



INDIAN SCHOOL SOHAR
UNIT TEST 1 (2022 – 2023)
ECONOMICS (030) SET 2

STD: - XII

Date: - 12/05/ 2022

Max Marks: - 20

Duration: 45 MIN

General Instructions: -

- (i) Answers to questions carrying 1 mark may be from one word to one sentence.
- (ii) Answers to questions carrying 3 marks may be from 50 – 75 words.
- (iii) Answers to questions carrying 4 marks may be about 150 words.
- (iv) Answers to questions carrying 5 marks may be about 200 words.
- (v) Attempt all parts of a question together.

1. Which of the following systems is followed by Reserve Bank of India for issuing currency? [1]
- a. Proportionate system
 - b. Simple deposit system
 - c. Minimum reserve system
 - d. Fixed fiduciary issue system
2. Read the following statements carefully and choose the correct alternatives given below: [1]
- Statement 1** – The value of money multiplier is determined by the reserve ratio prevailing in the monetary system.
- Statement 2** – The process of credit creation directly relates to the value of reserve ratio.
- Alternatives:**
- A. Both the statements are true.
 - B. Statement 2 is true, and Statement 1 is false
 - C. Statement 1 is true, and Statement 2 is false
 - D. Both the statements are false.
3. High powered money includes _____. [1]
- A. Money held by the people.
 - B. Vault cash of the commercial bank
 - C. Cash reserves of the commercial bank with RBI
 - D. All of the above.
4. The advent of British Rule in India paved way for the decay of our traditional handicrafts. Identify [1]
which of the following may not have been one of the reasons for the decay of traditional handicrafts
of India?
- A. Huge tariff on import of goods by India
 - B. Change in taste and preference of the people

C. Compensation from machine made goods

D. Rise in the princely states

5. Margin requirement = [1]

A. current value of the security offered for loan – value of loan granted

B. current value of the security offered for loan + value of loan granted

C. current value of the security offered for loan x value of loan granted

D. current value of the security offered for loan / value of loan granted

6. What were the main motive of Indian agricultural stagnation during the colonial period?

OR

What do you understand by the drain of Indian wealth during the colonial period?

7. Government of India has recently launched Jan Dhan Yojana aimed at every household in the country to have at least one bank account. Explain how deposits made under the plan are going to affect national income of the country. [3]

8. Define money supply. Explain the various measures of money supply. [4]

9. A. Define the discriminatory tariff policy followed by the British in India. What was the two-fold motive behind the systematic de industrialization followed by the British in India? [5]

B. Introduction of railways in India was considered as one of the most important contributions of British rule in India. How did it positively affect the Indian economy?