

CBSE Class 12 – Economics

Model Question Paper – Set 2

Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions:

1. The question paper contains two sections:
 - **Section A:** Macroeconomics
 - **Section B:** Indian Economic Development
 2. All questions are compulsory.
 3. Use proper headings and diagrams wherever required.
 4. Marks are indicated against each question.
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SECTION A – MACROECONOMICS (40 Marks)

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

1. Net National Product at Market Price is equal to:
 - (a) GNP – Depreciation
 - (b) GDP + NFIA
 - (c) GNP – Indirect Taxes
 - (d) GDP – Subsidies
2. When MPC = 0.8, the value of multiplier is:
 - (a) 2
 - (b) 4
 - (c) 5
 - (d) 8
3. Which of the following is a stock variable?
 - (a) Income
 - (b) Investment

- (c) Wealth
 - (d) Output
4. Cash Reserve Ratio (CRR) is maintained with:
- (a) SBI
 - (b) RBI
 - (c) Government
 - (d) SEBI
5. Budget deficit occurs when:
- (a) Revenue > Expenditure
 - (b) Expenditure > Revenue
 - (c) Exports > Imports
 - (d) Savings > Investment
6. Foreign Direct Investment is recorded in:
- (a) Current Account
 - (b) Capital Account
 - (c) Official Reserve
 - (d) Trade Account
7. Which of the following is not included in National Income?
- (a) Salary of a teacher
 - (b) Rent received
 - (c) Lottery winnings
 - (d) Interest on loans
8. The precautionary demand for money is related to:
- (a) Uncertainty
 - (b) Investment
 - (c) Speculation
 - (d) Profit
9. Excess demand leads to:
- (a) Deflationary gap
 - (b) Inflationary gap
 - (c) Recession
 - (d) Depression
10. Government expenditure on subsidies is a:
- (a) Capital Expenditure
 - (b) Revenue Expenditure
 - (c) Capital Receipt
 - (d) Borrowing

Part B – Short Questions (3×4 = 12 Marks)

11. Define Gross National Product (GNP).
12. Explain any two components of Government Budget.
13. Differentiate between Balance of Trade and Balance of Payments.
14. Explain the concept of Deflationary Gap.

Part C – Short Questions (4×3 = 12 Marks)

15. Explain the concept of Aggregate Supply.
16. Distinguish between Commercial Banks and Central Bank.
17. Explain the components of Capital Account in BOP.

Part D – Long Questions (6×2 = 12 Marks)

18. Explain determination of income and employment using AD-AS approach with diagram.
19. Explain quantitative and qualitative methods of credit control used by RBI.

SECTION B – INDIAN ECONOMIC DEVELOPMENT (40 Marks)

Part A – MCQs (1×10 = 10 Marks)

20. The Second Five Year Plan focused on:
 - (a) Agriculture
 - (b) Heavy Industries
 - (c) Services
 - (d) IT Sector
21. White Revolution is associated with:
 - (a) Wheat
 - (b) Rice
 - (c) Milk
 - (d) Oilseeds

22. Land reforms aimed at:
- (a) Industrial growth
 - (b) Equal land distribution
 - (c) Urbanization
 - (d) Foreign trade
23. Which state has highest literacy rate in India?
- (a) Bihar
 - (b) Kerala
 - (c) Uttar Pradesh
 - (d) Rajasthan
24. Liberalisation means:
- (a) Removal of trade barriers
 - (b) Increase in taxes
 - (c) Nationalisation
 - (d) Import substitution
25. Underemployment is commonly seen in:
- (a) Organized sector
 - (b) Agriculture
 - (c) IT sector
 - (d) Banking
26. Infant Mortality Rate measures:
- (a) Death rate of adults
 - (b) Death rate of infants
 - (c) Birth rate
 - (d) Literacy
27. SEZ stands for:
- (a) Special Export Zone
 - (b) Special Economic Zone
 - (c) Service Export Zone
 - (d) State Economic Zone
28. Which organisation estimates poverty in India?
- (a) RBI
 - (b) NITI Aayog
 - (c) UNDP
 - (d) IMF
29. Economic reforms were introduced due to:
- (a) Balance of Payments crisis

- (b) Surplus economy
- (c) High exports
- (d) Agricultural boom

30. MGNREGA provides employment in:

- (a) Urban areas
 - (b) Rural areas
 - (c) IT sector
 - (d) Industries
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Short Questions (3×4 = 12 Marks)

- 31. Explain features of Green Revolution.
 - 32. What are the causes of poverty in India?
 - 33. Explain role of agriculture in Indian economy.
 - 34. What is globalisation? State two advantages.
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Long Questions (6×3 = 18 Marks)

- 35. Discuss achievements and failures of economic planning in India.
- 36. Explain importance of infrastructure in economic development.
- 37. Explain major employment generation programmes in India.