



INDIAN SCHOOL SOHAR
UNIT TEST 1 (2023 – 2024)
ECONOMICS (030) [SET1]

STD: - XII
Date: - 24/05/ 2023

MAX MARKS: - 20
TIME: 45 Min

General Instructions: -

1. All questions are compulsory.
2. There is no overall choice in the question paper. However, an internal choice has been provided in one question of 3 marks, and one question of 6 marks.

1. Read the following statements and choose the correct alternative from those given below: [1]

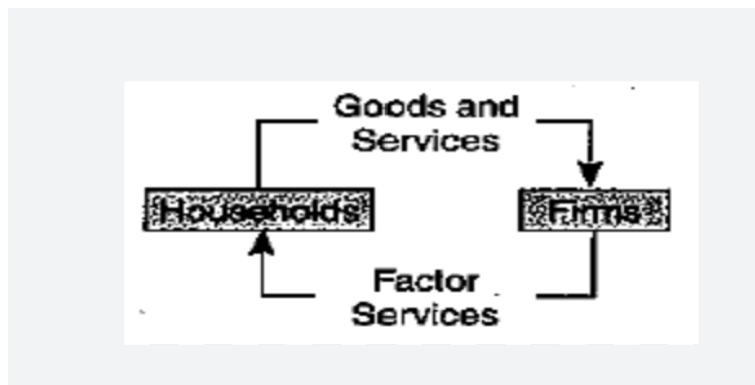
ASSERTION (A): Money supply includes money held by all the financial institutions.

REASONING (R): Money supply held by the government does not come into circulation.

Alternatives:

- A. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
- B. Both Assertion (A) and Reason (R) are true, and Reason (R) is not the correct explanation of Assertion (A).
- C. Assertion (A) is true, but Reason (R) is false.
- D. Assertion (A) is false, but Reason (R) is true.

2. [1]



Based on the above diagram, choose the correct alternative to be filled in the given blank.

- A. Money flow
 - B. Real flow
 - C. Both A and B
 - None of the above
3. Read the following statements dialogue between Parul and Mito. [1]

Parul: I wish to move to Singapore. What do I do with my house?

Mito: I can give you ten antique pieces for it.

Parul: But I do not need antique pieces.

Mito: Then let the house remain where it is.

Which of the following problem is faced by Parul and Mito in their exchange process?

4.	Interest	90
5.	Profit	210
6.	Corporation tax	50
7.	Rent	100
8.	Factor income from abroad	20
9.	Indirect taxes	55
10.	Factor income to abroad	40
11.	Exports	60
12.	Subsidies	25
13.	Imports	80
14.	Consumption of fixed capital	20
15.	Private final consumption expenditure	500
16.	Compensation of employees	450
17.	Value of rent for free accommodation	40

OR

From the following data, calculate value of output, intermediate consumption and net value added at factor cost.

S.No.	Particulars	In ₹ crores
1.	Purchases of raw material from domestic market	400
2.	Increase in unsold stock	60
3.	Import of raw material	120
4.	Domestic sales	1200
5.	Replacement of fixed capital	50
6.	Power charges	20
7.	Exports	200
8.	Import of machinery	40
9.	Goods and services tax	10
10.	Subsidies	30
11.	Goods used for self-consumption	10



INDIAN SCHOOL SOHAR
UNIT TEST 1 (2023 – 2024)
ECONOMICS (030) [SET2]

STD: - XII
DATE: - 24/05/ 2023

MAX MARKS: - 20
TIME: 45 Min

General Instructions: -

- All questions are compulsory.
- There is no overall choice in the question paper. However, an internal choice has been provided in one question of 3 marks, and one question of 6 marks

1. Write the correct sequence of options in Column II by matching them with options of Column I. [1]

Column I	Column II
a. High power money	i. Money which is created through credit creation
b. Full bodied money	ii. Money which is accepted because of mutual trust
c. Fiduciary money	iii. Money whose money value and commodity value are equal
d. Bank money	iv. Notes and coins held by the people and cash reserves of commercial banks

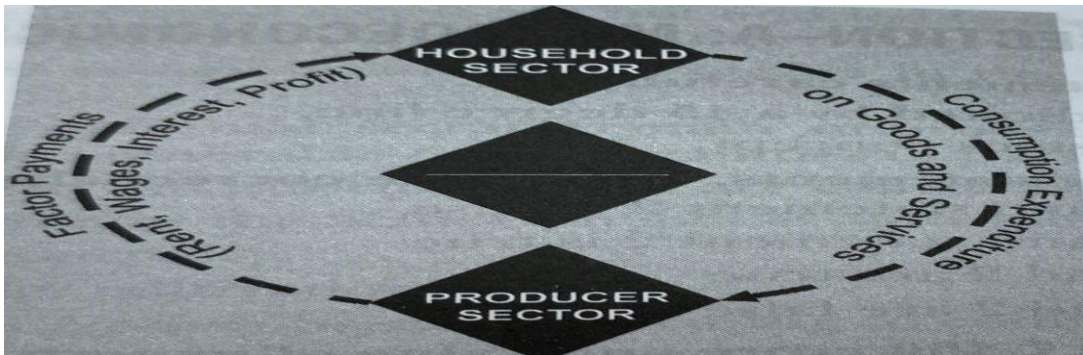
A. a.(i), b.(ii), c.(iii), d.(iv)

B. a.(ii), b.(iii), c.(iv), d.(i)

C. a.(iv), b.(iii), c.(ii), d.(i)

D. a.(iii), b.(iv), c.(i), d.(ii)

2. [1]



Based on the above diagram, choose the correct alternative to be filled in the given blank.

A. Money flow

B. Real flow

C. Both a and b

D. none of the above

3. 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]

A. ₹650 Cr.

B. ₹886 Cr.

C. ₹750 Cr.

D. ₹ 659 Cr.

4. Nisha purchased a house. While valuing her house, her grandmother valued it in terms of buffaloes and carts. What is the problem faced by Nisha in the valuation process? [1]
- A. Lack of double coincidence of wants B. Lack of deferred payment.
C. Lack of store of value. D. Lack of common unit of value.

5. State any three precautions that must be taken into consideration while estimating National income by value added method. [3]

OR

Define money. Explain the primary functions of money.

6. Giving reasons explain how the following are treated in the estimation of national income. [3]
- A. Expenditure on maintenance of an office building.
B. Earnings of the shareholders from the sale of shares.
C. Services rendered by family members to each other
7. Define the term double counting. Explain the two ways that can be used to avoid the problem of double counting [4]
8. Calculate national income using Income method and Expenditure method. [6]

S.No.	Particulars	In ₹ Crores
1.	Salaries and wages in cash	1997
2.	Transfer payment by government	25
3.	Rent	132
4.	Indirect taxes	200
5.	Subsidies	89
6.	Compensation of workers in kind	95
7.	Depreciation	81
8.	Net increase in factor income from the rest of the world	52
9.	Interest	92
10.	Government expenditure in goods and services	574
11.	Personal expenditure on goods and services	1805
12.	Undistributed profit	10
13.	Mixed income	264
14.	Corporate taxes	26
15.	Dividend	201
16.	Export of goods and services	900
17.	Addition to stock	7

18.	Social security contribution by employer	54
19.	Import of goods	323
20.	Gross fixed capital	100

OR

From the following data, calculate the value of Government final consumption expenditure and mixed income of the self-employed.

S.No.	Particulars	In ₹ Crores
1.	National income	71000
2.	Gross Domestic capital formation	10000
3.	Government final consumption expenditure	X
4.	Mixed income of the self employed	X
5.	Net factor income from abroad	1000
6.	Net indirect taxes	2000
7.	Profits	1200
8.	Wages and salaries	15000
9.	Net exports	5000
10.	Private final consumption expenditure	40000
11.	Consumption of fixed capital	3000
12.	Operating surplus	30000