

Standard 12 ECONOMICS

Time: 3.00 Hrs.

Marks: 90

PART - A

20×1=20

I. Choose the correct answer:

- 1) A steady increase in general price level is termed as _____
 a) Wholesale price index
 b) Business cycle
 c) Inflation
 d) National Income
- 2) The country following Capitalism is _____
 a) Russia
 b) America
 c) India
 d) China
- 3) The Circular Flow Model that represents an open Economy.
 a) Two Sector Model
 b) Three Sector Model
 c) Four Sector Model
 d) All the above
- 4) $GNP = \text{_____} + \text{Net factor income from abroad.}$
 a) NNP
 b) NDP
 c) GDP
 d) Personal Income
- 5) _____ is deducted from gross value to get the net value.
 a) Income
 b) Depreciation
 c) Expenditure
 d) Value of final goods
- 6) The basic concept used in Keynes Theory of Employment and Income is _____.
 a) Aggregate demand
 b) Aggregate supply
 c) Effective demand
 d) Marginal propensity consume
- 7) The multiplier is calculated as
 a) $1/(1-MPC)$
 b) $1/MPS$
 c) $1/MPC$
 d) a and b
- 8) During depression the level of **economic** activity becomes **extremely**
 a) high
 b) bad
 c) low
 d) good
- 9) Online Banking is also known as
 a) E-Banking
 b) Internet Banking
 c) RTGS
 d) NEFT
- 10) BOP includes
 a) visible items only
 b) invisible items only
 c) both visible and invisible items
 d) merchandise trade only
- 11) The first ministerial meeting of WTO was held at
 a) Singapore
 b) Geneva
 c) Seattle
 d) Doha
- 12) The primary purpose of deficit financing is
 a) Economic development
 b) Economic stability
 c) Economic equality
 d) Employment generation
- 13) In the regression equation $Y = \beta_0 + \beta_1 X$, the Y is called
 a) Independent variable
 b) Dependent variable
 c) Continuous variable
 d) None of the above
- 14) Which of the following is responsible for protecting humans from harmful ultraviolet rays?
 a) UV-A
 b) UV-C
 c) Ozone layer
 d) None of the above
- 15) Perspective plan is also known as ..
 a) Short-term plan
 b) Medium-term plan
 c) Long-term plan
 d) None of the above
- 16) In the regression equation $Y = \beta_0 + \beta_1 X$, the X is called
 a) Independent variable
 b) Dependent variable
 c) Continuous variable
 d) None of the above
- 17) The value of national income adjusted for inflation is called _____
 a) Inflation rate
 b) Disposal income
 c) GNP
 d) Real national income
- 18) In Keynes theory, the demand for and supply of money are determined by _____
 a) Rate of interest
 b) Effective demand
 c) Aggregate demand
 d) Aggregate supply

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- 19) If the MPC is 0.5, the multiplier is _____.
- a) 2 b) 1/2 c) 0.2 d) 20
- 20) _____ inflation is in no way dangerous to the economy.
- a) Walking b) Running c) Creeping d) Galloping

PART - B

II. Answer any seven of the following questions.

7×2=14

Q.No. 30 is compulsory.

- 21) Circular Flow of Income - Define.
- 22) Why is self consumption difficult in measuring national income?
- 23) What are the components of aggregate supply?
- 24) What is consumption function?
- 25) What is Stagflation?
- 26) Define Commercial Banks.
- 27) What is meant by Exchange Rate?
- 28) What is Free trade area?
- 29) What is Econometrics?
- 30) Define Global Warming.

PART - C

III. Answer any seven of the following questions.

7×3=21

Q.No. 40 is compulsory.

- 31) Outline the major merits of capitalism.
- 32) Differentiate between personal and disposable income.
- 33) What do you mean by aggregate demand? Mention its components.
- 34) Explain any three subjective and objective factors influencing the consumption function.
- 35) Explain Demand-pull and Cost push inflation.
- 36) Specify the functions of IFCI.
- 37) What are the functions of modern state? .
- 38) State the meaning of e-waste. .
- 39) What are the functions of NITI Aayog?
- 40) Find the Standard Deviation of the following data:
- 14, 22, 9, 15, 20, 17, 12, 11

PART - D

V. Answer all the questions:

7×5=35

- 41) a) Compare the features of capitalism and socialism. (OR)
b) Explain the differences between Classical theory and Keynes theory.
- 42) a) Discuss the various methods of estimating the national income of a country. (OR)
b) What are the differences between MEC and MEI.
- 43) a) Describe the phases of Trade cycle. (OR)
b) Explain the role of Commercial Banks in economic development.
- 44) a) How the Rate of Exchange is determined? Illustrate. (OR)
b) Explain the scope of public finance.
- 45) a) Bring out the functions of World Bank. (OR)
b) Explain the importance of sustainable development and its goals.
- 46) a) Bring out the arguments against planning. (OR)
b) Calculate the Karl Pearson correlation co-efficient for the following data.

Demand for product X	23	27	28	29	30	31	33	35	36	39
Sale for product Y	18	22	23	24	25	26	28	29	30	32

- 47) a) Describe the functions of Reserve Bank of India. (OR)
b) Describe the various types of deficit in budget.