



TENKASI DISTRICT

Standard - 12

Time Allowed: 3.00 Hours

ECONOMICS

Maximum Marks: 90

PART - I

Answer all the questions.

Choose the most appropriate answer from the given four alternatives and write the option code and the corresponding answer:

20×1=20

- 1) The country following capitalism is _____.
a) Russia b) America c) India d) China
- 2) Indicate the contribution of J.M. Keynes to economics
a) Wealth of Nations b) General Theory
c) Capital d) Public Finance
- 3) The branches of the subject Economics is _____.
a) Wealth and Welfare b) Production and Consumption
c) Demand and Supply d) Micro and Macro
- 4) Primary sector is _____.
a) Industry b) Trade c) Agriculture d) Construction
- 5) Per capita income is obtained by dividing the National Income by _____.
a) Production b) Population of a country
c) Expenditure d) GNP
- 6) The financial year in India is _____.
a) April 1 to March 31 b) March 1 to April 30
c) March 1 to March 16 d) January 1 to December 31
- 7) _____ flexibility brings equality between saving and investment.
a) Demand b) Supply c) Capital d) Interest
- 8) Say's law of market assumes
a) Short-run analysis b) Full employment
c) Imperfect competition d) Under employment
- 9) Aggregate supply is equal to _____.
a) C+I+G b) C+S+G+(X-M) c) C+S+T(X-M) d) C+S+T+Rf
- 10) If the Keynesian consumption function is $C = 10 + 0.8Y$ then, when disposable income is ₹100, What is the marginal propensity to consumer?
a) ₹0.8 b) ₹800 c) ₹810 d) ₹0.81
- 11) The average propensity to consume is measured by
a) C/Y b) C×Y c) Y/C d) C+Y
- 12) The multiplier is calculated as
a) $1/(1-MPC)$ b) $1/MPS$ c) $1/MPC$ d) a and b
- 13) Debit card is an example of _____.
a) currency b) paper currency c) plastic money d) money
- 14) The RBI Headquarters is located at
a) Delhi b) Chennai c) Mumbai d) Bengaluru
- 15) NBFBI does not have
a) Banking license b) Government approval
c) Money market approval d) Finance Ministry approval
- 16) 2016 Demonetization of currency include denominations of
a) ₹500 and ₹1000 b) ₹1000 and ₹2000
c) ₹200 and ₹500 d) All the above
- 17) Which of the following is a modern theory of international trade?
a) absolute cost b) comparative cost
c) factor endowment theory d) none of these

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- 18) Net export equals _____.
- a) Export \times Import
b) Export + Import
c) Export - Import
d) Exports of services only
- 19) IBRD is otherwise called
- a) IMF
b) World Bank
c) ASEAN
d) International Finance Corporation
- 20) BENELUX is a form of
- a) Free trade area
b) Economic union
c) Common market
d) Customs union

PART - II**Answer any 7 questions. Question No. 30 is compulsory:****7 \times 2=14**

- 21) Define Macro Economics.
22) Define GDP deflator.
23) What is the main feature of rural unemployment?
24) What is effective demand?
25) Define Multiplier.
26) What is stagflation?
27) Distinguish between CRR and SLR.
28) Define Terms of Trade.
29) Mention any two objectives of ASEAN.
30) Why is self consumption difficult in measuring national income?

PART - III**Answer any 7 questions. Question No. 40 is compulsory:****7 \times 3=21**

- 31) Outline the major merits of capitalism.
32) Differentiate between personal and disposable income.
33) Write any five differences between Classism and Keynesianism.
34) Differentiate autonomous and induced investment.
35) What are the determinants of money supply?
36) Distinguish between money market and capital market.
37) Write the mechanism of credit creation by commercial banks.
38) Distinguish between Balance of Trade and Balance of Payments. (any three)
39) Mention any three lending programmes of IMF. SIVAKUMAR, M,
40) State the uses of multiplier. Sri Ram Mathie Hse

PART - IV

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7 \times 5=35**Answer all the questions:**

- 41) Compare the feature among capitalism, socialism and mixedism. (OR)
What are the causes and effects of inflation the economy?
- 42) Discuss the various methods of estimating the national income of a country. (OR)
Discuss the various types of disequilibrium in the balance of payments. (OR)
- 43) Describe the types of unemployment. (OR)
Explain the objectives of IMF.
- 44) Explain the operation of Accelerator. (OR)
What are the objectives of monetary policy? Explain.
- 45) Describe the phases of Trade cycle. (OR)
Illustrate the functioning of an economy based on its activities.
- 46) Explain the role of commercial banks in economic development. (OR)
What are the differences between MEC and MEI?
- 47) How the Rate of Exchange is determined? Illustrate. (OR)