

CBSE Class 12 – Economics

Model Question Paper – Set 8

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. National Income is equal to:
 - (a) GDP at MP
 - (b) NNP at MP
 - (c) NNP at FC
 - (d) GNP at MP
2. If $MPS = 0.2$, the value of multiplier will be:
 - (a) 3
 - (b) 4
 - (c) 5
 - (d) 6
3. Which of the following is a capital good?
 - (a) Bread
 - (b) Machine used in factory

- (c) Milk
 - (d) Vegetables
4. Repo rate is increased to:
 - (a) Increase money supply
 - (b) Decrease money supply
 - (c) Increase exports
 - (d) Increase imports
 5. Fiscal deficit indicates:
 - (a) Total borrowing requirement
 - (b) Revenue shortfall
 - (c) Export surplus
 - (d) Trade gap
 6. Which of the following is included in Current Account of BOP?
 - (a) FDI
 - (b) Export of goods
 - (c) Foreign loans
 - (d) Portfolio investment
 7. Depreciation is deducted to calculate:
 - (a) GDP
 - (b) GNP
 - (c) NDP
 - (d) National Income
 8. Excess demand leads to:
 - (a) Deflation
 - (b) Inflationary gap
 - (c) Depression
 - (d) Recession
 9. APC is always:
 - (a) Greater than 1
 - (b) Equal to 1
 - (c) Less than 1
 - (d) Greater than MPC
 10. Borrowings are:
 - (a) Revenue receipts
 - (b) Capital receipts
 - (c) Revenue expenditure
 - (d) Direct taxes

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

11. Define Gross Domestic Product at Factor Cost.
 12. Explain any two functions of Commercial Banks.
 13. Distinguish between Revenue Expenditure and Capital Expenditure.
 14. Explain Inflationary Gap with diagram.
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Part C – Short Questions (4×3 = 12 Marks)

15. Explain the concept of Aggregate Supply.
 16. Differentiate between Fixed and Flexible Exchange Rate.
 17. Explain precautionary and transaction demand for money.
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Part D – Long Questions (6×2 = 12 Marks)

18. Explain determination of equilibrium income using AD-AS approach with diagram.
 19. Explain fiscal policy measures to control inflation.
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SECTION B – INDIAN ECONOMIC DEVELOPMENT (40 Marks)

Part A – MCQs (1×10 = 10 Marks)

20. First Five Year Plan emphasized on:
 - (a) Heavy industries
 - (b) Agriculture
 - (c) Services
 - (d) IT
21. Green Revolution mainly increased production of:
 - (a) Pulses
 - (b) Wheat
 - (c) Cotton
 - (d) Sugarcane

22. Disguised unemployment is common in:

- (a) Industry
- (b) Agriculture
- (c) Banking
- (d) IT

23. Tertiary sector includes:

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

24. Privatisation means:

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

25. HDI is prepared by:

- (a) RBI
- (b) IMF
- (c) UNDP
- (d) NITI Aayog

26. LPG reforms were introduced in:

- (a) 1980
- (b) 1991
- (c) 2000
- (d) 1995

27. MGNREGA provides employment for:

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

28. Poverty line is based on:

- (a) Literacy
- (b) Calorie intake
- (c) Income tax
- (d) Population

29. Secondary sector is also called:

- (a) Industrial sector

- (b) Service sector
- (c) Agricultural sector
- (d) Foreign sector

30. WTO was established in:

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

- 31. Explain objectives of New Economic Policy 1991.
 - 32. What are the causes of poverty in India?
 - 33. Explain role of agriculture in Indian economy.
 - 34. Define human capital formation.
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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 major employment generation programmes in India.