



**HALF YEARLY EXAMINATION (2022-2023)**

**Subject: Economics**

**Max. Marks: 80**

**Grade: 12**

**Time: 3 Hours**

**Name:**

**Section:**

**Roll No:**

**General Instructions:**

- *This question paper consists of 4 printed pages.*
- *All answers to be written in the answer sheet provided.*

**SECTION A: MACROECONOMICS**

1. To avoid the problem of double counting, we include: - 1  
a) Initial value of goods b) Intermediate value of goods  
c) Final value of goods d) None of the above
2. While increase in per capita real income means increase in per capita availability of goods and services, does it necessarily mean rise in the welfare of the people of the country? Give any one argument in support of your answer and explain the same. 1
3. Which of the following is the Indirect Tax? 1  
a) Corporation Tax b) Value Added Tax  
c) Income Tax d) Wealth Tax
4. Calculate Nominal GDP if Real GDP is given to be Rs 450 crores and price index is 120 1
5. Demand deposits of a bank include 1  
a) Cash deposits only b) Secondary deposits only  
c) Derivative deposits only d) Primary deposits and secondary deposits only.
6. The part of LRR kept by the banks themselves is called 1  
a) SLR b) CRR  
c) Reverse Repo d) None of the above
7. What is the Aggregate Monetary Resources of a country? 1
8. In an economy, break-even point and equilibrium point may lie at the same level of income, if ex-ante investments are ..... (Fill up the blank with correct answer) 1
9. Given Marginal Propensity to Save is 0.2, to increase income by Rs1000 crore an additional investment of \_\_\_\_\_ will lead be required 1  
a) 200 b) 500  
c) 800 d) 2000
10. What is ex ante aggregate demand? 1  
**OR**  
What is the significance of the 45-degree line?
11. What is double counting? How can it be avoided? 3

12. Explain the role of the Central Bank as Banker to the Government 3  
**OR**  
 How can the following tools be used for credit control by the central bank in an economy:  
 a) Open Market Operations  
 b) Margin Requirements
13. “Currency is issued by the central bank, yet we say that commercial banks create money.” 4  
 Justify this statement using numerical example
14. Explain the concept of Effective Demand in Keynesian Theory. Use Diagram 4  
**OR** **OR**  
 Draw a straight line consumption curve. From it, derive a saving curve. Explain the process of derivation. Show in this diagram the point at which the Average propensity to Consume is equal to one. 3,1
15. “The Department of Economic Affairs Secretary Ajay Seth said the increase government’s investment should lead to a significant increase in National Income”. Do you agree? 4  
 Explain with a numerical example, assuming that Marginal Propensity to Consume (MPC) is 0.5, and change in investment is Rs 500 crores.
16. Calculate (a) GDP at market price through the income method (b) National income by Expenditure method: 6

Particulars	Rs crores
i. Government Final Consumption Expenditure	50
ii. Operating Surplus	300
iii. Opening stock	20
iv. Private Final Consumption Expenditure	500
v. Gross fixed capital formation	90
vi. Closing stock	35
vii. Net exports	(-)5
viii. Net indirect taxes	60
ix. Compensation of employees	220
x. Consumption of fixed capital	20
xi. Mixed income of self-employed	50
xii. Net factor income to abroad	(-)20
xiii. Rent	80
xiv. Profit	75

2,4

**OR**

Ans both part (a) and (b)

- a) Define externalities. Give one example of each type of externalities  
 b) There are two firms in the Economy, A and B. Calculate Net Value added at Factor Cost from the values given below:

S.No	Item	Value (Rs Crores)
i.	Sales by firm B to general government	100
ii.	Sales by firm A	800
iii.	Import of raw material by A	20
iv.	Sales by firm B to households	350
v.	Change in stock of firm A	40
vi.	Closing stock of firm B	70
vii.	Opening stock of firm B	60
viii.	Purchases by firm A	440
ix.	Indirect Taxes paid by both the firms	100
x.	Consumption of Fixed Capital	150
xi.	Sales by A to B	180
xii.	Import of raw material by B	20
xiii.	Import of machinery for own use by B	50

17. a) In an economy  $C = 200 + 0.5 Y$  is the consumption function where C is the consumption expenditure and Y is the national income. Investment expenditure is 400 crores. Is the economy in equilibrium at an income level 1500 crores? Justify your answer. 3,3
- b) Are the following statements True or False? Give reasons
- “At very low levels of income, the Average Propensity to Consume (APC) can be zero”
  - “The value of Marginal Propensity to Save (MPS) is greater than one at very high level of savings”

### SECTION B: INDIAN ECONOMICS

18. State two reasons for low agricultural productivity in pre-Independence India 1
19. When was India's first official census operation undertaken 1
- OR**
- Which is considered the year of the Great Divide 1
20. First Industrial policy of independent India was declared in:- 1
- (a) 1948 (b) 1977 (c) 1956 (d) 199
- First Industrial policy of independent India was declared in:-
- 1947
  - 1948
  - 1951
  - 1991
21. The predecessor of WTO was \_\_\_\_\_ and was founded in \_\_\_\_\_ 1
22. How were quantitative restrictions being imposed in India prior to 1991 1
23. Define outsourcing 1
24. What is the meaning of agricultural marketing 1
25. Give one drawback of regulated markets. 1
26. In which Five Year Plan did India recognize the importance of Human Capital? 1
- Third Five Year Plan
  - Fifth Five Year Plan
  - Seventh Five Year Plan
  - Ninth Five Year Plan
27. Government of India has also started levying a \_\_\_\_\_ percent 'education cess' on all Union taxes, which is used for spending on \_\_\_\_\_ education. 1

28. “After independence, even though steps were taken to abolish intermediaries and to make the tillers the owners of land, the goal of equity not served due to these land reforms.” Justify. 3
29. Write a short on Financial Sector Reforms 3  
**OR**  
 Write a short note on Industrial Sector Reforms
30. “The occupational structure of India pointed to a backward underdeveloped economy, with significant regional variation.” What do you have to say about this statement? 4
31. Critically discuss the debate over subsidies for the agricultural sector 4  
**OR**  
 Discuss the Goals of Growth and Self Reliance of the Five-Year Plans.
32. “Despite 75 years of Independence, education is still a distant dream”. Examine this statement in light of various recommendations made for raising educational standards in India 4
33. a) “*The economic reforms of 1990 removed policy induced entry barriers, relaxed constraints on private-sector initiatives and led to several favorable outcomes. However, surprisingly, industrial growth recorded a slow-down during this period*”. Discuss the causes for slowdown of industrial growth after the reforms? 3,3
- b) Discuss the rationale behind the government’s policy of disinvestment
34. “Despite 75 years of Independence, Yet, the vast majority of India's rural poor, still do not have access to formal finance.” Critically examine this statement and give recent measures taken by the government to rural banking sector 6  
**OR**  
**Answer both (a) and (b)** 2,4
- a) Discuss any one step taken by the government to improve agricultural marketing system in India
- b) How have Self Help groups contributed to the rural credit system in India

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