



INDIAN SCHOOL AL WADI AL KABIR

UNIT-TEST-I -2023-24

ECONOMICS-XII- (030)
SET-1

Date: 30.5.2023

Time:

Marks: 30

General Instructions:

- 1) All questions in both the sections are compulsory.
- 2) Marks for questions are indicated each.
- 3) All parts of a question should be answered at one place.

Q. No.	<u>SECTION – A: MACRO ECONOMICS</u>	Marks
1	Lebanese embassy in India is a part of economic territory of _____. a. India b. Lebanon c. Both India and Lebanon d. International Territory	1
2	Read the following statements carefully and choose the correct alternative from the following. Statement-1: Depreciation is the reduction in the value of fixed assets due to normal wear and tear. Statement 2- Obsolescence is an element of depreciation. 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 1 is false and statement 2 is true.	1
3	Read the following statements: Assertion (A) and R (Reason). From the given alternatives choose the correct one: Assertion (A): The goods which are used either for resale or for further production in the same year are Intermediate goods. Reason (R): Intermediate goods are included in National Income. Alternatives: a. Both Assertion (A) and Reason are true and Reason is the correct explanation of Assertion (A). b. Both Assertion (A) and Reason are true and Reason is not the	1

	<p>correct explanation of Assertion (A).</p> <p>c. Assertion (A) is True but Reason is false.</p> <p>d. Assertion (A) is false but Reason is true</p>	
4	Define Bank rate.	1
5	<p>Read the following statements carefully and choose the correct alternative from the following.</p> <p>Statement-1: Money supply is a flow concept.</p> <p>Statement- 2: Money supply is measured over a period of time.</p> <p>Alternatives:</p> <p>a. Both the statements are true.</p> <p>b. Both the statements are false.</p> <p>c. Statement 1 is true and statement 2 is false.</p> <p>d. Statement 1 is false and statement 2 is true.</p>	1
6	<p>Read the following statements: Assertion (A) and R (Reason). From the given alternatives choose the correct one:</p> <p>Assertion (A): The monetary policy is a policy formulated by the central bank.</p> <p>Reason (R): The policy involves measures taken to regulate the supply of money, availability, and cost of credit in the economy.</p> <p>Alternatives:</p> <p>a. Both Assertion (A) and Reason are true and Reason is the correct explanation of Assertion (A).</p> <p>b. Both Assertion (A) and Reason are true and Reason is not the correct explanation of Assertion (A).</p> <p>c. Assertion (A) is True but Reason is false.</p> <p>d. Assertion (A) is false but Reason is true.</p>	1
7	Define circular flow of national income and explain the two types of flow in it with a neatly labeled diagram.	3
8	<p>a. Distinguish between SLR and CRR.</p> <p>b. Explain credit creation by commercial bank in brief.</p> <p>c. If initial deposit of a commercial bank is Rs 100 and LRR = 20%, how much credit will be created?</p>	2+2+2
	<u>SECTION – B: INDIAN ECONOMIC DEVELOPMENT</u>	
9	<p>What was the objective behind the growth and development of means of transport during the British period?</p> <p>a). To industrialise the country</p> <p>b). To serve the interests of Indian company</p> <p>c). To transport finished goods from England to the interiors of colonial India</p> <p>d). Development of infrastructure in India</p>	1
10	<p>Which of the following does not describe the Zamindari system in India?</p> <p>a). Zamindars were the owners of the land and farmers were the tillers of the soil</p> <p>b). Zamindars used to pay any amount of tax to the state</p> <p>c). Zamindars used to charge high amount of rent from the farmers</p>	1

	d). Amount of the rent was not fixed.	
11	<p>Read the following statements: Assertion (A) and R (Reason). From the given alternatives choose the correct one:</p> <p>Assertion (A): The colonial government never made any sincere attempt to estimate India's national and per capita income.</p> <p>Reason (R): Growth of aggregate real output during the first half of the twentieth century was less than two per cent</p> <p>Alternatives:</p> <ol style="list-style-type: none"> Both Assertion (A) and Reason are true and Reason is the correct explanation of Assertion (A). Both Assertion (A) and Reason are true and Reason is not the correct explanation of Assertion (A). Assertion (A) is True but Reason is false. Assertion (A) is false but Reason is true. 	1
12	<p>In India, Mahalanobis made significant contribution in the field of:</p> <ol style="list-style-type: none"> Statistics Mathematics Econometrics Macro Economics 	1
13	<p>Export promotion is a strategy:</p> <ol style="list-style-type: none"> To earn foreign exchange by promoting domestic exports and making domestic industry competitive in the international market To save foreign exchange by encouraging domestic production of such goods which the country has been importing from the rest of the world Of protecting domestic industry from international competition in the domestic market None of these 	1
14	<p>Read the following statements: Assertion (A) and R (Reason). From the given alternatives choose the correct one:</p> <p>Assertion (A): The economic justification of subsidies in agriculture is, at present, a hotly debated question.</p> <p>Reason (R): The zamindari system has not been abolished so far.</p> <p>Alternatives:</p> <ol style="list-style-type: none"> Both Assertion (A) and Reason are true and Reason is the correct explanation of Assertion (A). Both Assertion (A) and Reason are true and Reason is not the correct explanation of Assertion (A). Assertion (A) is True but Reason is false. Assertion (A) is false but Reason is true. 	1
15	'The real motive behind infrastructural development in India was not to provide basic amenities to the people but to serve various colonial interests. Do you agree? Give reasons.	3
16	Read the following extract and answer the questions that follow: Industrial Policy is the set of standards and measures set by the Government to evaluate the progress of the manufacturing sector that	4+2

ultimately enhances economic growth and development of the country. The government takes measures to encourage and improve the competitiveness and capabilities of various firms. Industrial policy resolution 1956 was the clear declaration of the government on the leading role of public sector in the process of industrialization. This resolution laid the roadmap of second five-year plan also. In IPR-1956, industries were classified into three categories. Public sector was given primary role in the industrial development of the country. Industries in the private sector could be established only through a license from the government. Main idea of industrial licensing was to encourage industries in the backward regions of the country. Private sector was offered many types of industrial concessions for establishing industries in backward regions like tax holidays and subsidized power supply. Karve committee (1955) also focused on the role of small-scale industries to achieve the goal of industrial development. As far as possible, domestic industries were protected from the foreign competition. Protection was provided through: heavy imports tariffs and by fixing import quotas.

i. Main features of IPR 1956 are:

- a) Protection to cottage and small-scale industries.
- b) Specific and all-important role assigned to public sector.
- c) Cautions approach towards foreign capital
- d) All of these.

ii. Schedule C industries development were left to:

- a) Public sector
- b) Private sector
- c) Both (a) and (b)
- d) None of these.

iii. Which year Karve committee was setup to develop small scale Industries.

- a) 1955
- b) 1965
- c) 1956
- d) 1966

iv. How many types Industries were classified in IPR 1956:

- a) 2
- b) 3
- c) 4
- d) 5

v. 'Government took various steps to protect small scale industries from big firms. Defend or Refute.

