Class : XII. Naahar Public School. Marks :30

Sub : Economics. Micro revision -6

Very short. 5

1. Which country has largest share of poor among India, China and Pakistan?

Answer:

India has the largest share of poor among the three countries.

Question 11.

2. List any two problems which China faced prior to the introduction of reforms in 1978.

Answer:

Problems faced by China prior to the introduction of reforms in 1978 were:

(i) Slow pace of growth

(ii) Lack of modernisation under the Maoist rule

Question 12.

3. Where did India borrow from to correct its balance of payments crisis.

Answer:

India borrowed from the IMF and World Bank to correct its balance of payments crisis

Which country has largest share of poor among India, China and Pakistan?

Answer:

India has the largest share of poor among the three countries.

Question 11.

4. List any two problems which China faced prior to the introduction of reforms in 1978.

Answer:

Problems faced by China prior to the introduction of reforms in 1978 were:

(i) Slow pace of growth

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Question 12.

5. Where did India borrow from to correct its balance of payments crisis.

Answer:

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Short Answers 24

1. Write a brief note on the commune system in China.

Answer:

Commune system was started in the rural areas of China, under which people collectively cultivated lands. Commune lands were divided into small plots. These plots were allocated to individual households for cultivation, not ownership. Households were allowed to keep all income from the land after paying specified taxes. In 1958, there were 26,000 communes covering almost all the farm population. The commune system resulted in more equitable distribution of food grains in China.l

Question 2.

2. State the factors which created a conducive environment for new investments in Pakistan.

Answer:

Following factors created conducive environment for new investments in Pakistan:

(i) Adoption of green revolution

(ii) Shift of the orientation of nationalisation policy to denationalisation and encouragement to private sector

(iii) Financial support from western nations

(iv) Growing remittances from Pakistani workers in the Middle-east

Question 3.

3. What were the problems faced by the Great Proletarian Cultural Revolution in China?

Answer:

GLF campaign faced many problems. These were:

(i) A severe drought caused havoc in China, which killed around 30 million people.

(ii) Russia had conflicts with China. As a result, Russia withdrew its professionals who were sent to China to help in the industrialisation process.

Question 4.

4. What are special economic zones? Why were these established in China?

Answer:

Special Economic Zones (SEZs) are regions that are granted special economic policies and flexible governmental measures. Such policies and measures provide special tax incentives to foreign investment institutions. SEZs were created by the People's Republic of China to attract and utilize foreign capital investments.

Question 2.

5. State the factors which created a conducive environment for new investments in Pakistan.

Answer:

Following factors created conducive environment for new investments in Pakistan:

(i) Adoption of green revolution

(ii) Shift of the orientation of nationalisation policy to denationalisation and encouragement to private sector

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Question 3.

6. What were the problems faced by the Great Proletarian Cultural Revolution in China?

Answer:

3. GLF campaign faced many problems. These were:

(i) A severe drought caused havoc in China, which killed around 30 million people.

(ii) Russia had conflicts with China. As a result, Russia withdrew its professionals who were sent to China to help in the industrialisation process.

Question 4.

8. What are special economic zones? Why were these established in China?

Answer:

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Case Study 2

Keeping in view the continuing hardships faced by banks in terms of social distancing of staff and consequent strains on reporting requirements, the Reserve Bank of India has extended the relaxation of the minimum daily maintenance of the CRR of 80% for up to September 25, 2020. Currently, CRR is 3% and SLR is 18.50%.

"As announced in the Statement of Development and Regulatory Policies of March 27, 2020, the minimum daily maintenance of CRR was reduced from 90% of the prescribed CRR to 80% effective the fortnight beginning March 28, 2020 till June 26, 2020, that has now been extended up to September 25, 2020," said the RBI.

Q.1 The full forms of CRR and SLR are:

Current Reserve Ratio and Statutory Legal Reserves

Cash Reserve Ratio and Statutory Legal Reserves

Current Required Ratio and Statutory Legal Reserves

Cash Reserve Ratio and Statutory Liquidity Ratio (ans)

Q.2 What will be the value of the money multiplier?

33.33

5.4

4.65 (ans)

None of these

Q.3 SLR implies:

a) Certain percentage of the total banks' deposits has to be kept in the current account with RBI

b) Certain percentage of net total demand and time deposits have to be kept by the bank themselves (ans)

c) Certain percentage of net demand deposits has to be kept by the banks with RBI

d) None of the above

Q.4 Decrease in CRR will lead to __.

a) fall in aggregate demand in the economy

b) rise in aggregate demand in the economy (ans)

c) no change in aggregate demand in the economy

d) fall in the general price level in the economy