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CLASS-XII PRE MID TERM EXAMINATION 2025-26 SUB: ECONOMICS (030) SET-A1

TIME: 2Hrs MM:50

General Instructions:

- 1. All questions are compulsory.
- 2. Marks allotted to each question are indicated against it.
- 3. Answers should be brief and to the point.

Q.no	Section- A (Macro Economics)	Marks
1.	The sum of factor payments by a firm is equal to a) GVAmp b) GVAfc c) NVAmp d) NVAfc	1
2.	What will be the total deposits created by the commercial banks if the reserve requirements is 20%, and the amount of initial deposits is Rs. 200 cr a) Rs.1000 cr b) Rs.2000 cr c) Rs.400 cr d) Rs.200 cr	1
3.	Ms.Sakshi, a teacher, was explaining the concept of "minimum percentage of the total deposits to be kept by any commercial bank with the central bank of the country, as per norms and statute prevailing in the country." Identify the concept explained by her and choose the correct alternative: (i) Cash reserve ratio (ii) Statutory Liquidity ratio (ii) Repo Rate (iv) Bank Rate	1
4.	Explain the circular flow of income. Or, Differentiate between transfer income and factor income.	3
5.	(A) Suppose in an imaginary economy GDPmp in a particular fiscal year was Rs.4000 cr, National income was Rs.2500 cr, Net Factor income to the rest of the world was Rs.400cr and the value of Net Indirect Taxes is Rs.450 cr. Estimate the value of consumption of fixed capital for the economy from the given data. (B) Define NFIA.	3+1

	Elaborate the 'Banker's Bank and Supervisor' function performed by the Reserve Bank of India. Or,				4		
	Elaborate the 'Government's Bank and Agent' function performed by the Reserve Bank of India.						
		ne credit multiplier and show the working of the credit multiplier, use a crical illustration to explain.				4	
8.	(A) On the basis of the given data, estimate the value of Domestic Income:					3+3	
	S.no	Items			Amoun (Rs.in cro		
	1	Compensation of en	nployees		1600		
	2	Gross Fixed Capital	Formation		650		
	3	3 Change in stock 40		40			
	4	Government Final C Expenditure	Consumption		1400		
	5 Net Exports (-)400						
	6 Net Indirect Taxes			80			
	7	Net Factor Income to abroad			20	20	
			50				
			2200				
	(B) Use the following information of an imaginary country:						
	Y	Year 2017-18 2018-19 2019-20		9-20			
	Nominal GDP 8.5 10.4 11 GDP Deflator 100 140 125		1				
			140	12	2.5		
	i) For w	which year is the Real ere any year in which	GDP and Non	inal GDI			

9. (A) From the following data calculate Gross National Income by expenditure method:

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S.no	Particulars	(Rs.in cr.)
i)	Government final consumption expenditure	385
ii)	Compensation of employees	150
iii)	Net domestic capital formation	1550
iv)	Private final consumption expenditure	1220
v)	Factor income to abroad	180
vi)	Change in stock	15
vii)	Employer's contribution to social security scheme	10
viii)	Consumption of fixed capital	150
ix)	Interest	40
x)	Exports	140
xi)	Imports	65
xii)	Indirect taxes	30
xiii)	Factor income from abroad	110
xiv)	Subsidies	10

- **(B)** How should the following be treated in the estimation of Domestic Income?
 - (i) Profits earned by a branch of foreign bank in India?
 - (ii) Compensation of employees to the residents of Japan working in the Indian Embassy in Japan.

OR,

(B) What are Non-monetary exchanges? Explain using a suitable example.

Q.no	Section- B (Indian Economic Development)	Marks
10.	What kind of tariff policy was needed to protect domestic producers from foreign competition, after independence? (a) Low import tariffs, reduced import quota (b) Low import tariffs, increased import quota (c) High import tariffs, reduced import quota (d) High import tariffs, increased import quota	1
11.	Which of the following is not a valid statement in the context of Industrial Policy Resolution (IPR), 1956? (a) Ownership and management of the core industries were given to the public sector. (b) Tax benefits were given to industries being established in backward regions to promote regional equalities. (c) A few industries were allowed to be owned by the private sector. (d) Goods produced by the small-scale industries were dereserved.	1
12.	The main reason for stagnation of agricultural sector during the British rule was: a) Zamindari system b) Poor technology c) deindustrialisation d) commercialisation of agriculture	1
13.	Which of the following bodies was a predecessor to the World Trade Organisation (WTO)? a. General Agreement on Tariffs and Trade (GATT) b. International Monetary Fund (IMF) c. International Bank for Reconstruction and Development (IBRD) d. None of the above	1
14.	Read the following statement: Assertion (A) and Reason (R). Choose one of the correct alternatives given below: Assertion (A): Under the financial sector reform, banks were given freedom to set up new branches without the approval of the RBI, after fulfillment of certain conditions. Reason (R): There was a substantial shift in the role of the RBI from regulator to controller. Alternatives: (a) Both Assertion (A) and Reason (R) are the true and Reason (R) is a	1

	correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are true but Reason (R) is not a correct explanation of Assertion (A). (c) Assertion (A) is true and Reason (R) is false. (d) Assertion (A) is false and Reason (R) is true.			
15.	Identify the correct sequence of alternatives given in Column-II by matching with Column-I:			
	Column I	Column II		
	(a) Land Ceiling	i) Increase in production of food grains using HYV seeds		
	(b) Land Reforms	ii) Portion of agricultural produce sold in the market		
	(c) Green Revolution	iii) Fixing the maximum limit for land holding for an individual		
	(d) Marketed surplus	iv) Change in the ownership of land (land to the tillers)		
16.	Which of the following was not the feature of economic policy pursued under planning till 1991? a) Reliance on public sector c) free flow of foreign capital b) Import Substitution d) Self- reliance			
17.	'While subsidies encourage farmers to use new technology, they are a huge burden on government finances.' Discuss the usefulness of subsidies in the light of this fact. Or, Explain the need and type of land reforms implemented in the agricultural sector.			
18.	Why were reforms introduced in India in 1991? OR, What were the financial sector reforms under NEP-1991?			
19.	'British rule adversely hampered the Industrial sector of India.' Do you agree with this view? Give reasons in support of your answer.			

20 Read the following text and answer the given questions: 4 After forty years of planned development, India has been able to achieve a strong industrial base and became self-sufficient in the production of food grains. Nevertheless, a major segment of the population continues to depend on agriculture for its livelihood. In 1991, a crisis in the balance of payments led to the introduction of economic reforms in the country. India agreed to the conditionalities of World Bank and IMF and announced the New Economic Policy (NEP). The NEP consisted of wide ranging economic reforms. The thrust of the policies was towards creating a more competitive environment in the economy and removing the barriers to entry and growth of firms. This set of policies can broadly be classified into two groups: the stabilisation measures and the structural reform measures. Viewed from the Indian context, some studies have stated that the crisis that erupted in the early 1990s was basically an outcome of the deep rooted inequalities in Indian society and the economic reform policies initiated as a response to the crisis by the government, with externally advised policy package, further aggravated the inequalities. i) Elucidate the meaning of the stabilisation measures and the structural reform measures. ii) India approached the and the for loan to manage the

crisis.

(fill in the blanks)