



PRINCE ACADEMY

OF HIGHER EDUCATION

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BOARD SAMPLE PAPER 2023-24

Time : 03:00 Hours

CLASS – XII ECONOMICS (030)

M.M. : 80

General Instructions :

- (i) 15- minute prior reading time allotted for Q-paper reading.
- (ii) All questions are compulsory.
- (iii) This paper contains 20 Multiple Choice Questions of 1 mark each.
- (iv) This paper contains 4 short answer Questions of 3 mark each.
- (v) This paper contains 6 short answer Questions of 4 mark each.
- (vi) This paper contains 4 Long answer Questions of 6 mark each.

SECTION-A

1. Washing Machine is a _____ when used in a household, but a _____ when used in a laundry shop.
(a) Consumer good, capital good
(b) Capital good, Consumer good
(c) Capital good, Capital good
(d) Consumer good, Consumer good
2. India is expected to experience a situation of medium to high inflation rates during the last quarter of 2022. In your opinion, the RBI should _____ the repo rate.
(a) Increase
(b) Decrease
(c) Both a and b
(d) None of these
3. Aniket approached a bank for taking loan. The head of loan department told that there will be a difference between the amount of loan granted to him and the market value of the security offered by him against the loan. From the following, choose the correct alternative which specifies the concept explained by the head of loan department
(a) Bank rate
(b) Margin requirement
(c) Repo rate
(d) Statutory Liquidity Ratio
4. Identify which of the following statement is true ?
(a) Revaluation of the currency is same as appreciation of the currency.
(b) Devaluation of the currency is same as depreciation of the currency.
(c) Flexible exchange rate is determined by the world Bank.
(d) Bretton woods system was a system of fixed exchange rate

- (b) Both the statements are false
- (c) Statement 1 is true but statement 2 is false
- (d) Statement 2 is true but statement 1 is false

10. Read the following statements carefully and choose the correct alternative among those given below :-

Statement 1 :- Rich people have lower propensity to consume as compared to poor people

Statement 2 :- Consumption can be zero when national income is zero

Alternatives :-

- (a) Both the statements are true
- (b) Both the statements are false
- (c) Statement 1 is true but statement 2 is false
- (d) Statement 2 is true but statement 1 is false

11. How will you treat the following items in the calculation of 'Domestic income' and 'National income' of India ? Give reason for your answer.

- (a) Retained earnings of foreign companies from India.
- (b) Profits of Tata Industries from its business in Australia.
- (c) Old age pension

OR

"India's GDP is expected to expand 7.5% in 2019-20 :- World Bank". -The Economic Times

Does the given statement mean that welfare of people of India increase at the same rate ? comment with reason.

12. "A country with trade deficit cannot have current account surplus in its Balance of Payments". Do you agree with the given statement ? Discuss with reason.

13. If all the customers of a commercial Bank demand for their deposits at a time, then how does central Bank will help commercial bank in this situation ?

OR

'Reserve Ratio and credit creation are inversely related'. Do you agree with the given statement ? Justify your answer with a suitable numerical example.

14. An economy is in equilibrium. Calculate Autonomous consumption Expenditure :-

National income = 1,600

Investment Expenditure = 300

Marginal propensity to consume = 0.8

15. Read the following paragraph and answer the questions on the basis of the same :-

The crisis had severe, long-lasting consequences for the U.S and European economics. The U.S entered a deep recession, with nearly 9 million Jobs lost during 2008 and 2009, roughly 6% of the workforce. The number of Jobs did not return to the december 2007 pre-crisis peak until May 2014. one estimate of lost output and income from crisis comes to at least 40% of 2007 gross domestic product

- (a) The situation in the above paragraph represents the situation of _____.
- (b) Is borrowing from the central bank by the government a viable solution for the problem ?

16. (a) Government provides essential items of food grains almost free to the families below the poverty line, which objective the government is trying to fulfil through the budget and how ?
 (b) Explain the need for reduction in inequalities of income and wealth. Explain any two measures by which it can be done.

OR

- (a) "Fiscal deficit is necessarily inflationary in nature". Do you agree ? Support your answer with valid reasons
 (b) What are non-debt creating capital receipts ? Give two examples of such receipts.
17. Calculate "Gross national product at factor cost" from the following data by (a) Income method (b) Expenditure method

Particulars	Rs in cr
(i) Private final consumption expenditure	1,000
(ii) Net domestic capital formation	200
(iii) Profits	400
(iv) Compensation of employees	800
(v) Rent	250
(vi) Government final consumption expenditure	500
(vii) consumption of fixed capital	60
(viii) Interest	150
(ix) Net current transfer from rest of world	(-) 80
(x) Net factor income from abroad	(-) 10
(xi) Net exports	(-) 20
(xii) Net indirect taxes	80

SECTION-B

18. Read the following statements carefully and choose the correct alternative from the following :-
 Statement 1 :- The decline of the indigenous handicraft industries created not only massive unemployment in India but also a new demand in the Indian consumer market
 Statement 2 :- Britain maintained monopoly control over India's exports and imports.
 Alternatives :-
 (a) Both the statements are true
 (b) Both the statements are false
 (c) Statement 1 is true but statement 2 is false
 (d) Statement 2 is true but statement 1 is false
19. _____ and _____ are the reasons for the slowdown of the Pakistan economy since independence.
 (i) Political instability (ii) Over-dependence on remittances from abroad
 (iii) Stable performance of agriculture sector (iv) Growth of service sector
 Alternatives :-
 (a) i and ii (b) ii and iii (c) iii and iv (d) i and iv

20. One of the common goals of the five year plans is 'growth'. What does 'growth' imply ?
- A larger stock of productive capital
 - A large size of supporting services like transport and banking.
 - An increase in the efficiency of productive capital and services
 - All of these
21. Identify which of the following is a source of non-institutional credit in the rural areas of India.
- NABARD
 - Regional Rural Banks
 - Money Lenders
 - Commercial Banks
22. During 1980 to 1990, _____ having double digit growth of 10.3%.
- Pakistan
 - China
 - India
 - None of these
23. Read the following statements carefully and choose the correct alternative from the following :-
- Statement 1 :- The Indian education pyramid is steep, indicating lesser and lesser number of people reaching the higher education level
- Statement 2 :- Government of India has also started levying a 4% 'educational cess' on all union taxes.
- Alternatives :-
- Both the statements are true
 - Both the statements are false
 - Statement 1 is true but statement 2 is false
 - Statement 2 is true but statement 1 is false
24. _____ is the chairman of GST council.
- Prime Minister
 - Finance Secretary
 - Finance Minister
 - None of these
25. The spread of _____ technology enabled India to achieve self-sufficiency in food grains.
- White Revolution
 - Blue Revolution
 - Green Revolution
 - Yellow Revolution
26. Read the following statements Assertion (A) and Reason (R). Choose one of the correct alternatives
- Assertion (A) :- Environment includes all the biotic and abiotic factors that influence each other.
- Reason (R) :- Biotic elements include non-living elements like air, water, land etc.
- Alternatives :-
- Both Assertion (A) and Reason (R) is true and Reason (R) is correct explanation of Assertion (A).
 - Both Assertion (A) and Reason (R) is true but Reason (R) is not correct explanation of Assertion (A).
 - Assertion (A) is true but Reason (R) is false.
 - Assertion (A) is false but Reason (R) is true.
27. Read the following statements Assertion (A) and Reason (R). Choose one of the correct alternatives
- Assertion (A) :- More proportion of female work force is employed in the primary sector as compared to proportion of male work force.
- Reason (R) :- Male work force get opportunities in both secondary and service sector.

Alternatives :-

- (a) Both Assertion (A) and Reason (R) is true and Reason (R) is correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) is true but Reason (R) is not 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.

28. "During the colonial period, a number of socio-economic indicators were in a dilapidated state". List any three such indicators that led to the worsening of India's demographic profile.

OR

"The pre-independent India's occupational structure experienced growing regional variation". Justify the above statement with valid explanation.

29. "Ravya was initially working as an office clerk in a firm. In the pursuit to attain, a higher position and income, she attended a few on- the- job training sessions. These sessions contributed positively to her skills and expertise".

Explain the impact of Ravya's decision on human capital formation.

30. "The prime Minister urged to increase the rural income by increasing non-farm activities".

Explain how non-farm activities can lead to rise in income of people in rural sector.

31. What are the similarities in the development strategies of India, Pakistan and China ?

OR

What was the contribution of great leap forward campaign that was started in china in the year 1958 ?

32. "Ujjawala yojana has been a game changer for rural India". State any three conventional fuels being targeted under the Ujjawala yojana.

33. (A) "In rural areas of India, more numbers of a family are engaged in work, yet the gross income of the family is low".

Identify the type of employment indicated in the above statement and explain the paradox associated with it

(B) Explain absorptive capacity of environment with example.

OR

(A) Low employment among women is a reflection of economic backwardness of a country. You have been asked to suggest the measures for increased employment opportunities for women.

(B) Discuss briefly any two reasons behind the industrial growth during the second and third five year plans of India.

34. Read the following text carefully and answer the given questions on the basis of the same and common understandings.

India urged the world Trade organisation (WTO) to relax rules to allow the country to export food grains from its public stock to the nations facing food crisis.

India can help, reduce food insecurity but there is hesitation on the part of the WTO, in relaxing its rules. India's Finance Minister said food, fuel and fertilizers are global public goods and ensuring access of these for developing and emerging economies is critical.

(Source :- The Economic Times, July 16,2022)

(a) Name the two Steps taken by India to strengthen the food security.

(b) State and discuss any two objects of World Trade Organisation (WTO).

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