

CBSE Class 12 – Economics

Model Question Paper – Set 4

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, formulas 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. GDP at Factor Cost is equal to:
 - (a) GDP at MP + Indirect Taxes – Subsidies
 - (b) GDP at MP – Indirect Taxes + Subsidies
 - (c) GDP at MP – Depreciation
 - (d) NDP at FC
2. The value of APC can be:
 - (a) Greater than 1
 - (b) Equal to 1
 - (c) Less than 1
 - (d) All of these
3. Which of the following is a final good?
 - (a) Coal used in factory
 - (b) Flour used by bakery

- (c) Car purchased by household
 - (d) Raw cotton
4. Bank rate is related to:
- (a) Commercial bank lending rate
 - (b) RBI lending to banks
 - (c) Deposit rate
 - (d) Repo transaction only
5. Fiscal deficit equals:
- (a) Revenue Expenditure – Revenue Receipts
 - (b) Total Expenditure – Total Receipts (excluding borrowings)
 - (c) Borrowings – Interest payments
 - (d) Capital receipts – Capital expenditure
6. Balance of Payments always:
- (a) Surplus
 - (b) Deficit
 - (c) Balanced
 - (d) Zero
7. Increase in CRR will:
- (a) Increase money supply
 - (b) Decrease money supply
 - (c) Increase inflation
 - (d) Increase credit
8. Consumption function shows relation between:
- (a) Income and Saving
 - (b) Income and Consumption
 - (c) Investment and Income
 - (d) Tax and Income
9. Which of the following is not included in capital account?
- (a) FDI
 - (b) Foreign loans
 - (c) Export of goods
 - (d) Portfolio investment
10. Autonomous investment is:
- (a) Dependent on income
 - (b) Independent of income
 - (c) Equal to saving
 - (d) Equal to consumption

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

11. Define National Disposable Income.
12. Explain any two instruments of monetary policy.
13. Distinguish between Inflationary Gap and Deflationary Gap.
14. Explain components of Aggregate Demand.

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

15. Explain circular flow of income in a three-sector economy.
16. Differentiate between Revenue Expenditure and Capital Expenditure.
17. Explain precautionary and speculative demand for money.

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

18. Explain calculation of National Income using Income Method.
19. Explain how government can control inflation using fiscal policy.

SECTION B – INDIAN ECONOMIC DEVELOPMENT (40 Marks)

Part A – MCQs (1×10 = 10 Marks)

20. Mahalanobis model was adopted in:
 - (a) First Plan
 - (b) Second Plan
 - (c) Third Plan
 - (d) Fourth Plan
21. Green Revolution mainly benefited which states?
 - (a) Bihar & Odisha
 - (b) Punjab & Haryana
 - (c) Kerala & Tamil Nadu
 - (d) Assam & Tripura

22. Which is a quantitative measure of poverty?
- (a) Literacy rate
 - (b) Poverty line
 - (c) HDI
 - (d) IMR
23. Tertiary sector includes:
- (a) Mining
 - (b) Manufacturing
 - (c) Banking
 - (d) Agriculture
24. Privatisation means:
- (a) Government ownership
 - (b) Public ownership
 - (c) Transfer of ownership to private sector
 - (d) Import substitution
25. Infant Mortality Rate is an indicator of:
- (a) Education
 - (b) Health
 - (c) Income
 - (d) Employment
26. WTO was established in:
- (a) 1991
 - (b) 1995
 - (c) 2000
 - (d) 1985
27. Rural development includes improvement in:
- (a) Agriculture
 - (b) Infrastructure
 - (c) Education
 - (d) All of these
28. Which programme aims at self-employment?
- (a) MGNREGA
 - (b) PMRY
 - (c) RBI policy
 - (d) SEBI scheme
29. Economic reforms aimed at:
- (a) Licence Raj

- (b) Global integration
- (c) Closed economy
- (d) Import ban

30. HDI is prepared by:

- (a) RBI
 - (b) IMF
 - (c) UNDP
 - (d) NITI Aayog
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Short Questions (3×4 = 12 Marks)

- 31. Explain objectives of Five Year Plans.
 - 32. What are the causes of unemployment in urban areas?
 - 33. Explain role of foreign trade in economic development.
 - 34. What is human capital formation?
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Long Questions (6×3 = 18 Marks)

- 35. Discuss features and impact of New Economic Policy 1991.
- 36. Explain poverty alleviation programmes in India.
- 37. Explain structural changes in Indian economy after reforms.