

CBSE Class 12 – Economics

Model Question Paper – Set 9

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 Domestic Product (GDP) measures:
 - (a) Income of residents only
 - (b) Value of final goods and services within domestic territory
 - (c) Income from abroad only
 - (d) Value of intermediate goods
2. If MPC = 0.5, the value of multiplier will be:
 - (a) 1
 - (b) 2
 - (c) 3
 - (d) 4
3. Which of the following is not included in National Income?
 - (a) Salary
 - (b) Rent

- (c) Interest
 - (d) Old age pension
4. Bank rate policy is a tool of:
- (a) Fiscal policy
 - (b) Monetary policy
 - (c) Trade policy
 - (d) Income policy
5. Primary deficit equals:
- (a) Fiscal deficit + Interest payments
 - (b) Fiscal deficit – Interest payments
 - (c) Revenue deficit – Interest payments
 - (d) Capital deficit
6. Balance of Trade refers to difference between:
- (a) Capital inflow & outflow
 - (b) Export & import of goods
 - (c) Total receipts & payments
 - (d) FDI & portfolio investment
7. Which of the following is a stock variable?
- (a) Investment
 - (b) Income
 - (c) Wealth
 - (d) Saving
8. Deflationary gap occurs when:
- (a) $AD > AS$
 - (b) $AD < AS$ at full employment
 - (c) Income increases
 - (d) Exports rise
9. Consumption function shows relation between:
- (a) Income and Saving
 - (b) Income and Consumption
 - (c) Tax and Income
 - (d) Investment and Income
10. Borrowings are part of:
- (a) Revenue receipts
 - (b) Capital receipts
 - (c) Revenue expenditure
 - (d) Direct taxes

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

11. Define Net National Product at Factor Cost.
 12. Explain any two functions of RBI.
 13. Distinguish between Revenue Deficit and Fiscal Deficit.
 14. Explain the concept of Marginal Propensity to Consume (MPC).
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Part C – Short Questions (4×3 = 12 Marks)

15. Explain the concept of inflationary gap.
 16. Differentiate between Central Bank and Commercial Bank.
 17. Explain components of Aggregate Demand.
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Part D – Long Questions (6×2 = 12 Marks)

18. Explain determination of equilibrium income using Savings–Investment approach with diagram.
 19. Explain measures adopted by government to reduce fiscal deficit.
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SECTION B – INDIAN ECONOMIC DEVELOPMENT (40 Marks)

Part A – MCQs (1×10 = 10 Marks)

20. Second Five Year Plan emphasized on:
 - (a) Agriculture
 - (b) Heavy industries
 - (c) Services
 - (d) IT
21. White Revolution is related to:
 - (a) Wheat
 - (b) Rice
 - (c) Milk
 - (d) Oilseeds

22. Disguised unemployment is common in:

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

23. Primary sector includes:

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

24. Liberalisation means:

- (a) Removal of restrictions
- (b) Nationalisation
- (c) Import ban
- (d) Government control

25. HDI measures development based on:

- (a) Income only
- (b) Health and education only
- (c) Health, education and income
- (d) Employment only

26. Economic reforms were introduced in India in:

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

27. MGNREGA guarantees employment for:

- (a) 50 days
- (b) 75 days
- (c) 100 days
- (d) 120 days

28. Poverty line in India is determined on the basis of:

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

29. Secondary sector is also known as:

- (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 economic planning in India.
 - 32. What are the causes of poverty in India?
 - 33. Explain importance of infrastructure in economic development.
 - 34. Define sustainable development.
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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 poverty alleviation programmes in India.