

Total No. of Printed Pages—8

HS/XII/A.Com/Ec/25

2 0 2 5

ECONOMICS

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

General Instructions :

- (i) All questions in both the Parts are compulsory.
- (ii) Marks for questions are indicated against each question.
- (iii) Question Nos. **1-5** and **18-22** are objective-type questions carrying 1 (one) mark each.
- (iv) Question Nos. **6-10** and **23-27** are very short answer-type questions carrying 1 (one) mark each. Answers to them should be in *one* sentence each.
- (v) Question Nos. **11, 12, 28** and **29** are short answer-type questions carrying 3 (three) marks each. Answers to them should normally not exceed 60 (sixty) words each.
- (vi) Question Nos. **13-15** and **30-32** are also short answer-type questions carrying 4 (four) marks each. Answers to them should normally not exceed 70 (seventy) words each.
- (vii) Question Nos. **16, 17, 33** and **34** are long answer-type questions carrying 6 (six) marks each. Answers to them should normally not exceed 100 (hundred) words each.

(2)

PART—A

(**Introductory Macroeconomics**)

(Marks : 40)

1. Which of the following reasons highlights the significance of macroeconomics? 1
- (a) It offers a roadmap of growth and development
(b) It helps to achieve economic stability
(c) It is useful for the formulation of economic policies
(d) All of the above
2. Read the following statements and choose the correct answer among the given alternatives : 1
- Statement 1 :
Stock of money held by the government is part of money supply.
- Statement 2 :
Demand deposits are not for a specific period of time.
- Alternatives :
- (a) Both the statements are true
(b) Both the statements are false
(c) Statement 1 is true and Statement 2 is false
(d) Statement 1 is false and Statement 2 is true
3. In the saving function $S = -\bar{c} + (1 - b)Y$, the term $(-\bar{c})$ represents
- (a) the value of S when $Y = 0$
(b) the value of c when $Y = 0$
(c) Neither (a) nor (b)
(d) None of the above 1

(3)

4. Surplus budget is that budget in which
- (a) government receipts > government expenditures
 - (b) government expenditures > government receipts
 - (c) government receipts = government expenditures
 - (d) None of the above
- 1

5. Current Account records transactions relating to
- (a) export and import of goods
 - (b) factor and non-factor income
 - (c) current transfers
 - (d) All of the above
- 1

6. What is a commercial bank? 1

Or

Given CRR = 20% and Initial deposits = ₹ 5,000 crores.
Calculate credit creation by the banks. 1

7. What is average propensity to consume? 1

8. What does zero-primary deficit mean? 1

9. What is foreign exchange? 1

10. Match the statements given in *Column—A* with those in *Column—B* : 1

<i>Column—A</i>	<i>Column—B</i>
(a) Trade deficit	(i) An element of invisibles
(b) Borrowing from World Bank	(ii) Exports < Imports
(c) Export of machine	(iii) Credit side of Capital Account
(d) Current transfers	(iv) Credit side of Current Account

(4)

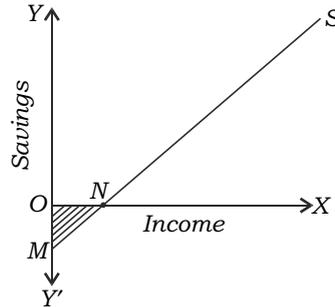
11. Distinguish between consumption goods and capital goods. 3

Or

What is depreciation? Calculate depreciation from the following data : 3

Items

- (a) Initial value of the asset—₹ 95,000
(b) Useful life (in years)—15
(c) Scrap value—₹ 5,000
12. How are fixed and flexible rates of exchange different? 3
13. Explain any two instruments of credit control. 2+2=4
- 14.



On the basis of the above diagram, answer the following questions : 1+1+1+1=4

- (a) What does the shaded area *OMN* represent?
(b) What is the level of saving at point *N*?
(c) What does the saving curve represent above the point *N*?
(d) What does *OM* represent in the figure?

Or

What is investment multiplier? Calculate the investment multiplier, if (a) $MPC = 0$, (b) $MPC = 0.5$ and (c) $MPS = 0.2$. 1+1+1+1=4

(5)

15. Distinguish between the following : 2×2=4

(a) Revenue expenditure and Capital expenditure

(b) Direct tax and Indirect tax

16. Explain the value-added method of estimating national income. 6

Or

From the following data, calculate (a) GDP_{mp} , (b) GNP_{mp} and (c) NNP_{fc} : 6

<i>Items</i>	₹ (in crores)
(i) Sales	70,000
(ii) Closing Stock	25,000
(iii) Opening Stock	5,000
(iv) Depreciation	1,000
(v) Net Indirect Taxes	200
(vi) NFIA	1,500
(vii) Intermediate Consumption	10,000

17. If consumption function is given by $C = 100 + 0.75Y$ and autonomous investment is ₹ 150 crores, then calculate (a) equilibrium level of income, (b) consumption and APS at the equilibrium level of income. 2+2+2=6

Or

What is deficient demand? What are its causes? Explain the fiscal measures to correct deficient demand. 1+2+3=6

(6)

PART—B

(**Indian Economic Development**)

(Marks : 40)

- 18.** High infant mortality is a sign of
- (a) extreme poverty
 - (b) poor healthcare
 - (c) Both (a) and (b)
 - (d) None of the above
- 1
- 19.** The basic idea of industrial licensing policy was to
- (a) ensure environment-friendly investment
 - (b) promote private investment in the economy
 - (c) encourage industry in the backward regions of the country
 - (d) All of the above
- 1
- 20.** Which of the following has emerged as an important microfinance system and led to women empowerment?
- (a) Commercial banks
 - (b) Self-help groups
 - (c) Land Development Banks
 - (d) NABARD
- 1

- 21.** Great Proletarian Cultural Revolution was introduced under the leadership of
- (a) Mao Zedong
 - (b) M. K. Gandhi
 - (c) J. L. Nehru
 - (d) M. A. Jinnah
- 1

- 22.** Read the following Assertion (A) and Reason (R). Choose the correct alternative given below :
- 1

Assertion (A) :

China has the lowest density of population compared to India and Pakistan.

Reason (R) :

China has a very large geographical area.

Alternatives :

- (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

- 23.** What is economic planning? 1

- 24.** What is labour force? 1

Or

What is meant by employment? 1

- 25.** What is the meaning of sustainable development? 1

(8)

26. What is density of population? 1
27. What is urbanization? 1
28. Explain three problems of Indian agriculture. 3

Or

Explain the three-fold classification of the Industrial Policy Resolution, 1956. 3

29. Distinguish between physical capital and human capital. 3
30. Explain the problems faced by the informal sector. 4
31. What is agricultural marketing? Explain any three measures initiated by the government to improve marketing system. 1+3=4

Or

Explain poverty-induced and affluence-induced environmental degradation in India. 2+2=4

32. Compare the economies of India and Pakistan on the basis of (a) sectoral share to GDP and (b) population. 2+2=4
33. Explain the features of Indian economy on the eve of Independence. 6

Or

Elaborate the land reform measures initiated by the Government in Indian Agriculture. 6

34. Explain the institutional sources of rural credit. 6

Or

Explain the rate of participation of rural and urban population in the country. 6
