CBSE Class 12 Economics 2024 - 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) This question paper contains 34 questions. All questions are compulsory.

(ii) This question paper contains two sections: Section A – Macro Economics; Section B – Indian Economic Development.

(iii) This paper contains 20 Multiple Choice type questions. Each question carries 1 mark.

(iv) This paper contains 4 Short Answer Type-I questions. Each question carries 3 marks. Answer these questions in 60 to 80 words.

(v) This paper contains 6 Short Answer Type-II questions. Each question carries 4 marks. Answer these questions in 80 to 100 words.

(vi) This paper contains 4 Long Answer type questions. Each question carries 6 marks. Answer these questions in 100 to 150 words.

(vii) Attempt all parts of a question together.

(viii) In addition to this, NOTE that a separate question has been provided for Visually Impaired candidates in lieu of questions having visual inputs, map etc. Such questions are to be attempted by Visually Impaired candidates only.

(ix) There is no overall choice in the question paper. However, an internal choice has been provided in few questions. Only one of the choices in such questions has to be attempted.

Section A

1. "Mr. Sahotra borrowed funds from bank for purchasing a new house".

From the above statement, identify the indicated function of money :

(A) Medium of exchange
(B) Store of value
(C) Unit of account
(D) Standard of deferred payments

2. If in an economy the initial deposits are ₹ 4,000 crore and Reserve Ratio (RR) is 10%. The value of total deposit created would be ₹ _____ crore.

(Fill up the blank with correct alternative.)

(A) 4,000
(B) 40,000
(C) 2,000
(D) 20,000

3. Identify, which of the following is not considered as 'Normal Resident' of India ?

(A) An Indian citizen working in U.S.A. embassy located at New Delhi.
(B) An Indian officials working in Indian embassy in China.
(C) An Indian diplomats visiting Canada for a summit.
(D) An Indian working in an American Company located in New York for a period of more than 1 year.

4. Read the following statements carefully :

Statement 1 : Ex-post savings and Ex-post investments are equal at all levels of income.

Statement 2 : Under the effective demand principle, the equilibrium output is equal to ex-ante Aggregate Demand (AD).

In the light of the given statements, choose the correct alternative from the following :

(A) Statement 1 is true and Statement 2 is false.
(B) Statement 1 is false and Statement 2 is true.
(C) Both Statements 1 and 2 are true.
(D) Both Statements 1 and 2 are false.

5. In a hypothetical economy, if entire additional income is consumed, the value of investment multiplier would be _____.

(Fill up the blank with correct alternative.)

(A) One (1)
(B) Zero (0)
(C) Between zero (0) and one (1)
(D) Infinity (∞)

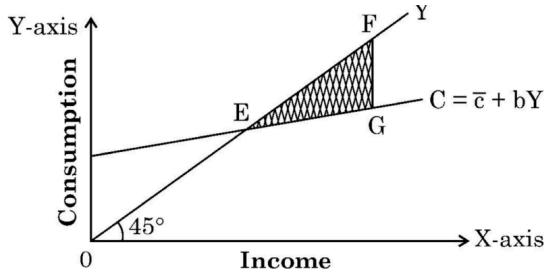
6. From the given table, identify that level of income, where Average Propensity to Save (APS) becomes zero :

(Choose the correct alternative.)

Income (₹ crore)	**0**	**50**
Consumption (₹ crore)	50	75
Income (₹ crore)	**100**	**200**
Consumption (₹ crore)	100	150
Income (₹ crore)	**300**	**400**
Consumption (₹ crore)	200	250

(A) 50
(B) 100
(C) 200
(D) 0

7.



Identify, what does the shaded area (ΔEFG), in the given figure indicate ?

I. Consumption > Income

II. Saving = Zero (0)

III. Consumption < Income

IV. Saving < Zero (0)

(A) I and II (B) II and III

(C) III and IV (D) I and IV

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

For Visually Impaired Candidates :

Marginal Propensity to Save (MPS) is the slope of _____.

(Choose the correct alternative.)

(A) Consumption function (B) Cost function

(C) Saving function (D) Investment

8. The measurement of Balance of Payments deficit is based on _____ transactions.

(Fill up the blank with correct alternative.)

(A) Autonomous (B) Accommodating

(C) Current account (D) Capital account

9. From the following, identify the correct reasons that may affect the supply of foreign exchange in an economy :

I. Purchase of land in England by an Indian

II. Foreign tourists visiting Taj Mahal

III. Donation of $ 500 million from Microsoft

IV. Indian students going to Australia for studies

(A) I and II (B) II and IV

(C) II and III (D) I and IV

10. If in an economy the Balance of Trade is showing a deficit of ₹ 200 crore and the value of import is ₹ 900 crore, then the value of exports would be ₹ _____ crore.

(Fill up the blank with correct alternative.)

(A) 200 (B) 1100

(C) 700 (D) 900

11(a). Calculate Net Value Added at Factor Cost (NVA_{FC}) from the following data :

S. No.	Particulars	Amount (in ₹ lakh)
(i)	Fixed capital goods (expected life span – 5 years)	15
(ii)	Domestic Sales	200
(iii)	Change in stock	(–) 10
(iv)	Exports	10
(v)	Single use producer goods	120
(vi)	Net indirect taxes	20

OR

11(b). From the following data, estimate the value of Net Indirect Taxes (NIT) :

S. No.	Particulars	Amount (₹ in crore)
(i)	Net National Product at Market Price (NNP_{MP})	1,400
(ii)	Net Factor Income from abroad	(–) 20
(iii)	Gross National Product at Factor Cost (GNP_{FC})	1,300
(iv)	Consumption of fixed capital	100

12. Define with suitable examples, autonomous transactions and accommodating transactions in the Balance of Payments of an economy.

13(a)(i). "With an objective to reduce inflation, government may reduce public Expenditure."

Discuss the rationale behind such a step which may be taken by the Government.

13(a)(ii). Define Effective Demand Principle.

OR

13(b)(i). State the meaning of 'unintended accumulation of inventories'.

13(b)(ii). "In an economy, Aggregate Demand (AD) is more than Aggregate Supply (AS)."

Elaborate the possible impacts of the same, on the level of output, income and employment.

14. Suppose an economy is in equilibrium. From the following data, calculate investment expenditure in economy :

(i) National Income (Y) = ₹ 10,000 crore

(ii) Marginal Propensity to Save (MPS) = 0.2

(iii) Autonomous Consumption ($\bar{c}$) = ₹ 100 crore

15. "Open Market Operation by the Reserve Bank of India (RBI) helps in regulating money supply in the economy."

Justify the given statement.

16(a)(i). Distinguish between Revenue Receipts and Capital Receipts of the government, with suitable example.

16(a)(ii). "Under the 'Production Linked Incentive' scheme, the Government of India offers various benefits like reduced import-export duties, incentives to investors, tax-rebates etc."

In the light of above statement, identify and explain the Budget objective and its likely consequences.

OR

16(b)(i). "Under 'Zero Defect Zero Effect' (ZED) scheme, the government of India provides up to 80% subsidy to Micro, Small and Medium Enterprises (MSMEs)."

Identify and explain the objective of government budget, highlighted in the above text.

16(b)(ii). Distinguish between Tax Revenue and Non-tax Revenue, with suitable examples.

17(a). As per The Economic Times report, dated April 11, 2023

"Electric Vehicle sales cross 10 Lakh mark in financial year 2022-23."

Analyse the likely impacts of this news on Gross Domestic Product (GDP) and Welfare.

17(b). Discuss briefly, the circular flow of income in a two sector economy model.

Section B

18. After independence, the rationale behind choosing Modernization as a planning objectives for the Indian economy were _____.

I. To bring positive changes in the social outlook

II. Equitable distribution of income

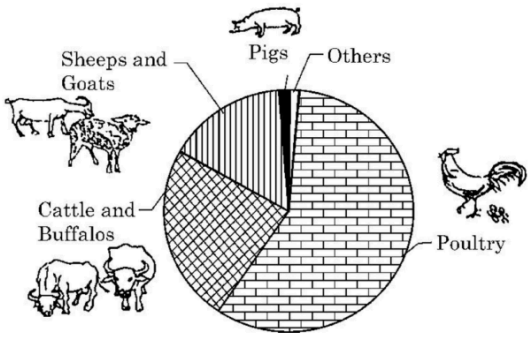
III. Technological Upgradation

IV. Increase in Economic Divide

(A) I and II (B) II and III

(C) I and III (D) I and IV

19.



Study the following picture :

Identify the kind of activities, which may be envisaged under _____ as diversification activity.

(Fill up the blank with correct alternative.)

(A) Animal Husbandry (B) Fisheries

(C) Horticulture (D) Organic farming

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

For Visually Impaired Candidates :

_____ farming is a system that is helpful in restoring, maintaining and enhancing the ecological balance.

(Choose the correct alternative to fill in the blank.)

(A) Multi layered (B) Chemical

(C) Organic (D) Conventional

20. Read the following statements : Assertion (A) and Reason (R). Choose the correct alternative from those given below :

Assertion (A) : India could not develop a sound Industrial-base during the British rule.

Reason (R) : Britishers followed restrictive trade policies which strengthened Indian handicraft industries.

(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

21. From the events given in Column-I and facts given in Column-II about China, choose the correct pair :

Column – I

(a) Structural transformation

(b) Great leap forward campaign

(c) Less stress of usage on natural resources

(d) Slowdown in GDP, since 2014

Column – II

(i) Limited Urbanisation

(ii) Reduced global demand for Chinese products

(iii) Low density of population

(iv) Aimed at massive industrialisation

(A) (a) – (i) (B) (b) – (ii)

(C) (c) – (iii) (D) (d) – (iv)

22. Read the following statements carefully :

Statement 1 : China has used Market system mechanism without loosing political commitment to create additional social and economic opportunities.

Statement 2 : India, Pakistan and China have similar physical endowments but totally different Political systems.

(A) Statement 1 is true and Statement 2 is false.
(B) Statement 1 is false and Statement 2 is true.
(C) Both Statements 1 and 2 are true.
(D) Both Statements 1 and 2 are false.

23. Read the following statements carefully :

Statement 1 : Casual workers are hired on a permanent basis and also get social security benefits.

Statement 2 : Workforce comprises, both employed and unemployed person.

In the light of the given statements, choose the correct alternative from the following :

(A) Statement 1 is true and Statement 2 is false.
(B) Statement 1 is false and Statement 2 is true.
(C) Both Statements 1 and 2 are true.
(D) Both Statements 1 and 2 are false.

24. _____ indicator may be defined as the measure of the extent of demographic participation in Social and Political decision making in a Country.

(Fill up the blank with correct alternative.)

(A) Economic
(B) Health
(C) Demographic
(D) Liberty

25. Introduction of Economic Reforms in Pakistan took place in year _____.

(Fill up the blank with correct alternative.)

(A) 1978
(B) 1980
(C) 1988
(D) 1991

26. The scheme of 'Micro Finance' is extended through _____ credit provision.

(Fill up the blank with correct alternative.)

(A) Self help groups
(B) Land Development Banks
(C) Regional Rural Banks
(D) Commercial Banks

27. Read the following statements carefully :

Statement 1 : Outsourcing is one of the important outcome of globalization process.

Statement 2 : Owing to globalization, many Indian companies have expanded their operation abroad.

In the light of the given statements, choose the correct alternative from the following :

(A) Statement 1 is true and Statement 2 is false.
(B) Statement 1 is false and Statement 2 is true.
(C) Both statement 1 and 2 are true.
(D) Both statement 1 and 2 are false.

28. Discuss the need for 'On-the-job training' for an employee.

29(a). "Opening up of Suez Canal helped in establishing the British monopoly control over India's foreign trade".

Justify the given statement with valid arguments.

OR

29(b). "Development of Railways during British rule encouraged colonial exploitation of the Indian resources."

Justify the given statement with valid arguments.

30. From the given data, Compare and analyse the Annual Growth of Population and Sex Ratio of China and Pakistan, with valid reasons :

Demographic Indicators, 2017-18

India

Indicator	Value
Estimated Population (in million)	1352
Annual Growth of Population	1.03
Population Density (per sq. km)	455
Sex Ratio	924
Fertility Rate	2.2
Urbanisation	34

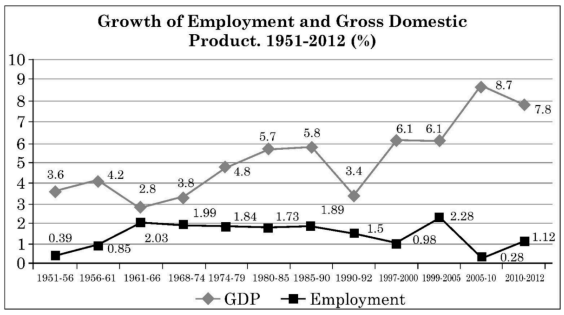
China

Indicator	Value
Estimated Population (in million)	1393
Annual Growth of Population	0.46
Population Density (per sq. km)	148
Sex Ratio	949
Fertility Rate	1.7
Urbanisation	59

Pakistan

Indicator	Value
Estimated Population (in million)	212
Annual Growth of Population	2.05
Population Density (per sq. km)	275
Sex Ratio	943
Fertility Rate	3.6
Urbanisation	37

31(a).



Study the following chart of Employment and Gross Domestic Product. Analyse the trend of the two variables between 1990-2012.

31(b). Define Worker – Population Ratio.

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

For Visually Impaired Candidates :

Explain why are regular salaried employees more in urban areas than in rural areas.

32(a)(i). "Infrastructural development is an essential element to obtain the full potential of the rural sector in India".

Justify the given statement with valid arguments.

32(a)(ii). State the meaning of 'Human Development'.

OR

32(b). "In a nation like India, self employment provides an important avenue for employment generation."

Defend or refute the given statement with valid arguments.

33. Read the following text carefully :

India has aimed to reduce the country's carbon intensity by approximately 45% by 2030. To achieve this 'Green finance' plays a vital role. At the initial stages, green finance needs a big push from the government. The Indian government has identified projects worth ₹ 25,000 crore that will be financed by proceeds from Sovereign Green Bonds.

According to the framework approved by finance ministry, the sovereign green bonds will focus on financing public projects including renewable energy, climate change, clean transportation, sustainable water and waste management and pollution control.

Businesses that take green finance can get benefit in various ways. It can help them follow different environmental norms and regulations and thus avoid possible fines. Adopting sustainable developmental practices enhances brand value of businesses. Customers tend to prefer brands that adopt clear sustainable development practices. The energy-efficient and other sustainable development practices promoted by green finance also often help in saving cost, boosting profitability of businesses etc.

– The Economic Times, April 22, 2023 (Modified)

On the basis of given text and common understanding, answer the following questions :

33(a). Define sustainable development.

33(b). State the public project areas, where Sovereign Green Bond are focussed.

33(c). How can businesses get benefit from green finance ?

34(a)(i). Defend or refute the following statements with valid arguments :

"The policy of protectionism encouraged the growth of domestic industries, but at the same time proved to be an impediment."

34(a)(ii). Defend or refute the following statements with valid arguments :

"New Economic Policy 1991 altered the role of Reserve Bank of India (RBI) in the economy."

OR

34(b)(i). Explain the changes that were observed in India's occupational structure during the British rule.

34(b)(ii). "Navratan Policy of the government has helped in improving the performance of Public Sector Undertakings in India."

Do you agree with the given statement ? Justify your answer with valid arguments.

- End of Question Paper -