

CBSE Class 12 – Economics

Model Question Paper – Set 6

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. Draw neat diagrams wherever required.
 4. Use proper headings and economic terminology.
 5. Marks are indicated against each question.
-

SECTION A – MACROECONOMICS (40 Marks)

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

1. Net Domestic Product at Market Price is:
 - (a) GDP – Depreciation
 - (b) GNP – NFIA
 - (c) GDP + NFIA
 - (d) NNP – NFIA
2. When MPC = 0.6, the value of multiplier will be:
 - (a) 2.5
 - (b) 3
 - (c) 4
 - (d) 5
3. Which of the following is included in National Income?
 - (a) Pension

- (b) Salary of a government employee
 - (c) Lottery income
 - (d) Sale of old house
4. Open Market Operations are conducted by:
- (a) Commercial Banks
 - (b) RBI
 - (c) SEBI
 - (d) Government
5. Revenue deficit is equal to:
- (a) Total Expenditure – Total Receipts
 - (b) Revenue Expenditure – Revenue Receipts
 - (c) Capital Expenditure – Capital Receipts
 - (d) Fiscal deficit – Interest payments
6. If imports exceed exports, it leads to:
- (a) Trade surplus
 - (b) Trade deficit
 - (c) Current account surplus
 - (d) Capital account surplus
7. Saving function is the inverse of:
- (a) Investment function
 - (b) Consumption function
 - (c) Demand function
 - (d) Supply function
8. Speculative demand for money depends on:
- (a) Income
 - (b) Price level
 - (c) Rate of interest
 - (d) Population
9. Which of the following is a capital expenditure?
- (a) Salaries
 - (b) Pension
 - (c) Construction of highway
 - (d) Subsidy
10. Average Propensity to Save (APS) is:
- (a) S/Y
 - (b) Y/S

- (c) C/Y
 - (d) $\Delta S/\Delta Y$
-

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

- 11. Define Gross Domestic Product at Market Price.
 - 12. Explain any two objectives of fiscal policy.
 - 13. Differentiate between Current Account and Capital Account of BOP.
 - 14. Explain the concept of Aggregate Demand.
-

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

- 15. Explain the concept of excess demand and its causes.
 - 16. Differentiate between Central Bank and Commercial Bank.
 - 17. Explain the problem of double counting.
-

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

- 18. Explain determination of equilibrium income using AD-AS model with diagram.
 - 19. Explain measures taken by RBI to control inflation.
-

SECTION B – INDIAN ECONOMIC DEVELOPMENT (40 Marks)

Part A – MCQs (1×10 = 10 Marks)

- 20. First Five Year Plan period was:
 - (a) 1947–52
 - (b) 1951–56
 - (c) 1956–61
 - (d) 1961–66
- 21. Green Revolution increased production of:
 - (a) Pulses
 - (b) Oilseeds

- (c) Wheat and Rice
- (d) Cotton

22. Disguised unemployment means:

- (a) Seasonal unemployment
- (b) Hidden unemployment
- (c) Urban unemployment
- (d) Educated unemployment

23. Primary sector includes:

- (a) Banking
- (b) Agriculture
- (c) Manufacturing
- (d) Trade

24. Privatisation leads to:

- (a) Government control
- (b) Public ownership
- (c) Private ownership
- (d) Import substitution

25. HDI measures development based on:

- (a) Income only
- (b) Education only
- (c) Health, Education and Income
- (d) Population

26. LPG stands for:

- (a) Liberalisation, Privatisation, Globalisation
- (b) Local, Public, Global
- (c) Liberal Policy Growth
- (d) Legal Public Governance

27. MGNREGA guarantees employment for:

- (a) 50 days
- (b) 75 days
- (c) 100 days
- (d) 150 days

28. Economic reforms were introduced in:

- (a) 1985
- (b) 1991
- (c) 2000
- (d) 1995

29. Human capital formation includes:

- (a) Education
- (b) Health
- (c) Skill development
- (d) All of these

30. WTO was established in:

- (a) 1991
- (b) 1995
- (c) 2001
- (d) 2005

Short Questions (3×4 = 12 Marks)

- 31. Explain objectives of economic planning in India.
- 32. What are the causes of urban unemployment?
- 33. Explain role of infrastructure in economic development.
- 34. Define poverty line and its basis in India.

Long Questions (6×3 = 18 Marks)

- 35. Discuss achievements and failures of Green Revolution.
- 36. Explain features and impact of New Economic Policy 1991.
- 37. Explain various employment generation programmes in India.