KENDRIYA VIDYALAYA SANGATHAN

CLASS: XII **MAX MARKS: 40**

SUBJECT: ECONOMICS UT 1 **Time : 90 Minutes**

General Instructions:

i) Attempt all questions.
ii) *ii)All questions are compulsory..*

1	Which is the central issue is Macroeconomics A. Allocation of resources B. Price level of an industry C. Overall level of output D. Consumer equilibrium	1
2	From the statements given in Column I and Column II, choose the correct pair. Column - I / Column- II A. A Vegetables grown in the Personal garden — (i) Non marketing activity B A car used as a taxi — (ii) Consumer good C An air-conditioner used by household — (iii) Capital good D. Scholarship given to students by — (iv) Factor income government Alternatives: (a) A- (i) (b) B- (ii) (c) C- (iii) (d) D- (iv)	1
3	Which one of the following statements is correct? a) $NNP_{MP} = NDP_{FC}$ - Net Factor Income From . . abroad b) $GDP_{FC} = GDP_{MP}$ +Net indirect taxes. c) $NNP_{FC} = NDP_{FC}$ + Net Factor Income From . abroad d) $GDP_{MP} = NDP_{FC}$ + consumption of fixed capital.	1
4	Define externalities.	1
5	Which of the following is a flow? A) Deposits in a bank B) Capital C) Depreciation D) wealth	1
6	If Nominal GDP is RS 840 crore and GDP Deflator is 7/5, Calculate Real GDP	1
7	**Assertion (A)**: The goods which are used either for resale or for further production in the same year are Intermediate goods. **Reason (R)** : Intermediate goods are included in National Income. **Choose the correct alternative from the following**: 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.	1
8	Read the following statements carefully: **Statement I:** Domestic Income is a territorial concept. **Statement II:** Domestic Income includes the value of final goods and services produced in the entire world.	1

	In the light of the given statements, choose the correct alternative from the following: A) Statement I is true and statement II is false. B) Statement I is false and statement II is true. C) Both statements I and II are true. D) Both statements I and II are false.	
9	Statement 1: Money received from the sale of second-hand cars will be considered while estimating national income. Statement 2: Their value is already included and it does not contribute to the current flow of goods and services. Choose the correct alternative from the following: 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.	1
10	True or False Capital formation is as flow .	1
11	Explain the concept of circular flow of income with diagram.	2
12	Differentiate between intermediate goods and final goods.	2
13	A) Explain the process of national income in income method B) Calculate the value of National Income from the following data :	3+ 3

S No.	Particulars	Amount (in RS crore)
i	Rent and Royalties	1,200
ii	Net Indirect Taxes	200
iii	Wages& Salaries (in cash & in kind)	1,000
iv	Corporate Tax	400
v	Depreciation	400
vi	Retained Earnings	300
vii	Dividends	400
viii	Net Factor Income from Abroad	(-) 120
ix	Mixed Income of Self Employed	400
x	Change in Stock	(-) 200

OR

Suppose in a financial year, the Gross Domestic Product (GDP) at market price of a country was RS 1,100 crore. Net factor income from Abroad was RS 100 crore, the net indirect taxes was RS 150 crore and National income was RS 850 crore. Calculate the value of depreciation, on the basis of above information.

मान लीजिए कि एक वित्तीय वर्ष में, किसी देश का बाजार मूल्य पर सकल घरेलू उत्पाद (जीडीपी) 1,100 करोड़ रुपये था। विदेश से शुद्ध कारक आय 100 करोड़ रुपये, शुद्ध अप्रत्यक्ष कर 150 करोड़ रुपये और राष्ट्रीय आय 850 करोड़ रुपये थी। उपरोक्त जानकारी के आधार पर मूल्यह्रास के मूल्य की गणना करें।

Indian economic development

14:- How was the economy of India before British rule? 1

1. Before the rule of the British, the livelihood of Indians was mainly based on the agricultural sector.
2. Before British rule, the Indian economy was an independent economy and India had a flourishing market.
3. The handicrafts of India, metallic work and textile industries had the market all over the world.
4. All of the above

15:- Which sector was expanded by the British raj to improve the market size for the goods of the British?1 A . Airways B. Railways C. Roadways D. All of the above

16:- What was the land settlement system introduced by the British Government in India? 1
A. Zamindari System B. Dowry System C. Panchayati Raj system D. All of the above

17:- Mention the correct statement about the industrial sector in the Indian economy on the eve of Independence. 1

A. Exporting of raw materials to Britain was reduced by India.
A. India had to face the ultimate shortage of goods which were produced in the country itself.
B. Reduced the rate of growth of the industrial sector in India.
C. The goods in India that were imported by Britain were of cheap quality.

18:- What was the main reason behind the private sector not coming forward to start the capital goods industries? 1

A. The private sector suffered from a lack of capital
B. The private sector suffered from a lack of demand for their finished goods
C. The private sector suffered from a lack of capital as well as a lack of demand for their finished goods
D. None of the above

19 :- Which of the following statements about the Indian Economy is true during the Era of 1950-1990?

a. The abolition of intermediaries was a part of the industrial reforms in India 1
b. The abolition of intermediaries was a part of the external sector reforms in India
c. The abolition of intermediaries was a part of the land reforms in India
d. The abolition of intermediaries was a part of the banking reforms in India

20: - Assertion (A): Growth and social justice is the central objective of Indian plans. 1

Reason (R): India opted for planning to utilize available resources efficiently and to establish social justice.

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

c) Assertion (A) is true but Reason (R) is false.

d) Assertion (A) is false but Reason (R) is true.

21:- Assertion (A): Subsidies were, needed to encourage farmers. 1

Reason (R): Any new technology is looked upon as being risky by farmers

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

<u>Read the following hypothetical text and answer the given questions: -</u>

India's economy under the British colonial rule remained fundamentally agrarian — about 85 per cent of the country's population lived mostly in villages and derived livelihood directly or indirectly from agriculture . However, despite being the occupation of such a large population, the agricultural sector continued to experience stagnation and, not infrequently, unusual deterioration. Agricultural pro-ductility became low though, in absolute terms, the sector experienced some growth due to the expansion of the aggregate area under cultivation. This stagnation in the agricultural sector was caused mainly because of the various systems of land settlement that were introduced by the colonial government. Particularly, under the zamindari system which was implemented in the then Bengal Presidency comprising parts of India's present-day eastern states,

ब्रिटिश औपनिवेशिक शासन के तहत भारत की अर्थव्यवस्था मूल रूप से कृषि प्रधान रही - देश की लगभग 85 प्रतिशत आबादी ज्यादातर गांवों में रहती थी और प्रत्यक्ष या अप्रत्यक्ष रूप से कृषि से आजीविका प्राप्त करती थी। हालाँकि, इतनी बड़ी आबादी का व्यवसाय होने के बावजूद, कृषि क्षेत्र में स्थिरता का अनुभव जारी रहा और, कभी-कभार, असामान्य गिरावट भी हुई। कृषि उत्पादकता कम हो गई, हालांकि, निरपेक्ष रूप से, खेती के तहत कुल क्षेत्र के विस्तार के कारण इस क्षेत्र में कुछ वृद्धि हुई। कृषि क्षेत्र में यह ठहराव मुख्य रूप से औपनिवेशिक सरकार द्वारा शुरू की गई भूमि निपटान की विभिन्न प्रणालियों के कारण हुआ था। विशेष रूप से, जमींदारी व्यवस्था के तहत जो तत्कालीन बंगाल प्रेसीडेंसी में लागू की गई थी जिसमें भारत के वर्तमान पूर्वी राज्यों के कुछ हिस्से शामिल थे,

22:- The main reason for stagnation in the agriculture sector the British rule was: 1

a) Technological deceleration b) Problems of irrigation facilities c) Land settlement system d) De- industrialization

23:- i) (A): Zamindari (Semi Feudal Economy) in the colonial era were also responsible for the misery of the cultivators.

(R): The terms of revenue settlement system introduced were harsh on the Zamindars.

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.

OR

. II) :- What was the condition of foreign trade under British rule? 1

a) Surplus on account of foreign trade was spent on war expenses
b) Net exporter of raw materials
c) Net importer of finished goods reproduced by British India
d) All of these

25:- What were the main feature of Indian economy on eve of independence ? 3

26:- Briefly explain agrarian reforms in Indian Agriculture ? **Discuss** 3

27:- Discuss the various reasons for making economic reforms 1991 4

or

Briefly explain the merits and demerits of LPG policy