

CBSE Class 12 – Economics

Model Question Paper – Set 1

Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions:

1. This question paper contains two sections:
 - **Section A:** Macroeconomics
 - **Section B:** Indian Economic Development
 2. All questions are compulsory.
 3. Marks for each question are indicated against it.
 4. Answers should be written as per CBSE board format with proper headings.
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SECTION A – MACROECONOMICS (40 Marks)

Part A – Multiple Choice Questions (1×10=10 Marks)

1. Which of the following is included in Gross Domestic Product?
 - (a) Sale of old house
 - (b) Purchase of shares
 - (c) Government expenditure on roads
 - (d) Transfer payments
2. When aggregate demand exceeds aggregate supply, it leads to:
 - (a) Deflation
 - (b) Inflation
 - (c) Depression
 - (d) Stagnation
3. The value of MPC always lies between:
 - (a) 0 and 1
 - (b) 1 and 2
 - (c) 0 and 5
 - (d) 2 and 3

4. Currency held by public is a part of:
 - (a) M1
 - (b) M4
 - (c) M3 only
 - (d) Near money

 5. Repo rate is decided by:
 - (a) SBI
 - (b) Ministry of Finance
 - (c) RBI
 - (d) SEBI

 6. Which of the following is a revenue receipt?
 - (a) Borrowings
 - (b) Recovery of loans
 - (c) GST collection
 - (d) Disinvestment proceeds

 7. Depreciation is deducted to calculate:
 - (a) GDP at MP
 - (b) NDP at MP
 - (c) GNP at FC
 - (d) National Income

 8. Balance of Trade refers to difference between:
 - (a) Exports & Imports of goods
 - (b) Exports & Imports of services
 - (c) Capital & Current account
 - (d) Receipts & Payments

 9. Open market operations are used to:
 - (a) Control inflation
 - (b) Print notes
 - (c) Issue coins
 - (d) Fix wages

 10. Autonomous consumption means consumption:
 - (a) Equal to income
 - (b) Independent of income
 - (c) Greater than income
 - (d) Zero income only
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Part B – Short Questions (3×4=12 Marks)

11. Define GDP at Factor Cost.
 12. Explain any two functions of RBI.
 13. Distinguish between Revenue Deficit and Fiscal Deficit.
 14. What is Multiplier? Explain its working briefly.
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Part C – Short Questions (4×3=12 Marks)

15. Explain the concept of Full Employment.
 16. Differentiate between Direct and Indirect Taxes.
 17. Explain components of Current Account of Balance of Payments.
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Part D – Long Questions (6×2=12 Marks)

18. Explain the circular flow of income in a two-sector economy with diagram.
 19. Explain the measures adopted by RBI to control inflation.
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SECTION B – INDIAN ECONOMIC DEVELOPMENT (40 Marks)

Part A – MCQs (1×10=10 Marks)

20. Green Revolution started in:
 - (a) 1951
 - (b) 1965
 - (c) 1991
 - (d) 2000
21. LPG reforms were introduced in:
 - (a) 1980
 - (b) 1991
 - (c) 2005
 - (d) 1975
22. NABARD was established in:
 - (a) 1982
 - (b) 1995
 - (c) 2001
 - (d) 1970

23. Disguised unemployment is mostly found in:
- (a) Industry
 - (b) Agriculture
 - (c) Services
 - (d) IT sector
24. Human Development Index is published by:
- (a) RBI
 - (b) World Bank
 - (c) UNDP
 - (d) IMF
25. Which sector contributes maximum to India's GDP?
- (a) Primary
 - (b) Secondary
 - (c) Tertiary
 - (d) Foreign sector
26. Make in India was launched in:
- (a) 2012
 - (b) 2014
 - (c) 2016
 - (d) 2018
27. NITI Aayog replaced:
- (a) RBI
 - (b) Planning Commission
 - (c) SEBI
 - (d) Finance Commission
28. Poverty line is based on:
- (a) Income only
 - (b) Calorie intake
 - (c) Education level
 - (d) Population size
29. Which is a feature of globalisation?
- (a) Trade restrictions
 - (b) Free flow of capital
 - (c) Import ban
 - (d) License system
30. Self-help groups promote:
- (a) Corporate loans

- (b) Rural credit
 - (c) Foreign trade
 - (d) Heavy industries
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Short Questions (3×4=12 Marks)

- 31. Explain objectives of economic planning in India.
 - 32. What are the causes of unemployment in India?
 - 33. Explain features of New Economic Policy 1991.
 - 34. What is sustainable development?
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Long Questions (6×3=18 Marks)

- 35. Explain achievements and failures of Green Revolution.
- 36. Discuss role of human capital in economic development.
- 37. Explain poverty alleviation programmes in India.