

# CBSE Class 12 Economics 2022 - Set 58/4/1



## Question Paper

Conducted by the Central Board of Secondary Education (CBSE)

**Time Allowed: 2 Hours**

**Maximum Marks: 40**

### General Instructions

- (i) This question paper contains 13 questions.
- (ii) All questions are compulsory, subject to the internal choices provided. Attempt all parts of a question together.
- (iii) Where an internal choice is provided, attempt only one alternative.
- (iv) The paper contains five 2-mark questions, five 3-mark questions and three 5-mark questions, including case/source-based questions.
- (v) Answer 2-mark questions in 30–50 words, 3-mark questions in 50–80 words and 5-mark questions in 80–120 words.

## Questions

**1(a).** Distinguish between Consumption goods and Capital goods.

OR

**1(b).** Giving valid reasons, classify the following into stock and flow variables :

- (i) Population of India as on 31<sup>st</sup> March, 2021
- (ii) Domestic Income of Indian Economy during the fiscal year 2020 – 21

**2(a).** You are given the consumption function of an imaginary economy,  $C = 100 + 0.8 Y$ , where  $C$  = Consumption and  $Y$  = Income.

Calculate :

- (i) The value of Marginal Propensity to Save (MPS)
- (ii) The level of income at Break-Even Point

OR

**2(b).**  $S = -60 + 0.1 Y$  is the saving function, where  $S$  is Saving and  $Y$  is National Income and Investment Expenditure ( $I$ ) is ₹ 4,000 crore in an economy.

Calculate the Equilibrium level of Income.

**3(a).** If planned savings exceed planned investments in an economy, state its likely impact on output and employment.

OR

**3(b).** If planned savings fall short of planned investments in an economy, state its likely impact on output and employment.

**4.** “Workers working in formal sector earn more than those in the informal sector.”

Defend or refute the given statement with valid arguments.

**5.** “Economic development in India has been accompanied by environmental concerns.”

Do you agree with the given statement ? Give valid reasons in support of your answer.

**6.** “In the late 1970s, China’s population growth rate had sharply declined as compared to India.”

Elucidate the reason and impact of this situation.

**7.** From the data given below, compare and analyse the status-wise distribution of workforce in India :

**Trends in Employment Pattern (Status-wise) (in %) 1972 – 73 and 2011 – 12**

| Status / Year              | 1972 – 73 | 2011 – 12 |
|----------------------------|-----------|-----------|
| Self-Employed              | 61.4      | 52        |
| Regular Salaried Employees | 15.4      | 18        |
| Casual Wage Workers        | 23.2      | 30        |
| Total                      | 100       | 100       |

**8.** Discuss briefly any two similar development strategies followed by India and Pakistan.

**9(a).** Briefly explain the different phases of circular flow of income.

OR

**9(b).** In an economy, if the Real Gross Domestic Product (GDP) is ₹ 300 crore and Price Index (with base = 100) is 110, calculate the Nominal Gross Domestic Product.

**10.** Discuss briefly the working process of investment multiplier ( $K$ ), assuming that Change in Investment ( $\Delta I$ ) is ₹ 4,000 crore and Marginal Propensity to Consume (MPC) is 0.5.

**11.** Explain the concept of deficient demand. How can government spending policy be helpful in correcting the situation of deficient demand ?

**12(a).** From the following data, show that the National Income will be same from both Income Method and Expenditure Method :

| S. No. | Items                                    | Amount (in ₹ crore) |
|--------|------------------------------------------|---------------------|
| (i)    | Net Exports                              | (-) 60              |
| (ii)   | Net Indirect Taxes                       | 150                 |
| (iii)  | Operating Surplus                        | 740                 |
| (iv)   | Compensation of Employees                | 1,400               |
| (v)    | Net Factor Income from Abroad            | 40                  |
| (vi)   | Mixed Income of Self-Employed            | 1,000               |
| (vii)  | Net Domestic Fixed Capital Formation     | 500                 |
| (viii) | Change in Stock                          | (-) 100             |
| (ix)   | Depreciation                             | 100                 |
| (x)    | Private Final Consumption Expenditure    | 2,000               |
| (xi)   | Government Final Consumption Expenditure | 1,000               |

OR

**12(b)(i).** Calculate the operating surplus from the following data :

| S. No. | Items                                                | Amount (in ₹ crore) |
|--------|------------------------------------------------------|---------------------|
| (i)    | Compensation of Employees                            | 300                 |
| (ii)   | Indirect Taxes                                       | 200                 |
| (iii)  | Consumption of Fixed Capital                         | 100                 |
| (iv)   | Subsidies                                            | 50                  |
| (v)    | Gross Domestic Product at Factor Cost ( $GDP_{fc}$ ) | 650                 |

OR

**12(b)(ii).** State and discuss briefly the three main components of Net Factor Income from Abroad.

### 13. Case/Source Based Question

Read the following text carefully. Answer questions number 13 (a) and 13 (b) on the basis of the given text and common understanding :

The NITI Aayog Index developed in collaboration with German cooperation, ranks 56 urban areas on 77 Sustainable Developmental Goals (SDGs) indicators. In its journey of localization of the Sustainable Development Goals (SDGs) and creating SDG's progress monitoring system at all levels, the NITI Aayog has developed the SDG Urban Index and Dashboard in 2021 – 22.

The index will strengthen SDG localization and institute monitoring at the various cities level. According to the NITI Aayog, this index highlights the strengths and gaps of data monitoring and reporting systems. The tools used in the index will contribute to the creation of an ecological system in which all stakeholders will be equipped to adopt and implement data-driven decision-making.

The NITI Aayog is of the view that this transformative change is quite essential, given the increasing prominence of our cities and urban areas in charting the future of development in India. Out of 56 urban areas ranked in the index, 44 are with population above one million.

As per the NITI Aayog, for each SDG the urban areas are ranked on the scale of 0 – 100. A score of 100 implies that the urban area has achieved the targets set for 2030. A zero score implies that it is the farthest from achieving the target among the selected urban areas. The areas with score between 0 and 49 have been ranked as aspirants, those with 50 – 64 are termed as performers, 66 – 99 are called front-runners and ones with perfect score are called achievers.

Source : The Economic Times; November 23, 2021 (Modified)

**13(a).** Outline any two steps involved by the NITI Aayog index in attaining sustainable development.

**13(b).** “Urban areas are ranked on the scale of 0 – 100.”

Elucidate the ranking system adopted by the NITI Aayog.

- End of Question Paper -