CBSE Class 12 Economics 2020 - Set 58/5/2

Question Paper

Conducted by the Central Board of Secondary Education (CBSE)

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

General Instructions

(i) Question paper comprises two Sections – A and B. All questions are compulsory.

(ii) Question number 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 number 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 number 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 number 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) Answer 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. _____ deficit includes interest payment by the Government on the past loans.

(Fill up the blanks with correct answer).

2. To reduce credit availability in the economy, the Central Bank may _____.

(Choose the correct alternative)

(A) buy securities in the open market.
(B) sell securities in the open market.
(C) reduce reserve ratio.
(D) reduce repo rate.

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

'Purchase of machinery by a producer is an intermediate good.'

4. In case of an underemployment equilibrium, which of the following alternative is not true ?

(Choose the correct alternative)

(A) Aggregate demand is equal to Aggregate supply.
(B) There exist excess production capacity in the economy.
(C) Resources are not fully and efficiently utilised.
(D) Resources are fully and efficiently utilised.

5. Which of the following is not a 'factor payment' ?

(Choose the correct alternative)

(A) Free uniform to defence personnel.
(B) Salaries to the Members of Parliament.
(C) Rent paid to the owner of a building.
(D) Scholarship given to the students.

6. Combined factor income, which can't be separated into various factor income components is known as _____.

(Fill up the blanks with correct answer).

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

'All financial Institutions are banking institutions.'

8(a). Net Domestic Fixed Capital Formation + Change in Stock = _____.

(Fill up the blank with correct answer)

OR

8(b). When Nominal Gross Domestic Product (GDP) is ₹ 840 crores and price Index is 120, then the Real Gross Domestic Product (GDP) will be _____.

(Fill up the blank with correct alternative)

(A) ₹ 700 crores
(B) ₹ 900 crores
(C) ₹ 800 crores
(D) ₹ 500 crores

9. If Marginal Propensity to Save (MPS) is 0.25 and initial change in investment is ₹ 250 crores, then the final change in income would be _____.

(Choose the correct alternative)

(A) ₹ 1,000 crores
(B) ₹ 1,200 crores
(C) ₹ 500 crores
(D) ₹ 3,500 crores

10(a). Which of the following statement is incorrect ?

(A) Gross Domestic Product (GDP) at Market price = GDP at factor cost plus Net Indirect taxes.
(B) Net National product (NNP) at Market price = NNP at factor cost.
(C) Gross National Product (GNP) at Market price = GDP at Market price Plus Net factor income from abroad.
(D) Net National Product (NNP) at factor cost = National Income.

OR

10(b). If the Real Gross Domestic Product (GDP) in an economy is ₹ 520 crores and Nominal Gross Domestic Product (GDP) is ₹ 650 crores, calculate the price Index.

11(a). 'Subsidies to the producers should be treated as transfer payments.' Defend or refute the given statement with valid reason.

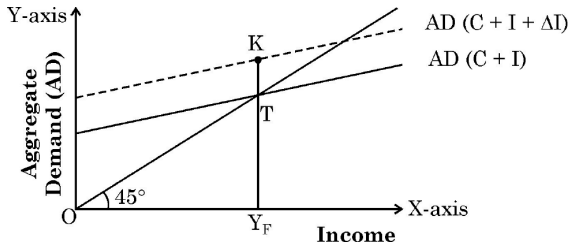
OR

11(b). Explain circular flow of income in a two sector economy.

12. Calculate Net Value Added at factor cost from the following data :

	Particulars	(₹ in lakh)
(i)	Durable producer goods (with a life span of 10 years)	10
(ii)	Single use producer goods	5
(iii)	Sales	20
(iv)	Unsold Goods (Stock)	2
(v)	Goods & Services Tax (GST)	1

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



13-VI1. For visually impaired candidates only, in lieu of the corresponding visual question:

FOR BLIND CANDIDATES

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

13-VI2. For visually impaired candidates only, in lieu of the corresponding visual question:

FOR BLIND CANDIDATES

Explain how the 'Reverse Repo Rate' helps in correcting excess demand.

14. 'Taxation is an effective tool to reduce the inequalities of income.' Justify the given statement with valid reasons.

15. Explain the 'bank of note issue' function of Central Bank.

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

(i) Planned Investments = ₹ 100 crore.

(ii) C = 50 + 0.50 Y

Determine the equilibrium level of income.

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

(i) Planned Investments = ₹ 100 crore.

(ii) C = 50 + 0.50 Y

Calculate the value of Savings at equilibrium level of National Income.

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

(i) Planned Investments = ₹ 100 crore.

(ii) C = 50 + 0.50 Y

Calculate the value of Investment Multiplier.

OR

16(b)(a). Discuss the working of the adjustment mechanism in the following situations :

If Aggregate demand is greater than Aggregate supply.

16(b)(b). Discuss the working of the adjustment mechanism in the following situations :

If Ex-Ante Investments are less than Ex-Ante Savings.

17(a). 'Recently Indian Rupee (₹) has depreciated significantly. This has lead to distress for Indian importers.' Defend or refute the given statement with valid reasons.

17(b). Distinguish between 'trade deficit' and 'current account deficit'.

Section B

18. Define "Quota'.

19. Which of the following countries initiated its process of Economic Reforms in the year 1991.

(Choose the correct alternative)

(A) Pakistan (B) India

(C) Russia (D) China

20. Greater proportion of women workers are found in _____ (urban/rural) areas as a component of Indian work force.

(Choose the correct alternative)

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

"GATT was established in 1923 with 48 member countries."

22. 'GLF' with respect to the People's Republic of China referred to as _____.

(Choose the correct alternative).

(A) Giant Leap Forward (B) Great Lead Forum

(C) Great Leap Forward (D) Giant Lead Forum

23. Policy of 'Import Substitution' was targeted to protect _____ industries.

(Fill up the blank with correct answer)

24. Which of the following is not used as a strategy for Sustainable Development ?

(Choose the correct alternative)

(A) Use of bio-gas (B) Use of solar power

(C) Use of thermal power (D) Use of hydel power

25. Maternal Mortality Rate is high in _____ (China/Pakistan).

(Fill up the blank with correct alternative)

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

"As per the Human Development Report, 2018, India was ranked at 180th position."

27. If a construction site Manager hires two workers on daily wages basis, such a situation is covered under _____ (formal/informal) sector.

(Fill up the blank with correct alternative)

28(a). Discuss briefly the concept of 'Informalisation of workforce' in India.

OR

28(b). State any three challenges facing rural development in India.

29. Compare and analyse the given data of India & China, with valid reasons.

Country	Annual Growth rate of population (2015)	Gender Ratio (Per thousand males)
India	1.2%	929
China	0.5%	941

Source : World Development Indicators, 2015.

30(a). Discuss briefly any two salient features of India's pre-independence occupational structure.

OR

30(b). Discuss briefly, the rationale behind "equity with growth" as planning objectives for Indian Economy.

31(a). "Modernisation as a planning objective shows a dichotomy with employment generation." Justify the statement.

OR

31(b). State the two-fold motive for the systematic destabilisation of indigenous Indian industries in the British era.

32. State and discuss any two problems faced by power sector in India.

33(a). Critically examine the results of Poverty Alleviation Programmes implemented in India since Independence.

OR

33(b)(a). "Ujjawala Yojana has been a game changer for rural India." State any three conventional fuels being targeted under the Ujjawala Yojana.

33(b)(b). "Economists believe that India should spend atleast 6% of its GDP on Education for achieving desired results." Justify the statement with valid reasons.

34(a). Discuss the need for on-the-job training for a employee.

34(b). Discuss the role played by horticulture in the direction of rural development in India.

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