



INDIAN SCHOOL SOHAR
PRE-BOARD EXAMINATION (2019 – 2020)
ECONOMICS [030]

CLASS: XI1**MAX MARKS: - 80****DATE: 15/01/2020****DURATION: - 3HRS****General Instructions:-**

- 1) All questions in both the sections are compulsory.
- 2) Marks for questions are indicated against each question.
- 3) Answer should be brief and to the point and the above word limit should be adhered to as far as possible.
- 4) Attempt all parts of a question together.
- 5) Question number 1 - 10 and 18 - 27 are very short-answer questions carrying 1 mark each. They are required to be answered in one word or one sentence each.
- 6) Question number 11 - 12 and 28 - 29 are short-answer questions caring 3 marks each. Answers to them should not normally exceed 60-80 words each.
- 7) Question number 13 - 15 and 30 - 32 are also short-answer questions carrying 4 marks each. Answers to them should not normally exceed 80-100 words each.
- 8) Question number 16 - 17 and 33 - 34 are long answer questions carrying 6 marks each. Answers to them should not normally exceed 100-150 words each.

SECTION – A: INTRODUCTORY MACROECONOMICS

1. Which of the following affects national income ? (Choose the correct alternative) [1]
 - A. Goods and Services tax
 - B. Corporation tax
 - C. Subsidies
 - D. None of the above

2. Repo rate relates to _____. (Choose the correct alternative) [1]
 - A. Short-term borrowings by commercial banks
 - B. Long-term borrowings by commercial banks
 - C. Disinvestments
 - D. Dis-savings

3. During a given year, nominal national income increased by 1.4% whereas real national income increased by only 6%. Population increased by 2%. What has caused the difference between nominal income and real income? What is the real per capital income? [1]

4. Moral suasion by the RBI relates to [1]
 - A. Pressure by the RBI to follow its directives
 - B. Persuasion by the RBI to follow its directives
 - C. Persuasion and pressure by the RBI to follow its directives
 - D. None of these

5. Capital goods are those goods which : [1]
- A. Are used in production process for several years
 - B. Are used in production process for few years
 - C. Involve depreciation losses
 - D. Both A and C
6. Ceasefire violations by Pakistan have led to the death of many Indian soldiers in Kashmir. Will the payment of family pension be included in estimation of national income? Give reason. [1]
7. Suppose in an imaginary economy GDP at Market Price in a particular fiscal year was ₹4,000 crores, National Income was ₹ 2,500 crores, Net Factor Income paid by the economy to Rest of the World was ₹400 crores and the value of Net Indirect Taxes is ₹450 Crores. Estimate the value of consumption of fixed capital for the economy from the given data. [1]
8. How is the cancellation of coal block allocation by the Supreme Court of India likely to affect our Current Account Deficit? [1]
9. Demand deposits include (Choose the correct alternative) [1]
- A. Saving account deposits and fixed deposits
 - B. Saving account deposits and current account deposits
 - C. Current account deposits and fixed deposits
 - D. All types of deposits
10. If investment becomes zero, national income does not fall to zero because of [1]
- a. Autonomous consumption
 - b. Induced investment
 - c. Autonomous investment
 - d. Multiplier

11. Define multiplier. What is the relation between marginal propensity to consume and multiplier ? [3]
Calculate the marginal propensity to consume if the value of multiplier is 4.

OR

What is Effective Demand Principle ? Discuss with the help of an imaginary numerical example.

12. Why do we say that commercial banks create money while we also say that the central bank has the sole right to issue currency ? Explain. What is the likely impact of money creation by the commercial banks on national income ? [3]
13. A. The India Government launched 'Incredible India' campaign to promote tourism in India. How will it affect price of foreign exchange? [4]
- B. A policy initiated by the India Government had an adverse impact on the value of rupee in relation to foreign exchange. What does this indicate? Also explain its effect on

imports and exports of the country.

14. Through its budgetary policy government allocates resources in accordance with the requirements of the country.” Do you agree with the given statement ? Justify your answer with valid reason. [4]
15. Write down the three identities of calculating the GDP of a country by the three methods. Also explain why each of these should give us the same value of GDP. [4]
16. A. Describe the precautions involved in the estimation of national income by value added method. [6]
B. What is meant by ‘official reserve transactions’? Discuss their importance in Balance of Payments.
17. Calculate Gross Domestic Product at Market Price using [6]
A. production method
B. Income method.

SNo	Items	in ₹Crores
1.	Intermediate Consumption of	
	a. Primary sector	1000
	b. Secondary sector	800
	c. Tertiary sector	600
2.	Value of output	
	a. Primary sector	2000
	b. Secondary sector	1800
	c. Tertiary sector	1400
3.	Interest	10
4.	Consumption of fixed capital	80
5.	Net indirect taxes	20
6.	Net factor income to rest of the world	40
7.	Operating surplus	600
8.	Mixed income of the people using family inputs	1300
9.	Benefit of rent free accommodation and interest free loans to the employee	400
10.	Compensation of employees	800

11.	Royalty	20
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OR

Calculate Net National Product at Market Price by

- A. Expenditure Method
- B. Income Method

S NO.	Items	In ₹Cr.
1.	Subsidy	20
2.	Gross residential construction investment	120
3.	Gross Business Fixed Capital Formation	120
4.	Contribution to Provident Fund by employees through employer	100
5.	Employer's Contribution to social security	200
6.	Wages and Salaries	1400
7.	Personal Consumption Expenditure	1400
8.	Gross public expenditure	480
9.	Rent	100
10.	Inventory Investment	40
11.	Dividend and corporate profit tax	120
12.	Corporate saving	80
13.	Excess of export over import	40
14.	Interest	80
15.	Mixed income of self employed	200
16.	Net factor income to abroad	20
17.	Depreciation	00
18.	Indirect taxes	40

SECTION B INDIAN ECONOMIC DEVELOPMENT

18. Jobless growth leads to unemployment because: [1]
 - A. labour refuses to migrate
 - B. labour is very expensive
 - C. GDP growth is slow
 - D. Growth is driven by technology
19. Child mortality rate and infant mortality rate are identical concepts. **(State with reason whether the given statement is true or false)** [1]
20. When and why was SEBI established?

21. Explain dual pricing policy? [1]
22. "Human development and human capital are identical terms." (State with reason whether the given statement is true or false) [1]
23. _____ is an international treaty designed to protect the ozone layer by phasing out the production of number of substances believed to be responsible for ozone depletion. [1]
24. The calorie requirement for measuring poverty line is higher in the rural area than urban areas because in rural area [1]
- A. People do not enjoy as much as people in urban areas.
 - B. Food items are inexpensive
 - C. People are engaged in mental work
 - D. People are engaged in physical labour
25. Which economic system did the government of India adopt at the time of independence for future economic development? [1]
- A. free market forces
 - B. planning by inducement
 - C. planning by direction
 - D. free market forces plus planning by inducement.
26. Arrange the following events of China in chronological order and choose the correct alternative. [1]
- 1. Great Proletarian Cultural revolution
 - 2. Great Leap Forward campaign
 - 3. Introduction of economic Reforms
 - 4. First Five Year Plan
- A. 2,4,3,1
 - B. 4,2,3,1
 - C. 2,4,1,3
 - D. 4,1,2,3
27. In 1955, Karve Committee was constituted for aiming the development of _____ [1]
28. In spite of the increase in public health expenditure Indian Health System is an ailing system in itself'. Defend the statement citing any three major problems of Health sector in India. [3]
29. "The gains of Green Revolution were significant, but with its own set of limitations." Comment. [3]
- OR
- Define economic planning. How is plan objective different from planning objective? Give any four points of differentiation
30. "GST would undoubtedly improve tax compliance in India." Evaluate the statement in the light [4]

of implementation of GST in India.

OR

State any four pressing environmental concerns of India.

31. Education Commission 1964-66 had recommended that at least 6 per cent of GDP must be spent on education'. How far India has been able to achieve the said goal? [4]
32. Critically evaluate the role of the rural banking system in the process of rural development in India. [4]
33. Compare and contrast the salient demographic indicators of China, India and Pakistan. [6]

OR

Explain the various developmental strategies adopted by Pakistan in its developmental strategy

34. What do you understand sustainable development? Describe the strategies for sustainable development. [6]

***** **THE END** *****