1

ECONOMICS
THIRD REVISION TEST-2023.
HIGHER SECONDARY SECOND YEAR

Time : -3.00 hrs   Maximum Marks:- 90.

PART-A

I. Choose the correct answer.   20 x 1 = 20.

1. An economic system where the economic activities of a nation are done both by the private and public together is termed as_____.
    a) Capitalistic Economy   b) Socialistic Economy
    c) Globalisic Economy   d) Mixed Economy

2. The value of NNP at production point is called ……
    (a) NNP at factor cost   (b) NNP at market cost
    (c) GNP at factor cost   (d) Per capita income

3. ………. Flexibility brings equality between saving and investment.
    (a) Demand   (b) Supply   (c) Capital   d) Interest

4. The sum of the MPC and MPS is _____
    a)1   b) 2   c) 0.1   d) 1.1

5. The basic distinction between M1 and M2 is with regard to .
    (a) post office total deposits (b) saving deposits with post office savings bank
    (c) Terms deposits of banks   (d) currency

6. Moral suasion refers.
    a) Optimization   b) Maximization c) Persuasion d) Minimization

7. In general, a primary reason why nations conduct international trade is because
    a) Some nations prefer to produce one thing while others produce another
    b) Resources are not equally distributed among all trading nations
    c) Trade enhances opportunities to accumulate profits
    d) Interest rates are not identical in all trading nations

8. SAARC meets once in ----------- years.
    a) 2   b) 3   c) 4   d) 5

9. Which of the following canons of taxation was not listed by Adam smith?
    a) Canon of equality   b) Canon of certainty

V.G.P. CHANDRAN   SIVAKASI   VNRDT

2

c) Canon of convenience   d) Canon of simplicity

10. The term environment has been derived from a French word-----------.
    a. Environ   b. Environs   c. Environia   d. Envir

11. The basic philosophy behind long-term planning is to bring------------ changes in the economy?
    a) Financial b) Agricultural   c) Industrial   d) Structural

12. The value of the coefficient of correlation r lies between:
    (a) 0 and 1   (b) -1 and 0   (c) -1 and +1   (d) -0.5 and +0.5

13. Economic system representing equality in distribution is _____.
    a) Capitalism   b) Globalism c) Mixedism   d) Socialism

14. PQLI is the indicator of ………………
    (a) Economic growth   (b) Economic welfare
    (c) Economic progress   (d) Economic development

15. Classical theory advocates ……
    (a) Balanced budget   (b) Unbalanced budget
     (c) Surplus budget   (d) Deficit budget

16. Lower interest rates are likely to :
    a) Decrease in consumption   b) increase cost of borrowing
    c) Encourage saving   d) increase borrowing and spending

17. Money is
(a) acceptable only when it has intrinsic value (b) constant in purchasing power
(c) the most liquid of all assets   (d) needed for allocation of resources

18. Monetary policy his formulated by.
    a) Co-operative banks   b)Commercial banks
    c) Central Bank   d) Foreign banks

19. BOP includes
    a) visible items only   b) invisible items only
    c) both visible and invisible items   d) merchandise trade only

20. The headquarters of ASEAN is
    a) Jaharta   b) New Delhi   c) Colombo   d) Tokyo

V.G.P. CHANDRAN   SIVAKASI   VNRDT

3

PART-B

II. Answer any seven of the following questions,
Q.no. 30 is compulsory .   7 x 2 = 14

21. Define Macro Economics.

22. What do you mean by the term 'Personal Income'?

23. What is effective demand ?

24. Define Multiplier.

25. Define inflation.

26. Distinguish between CRR and SLR.

27. What do you mean by balance of payments?

28. Write the meaning of Special Drawing rights.

29. State the meaning of environment.

30. Write a short note on NITI Aayog.

PART-C

III. Answer any seven of the following questions,
Q.no. 40 is compulsory.   7 x 3 = 21

31. State the importance of Macro Economics.

32. Write briefly about national income and welfare.

33. Write any five differences between classism and Keynesianism

34. State the concept of super multiplier.

35. Explain disinflation.

36. Distinguish between money market and capital market.

37. List out the achievements of ASEAN.

38. What is land pollution? Mention the causes of land pollution.

39. Elucidate major causes of vicious circle of poverty with diagram

40. Specify the objectives of econometrics.

PART-D

IV. Answer all the question   7 x 5 = 35.

41.(a) Compare the feature among Capitalism, Secularism and Mixedism.

(or)

(b). Explain briefly the Comparative Cost Theory.

V.G.P. CHANDRAN   SIVAKASI   VNRDT

4

42. (a) What are the difficulties involved in the measurement of national income?

(or)

(b). Bring out the functions of World Bank.

43. (a) Critically explain Say's law of market.

(or)

(b). What are the reasons for the recent growth in public expenditure?

44. (a) Briefly explain the subjective and objective factors of consumption function?

(or)

(b). Briefly explain the relationship between GDP growth and the quality of environment.

45. (a) What are the causes and effects of inflation on the economy?

(or)

(b). Bring out the arguments against planning.

46. (a) Elucidate the functions of Commercial Banks.

(or)

(b) Calculate the Karl Pearson Correlation Co-efficient for the following data.

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

47. (a) Write a note on a) SAARC b) BRICS

(or)

(b). What are the objectives of Monetary Policy? Explain.

V.G.P. CHANDRAN   SIVAKASI   VNRDT