

Particulars	Farmer	Baker
Total production	100	200
Intermediate goods used	0	50
Value added 100	100	-----

- (a) 200 (b) 100 (c) 150 (d) 50

5. Goods purchased for the satisfaction of wants are_____.

- (a) Consumption goods (b) Capital goods (c) Final goods (d) None of these

OR

Total addition of capital goods to the existing stock of capital during the given year is known as_____.

- (a) Gross costs (b) Depreciation (c) Net investment (d) Gross investment

6. Read the following statements carefully:

Statement 1: Activity resulting in benefits to others is called a “positive externality”.

Statement 2: ‘Pollution created by factories/vehicles’ is an example of negative externality.

In the light of the given statements, choose the correct alternative from the following:

- (a) Statement 1 is false and statement 2 is true (b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false (d) Both statements 1 and 2 are true

7. Identify the correct pair from the following Column I and Column II:

	Column I		Column II
A	Expenditure on collection of taxes	I	Capital expenditure
B	Expenditure on scholarships	ii	Revenue expenditure
C	Expenditure on purchasing computers	Iii	Revenue expenditure
D	Expenditure on building a bridge	iv	Revenue expenditure

Alternatives:

- (a) D - (iv) (b) C - (iii) (c) B - (ii) (d) A - (i)

8. Read the following statements carefully:

Statement 1: Milk purchased by a tea stall is ‘intermediate good’.

Statement 2: Bus purchased by a school is a final good.

In the light of the given statements, choose the correct alternative from the following:

- (a) Statement 1 is false and statement 2 is true (b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false (d) Both statements 1 and 2 are true

9. Read the following statements-Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A): The monetary policy is a policy formulated by the central bank.

Reason (R): The policy involves measures taken to regulate the supply of money, availability, and cost of credit in the economy.

Alternatives:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false

10. From the given data of an imaginary economy, find the value of consumption expenditure:

- (i) Autonomous Consumption = ₹150 crore
(ii) Marginal Propensity to Consume = 0.75
(iii) National Income = ₹1,000 crore
(a) 900 crore (b) 700 crore (c) 850 crore (d) 800 crore

OR

From the given data of an imaginary economy, find the value of national income:

- (i) Autonomous Consumption = ₹200 crore
(ii) Marginal Propensity to Consume = 0.70
(iii) Investment = ₹700 crore
(a) 4,000 crore (b) 3,000 crore (c) 1,000 crore (d) 2,000 crore

Short Answer Questions (Q11 to Q12)

3 X 2 = 6

11. What are official reserve transactions (ORT)? Explain their importance in the Balance of Payments Account.

OR

Explain why there is a rise in demand for foreign exchange when its price falls.

12. What is depreciation of Rupee? What is its likely impact on Indian imports and how?

Short Answer Questions (Q13 to Q15)**4 X 3 = 12**

13. Suppose in the budget, the government proposed to raise the excise duty on cement. It also proposed to raise the income tax on individuals earning more than rupees one crore per annum.

- (a) Identify and explain the type of taxes proposed by the government.
- (b) Was the objective only to earn revenue for the government?
- (c) What possible welfare objective could the government be considering?

14. Read the following text carefully and briefly discuss the relevant function of the money indicated here. Right from the beginning, money has been performing the various important functions in the society. Money facilitates transactions of goods and services. Producers sell their goods to wholesalers. Wholesalers, in turn, sell their goods to the retailers and the retailers sell these goods to the consumers. In the same way, all sections of society sell their services for money and with that money, buy goods and services which they need.

15. “Economists are generally concerned about the rising Marginal Propensity to Save (MPS) in an economy.” Why so? Explain.

OR

Explain all the changes that take place in an economy when AD is not equal to output.

16. (a) From the following data, calculate National Income by Income Method:

	(in crores)
(i) Interest	150
(ii) Rent	250
(iii) Government final consumption expenditure	600
(iv) Private final consumption expenditure	1,200
(v) Profits	640
(vi) Compensation of employees	1,000
(vii) Net factor income to abroad	30
(viii) Net indirect taxes	60
(ix) Net exports	(—) 40
(x) Consumption of fixed capital	50
(xi) Net domestic capital formation	340

(b) “India’s GDP is expected to expand 7.5% in 2019-20: World Bank” —The Economic Times

Does the given statement mean that welfare of people of India increase at the same rate? Comment with reason

OR

(a) On the basis of the following data about an economy which constitutes of only two firms, find out Value added by firms A and B.

	(in lakhs)
(i) Sales by firm A	300
(ii) Purchases from firm B by firm A	120
(iii) Purchases from firm A by firm B	180
(iv) Sales by firm B	600
(v) Closing stock of firm A	60
(vi) Closing stock of firm B	105
(vii) Opening stock of firm A	75
(viii) Opening stock of firm B	135
(ix) Indirect taxes by both firms	90

(b) If the Real Gross Domestic Product is `200 and the Nominal Gross Domestic Product is `210, calculate the Price Index (base = 100).

17. Briefly explain the concept of under-employment equilibrium with the help of diagram. How does an increase in investment help in achieving full employment equilibrium?

Section B -Indian Economic Development

Multiple Choice Questions (Q18 to Q27) 1 X10=10

18. Read the following statements carefully:

Statement 1: Cultural Revolution in China is also known as Great Leap Forward Cultural Revolution.

Statement 2: In cultural revolution, students and professionals were sent to work and learn from the foreign countries. In the light of the given statements, choose the correct alternative from the following:

- (a) Statement 1 is false and statement 2 is true (b) Statement 1 is true and statement 2 is false
(c) Both statements 1 and 2 are false (d) Both statements 1 and 2 are true

19. Name the state which is held as a success story in the efficient implementation of milk cooperatives.

- (a) Gujarat (b) Maharashtra (c) Andhra Pradesh (d) Punjab

20. When did regional rural banks initiated in India?

- (a) 1975 (b) 1970 (c) 1985 (d) 1980

21. Arrange the following events of China in chronological order and choose the correct alternative:

- (i) Great Leap Forward Campaign (ii) First Five Year Plan
(iii) Great Proletarian Cultural Revolution (iv) Introduction of Economic Reforms

Choose the correct alternative:

- (a) (ii), (i), (iii), (iv) (b) (iv), (i), (ii), (iii) (c) (ii), (iv), (iii), (i) (d) (iv), (ii), (i), (iii)

22. In Pakistan, most of the foreign exchange earnings come from:

- (i) Sustainable export of manufactured goods
 (ii) Remittances from Pakistani workers working in Middle East
 (iii) Export of highly volatile agricultural goods
- (a) (i) and (iii) (b) (i) and (ii) (c) (i), (ii) and (iii) (d) (ii) and (iii)

23. From the set of events/systems given in Column I and corresponding relevant fact given in Column II, choose the correct pair of statement:

	Column I		Column II
A	Agrarian Economy	i	An economy with about 50% of the country's population earning their living from agriculture.
B	Export Surplus	ii	During the British regime, India's imports exceeded its exports.
C	. Mortality Rate	iii	Annual number of deaths per 100 people
D	Occupational Structure	iv	Distribution of workforce as per their occupation

Alternatives :

- (a) B-(ii) (b) A-(i) (c) D-(iv) (d) C-(iii)

OR

India entered the _____ stage of demographic transition after the year 1921.

- (a) second (b) fourth (c) fourth (d) third

24. Observe the given picture carefully and answer the question that follows:



Roadside vending is an increasing variety of_____ unemployment.

- (a) informal (b) formal (c) Neither (a) nor (b) (d) Both (a) and (b)

25. National Bank for Agriculture and Rural Development (NABARD) was set up in_____.

- (a) 1981 (b) 1980 (c) 1983 (d) 1982

OR

Diversification of growth process can be achieved through the development of_____sector.

- (a) Industrial (b) Agricultural (c) Service (d) None of these

26. Read the following statements-Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A): In order to attract foreign investors, Special Economic Zones (SEZs) were set up.

Reason (R): SEZ is a geographical reason that has economic laws different from the country's typical economic laws. Usually, the goal is to increase foreign investment.

Alternatives:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false

OR

Read the following statements-Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A): Pakistan received finance from western nations and remittances from emigrants to the middle countries.

Reason (R): This helped the country in stimulating economic growth.

Alternatives:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(c) Assertion (A) is false but Reason (R) is true
(d) Assertion (A) is true but Reason (R) is false

27. Read the following statements carefully:

Statement 1: Brudtland Commission emphasises on adoption of techniques which help in sustainable development.

Statement 2: Appiko movement took place in the Himalayas.

In the light of the given statements, choose the correct alternative from the following:

(a) Statement 1 is false and statement 2 is true

(b) Statement 1 is true and statement 2 is false

(c) Both statements 1 and 2 are false

(d) Both statements 1 and 2 are true

Short Answer Questions (Q28 to Q29)

3X2 = 6

28. Explain the concept of 'Privatisation'. Throw light on the "different status designated to the Public Sector enterprises (PSEs)".

29. Explain the 'Permit license raj'.

OR

Explain the 'policy of protection' in industries.

Short Answer Questions (Q30 to Q32) 4X3 = 12

30. Answer the following questions on the basis of the following data:

Comment on the (a) Infant Mortality Rate (IMR) in Pakistan

(b) Percentage of Undernourished Children among the given two countries.

Country	IMR (Per 1000 live births)	Undernourished Children%
China	9	9
Pakistan	66	45

31. Mention any four features of small-scale industries.

OR

How is agricultural diversification helpful for farmers? Explain.

32. Analyse the growth of GDP and changing structure of employment

Long Answer Questions (Q33 to Q34) 6X2 = 12

33. Read the following text carefully and answer the given questions on the basis of the same and common understanding:

Chipko Movement, also called Chipko Andolan, non-violent social and ecological movement by rural villagers, particularly women, in India in the 1970s, aimed at protecting trees and forests slated for government-backed logging. The movement originated in the Himalayan region of Uttarakhand (then part of Uttar Pradesh) in 1973 and quickly spread throughout the Indian Himalayas. The Hindi word chipko means "to hug" or "to cling to" and reflects the demonstrators' primary tactic of embracing trees to impede loggers. The interior roads built for the conflict attracted many foreign-based logging companies that sought access to the region's vast forest resources. Although the rural villagers depended heavily on the forests for

subsistence-both directly, for food and fuel, and indirectly, for services such as water purification and soil stabilisation-government policy prevented the villagers from managing the lands and denied them access to the lumber. Many of the commercial logging endeavours were mismanaged, and the clear-cut forests led to lower agricultural yields, erosion, depleted water resources and increased flooding throughout much of the surrounding areas.

- (a) What was Chipko Movement? How were villagers depended upon forest for their survival?
- (b) How have people tried to prevent indiscriminate cutting of trees? Discuss the two movements started by them for achieving the objective.

34. “Global CO₂ levels hit new record in 2017.” — The United Nations

- (a) Why is the world faced with an environmental crisis?
- (b) Why do environmental problem emerge in recent times?

OR

“Existence of widespread unemployment in India is the cumulative result of many causes.” Explain any four main causes of unemployment in India.
