



**INDIAN SCHOOL AL WADI AL KABIR
DEPARTMENT OF COMMERCE**

CLASS XII ASSESSMENT I -2022-23

Date: 25/09/2022

ECONOMICS (030)

M.M: 80

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.	SECTION A: MACRO ECONOMICS	MARKS
1	<p>“A” has a good that “B” wants and “B” has the good that “A” wants. This is referred to as _____ in barter system of exchange.</p> <p>a. Unit of account b. Store of value c. Double coincidence of wants d. None of the above</p>	1
2	<p>Which of the following is the creator of currency in the country?</p> <p>a. Commercial banks b. Central bank c. Government d. NABARD</p>	1
3	<p>Investment in the shares of a company is a flow variable. True or False?</p>	1
4	<p>What is the study of aggregates called?</p>	1
5	<p>Which of the following is not included in the calculation of national income?</p> <p>a. Purchase and Sale of old commodities b. Intermediate Commodities c. (a) and (b) both d. None of the above</p>	1
6	<p>Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): Money received from the sale of second-hand cars will be considered while estimating national income.</p> <p>Reason (R): Their value is already included and it does not contribute to the current flow of goods and services.</p> <p>Alternatives:</p> <p>a) Both Assertion and Reason are true and Reason (R) is the correct explanation of Assertion (A).</p>	1

	<p>b) Both Assertion and Reason are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is True but Reason (R) is False</p> <p>d) Assertion (A) is False but Reason (R) is True</p>	
7	<p>Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): Goods and service tax (GST) is an indirect tax.</p> <p>Reason (R): Indirect taxes are those tax whose money burden cannot be shifted to any other person.</p> <p>Alternatives:</p> <p>a. Both assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b. Both assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).</p> <p>c. Assertion (A) is true but reason (R) is false.</p> <p>d. Assertion (A) is false but reason (R) is true.</p>	1
8	Define a Government Budget.	1
9	When will there be a surplus in balance of trade?	1
10	<p>The operation of daily nature in the foreign exchange market is known as _____</p> <p>a. Spot market</p> <p>b. Forward market</p> <p>c. Domestic market</p> <p>d. International market</p>	1
11	Explain the components of the revenue budget with examples.	3
12	Distinguish between current account and capital account of BOP account.	3
13	<p>a. Define a tax.</p> <p>b. Why is service tax an indirect tax?</p> <p>c. Why is tax not a capital receipt?</p> <p>d. How does the Government use the tax revenue?</p>	4
14	What is circular flow of income in a 2-sector model of national income? State any two assumptions in this model. Explain with the help of a diagram.	4
15	<p>Giving reasons, state whether the following statements are true or false:</p> <p>a. In balance of payments, repayment of loans by Indian Government to American Government will be reflected as debit item.</p> <p>b. Excess of foreign exchange payments on account of accommodating transactions equals deficit in BOP.</p>	4

	c. Export and import of machines are recorded in capital account of BOP account. d. Foreign exchange received on account of export of sugar will be recorded in current account.	
16	<p>a. Define budgetary deficit.</p> <p>b. The government budget of a hypothetical economy presents the following information. Calculate the Budgetary Deficit, (all fig. in Rs crores)</p> <ol style="list-style-type: none"> 1. Revenue Expenditure = 25,000 2. Capital Receipts = 30,000 3. Capital Expenditure = 35,000 4. Revenue Receipts = 20,000 5. Interest Payments = 10,000 6. Borrowings = 20,000 <p>c. Differentiate between Developmental and Non-Developmental Expenditure. Is the expenditure of the Govt on night security service of a community a developmental expenditure? Give reasons for your answer.</p>	<p>1</p> <p>3</p> <p>2</p>
17	<p>a. Distinguish between devaluation and depreciation of domestic currency.</p> <p>b. When price of a foreign currency rises its supply also rises. explain why.</p> <p>c. If Balance of payment of a country is Rs (-) 100 crores and total payment are Rs 500 crores. Find out its total receipts.</p>	6
	SECTION B: INDIAN ECONOMIC DEVELOPMENT	
18	<p>When was India's first official census operation undertaken?</p> <ol style="list-style-type: none"> a. 1881 b. 1885 c. 1890 d. 1995 	1
19	<p>In which type of economy means of production are owned, controlled and operated by the govt.</p> <ol style="list-style-type: none"> a. Mixed b. socialist c. Capitalist d. None of these 	1
20	<p>Which of the following is not an example of physical capital?</p> <ol style="list-style-type: none"> a. Machinery b. Raw Material c. Building d. Education and Knowledge in people 	1
21	<p>In which five-year plan importance of human capital recognized:</p> <ol style="list-style-type: none"> a. Third b. Sixth c. Seventh d. Eight 	1
22	<p>In how many sectors is the occupational structure of India is divided?</p> <ol style="list-style-type: none"> a. One b. Two 	

	c. Three d. Four	1
23	The Indian economy was a/an _____ economy at the time of independence.	1
24	Indian economy served as a source of _____ for the British industry and a market for its finished goods.	1
25	Which of the following statements accurately reflects the trade policy followed by the Indian Government during the 1950-1990 era? a. The Government made use of quotas to protect the goods produced in India from the imports b. The Government made use of tariffs to protect the goods produced in India from the imports c. The Government made use of export promotion to protect the goods produced in India from the imports d. All of the above.	1
26	When a country's economy becomes globalized, which of the following things happen? a. Liberalisation b. Trade policies c. Out sourcing d. None of these	1
27	Demonetization had occurred in India in the year 1946 and 1978. On which date did the third demonetization occur? a. 8 th November 2016 b. 8 th November 2015 c. 18 th November 2016 d. 28 th November 2015	1
28	Why was it necessary for a developing country like India, to follow self-reliance as a planning objective?	3
29	Do you think outsourcing is good for India? Why do developed countries not encourage it?	3
30	Read the following hypothetical text and answer the given questions: The performance of Indian economy during the period of first seven five-year plans (1950-1990) was satisfactory if not very impressive. On the eve of independence, India was an industrially backward country, but during this period of first seven plans our industries became far more diversified, with the stress being laid on the public investments in the industrial sector. The policy of import substitution led to protection of the domestic industries against the foreign producers but we failed to promote a strong export surplus. Although public sector expanded to a large extent but it could not bring desired level of improvement in the secondary sector. Excessive government regulations prevented the natural trajectory of growth of entrepreneurship as there was no competition, no innovation and no modernization on the front of the industrial sector. Many Public Sector Undertakings (PSU's) incurred huge losses due to operational inefficiencies, red-tapism, poor technology and other similar reasons. These PSU's continued to function because it was difficult to close a government undertaking even it is a drain on country's limited resources. On the Agricultural front, due to the	4

	<p>measures taken under the Green Revolution, India more or less became self-sufficient in the production of food grains. So, the needs for reform of economic policy was widely felt in the context of changing global economic scenario to achieve desired growth in the country.</p> <p>a. Which of the following was not a reason for the public sector to play a major role in the initial phase of Indian Economic Planning? (choose the correct alternative)</p> <p>a) Private entrepreneurs lacked sufficient capital for investment.</p> <p>b) Government aimed at social welfare.</p> <p>c) The market was big enough to encourage private industrialists for investment.</p> <p>d) The government wanted to protect the indigenous producers from the foreign competition.</p> <p>b. Inward looking trade strategy aimed at _____ (fill up the blank with correct answer)</p> <p>c. State whether the given statement is true or false: Mechanization of the Indian agriculture was one of the causes of Green Revolution in India.</p> <p>d. Define import substitution.</p>	
31	Evaluate the positive and negative impacts of LPG policy.	4
32	Discuss the following as a source of human capital formation: a. Health infrastructure b. Expenditure on migration.	4
33	Define human capital. What are the main problems of human capital formation in India.	6
34	Distinguish between: a. Bilateral and multilateral trade b. Tariff and non-tariff barriers c. Stabilisation and structural reforms	6