

ECONOMICS CHAPTER 1 TO 6

CLASS – XII

MARKS – 90
DURATION – 3 HRS

PART – I

CHOOSE THE BEST ANSWER

[20 X 1 = 20]

1. Another name of macroeconomics theory is _____ theory
A. Price B. Income C. Market D. Micro
2. Quantity of a commodity accumulated at a point of time is termed as
A. Production B. Stock C. Variable D. Flow
3. Father of socialism is _____
A. JM keynes B. Karl Marx C. Adam Smith D. Samuel son
4. Tertiary sector is also called as _____ sector
A. Service B. Income C. Industrial D. Production
5. _____ is deducted from gross value to get net value
A. Income B. Depreciation C. Expenditure D. Value of final goods
6. PQLI is the indicator of _____
A. Economic growth B. Economic welfare C. Economic production D. Economic development
7. _____ theory is a turning point in the development of modern economics theory
A. Keynes B. Say's C. Classical D. Employment
8. Keynes theory pursues to replace the laissez faire by _____
A. Non government intervention B. Maximum intervention by government
C. state intervention in certain situation D. private sector invention
9. Say's law stressed the operation of _____ economy
A. Induced price mechanism B. Automatic price mechanism
C. Induced demand D. Induced investment
10. Interest rate are likely to _____
A. decrease in consumption B. increase cost of borrowing
C. encourage savings D. increase borrowing and spending
11. In an Open Economy import _____ the value of the multiplier
A. reduces B. increase C. does not change D. changes

S. MOHANASUNDARAM, P.G. Asst. in Economics, Ranipet District. Cell : +91 9486938878

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12. The term MEC was introduced by _____
A. Adam Smith B. JM Keynes C. Ricardo D. Malthus
13. The basic distinction between M1 and M2 is with regard to _____
A. post office deposit B. time deposit of Bank
C. savings bank deposit D. currency
14. Stagflation combines the rate of inflation with _____
A. stagnation B. employment C. output D. price
15. Fisher quantity theory of money is based on the essential function of money as
A. measure of value B. store of value C. medium of exchange D. standard of deferred payment
16. Who will act as the banker to the Government of India ?
A. SBI B. NABARD C. ICICI D. RBI
17. Moral suasion refers to the _____
A. Optimisation B. Maximization C. Persuasion D. Minimization
18. Who said this commercial bank of institutions that made short term loans to business and in the process of creating money ?
A. Culbertson B. Milton Friedman C. JM Keynes D. Walker
19. Inflation is taxation without legislation is said by _____
A. Culbertson B. Walker C. JM Keynes D. Milton Friedman
20. In which money supply is more liquid ?
A. M2 B. M3 C. M1 D. M4

PART – II

ANSWER ANY 7 – QUESTION NO. 30 IS COMPULSORY

[7 X 2 = 14]

21. Define macroeconomics
22. Classify the economics based on status of development
23. Define GDP deflator
24. Define full employment
25. What is effective demand ?
26. Define multiplier.
27. Define money
28. Define Central Bank
29. What is rationing of credit ?
- 30. What is taxflation ?**

PART – III

ANSWER ANY 7 – QUESTION NO. 40 IS COMPULSORY

[7 X 3 = 21]

31. Describe the different types of economic system
32. Briefly explain the two sector circular flow model
33. List of the use of national income
34. Explain the following in short of unemployment (A) seasonal (B) frictional (C) educated
35. Difference between autonomous and induced investment
36. Specify the limitations of the multiplier
37. Write the types of inflation
38. Bring out the methods of credit control
39. Distinguish between money and capital market
- 40. Write assumptions of accelerator principal**

PART – IV

ANSWER ALL THE QUESTIONS

[7 X 5 = 35]

41. [A] Discuss the scope of microeconomics (OR)
[B] Compare the future of Capitalism, Secularism and Mixedism
42. [A] Discuss the various method of estimating National income of a country (OR)
[B] Discuss the importance of social Accounting in economic analysis
43. [A] Critically explain Say's law of market (OR)
[B] Explain the different between Classical and Keynes theory.
44. [A] Briefly explain the subjective and objective factors of consumption function (OR)
[B] Write the uses of multiplier.
45. [A] Explain the functions of money (OR)
[B] What are the causes and effects of inflation on economy
46. [A] Describe the phases of trade cycle (OR)
[B] Explain the role of commercial banks in economic development
47. [A] Elucidate the function of Commercial Bank (OR)
[B] What are the objectives of monetary policy explain

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