

CBSE Class 12 Economics 2020 - Set 58/C/1



Question Paper

Conducted by the Central Board of Secondary Education (CBSE)

Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions

- (i) This question paper contains 34 questions.
- (ii) All questions in both sections are compulsory. Marks are indicated against each question.
- (iii) There is no overall choice. Internal choices are provided in two questions each of 1, 3, 4 and 6 marks. Attempt one alternative in each such question.
- (iv) Questions 1–10 and 18–27 carry 1 mark each; answer in one word or one sentence.
- (v) Questions 11–12 and 28–29 carry 3 marks each; answer in 60–80 words.
- (vi) Questions 13–15 and 30–32 carry 4 marks each; answer in 80–100 words.
- (vii) Questions 16–17 and 33–34 carry 6 marks each; answer in 100–150 words.
- (viii) Keep answers brief and to the point, and follow the stated word limits and any instructions printed with individual questions.

Section A — Macroeconomics

1. _____ (Aggregate Demand/Aggregate Supply) refers to total ex-ante expenditure in an economy during an accounting year.

(Fill in the blank with the correct alternative)

2. State whether the following statement is true or false :

“Industrial waste driven into rivers is an example of positive externality.”

3(a). Define Current Account Surplus.

OR

3(b). Equilibrium in Balance of Payments is achieved when the net value of all the receipts and payments is _____ (zero/positive).

(Fill in the blank with the correct alternative)

4. If Marginal Propensity to Save (MPS) is equal to zero, the value of investment multiplier will be _____ .

(Fill in the blank with the correct answer)

5. State two components of Money Supply.

6. If Autonomous Consumption ($\bar{C}$) is greater than zero, it indicates that the National Income of the economy will be _____ .

(Fill in the blank with the correct alternative)

- (A) rising (B) falling
(C) zero (D) constant

7. State whether the following statement is true or false :

“Devaluation of currency is said to occur when the exchange rate is increased under the fixed exchange rate system.”

8. Define ‘Tax’.

9. The process of buying and selling of securities by the Central Bank of a country is known as _____ .

(Fill in the blank with the correct alternative)

- (A) Margin Requirement (B) Open Market Operations
(C) Cash Reserve Ratio (D) Statutory Liquidity Ratio

10. _____ is an example of a non-tax revenue receipt.

(Fill in the blank with the correct answer)

11(a). “Final goods are those goods which are consumed only by the households.” Defend or refute the given statement with a valid argument.

OR

11(b). Discuss briefly the meaning of ‘Value Addition’.

12. From the following data, calculate the (a) Consumption Expenditure and (b) Investment Expenditure for the economy.

S. No.	Particulars	Amount (in ₹)
(i)	Equilibrium level of income	5,000
(ii)	Autonomous consumption	500
(iii)	Marginal Propensity to Save	0.4

13(a). “A country deliberately keeps the value of its currency low under the managed floating system.” Discuss briefly how it will affect the exports of the country.

OR

13(b). On which side and in which sub-account of Balance of Payments, will ‘foreign investment in India’ be recorded ? State valid reason for your answer.

14. Describe the ‘Banker to the Government’ function of the Central Bank.

15. Distinguish between fiscal deficit and revenue deficit in a Government Budget.

16(a). Giving valid reasons, state how the services of a ‘School Teacher’ will be undertaken in estimation of National Income.

16(b). Distinguish between ‘Real Gross Domestic Product’ and ‘Nominal Gross Domestic Product’.

17(a)(i). “To boost the falling demand in the economy, Reserve Bank of India recently reduced Repo Rate and Reverse Repo Rate.” Elaborate the rationale behind the steps taken by the Central Bank.

17(a)(ii). Define involuntary unemployment.

OR

17(b). What is meant by deflationary gap ? State any two monetary measures to correct the situation of deflationary gap.

Section B — Indian Economic Development

18. In China, commune system is related to _____ sector.

(Fill in the blank with the correct alternative)

- | | |
|-----------------|--------------|
| (A) agriculture | (B) industry |
| (C) service | (D) informal |

19. Define 'infrastructure'.

20. Economic growth combined with _____ (equity/disparity) was the principal goal of planning in India.

(Fill in the blank with the correct alternative)

21. State whether the following statement is true or false :

"Elementary education covers both primary and middle level education."

22. Great Leap Forward (GLF) was the campaign launched by Mao in the year _____ .

(Choose the correct alternative)

- | | |
|----------|----------|
| (A) 1952 | (B) 1958 |
| (C) 1960 | (D) 1968 |

23. Opening of _____ Canal significantly reduced the cost of transportation of goods between Britain and India.

(Fill in the blank)

24. State whether the following statement is true or false :

"Smoke emitted by the industries leads to environmental pollution."

25. In the Industrial Policy Resolution of 1956, industries were classified in _____ (two/three) categories.

(Fill in the blanks with the correct alternative)

26. In which of the following type of unemployment, is the marginal productivity of the worker zero ?

(Choose the correct alternative)

- | | |
|-----------------------------|------------------------------|
| (A) Structural unemployment | (B) Involuntary unemployment |
| (C) Seasonal unemployment | (D) Disguised unemployment |

27(a). Define Marketed Surplus.

OR

27(b). What is meant by Agricultural Productivity ?

28(a). State and discuss any two principal causes of environmental degradation.

OR

28(b). Mention any two advantages of organic farming in India.

29. Discuss the role of the rural banking system in the process of rural development in India.

30. The policy of liberalisation changed the role of Reserve Bank of India (RBI) from 'a regulator' to 'a facilitator' in the financial sector.

Defend or refute the given statement with valid arguments.

31. Compare India and Pakistan on the basis of their demography.

32(a). Discuss briefly the rationale behind choosing 'self-reliance' as an objective for the planning process of the Indian economy.

OR

32(b). "India is often called as 'outsourcing hub' of the world." State and discuss the prime reasons for this name given to India.

33(a)(i). Define worker-population ratio. What does it signify ?

33(a)(ii). Discuss any two reforms which have been initiated recently to meet the energy crisis in India.

OR

33(b). "In India, the Poverty Alleviation Programmes have been found unsatisfactory due to many reasons." Comment on any three such reasons.

34(a). State how investment in human capital contributes to growth of an economy.

34(b). Define the following (Any two) :

(i) Golden Revolution

(ii) White Revolution

(iii) Green Revolution

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