> <tr> <td>(xi)</td> <td>Scholarship to Students</td> <td>80</td> </tr> </tbody> </table> <p>2. OR</p> <p>a. How can estimates of GDP using income method and expenditure method be identical when households do not spend their entire income on the purchase of goods and services, and a part of them remain unsold during an accounting year?</p> <p>b. From the following data estimate: (a) Net Indirect Taxes, and (b) Net Domestic Product at Factor Cost.</p> <table border="1"> <thead> <tr> <th>Items</th> <th>(₹ in crore)</th> </tr> </thead> <tbody> <tr> <td>(i) Net national product at market price</td> <td>1,400</td> </tr> <tr> <td>(ii) Net factor income from abroad</td> <td>(-) 20</td> </tr> <tr> <td>(iii)Gross national product at factor cost</td> <td>1,300</td> </tr> <tr> <td>(iv)Consumption of fixed capital</td> <td>100</td> </tr> <tr> <td>(v)National debt interest</td> <td>18</td> </tr> </tbody> </table>	S.no.	Contents	(Rs. in Crores)	(i)	Net Factor Income to Abroad	(-) 50	(ii)	Net Indirect Taxes	800	(iii)	Net Current Transfers Form Rest of the World	100	(iv)	Net Imports	200	(v)	Private Final Consumption Expenditure	5,000	(vi)	Government Final Consumption Expenditure	3,000	(vii)	Gross Domestic Capital Formation	1,000	(viii)	Consumption of Fixed Capital	150	(ix)	Change in Stock	(-) 50	(x)	Mixed-Income	4,000	(xi)	Scholarship to Students	80	Items	(₹ in crore)	(i) Net national product at market price	1,400	(ii) Net factor income from abroad	(-) 20	(iii)Gross national product at factor cost	1,300	(iv)Consumption of fixed capital	100	(v)National debt interest	18	[6]
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17	Answer the following questions:	[6]																																																

	<p>1. Explain how surplus budget is an useful measure to control inflation. Is it possible to follow such a policy in India?</p> <p>2. The interest payments as per the government budget during a year are ₹ 13,500 crores, which is 30% of primary deficit. Calculate fiscal deficit?</p>	
	SECTION B – INDIAN ECONOMIC DEVELOPMENT	
18	<p>Which of the following are included in the workers?</p> <p>a) Barbers</p> <p>b) All of these</p> <p>c) Shopkeepers</p> <p>d) Cobblers</p>	[1]
19	<p>Which of the following two countries have adopted the Mixed Economic system?</p> <p>a) India and China</p> <p>b) Pakistan and Afghanistan</p> <p>c) India and Pakistan</p> <p>d) China and Pakistan</p>	[1]
20	<p>In accordance with the goal of the state controlling the commanding heights of the economy, _____ was adopted. This resolution formed the basis of the second Five Year Plan, the plan which tried to build the basis for a socialist pattern of society.</p> <p>a) Industrial Policy Resolution, 1948</p> <p>b) Industrial Policy Resolution, 1956</p> <p>c) Village and Small - scale Industries Committee 1955</p> <p>d) Industrial Policy Resolution, 1966</p>	[1]
21	<p><i>Agriculture</i> is a dominant sector of our economy and <i>credit</i> plays an important role in increasing <i>agriculture</i> production. The following are the institutional sources of agricultural credit except:</p>  <p>a) Commercial banks</p> <p>b) NABARD</p> <p>c) Regional banks</p>	[1]

	d) Money lenders	
22	<p>Assertion (A): There has been a structural shift in the role of the RBI from regulator to facilitator of the financial sector.</p> <p>Reason (R): Financial sector has to consult RBI before taking any decision.</p> <p>a) Both A and R are true and R is the correct explanation of A.</p> <p>b) Both A and R are true but R is not the correct explanation of A.</p> <p>c) A is true but R is false.</p> <p>d) A is false but R is true.</p>	[1]
23	<p>_____ and _____ are the twin pillars on which rests the edifice of social sector reforms.</p> <p>a) Education and Infrastructure</p> <p>b) Education and Poverty</p> <p>c) Education and Employment</p> <p>d) Education and Health</p>	[1]
24	<p>India and China are member countries of _____ and Pakistan is a member country of _____.</p> <p>a) SAARC, G - 20</p> <p>b) BRICS, G - 20</p> <p>c) G - 20, BRICS</p> <p>d) G - 20, SAARC</p>	[1]
25	<p>Central Pollution Control Board (CPCB) has identified _____ categories of large and medium industries as polluting industries.</p> <p>(Choose the correct alternative)</p> <p>a) 19</p> <p>b) 17</p> <p>c) 13</p> <p>d) 15</p>	[1]
26	<p>Statement 1: The occupational structure of India showed Significant change during the colonial period.</p> <p>Statement 2: During the British Rule, the industrial sector accounted for the largest share of workforce.</p> <p>a) Statement 1 is true and Statement 2 is false</p>	[1]

	<p>b) Statement 2 is true and Statement 1 is false</p> <p>c) Both the statements are true</p> <p>d) Both the statements are false</p>											
27	<p>Which of the following are not matched correctly?</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Column I</th> <th style="text-align: center;">Column II</th> </tr> </thead> <tbody> <tr> <td>(A) Marketed Surplus</td> <td>(I) Large increase in production of food grains resulting from use of HYV seeds</td> </tr> <tr> <td>(B) Green Revolution</td> <td>(II) Portion of agricultural produce which is sold in the market by the farmers</td> </tr> <tr> <td>(C) HYV Seeds</td> <td>(III) Raised agricultural yield per acre to incredible heights</td> </tr> <tr> <td>(D) Land Reforms</td> <td>(IV) Change in the ownership of landholdings</td> </tr> </tbody> </table> <p>a) (I) and (II)</p> <p>b) (I), (II) and (IV)</p> <p>c) (III) and (IV)</p> <p>d) (II) and (IV)</p>	Column I	Column II	(A) Marketed Surplus	(I) Large increase in production of food grains resulting from use of HYV seeds	(B) Green Revolution	(II) Portion of agricultural produce which is sold in the market by the farmers	(C) HYV Seeds	(III) Raised agricultural yield per acre to incredible heights	(D) Land Reforms	(IV) Change in the ownership of landholdings	[1]
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28	<p>'Sustainable development is a paradigm shift in development thinking'. Comment.</p> <p>OR</p> <p>It is reported that plastic bags are only 5% of our garbage. Should it be banned?</p>	[3]										
29	<p>Explain the meaning of labour force, labour supply and workforce.</p>	[3]										
30	<p>Why was public sector given a leading role in industrial development during the planning period?</p>	[4]										
31	<p>Write a brief note on International Monetary Fund (IMF). Also state its objectives.</p> <p>OR</p> <p>The process of globalisation through liberalisation and privatisation policies has produced positive, as well as, negative results for India and other countries. Defend or refute the above statement.</p>	[4]										
32	<p>What is migration? What are its costs and benefits?</p>	[4]										
33	<p>Answer the following questions:</p> <p>1.</p> <p style="padding-left: 40px;">a. 'Agricultural marketing refers to the farmers' act of bringing their produce to the market for sale'. Is the statement correct?</p> <p style="padding-left: 40px;">b. Discuss the importance of credit in rural development.</p> <p>2. OR</p>	[6]										

	<p>a. State and elaborate whether the following statements are true or false, with valid arguments:</p> <ul style="list-style-type: none"> i. In the recent past, the Government of India has taken crucial steps, like Jan - Dhan Yojana, for efficient allocation of financial resources. ii. Cooperatives play a vital role in the credit availability in rural India. <p>b. Enlist some problems faced by farmers during the initial years of organic farming.</p>	
34	<p>Read the following text carefully and answer the questions given below:</p> <p>India, Pakistan choke on their smog Northern India and Pakistan exhale a toxic blanket of smog—from vehicle exhaust, coal - burning power plants, trash incineration, brick kilns and farmers’ burning of post - harvest rice stubble. This creates the world’s most poisonous air pollution, as measured by levels of “microparticle” pollutants—those fine enough to lodge deep in people’s lungs and enter their bloodstreams, causing cardiovascular and lung disease. The two countries include 14 of the world’s 15 cities most dangerously polluted by the deadliest particles, labeled “PM 2.5.” India ranks second, and Pakistan third, behind China, in the numbers of people who die prematurely each year from pollution, according to health data analyzed in 2019 by the Global Alliance on Health and Pollution. Every winter, the subcontinent’s brown haze, heavy with sulfur and metals including lead, thickens as winds and rain subside. In November, Delhi recorded its worst five - day stretch of smog since 2016. The epidemiologists and the World Health Organization say the pollution is likely to elevate the death toll from COVID - 19. But in spring 2021, the pressures of COVID plus sudden moves toward détente may offer opportunity. The countries’ militaries have restored a commitment to a ceasefire in the disputed region of Kashmir, Pakistan’s army chief urged a new effort to settle the conflict and the countries’ prime minister exchanged conciliatory notes. Indian Prime Minister Narendra Modi has promoted the South Asian Association for Regional Cooperation (SAARC) as a mechanism for addressing COVID regionwide. While moments of relaxation in the 70 - year India - Pakistan conflict often pass quickly, this one might offer the chance to launch a necessarily long process of building the requisite political will in both countries to cooperate in reducing air pollution. Such an act of environmental peacebuilding could constructively build confidence between the countries while avoiding the more intractable elements of their conflicts. Questions:</p> <ol style="list-style-type: none"> 1. Illustrate the effect of smog on different countries, apropos of India, as presented in the given extract. 2. Explain the issues that make a long process accord a pre - requisite for both (India and Pakistan) the countries. 	[6]