Student Name					
Date		Grade	XII Com	Roll No.	
Subject	Economics	Marks	80	Teacher's Sign	

Pre-Board 1 (2020 – 21)
Subject: Economics
Class: XII

Time allowed: Maximum Marks: 80

General Instructions:
a) The question paper has 21 questions. All Questions are compulsory.
b) Marks for questions are indicated against each question.
c) Question no. 1-10 and 18-27 are very short answer question carrying 1 marks each. They are required to be answered in one sentence.
d) Question no. 11-12 and 28-29 are short answer, carrying 3 marks each, Answer to them should not normally exceed 60 words.
e) Questions no. 13-15 and 30-32 are also short answer questions, carrying 4 marks each, Answer to them should not normally exceed 80 words.
f) Questions no. 16-17 and 33-34 are long answer questions carrying 6 marks each, Answer to them should not normally exceed 100 words.

Section A (Macroeconomics)

1. Primary deficit in a government budget will be zero, when _____?
    a) Revenue deficit is 0
    b) Net interest payments are 0
    c) Fiscal deficit is equal to interest payment   (1)

2. Give any two example of flow concept.   (1)
3. What is meant by primary deficit?   (1)
            Or
    What is meant by fiscal deficit?
4. With increases in the income, APC tends to _____?   (1)
    a) Increase
    b) Decreases
    c) Remains constant

5. Define 'Money Multiplier'.   (1)

6. Loan granted by central government of India to the state government is termed as_____ for the central government.
   - a) Revenue expenditure
   - b) Capital expenditure
   - c) Revenue receipts   (1)

7. Define bank rate.   (1)
8. What do you understand by "revenue budget"?   (1)

   Or

   What is tax?
9. Which of the following is a stock variable?   (1)
   - a) Interest on capital
   - b) Distance between Goa and Hyderabad
   - c) None of the above
10. Escheats is an example of: (1)
    - a) Revenue receipts
    - b) Capital receipts

11. If National income is Rs. 90cr and consumption expenditure is Rs. 81cr, find out Average propensity to save. When income rises to Rs.100cr and consumption expenditure to Rs. 88 cr , what will be the MPC and MPS?   (3)

12. Explain inflationary gap using diagram.   (3)
13. Calculate change in final income, if MPC is 0.8 and change in initial investment is Rs.1000cr.   (4)
14. Explain the meaning and implication of revenue deficit.   (4)
15. "Higher gross domestic product (GDP) means greater per capita availability of goods in the economy". Do you agree with the given statement? Give valid reason in support of your answer.   (4)
16. Distinguish between 'Qualitative and Qualitative tools' of credit control as may be used by a central bank.   (6)
17. Calculate Gross National product at factor cost by –   (6)
    - a) Income Method
    - b) Expenditure Method

Sr. No	Contents	Rs.(in crores)
1	Net Domestic Capital Formation	500
2	Compensation of employees	1850
3	Consumption of fixed capital	100
4	Government final consumption expenditure	1100
5	Private final consumption expenditure	2600
6	Rent	400
7	Dividend	200
8	Interest	500
9	Net Exports	- 100
10	Profits	1100
11	Net factor income from Abroad	-50
12	Net indirect taxes	250

OR

Sr. No		Rs.(in crores)
1	Net factor income from abroad	20
2	Sales by A	1000
3	Sales by B	2000
4	Change in stock B	-200
5	Closing Stock of A	50
6	Opening stock of A	100
7	Consumption of fixed capital by A and B	180
8	Indirect taxes paid by A and B	120
9	Purchase of raw material by A	500
10	Purchase of Raw material by B	600
11	Exports by B	70

Section B (Indian Economic Development)

18. Define Literacy rate and Infant mortality rate. (1)
19. _____is an economy having elements of both capitalist and socialist economy. (1)
20. When was planning initiated in India? (1)
21. Why is Agriculture in India, still dependent on rainfall? (1)
22. What is Foreign Trade? (1)
23. Define Liberalization. (1)
24. Define Absolute poverty. (1)
25. What is poverty? (1)
26. Define Poverty line. (1)
27. Which of the following are examples of physical capital? (1)
28. "India is going to be a knowledge based economy in the near future". Discuss (3)
29. "New economic policy is liberal ". Do you agree? (3)
30. Define SSI and explain three features of SSI. (4)
31. What is meant by globalization of the economy? State the measures adopted by the government to promote globalization. (4)
32. Write a brief note on International Monetary fund (IMF). (4)
33. What are the main problems of human capital formation in India? (6)
34. "Poverty is the cause of all evils in the society". In this context, explain the measures which have been taken by the government of India to tackle the problems since independence. (6)