

CBSE Class 12 – Economics

Model Question Paper – Set 7

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, diagrams and formulas 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) GDP – Depreciation
 - (d) NNP – NFIA
2. If MPC = 0.75, the value of multiplier will be:
 - (a) 2
 - (b) 3
 - (c) 4
 - (d) 5
3. Which of the following is an example of transfer payment?
 - (a) Salary
 - (b) Pension

- (c) Rent
 - (d) Interest
4. Statutory Liquidity Ratio (SLR) is maintained by:
- (a) RBI
 - (b) Commercial Banks
 - (c) Government
 - (d) SEBI
5. Fiscal deficit shows:
- (a) Borrowing requirements of government
 - (b) Revenue shortfall only
 - (c) Export surplus
 - (d) Trade gap
6. Depreciation is also called:
- (a) Capital loss
 - (b) Consumption of fixed capital
 - (c) Investment
 - (d) Saving
7. Speculative demand for money is inversely related to:
- (a) Income
 - (b) Price level
 - (c) Rate of interest
 - (d) Population
8. Current account of BOP includes:
- (a) FDI
 - (b) Portfolio investment
 - (c) Export and import of goods
 - (d) Foreign loans
9. Inflationary gap arises when:
- (a) $AD < AS$
 - (b) $AD > AS$ at full employment
 - (c) Saving $>$ Investment
 - (d) Taxes increase
10. Revenue receipts include:
- (a) Borrowings
 - (b) Disinvestment
 - (c) Tax revenue
 - (d) Recovery of loans

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

11. Define Gross National Product at Factor Cost.
12. Explain any two objectives of government budget.
13. Differentiate between Balance of Trade and Balance of Payments.
14. Explain the concept of Marginal Propensity to Save (MPS).

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

15. Explain determination of equilibrium income using Savings–Investment approach.
16. Differentiate between Direct Taxes and Indirect Taxes.
17. Explain functions of Central Bank.

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

18. Explain calculation of National Income using Value Added Method.
19. Explain monetary policy measures to control deflation.

SECTION B – INDIAN ECONOMIC DEVELOPMENT (40 Marks)

Part A – MCQs (1×10 = 10 Marks)

20. The Mahalanobis strategy was adopted in:
 - (a) First Plan
 - (b) Second Plan
 - (c) Third Plan
 - (d) Fourth Plan
21. White Revolution is associated with:
 - (a) Fisheries
 - (b) Milk production
 - (c) Wheat production
 - (d) Oilseeds

22. Disguised unemployment is mostly found in:
- (a) Industry
 - (b) Agriculture
 - (c) Banking
 - (d) IT
23. Secondary sector is also known as:
- (a) Service sector
 - (b) Industrial sector
 - (c) Primary sector
 - (d) Foreign sector
24. Liberalisation means:
- (a) Increasing restrictions
 - (b) Removal of licensing system
 - (c) Nationalisation
 - (d) Import ban
25. HDI measures:
- (a) Income only
 - (b) Education only
 - (c) Health, Education and Income
 - (d) Employment
26. Economic reforms were introduced in India in:
- (a) 1985
 - (b) 1991
 - (c) 1995
 - (d) 2000
27. Rural development includes improvement in:
- (a) Infrastructure
 - (b) Education
 - (c) Health
 - (d) All of these
28. Poverty line in India is based on:
- (a) Income only
 - (b) Calorie intake
 - (c) Literacy rate
 - (d) Population
29. MGNREGA provides guaranteed employment for:
- (a) 50 days

- (b) 75 days
- (c) 100 days
- (d) 120 days

30. WTO was formed in:

- (a) 1991
 - (b) 1995
 - (c) 2001
 - (d) 2005
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Short Questions (3×4 = 12 Marks)

- 31. Explain objectives of Five Year Plans in India.
 - 32. What are the causes of rural unemployment?
 - 33. Explain role of foreign trade in economic development.
 - 34. Define sustainable development and state its importance.
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Long Questions (6×3 = 18 Marks)

- 35. Discuss achievements and limitations of Green Revolution.
- 36. Explain features and impact of LPG reforms.
- 37. Explain various poverty alleviation programmes in India.