CBSE Class 12 Economics 2020 - Set 58/3/2

Question Paper

Conducted by the Central Board of Secondary Education (CBSE)

Time Allowed: 3 Hours **Maximum Marks: 80**

General Instructions

(i) This question paper comprises two sections - A and B. All questions are compulsory.

(ii) Question numbers 1 – 10 and 18 – 27 are very short-answer questions carrying 1 mark each. They are required to be answered in one word or one sentence each.

(iii) Question numbers 11 – 12 and 28 – 29 are short-answer questions carrying 3 marks each. Answers to them should not normally exceed 60 – 80 words each.

(iv) Question numbers 13 – 15 and 30 – 32 are also short-answer questions carrying 4 marks each. Answers to them should not normally exceed 80 – 100 words each.

(v) Question numbers 16 – 17 and 33 – 34 are long answer questions carrying 6 marks each. Answers to them should not normally exceed 100 – 150 words each.

(vi) Answers should be brief and to the point. Also the above word limit be adhered to as far as possible.

(vii) There is no overall choice. However, an internal choice has been provided in 2 questions of one mark, 2 questions of three marks, 2 questions of four marks and 2 questions of six marks. Only one of the choices in such questions have to be attempted.

(viii) In addition to this, separate instructions are given with each section and question, wherever necessary.

Section A

1. Deflationary gap indicates _____ (excess/deficient) demand in an economy.

(Fill in the blank with correct answer)

2. Which of the following is not a non-tax revenue receipt ?

(Choose the correct alternative)

(A) Goods and Services tax
(B) External grants
(C) Dividends and profits
(D) Disinvestment

3. If the exchange rate of the home currency rises, the value of exports of the economy is likely to _____ .

(Fill in the blank with correct answer)

4. State, whether the following statement is true or false :

"Government budget is an annual statement showing actual receipts and actual payments of the government for the last fiscal year."

5. Name the components of money supply.

6. State, whether the following statement is true or false :

"The official reserve transactions are taken as the accommodating item in Balance of Payment (BOP)."

7(a). State the meaning of Involuntary Unemployment.

OR

7(b). Average Propensity to Save (APS) is the ratio of _____ and _____ .

(Fill in the blanks with correct answer)

8. Define Autonomous items of Balance of Payment account.

9. Primary deficit can be zero if _____ .

(Fill in the blank with correct alternative)

(A) Fiscal deficit = Interest payments
(B) Fiscal deficit < Interest payments
(C) Fiscal deficit > Interest payments
(D) Revenue deficit < Fiscal deficit

10. Under Statutory Liquidity Ratio, commercial banks are required to keep a fraction of _____ in the form of liquid assets.

(Choose the correct alternative)

(A) Total deposits
(B) Term deposits
(C) Total demand and term deposits
(D) Current deposits

11(a). Distinguish between a 'Current account deficit' and a 'Trade deficit'.

OR

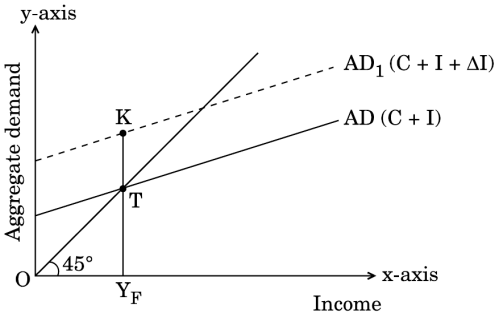
11(b). "Balance of Payment (BOP) is always balanced in the accounting sense." Defend or refute the given statement with valid reasons.

12. From the following data, calculate (a) Revenue deficit and (b) Fiscal deficit :

	Particulars	Amount (in ₹ crores)
(i)	Tax Revenue	1,200
(ii)	Revenue Expenditure	3,700
(iii)	Non-tax Revenue	2,000
(iv)	Recovery of Loans	145
(v)	Capital Expenditure	500
(vi)	Disinvestment	120
(vii)	Interest Payments	1,070

13. "To boost the falling demand in the economy, the Reserve Bank of India recently reduced the Bank Rate." Elaborate the rationale behind the steps taken by the Central Bank.

14.



In the given figure, what does the gap 'KT' represent ? State any two fiscal measures to correct the situation.

14-VI. For visually impaired candidates only, in lieu of the corresponding visual question:

What is meant by deflationary gap ? State any two fiscal measures to correct the situation of deflationary gap.

15(a). Calculate Gross Value Added at Market Price (GVA_{MP}) from the following data :

	Particulars	Amount (in ₹ lakhs)
(i)	Depreciation	20
(ii)	Domestic Sales	200
(iii)	Change in Stock	(–) 10
(iv)	Exports	10
(v)	Single Use Producer Goods	120
(vi)	Net Indirect Taxes	20

OR

15(b). The value of the Nominal Gross National Product (GNP) of an economy was ₹ 2,500 crores in a particular year. The value of GNP of that country during the same year, evaluated at the price of base year was ₹ 3,000 crores.

Calculate the value of GNP deflator of the year in percentage terms. Has the price level risen between the base year and the year under consideration ?

16(a). Answer the following questions based on the data given below :

(i) Planned level of investment = ₹ 200 crores

(ii) C = 100 + 0.8 Y

Determine the equilibrium level of income.

16(b). Answer the following questions based on the data given below :

(i) Planned level of investment = ₹ 200 crores

(ii) C = 100 + 0.8 Y

Calculate the saving and consumption expenditure at equilibrium level of income.

17(a). Define the problem of double counting in the estimation of National Income. Discuss two approaches to correct the problem of double counting.

OR

17(b). Define the following :

(a) Capital Goods

(b) Gross Domestic Product

(c) Flow Variables

(d) Income from property and entrepreneurship

Section B

18. Fixing of maximum land holding (ownership) for an individual is known as _____ .

(Fill in the blank with correct answer)

19. The first Industrial Policy Resolution in Independent India was introduced in the year _____ .

(Choose the correct alternative)

(A) 1948 (B) 1950

(C) 1954 (D) 1956

20. Central Pollution Control Board (CPCB) has identified _____ categories of large and medium industries as polluting industries.

(Choose the correct alternative)

(A) 15 (B) 17

(C) 19 (D) 13

21. _____ and _____ currency notes of old Mahatma Gandhi series were banned as legal tender money on 8th November, 2016.

(Choose the correct alternative)

(A) ₹ 50 and ₹ 100 (B) ₹ 500 and ₹ 1000

(C) ₹ 500 and ₹ 2000 (D) ₹ 500 and ₹ 200

22. State the meaning of the term 'Livestock'.

23(a). Define 'Human Capital Formation'.

OR

23(b). Identify the correct sequence of alternatives given in Column II by matching them with their respective years in Column I :

Column I

a. Jan Dhan Yojana

b. Task Force on projections of the Minimum Needs and Effective Consumption Demand

c. Mahatma Gandhi National Rural Employment Guarantee Act

d. Study Group formed by the Planning Commission for Poverty

Column II

(i) 2005

(ii) 1962

(iii) 1979

(iv) 2014

Choose the correct alternative from following :

(A) a-(iv), b-(i), c-(ii), d-(iii) (B) a-(iv), b-(ii), c-(i), d-(iii)

(C) a-(iv), b-(iii), c-(i), d-(ii) (D) a-(iv), b-(ii), c-(iii), d-(i)

24. State the meaning of 'Commune'.

25. "Google in India has hired 4000 graduate students."

The given statement deals with formal sector/informal sector employment.

(Pick the correct type of employment)

26. _____ is one of the taxes eliminated after implementation of Goods and Services Tax (GST).

(Fill in the blank with correct answer)

27. Arrange the following events in chronological order and choose the correct alternative :

(i) Establishment of People's Republic of China

(ii) Creation of Pakistan

(iii) First Five-Year Plan of India

(iv) First Five-Year Plan of China

(A) (i), (iv), (ii), (iii) (B) (iii), (ii), (i), (iv)

(C) (ii), (i), (iii), (iv) (D) (iv), (iii), (ii), (i)

28. "Rapid increase in economic growth surely trickles down to the people under the absolutely poor category." Defend or refute the given statement with valid arguments.

29(a). "It is necessary to create employment in the formal sector rather than in the informal sector." Defend or refute the given statement with valid arguments.

OR

29(b). State and discuss any two challenges in the Power sector of India.

30. "India, China and Pakistan have travelled more than seven decades of developmental path with varied results." Explain the given statement with valid arguments.

31. Discuss briefly the rationale behind choosing 'Modernisation' as a planning objective for the Indian economy.

32(a). "Agriculture sector appears to be adversely affected by the economic reform process." Explain the given statement.

OR

32(b). India is often called the 'Outsourcing Destination' of the world. Discuss the prime reasons for this name given to India.

33(a). (a) "Ujjwala Yojana has been a game changer for rural India." State any three conventional fuels being targeted under the LPG cylinder distribution scheme (Ujjwala Yojana).

(b) "The Indian Health System needs a stronger dose of public expenditure to cure itself." Justify the given statement with valid arguments.

OR

33(b)(a). Why are less women found in regular salaried employment ?

33(b)(b). Analyse the recent trends in sectoral distribution of workforce in India :

Trends in Employment Pattern (Sectorwise), 1993 – 2012 (in %)

Sector	1993 – 94	1999 – 2000	2011 – 12
Primary	64	60.4	48.9
Secondary	16	15.8	24.3
Services	20	23.8	26.8

34(a). "Human capital formation gives birth to innovation, invention and technological improvements." Do you agree with the given statement ? Support your answer with valid arguments.

34(b). Critically evaluate the role of rural banking system in the process of rural development in India.

- End of Question Paper -