

CBSE Class 12 – Economics

Model Question Paper – Set 5

Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions:

1. The question paper consists of **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. Gross National Product (GNP) =
 - (a) GDP + NFIA
 - (b) GDP – Depreciation
 - (c) GDP – NFIA
 - (d) NDP + NFIA
2. When income increases, saving generally:
 - (a) Decreases
 - (b) Remains constant
 - (c) Increases
 - (d) Becomes zero
3. Which of the following is not a component of Aggregate Demand?
 - (a) Consumption
 - (b) Investment

- (c) Government Expenditure
 - (d) Depreciation
4. Repo rate is:
- (a) Rate at which RBI borrows from banks
 - (b) Rate at which RBI lends to banks
 - (c) Deposit rate
 - (d) Market interest rate
5. Primary deficit is equal to:
- (a) Fiscal deficit – Interest payments
 - (b) Revenue deficit – Interest payments
 - (c) Fiscal deficit + Interest payments
 - (d) Capital deficit
6. If exports exceed imports, it leads to:
- (a) Trade deficit
 - (b) Trade surplus
 - (c) BOP deficit
 - (d) Inflation
7. Which of the following is a flow variable?
- (a) Wealth
 - (b) Capital
 - (c) Income
 - (d) Money supply
8. Excess supply in economy causes:
- (a) Inflation
 - (b) Deflationary gap
 - (c) Inflationary gap
 - (d) Boom
9. Average Propensity to Consume (APC) is:
- (a) C/Y
 - (b) Y/C
 - (c) S/Y
 - (d) $\Delta C/\Delta Y$
10. Disinvestment proceeds are:
- (a) Revenue receipts
 - (b) Capital receipts
 - (c) Revenue expenditure
 - (d) Tax revenue

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

11. Define Net National Product at Factor Cost.
12. Explain any two functions of Central Bank.
13. Distinguish between Revenue Deficit and Primary Deficit.
14. Explain the concept of Investment Multiplier with formula.

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

15. Explain the concept of full employment equilibrium.
16. Differentiate between Fixed Exchange Rate and Flexible Exchange Rate.
17. Explain components of money supply (M1).

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

18. Explain determination of income and employment using AD-AS model with diagram.
19. Explain fiscal policy measures to reduce deflation.

SECTION B – INDIAN ECONOMIC DEVELOPMENT (40 Marks)

Part A – MCQs (1×10 = 10 Marks)

20. Third Five Year Plan focused on:
 - (a) Agriculture
 - (b) Self-reliance
 - (c) Services
 - (d) IT
21. Blue Revolution relates to:
 - (a) Fisheries
 - (b) Milk
 - (c) Wheat
 - (d) Oil

22. Poverty gap measures:
- (a) Number of poor
 - (b) Depth of poverty
 - (c) Literacy rate
 - (d) Income growth
23. Secondary sector includes:
- (a) Mining
 - (b) Manufacturing
 - (c) Banking
 - (d) Education
24. Liberalisation aims at:
- (a) Removing restrictions
 - (b) Increasing control
 - (c) Nationalisation
 - (d) Import ban
25. IMR stands for:
- (a) Industrial Mortality Rate
 - (b) Infant Mortality Rate
 - (c) Income Mortality Rate
 - (d) Industrial Market Ratio
26. Globalisation promotes:
- (a) Free flow of goods and services
 - (b) Trade barriers
 - (c) Isolation
 - (d) Import restrictions
27. SHGs mainly help in:
- (a) Industrial production
 - (b) Rural credit
 - (c) Foreign trade
 - (d) Banking regulation
28. NITI Aayog replaced:
- (a) RBI
 - (b) Planning Commission
 - (c) IMF
 - (d) SEBI
29. Structural unemployment occurs due to:
- (a) Seasonal changes

- (b) Skill mismatch
- (c) Agriculture cycle
- (d) Weather

30. HDI considers:

- (a) Income only
 - (b) Health and Education only
 - (c) Health, Education and Income
 - (d) Population only
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Short Answer Questions (3×4 = 12 Marks)

- 31. Explain achievements of Green Revolution.
 - 32. What are causes of rural unemployment?
 - 33. Explain importance of human capital.
 - 34. Define sustainable development with two examples.
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Long Answer Questions (6×3 = 18 Marks)

- 35. Discuss features and impact of Economic Reforms 1991.
- 36. Explain major poverty alleviation programmes in India.
- 37. Explain role of agriculture in Indian economy.