

KENDRIYA VIDYALAYA SANGATHAN

TINSUKIA REGION

PRE BOARD

TIME :3 HOURS

SUBJECT:ECONOMICS

M.M.80

GENERAL INSTRUCTIONS:

1.This question paper contains two parts:

Part A - Macro Economics (40 marks)

Part B - Indian Economic Development (40 marks).

2 .Marks for questions are indicated against each question.

3. Question No. 1-10 and Question No. 18 – 27 are 1 mark questions and are to be answered in one word/sentence.

4. Question No. 11-12 and Question No. 28 – 29 are 3 marks questions and are to be answered in 60 - 80 words each.

5. Question No. 13-15 and Question No. 30 – 32 are 4 marks questions and are to be answered in 80-100 words each.

6 .Question No. 16-17 and Question No. 33 – 34 are 6 marks questions and are to be answered in 100-150 words each.

Q.NO.	SectionA :MACROECONOMICS	Marks
1	<p>The difference between the National Income and the Net National Product at market price is known as _____.</p> <p>a. National debt transfer b. Current transfers from the rest of the world c. Net indirect taxes d. All of the above</p> <p>OR</p> <p>Complete the formula — $GDPFC =$ _____</p> <p>a. $GDPMP - \text{Net indirect taxes}$ b. $GDPMP + \text{Net indirect taxes}$ c. $GDPMP + \text{Subsidies}$ d. $GDPMP - \text{Indirect taxes}$</p>	1
2	<p>Which of the following statements is true about the central bank?</p> <p>a. It regulates the entire banking system in the country b. It is under the ownership of the central government of a country c. It is the apex bank of a country d. All of the above</p>	1
3	<p>Given $CRR = 4\%$ and $SLR = 16\%$, the value of money multiplier is-_____.</p> <p>a. 25 b. 6.25 c. 5 d. 8.33</p>	1

4	<p>What will be the value of APC when APS = 0?</p> <p>a. One b. Zero c. Two d. Infinite</p> <p style="text-align: center;">OR</p> <p>If MPC = 1, the value of the multiplier is:</p> <p>a. 0 b. 1 c. Between 0 and 1 d. Infinity</p>	1
5	<p>Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): In the context of equilibrium, desired investment expenditure is assumed to be autonomous. Reason (R): Autonomous investment is income inelastic.</p> <p>Alternatives:</p> <p>a) Both Assertion and Reason are true and Reason (R) is the correct explanation of Assertion (A) b) Both Assertion and Reason 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</p>	1
6	<p>Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): Expenditure on Ujjwala Yojana launched by the Government is an example of revenue expenditure. Reason (R): It is the expenditure that neither created assets nor reduced liabilities of the Government.</p> <p>Alternatives:</p> <p>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.</p>	1
7	<p>Read the following statements carefully and choose the correct alternative in the light of these statements:</p> <p>Statement 1: Inflationary gap is the gap showing excess of current aggregate demand over aggregate supply at the level of full employment. Statement 2: Inflationary gap can lead to general increase in the price level.</p> <p>Alternatives:</p> <p>a. Statement 1 is true and statement 2 is false b. Statement 1 is false and statement 2 is true c. Both statements 1 and 2 are true. d. Both statements 1 and 2 are false</p>	1
8	<p>“Oil prices have been rising over the last couple of months on concerns over supply, following tensions between Russia, the world's second-largest oil producer, and Ukraine.”</p>	1

	<p>Identify the most likely impact of this on the Balance of Payment situation of the Indian Economy from the following statements:</p> <p>a. Production of cars in India will rise. b. Production and sale of cycles in India will rise. c. Inflow of US Dollars in India will rise. d. Outflow of US Dollars from India will rise.</p>																							
9	<p>The amount collected by the government in the form of interest, fees, and dividends is known as _____.</p> <p>a. Tax-revenue receipts b. Capital receipts c. Non-tax revenue receipts d. None of these</p>	1																						
10	<p>Trade of visible items between the countries is known as _____</p> <p>a. Balance of Payment b. Balance of Trade c. Deficit Balance d. All of these</p>	1																						
11	<p>Explain the role of Legal Reserve Ratio in correcting the deflationary gap in an economy.</p> <p style="text-align: center;">OR</p> <p>Explain the role of the Govt. Expenditure in correcting the deflationary gap in an economy.</p>	3																						
12	<p>Calculate 'Sales' from the following data:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Rs.lakhs</th> </tr> </thead> <tbody> <tr> <td>i. Net value added at factor cost</td> <td></td> </tr> <tr> <td>300</td> <td></td> </tr> <tr> <td>ii. Intermediate consumption</td> <td></td> </tr> <tr> <td>200</td> <td></td> </tr> <tr> <td>iii. Indirect Tax</td> <td></td> </tr> <tr> <td>20</td> <td></td> </tr> <tr> <td>Iv. Depreciation</td> <td></td> </tr> <tr> <td>30</td> <td></td> </tr> <tr> <td>v. Change in stocks</td> <td style="text-align: right;">(-)</td> </tr> <tr> <td>50</td> <td></td> </tr> </tbody> </table>	Particulars	Rs.lakhs	i. Net value added at factor cost		300		ii. Intermediate consumption		200		iii. Indirect Tax		20		Iv. Depreciation		30		v. Change in stocks	(-)	50		3
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13	<p>Explain how Exchange rate is determined under a free market exchange rate system?</p> <p style="text-align: center;">OR</p> <p>Distinguish between autonomous and accommodating transactions in the Balance of Payments Accounts.</p>	4																						
14	<p>“ The Relation Bank was facing some financial crisis due to the crisis of Non Performing Assets (NPA’s). It went to the RBI for help.”</p> <p>Answer the following questions in the light of this hypothetical situation:</p> <p>a. Which function is RBI playing in this case? b. Explain briefly the function that RBI performs here? c. What will the Relation Bank do if RBI refuses to help it?</p>	1+2+1=4																						
15	<p>“ Government uses the budgetary tools of taxation, expenditure and subsidies to reallocate resources.” Explain giving an example.</p>	4																						
16	<p>Differentiate between National Income at current prices and National Income at Constant prices. Which of the two presents a better view of the economic growth of the economy and why?</p> <p style="text-align: center;">OR</p> <p>a. Calculate the National Income from the following data:</p>	6 OR																						

	Particulars	Rs.crores	3+3=6
	I. Private final consumption expenditure	900	
	II. Profit	100	
	III. government final consumption expenditure	400	
	IV. Net indirect taxes	100	
	V. Gross domestic capital formation	250	
	VI. Change in stock	50	
	VII. Net factor income from abroad	(-40)	
	VIII. Consumption of fixed capital	20	
	IX. Net Imports	30	
	b. What are non monetary exchanges? How do they become a limitation in using GDP as an index of welfare?		
17	a. If marginal propensity to consume is 0.9, What is the value of multiplier? How much investment is needed to increase national income by Rs. 5,000 crores? Calculate.		3+3=6
	b. Explain the changes that take place when aggregate demand is greater than aggregate supply.		
	Section B:INDIAN ECONOMICS		
18	Which of the following statements is correct about British rule in India? a. The literacy rate was high during the British rule in India b. The infant mortality rate was high during the British rule in India c. The life expectancy rate was high during the British rule in India d. The female literacy rate was high during the British rule in India		1
19	NITI Aayog or the National Institution for Transforming India replaced which of the following commission? a. Public Service Commission b. Civil Service Commission c. The Election Commission d. The Planning Commission OR Which year is regarded as the “Year of Great Divide”? a. 1901 b. 1902 c. 1921 d. 1923.		1
20	Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below: Assertion (A): The government made use of ‘Tariffs’ and ‘Quotas’ to protect goods produced in India from imports. Reason (R): Restrictions on imports of general goods were necessary as the planners wanted to encourage the import of luxury goods. Alternatives: a) Both Assertion and Reason are true and Reason (R) is the correct explanation of Assertion (A) b) Both Assertion and Reason 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
21	Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below: Assertion (A): The Great Leap Forward (GLF) campaign was initiated in 1958 aimed at industrializing the country on a massive scale.		1

	Reason (R): People were encouraged to set up industries in their backyard in 1958 Alternatives: a) Both Assertion and Reason are true and Reason (R) is the correct explanation of Assertion (A) b) Both Assertion and Reason 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	
22	Read the following statements carefully. Statement 1: On-the-job trainings help to bridge a gap between theoretical concepts and practical experiences. Statement 2: On-the-job trainings update the employees, with the latest changes in their work field. In the light of the given statements, choose the correct alternative: Alternatives: a. Statement 1 is true and statement 2 is false b. Statement 1 is false and statement 2 is true c. Both statements 1 and 2 are true. d. Both statements 1 and 2 are false	1
23	Which one out of the following is important in organic farming: a. Crop rotation b. Animal manure c. Mechanical agriculture and Natural fertilizer control d. All of the above. OR Which of the following is a non institutional source of rural credit? a. Cooperative societies b. Commercial Banks c. Money lenders d. Regional Rural Banks	1
24	Choose the correct pair of statements from the following column I and column II. Column I A One child policy B Jobless growth process C Problem of environmental degradation D Commune System of farming Column II (i) India (ii) China (iii) Pakistan (iv) Collective farming Alternatives: a. A-(i) b. B-(ii) c. C-(iii) d. D-(iv)	1
25	_____ is not a cause for environmental degradation. a. Waste management b. Deforestation c. Global warming d. Guarding green cover OR _____ is not the strategy for Sustainable Development. (Choose the correct alternative)	1

	<ul style="list-style-type: none"> a. Use of bio-gas b. Use of solar power c. Use of thermal power d. Use of hydel power 	
26	<p>You are residing in a village. If you are asked to advise the village panchayat, what kinds of activities would you suggest for the improvement of your village which would also generate employment.</p> <ul style="list-style-type: none"> a. There should be multiple cropping in the village. b. Small-scale and Cottage industries should be encouraged. c. More and more facilities of education, health services, roads, etc should be created in the village. d. All of the above 	1
27	<p>27. Which of the following regulates the technical education of the country ?</p> <ul style="list-style-type: none"> a. NCERT b. ICMR c. AICTE d. UGC 	1
28	<p>From the following table analyse the recent trend in sectoral distribution of workforce in India? OR Discuss briefly, how institutional reforms (land reforms) have played a significant role in transforming Indian agriculture.</p>	3
29	<p>Read the following text carefully and answer the questions on the basis of same and your common understanding: There are various means through which the nations are trying to strengthen their own domestic economies. Nations are forming various regional and economic groupings like SAARC, European Union, G-8, G-20, ASEAN etc. in order to strengthen their economies. These groups provide a common platform to the member countries to raise their voice in a unified manner on common issues to safeguard their common interests. Further, they are also interested in knowing the developmental process adopted by their neighbouring nations, so as to analyse their strengths and weaknesses. Accordingly, they formulate policies to accelerate social progress and cultural development among the member countries recover, nations also resort to liberalising their economies. This minimises the government interference in economic activities. The economy is governed by market forces, i.e. demand and supply forces. Nations also resort to the process of globalisation to open up their economies to provide a wide international market to their domestic producers.</p> <ul style="list-style-type: none"> a. Name any two regional groupings formed by various nations across the world in order to strengthen their economies. b. How can these groupings be helpful for the member nations? c. Why do nations resort to the process of globalisation? 	1+1+1=3
30	<p>Explain the role of micro-credit(SHGs) in meeting credit requirements of the poor? OR Why is agriculture diversification essential for sustainable livelihood?</p>	4
31	<p>India's environmental problems pose a dichotomy — they are poverty induced and, at the same time, due to affluence in living standards—is this true? Give suitable reasons in support of your answer.</p>	4

32	<p>India ,China and Pakistan have performed in some of the selected indicators of human development.</p> <p>Some selected indicators of Human Development,2009-2010 are as follows: Compare and analyze the performance of India,China and Pakistan on the basis of following indicators :</p> <table border="1" data-bbox="326 300 1281 785"> <thead> <tr> <th>Items</th> <th>India</th> <th>China</th> <th>Pakistan</th> </tr> </thead> <tbody> <tr> <td>Human Development Index(value)</td> <td>0.547</td> <td>0.687</td> <td>0.527</td> </tr> <tr> <td>Rank(Based on HDI)</td> <td>134</td> <td>101</td> <td>145</td> </tr> <tr> <td>Life expectancy at birth(Years)</td> <td>65.4</td> <td>73.5</td> <td>63.0</td> </tr> <tr> <td>Adult literacy rate(% aged 15 and above)</td> <td>62.8</td> <td>94</td> <td>55.5</td> </tr> <tr> <td>GDP per capita(PPP US \$)</td> <td>3296</td> <td>6828</td> <td>2609</td> </tr> <tr> <td>People below poverty line(% 2004-05)</td> <td>37.2</td> <td>2.8</td> <td>22.3</td> </tr> <tr> <td>Infant mortality rate</td> <td>66</td> <td>19</td> <td>87</td> </tr> <tr> <td>Maternal mortality rate</td> <td>230</td> <td>38</td> <td>260</td> </tr> <tr> <td>Population with sustainable access to improved sanitation(%)</td> <td>52</td> <td>92</td> <td>32</td> </tr> <tr> <td>Population with sustainable access to improved water source(%)</td> <td>88</td> <td>97</td> <td>93</td> </tr> <tr> <td>Percentage of children malnourished(<5)</td> <td>45.5</td> <td>4.5</td> <td>N/A</td> </tr> </tbody> </table>	Items	India	China	Pakistan	Human Development Index(value)	0.547	0.687	0.527	Rank(Based on HDI)	134	101	145	Life expectancy at birth(Years)	65.4	73.5	63.0	Adult literacy rate(% aged 15 and above)	62.8	94	55.5	GDP per capita(PPP US \$)	3296	6828	2609	People below poverty line(% 2004-05)	37.2	2.8	22.3	Infant mortality rate	66	19	87	Maternal mortality rate	230	38	260	Population with sustainable access to improved sanitation(%)	52	92	32	Population with sustainable access to improved water source(%)	88	97	93	Percentage of children malnourished(<5)	45.5	4.5	N/A	4
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33	<p>State whether the following statements are true or false, with valid arguments:</p> <p>a. GST has eliminated the multiplicity of taxation in India.</p> <p>b. During the colonial period, our country's handicrafts sector was promoted and it gained worldwide reputation.</p> <p>c. Small scale industries are capital intensive industries.</p> <p style="text-align: center;">OR</p> <p>Does India need another Green Revolution? What were the major areas which were neglected by the Green Revolution in 1967-68 which need to be covered under the new Green Revolution?</p>	6																																																
34	<p>What is informalisation of workforce? What are the main reasons for its increase in India? Also suggest one Government's program to increase the level of employment in India.</p>	6																																																