

COMMON HALF YEARLY EXAMINATION - 2022

Time: 3.00 hrs.

Standard - XII
ECONOMICS

Reg.No.

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Marks: 90

PART - A

I. Answer all the questions:

20×1=20

- The branches of the Subject Economics is
 - Wealth and Welfare
 - production and Consumption
 - Demand and supply
 - Micro and Macro
- Identify the father of socialism
 - J.M.Keynes
 - Karlmarx
 - Adam Smith
 - Samuelsm
- Tertiary Sector is also called as _____ sector.
 - Service
 - Agriculture
 - Industrial
 - Production
- NNp stands for
 - Net National Producer
 - National Net Producer
 - National Net Provident
 - Net National Provident
- J.B.say is a _____.
 - Neo classical Economist
 - Classical Economist
 - Modern Economist
 - New Economist
- According to classical theory rate of Interest is a reward for
 - Investment
 - Demand
 - Capital
 - Saving
- Lower interest rates are likely to
 - Decrease in Consumption
 - Increase cost of borrowing
 - Encourage Saving
 - Increase borrowing and spending
- The term MEC was introduced by
 - Adam smith
 - J.M.keynes
 - Ricardo
 - Malthus
- Irving Fsher's Quantity theory of money was popularized in
 - 1908
 - 1910
 - 1911
 - 1914
- Which is called broad level money
 - M₁, M₂
 - M₂, M₃
 - M₁, M₄
 - M₃, M₄
- Expansion of ATM
 - Automated Teller Machine
 - Adjustment Teller Machine
 - Automatic Teller Machine
 - Any Time Money
- Exchange rates are determined in
 - Money market
 - Foreign exchange market
 - Stock market
 - Capital market
- Foreign direct Investment nor Permitted in India
 - Banking
 - Automic energy
 - Pharmaceutical
 - Insurance
- SAARC meets once in _____ years.
 - 2
 - 3
 - 4
 - 5
- Which is the head quarters of world trade organization
 - Washington
 - Geneva
 - London
 - Newyork
- Methods of repayment of public debt
 - Conversion
 - Sinking fund
 - Funded debt
 - All these
- Finance Commission determines
 - The finances of Government of India
 - The resources transfer to the states
 - The resources transfer to the Various departments
 - None of the above

18. Which of the following is the anticipated effect of Global Warming.
 a) Rising sea levels b) Changing Precipitation
 c) Expansion of deserts d) All of the above
19. Who designed the Gandhian Plan?
 a) Nehru b) S.N. Agarwal c) M.N.Roy d) Vishveshwarya
20. The data collected by questionnaires are _____.
 a) Primary data b) Secondary data c) Published data d) Grouped data

II. Answer any seven questions. Question No.30 is compulsory. 7×2=14

21. Define the term Inflation
 22. Define National Income
 23. Define full employment
 24. Define Multiplier?
 25. What is gold standard ?
 26. Write the meaning of open market operations?
 27. Define Terms of trade
 28. When and where was SAARC Secretariat established?
 29. Mention the Indicators of development?
 30. What is mean by Budget?

III. Answer any 7 Questions. Question No.40 is compulsory. 7×3=21

31. Describe the different types of economic systems.
 32. Give short note on Expenditure method
 33. Write short note on the implications of say's law market.
 34. Explain Demand - Pull and cost push in inflation.
 35. Mention the objectives of demonetization?
 36. What are the functions of modern state.
 37. What is land pollution mention the causes of land pollution?
 38. What are the functions of NITI Aayog?
 39. What are the functions of statistics?
 40. What are the objectives of the World Bank?

IV. Answer all the questions: 7×5=35

41. What are the difficulties involved in the Measurement of National Income. (OR)
 Compare the feature among capitalism, Socialism and Mixedism.
42. Narrate the equilibrium between AD and AS with diagram. (OR)
 What are the differences between MPC and MPS
43. Explain the functions of Money. (OR)
 Elucidate the functions of Commercial Bank.
44. Discuss the differences between Internal trade and International trade. (OR)
 Describe the functions of Reserve bank of India.
45. Bring out the functions of World Bank (OR)
 Discuss the role of WTO in India's socio economic development.
46. Explain the scope of Public Finance (OR)
 Explain the importance of Sustainable development and its goals.
47. Describe different types of Planning. (OR)
 Find the standard deviation of the following data.
 14, 22, 9, 15, 20, 17, 12, 11

COMMON HALF YEARLY EXAMINATION - 2022

VELLORE DISTRICTSUB: ECONOMICSST-MARKS MATRIC HR. SECONDARY SCHOOLSTANDARD - XIISUBJECT TEACHER: CHANDRASEKAR.PPART-A

I. Answer all the questions:

- 1). d). микро and макро.
- 2). b). кейнсизм.
- 3). a). service.
- 4). a). NET NATIONAL product.
- 5). b). classical Economist
- 6). d). Saving.
- 7). d). Increase borrowing and spending.
- 8). b). J. M. Keynes.
- 9). c). 1911
- 10). d). $M_2 - M_1$

- 11). a). Automated teller machine.
- 12). b). Foreign Exchange market.
- 13). b). Atomic energy.
- 14). b). 3
- 15). d). New York.
- 16). d). All of these.
- 17). b). The resources transfer to the states.
- 18). b). Changing precipitation.
- 19). b). S.N. Agarwal.
- 20). a). Primary data.

II. Answer the following questions:

21). Inflation refers to the steady increase in the general price level. Estimating the general price level by constructing various price level index by consumer price index, wholesale price index, etc.

22). "The labour and capital of a country acting on natural resources produce annually net aggregate of commodity, material and immaterial including services of all kinds."

- Alfred Marshall.

23). Lerner defines full employment as "that level of employment at which any further increase in spending would result in an inflationary spiral of wages and prices."

24). The multiplier is defined as the ratio of the change in national income to change in investment. If ΔI stands for increase in investment and ΔY stands

for resultant income. ΔY results from ΔI , the multiplier is called investment multiplier.

- 25) Gold standard is a system in which value of the monetary unit. The standard currency is directly linked with gold. The monetary unit is defined in terms of certain weight of gold.
- 26). The central bank starts the purchase and sale of government. Not only government securities but also other proper eligible securities. like bills and securities of private concerns.
- 27). The gains from international trade depend upon the terms of trade which refers to the ratio of export prices to import prices.
- 28). The SAARC secretariat was established in Kathmandu (Nepal) on 16th January 1987.

- 29). (i). Gross National Income.
(ii). GNP per capita.
(iii). welfare.
(iv). Social Indicators - Health, education, water, sanitization

30). The word 'budget' is said to have its origin from the the french word "Bougett" which refers to a 'small leather bag'. The budget is an annual financial statement which shows the estimated income and expenditure of the Government for the forth coming financial year.

III. Answer the following questions:

- 31). (i). Capitalistic Economy:
Capitalistic economy is also termed as a free economy (Laissez faire, in Latin) or market economy where the role of the government is minimum and market determines the economic activities.

(ii). socialism :

socialism refers to a system of total planning, public ownership and state control on economic activities.

(iii). mixedism :

In a mixed economy system both private and public sectors co-exist and work together towards economic development.

32). Expenditure Method:

under this method the total expenditure incurred by the society in a particular year is added together. It includes personal consumption expenditure, net domestic investment, government expenditure on consumption.

$$GNP = C + I + G + (X - M)$$

- * C - private consumption expenditure.
- * I - private investment expenditure.
- * G - Government expenditure.

* X - M - net exports.

33). Implications of say's law:

1. There is no possibility for over production or unemployment.
2. If there exist unutilized resources in the economy it is profitable to employ them up to the point of full employment.
3. As automatic price mechanism operates in the economy, there is no need for government intervention.
4. Money performs only the medium of exchange function in the economy.

34). (i). Demand - pull Inflation:

Demand and supply play a crucial role in deciding the inflation levels in the society at all points of time. For instance, if the demand is high for a product and supply is low, the price of the products increases.

(ii). cost - push inflation:

when the cost of raw materials and other inputs rises inflation results. Increase in wages paid to labour also leads to inflation.

35). Objectives of Demonetisation:

(i). Removing black money from the country.

(ii). Stopping of corruption.

(iii). Stopping Terrorist funds.

(iv). Curbing Fake notes.

36). Functions of modern state:

(i). Defence:

The primary function of the Government is to protect the people.

(ii). Judiciary:

Rendering Justice and settlement of disputes are the concern of the government.

(iii). Enterprises:

The regulation and control of private enterprise fall under the purview of the modern state.

(iv). Social welfare:

It is the duty of the state to make provisions for education and social security.

(v). Infrastructure:

Modern states have to build the base for the economic development.

37). Land pollution:

The Land pollution is defined as, "the degradation of land because of the disposal of waste on the land."

* Causes of Land pollution:

(i). Deforestation and soil erosion:

Deforestation carried out to create dry lands is one of the major concerns.

(ii). Agricultural Activities:

chemicals, results in contamination and poisoning of land.

(iii). mining activities:

During extraction and mining activities, several land spaces are created beneath the surface.

(iv). Industriazation:

Due to increasing consumerism more industries were developed which led to deforestation.

(v). Nuclear waste:

The leftover radioactive materials, harmful and toxic chemicals.

38). Functions of NITI Aayog:

(i). shared National Agenda:

To evolve a shared vision of national development. Priorities and strategies with the active involvement of states.

(ii). Decentralized planning:

To restructure the planning process into a bottom up model.

(iii). vision and scenario planning:

To design medium and long term strategic frame works towards india's future.

(iv). Internal Consultancy:

It provides internal consultancy to central and state governments on policy and programmes.

(v). monitoring and evaluation:

It will monitor the implementation of policies and programmes the impacts.

39). Functions of Statistics:

- * Statistics presents facts in a definite form.
- * It simplifies mass of figures.
- * It facilitates comparison.
- * It helps in prediction.
- * It helps in the formulation of suitable policies

40). Objectives of World Bank:

- * Reconstruction and development.
- * Encouragement to capital investment.
- * Encouragement to International Trade.
- * Establishment of Peace - time economy.
- * Environmental protection.

IV. Answer all the questions:

41). a). (i). Transfer Payments:

Government makes payment in the form of pensions, unemployment allowance, subsidies, etc.

(ii). Depreciation Allowances:

The deduction of depreciation allowances, accidental damages, repairs and replacement.

(iii). Unpaid Services:

A housewife renders a number of useful services like preparation of meals, sewing, tailoring, mending, washing, cleaning, bringing children, etc.

(iv). Income from illegal activities:

Income earned through illegal activities like gambling, smuggling, illicit extraction of liquor, etc.

(v). Statistical problems:

There are statistical problems, too. Great care is required to avoid double counting.

(vi). Capital Gains:

The problem also arises with regard to the Capital gains. Other property, stocks or shares, etc.

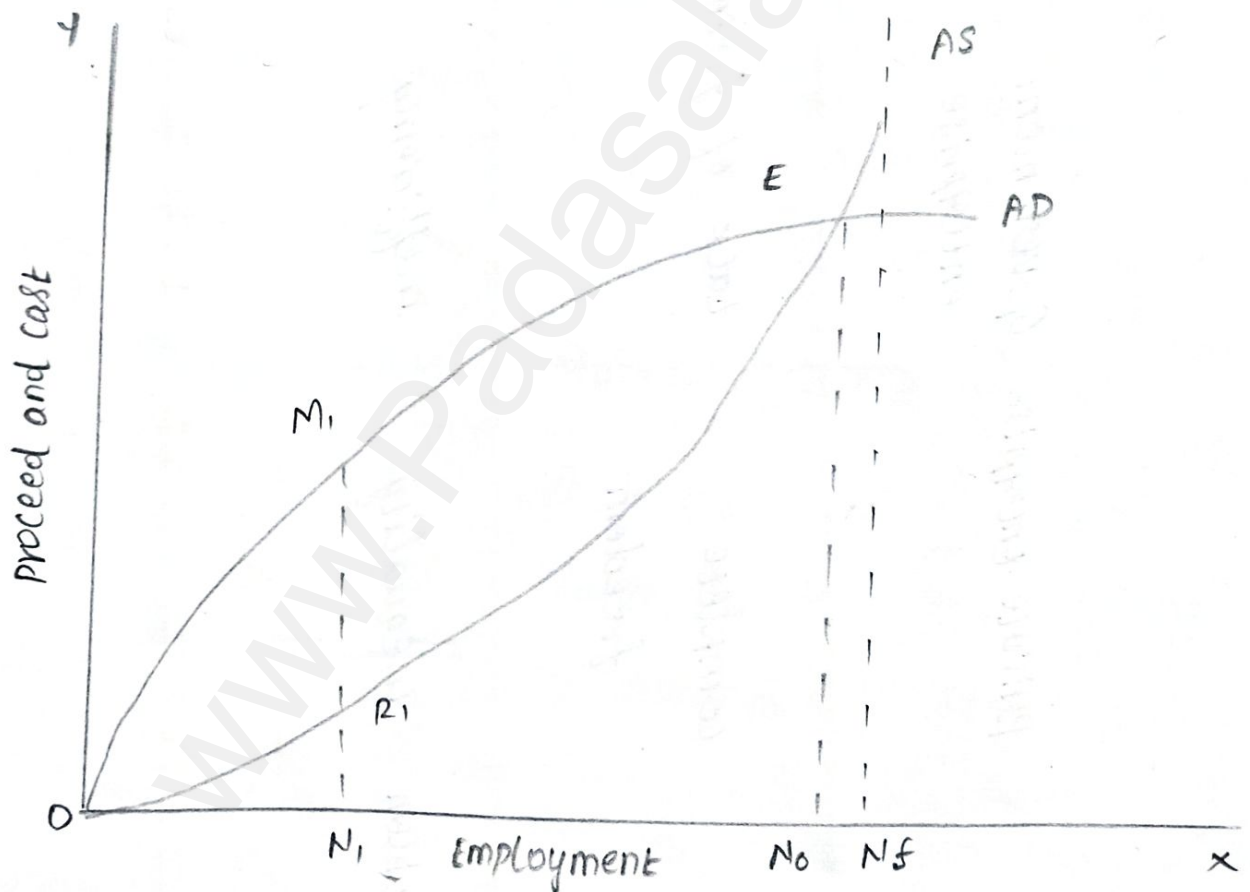
b). Features among Capitalism, secularism and mixedism.

S.No	Features	Capitalism	Socialism	Mixedism
1	Ownership and means of production	Private ownership	Public ownership	Both private and public ownership.
2.	Economic motive	Profit	social welfare	social welfare and profit motive.
3.	Solution of central problems	Free market system	central planning system	central planning system and free market system.
4.	Government role	Internal regulation only	complete involvement.	Limited role.
5.	Income Distribution.	unequal	Equal	Less unequal.

6). Nature of Enterprises	Private Enterprise	Government Enterprise	Both Private and State Enterprises.
7). Economic freedom	complete freedom	Lack of freedom.	limited freedom.
8). Major problem	Inequality	Inefficiency	Inequality and Inefficiency.

42) a). Equilibrium between ADF and ASF.

(i). Under the Keynes theory of employment, a simple two sector economy consisting of the household sector and the business sector is taken to understand the equilibrium between ADF and ASF. It is also assumed that consumption function is linear and planned investment is autonomous.



Explanation:

- 1). Aggregate demand - Aggregate supply approach.
- 2). Saving - Investment Approach.

- * The employment level is N_0 at that point.
- * At ON_1 employment, the aggregate supply is $N_1 R_1$. But they are able to produce $N_1 N_1$. The expected level of profit is $M_1 R_1$. To attain this level of profit, entrepreneurs will employ more labourers.
- * At all levels of employment beyond, ON_0 the aggregate demand curve is below the aggregate supply curve.

b).

Marginal efficiency of capital

Marginal efficiency of investment.

1). It is based on a given supply price for capital.

It is based on the induced change in price due to change in demand for capital.

2). It represents the state of return on all successive units of capital without regard to existing capital.

It represents the state of return on just units of capital over and above the existing capital stock.

3). The Capital stock is taken on the x axis of diagram.

4). It is a "stock" Concept

5). It determines the optimum Capital stock in an economy at each level of Interest rate.

The amount of Investment is taken on the x-axis of diagram.

It is a "flow" concept.

It determines the net investment economy at each interest rate given Capital stock.

43). a). Functions of money:

* Primary functions:

(i). money as a medium of exchange:

This is considered as the basic function of money. Money has the quality of general acceptability, and all exchanges take place in terms of money.

(ii). money as a measure of value:

The second important function of money is that it measures the value of goods and services.

* Secondary functions:

(i). money as a store of value:

Savings done in terms of commodities were not permanent.

(ii). money as a standard of deferred payments:

Borrowing and lending were difficult problems under the barter system.

* Contingent functions:

(i). Basis of credit system:

Money is the basis of the credit system. Business transactions are either in cash or on credit.

* Other functions:

(i). money helps to maintain repayment capacity:

Money possesses the quality of general capacity and acceptability.

(ii). Money gives liquidity to capital:

Money is the most liquid form of capital.

b). Functions of commercial Banks:

(a). primary functions:

1). Accepting deposits:

It implies that commercial banks are mainly depend on public deposits. -ent

* Demand deposits:

It refers to deposits that can be withdrawn by the individuals without any prior notice to the bank.

* Time deposits:

It refers to deposits that are made for certain committed period of time.

(b). secondary functions:

* Agency functions:

It implies that commercial banks act as agents of customers by various functions.

* collecting cheques:

Bank collect cheques and bills of exchange on the behalf of their customers through house

facilities provided by central Banks.

* Collecting Income:

Commercial Banks collect dividends, pensions, salaries, rents and interests.

* General utility functions:

It implies that commercial banks provide some utility services to customers by various functions.

44). a).

INTERNAL TRADE

INTERNATIONAL TRADE.

1). Trade takes place between different individuals and firms within the same nation.

Trade takes place between different individuals and firms in different countries.

2). Labour and Capital move freely from one region to another.

Labour and Capital do not move easily from one nation to another.

3). There is only one common

There are different currencies.

4). Trade and financial regulations are more or less the same.

Trade and financial regulation⁻⁵
Such as interest rate, trade laws differ between countries.

5). There will be free flow of goods and services since there are no restrictions.

Goods and services do not easily move from one country to another since there restrictions like tariff and quota.

b). Functions of RBI:

(i). monetary Authority:

It controls the supply of money in the economy to stabilize exchange rate, healthy balance of payment, Attain financial stability, control inflation, strengthen banking system.

(ii). The issuer of currency:

The objective is to maintain the currency and credit system of the country.

(iii). The issuer of Banking License:

As per section 22 of Banking Regulation Act, every bank has to obtain a banking license from RBI to conduct banking business in india.

(iv). Banker's Bank:

RBI is the Bank of all banks in india as it provides loans to banks.

(v). Banker to the Government:

It acts as banker both to the central and the state governments.

45). a). Functions of world Bank:

* Investment for productive purposes:

The world bank performs the function of assisting in the reconstruction and development of territories of member nations through facility of investment purposes.

* Balanced growth of International Trade:

Promoting the long range balanced growth of trade at international level.

* Provisions of loans and Guarantees:

Arranging the loans or providing guarantees on loans by various other channels so to execute important projects.

* Promotion of foreign private investment:

The promotion of private foreign investments by means of guarantees on other investments made by private investors.

* Technical services:

The world bank facilitates different kinds of technical through staff college and experts.

b) WTO and India:

India is the founding member of the WTO. India favours multilateral trade approach. India benefits from WTO on following grounds.

- 1). By reducing tariff rates on raw materials, components and capital goods, it was able to import more for meeting her development requirements.
- 2). India gets market access in several countries without any bilateral trade agreements.
- 3). Advanced technology has been obtained at cheaper cost.
- 4). India is in a better position to get quick redressal from trade disputes.
- 5). The India exporters benefits from the wider market informations.

46). a). Scope of public finance :

In modern times, the subject 'public finance' includes five major sub divisions, public Revenue, public Expenditure, public Debt, Financial Administration and Fiscal policy.

* public Revenue:

public revenue deals with the methods of raising public revenue such as tax and non-tax, the principles of taxation, rates of taxation, impact, incidence and shifting of taxes.

* public Expenditure:

Government expenditure, effects of public expenditure and control of public expenditure.

* Public Debt:

Public debt deals with the methods of raising loans from internal and external sources.

* Financial Administration:

The Annual master financial plan of the government
The various objectives and steps in preparing

a public budget.

* Fiscal policy:

Taxes, subsidies, public debt and public expenditure are the instruments of fiscal policy.

b). sustainable development:

"Sustainable development is development that meets the needs of the present without compromising the ability."

- * Ensure healthy lives and promote well-being for all at all ages.
- * End poverty in all its forms everywhere.
- * Achieve gender equality and empower women and girls.
- * Ensure access to water and sanitation for all.
- * Reduce inequality within and among countries.

- * Make cities inclusive, safe, resilient and sustainable.
- * ENSURE sustainable consumption and production pattern.
- * Take urgent action to combat climate change and its impacts.
- * Conserve and sustainability use the oceans, seas and marine resources.
- * promote just, peaceful and inclusive societies.

41) a). Types of planning:

(i). Democratic VS Totalitarianism:

Democratic planning implies planning within democracy. People are associated at every step in the formulation and implementation of the plan.

Under totalitarianism planning, there is central control and on single plan.

(ii). centralized vs Decentralized:

under centralized planning, the entire planning process in a country is under a central planning Authority.

(iii). planning by Discretion vs Inducement:

under planning by discretion, there is a central authority.

(iv). Indicative vs Imperative planning:

Indicative planning is peculiar to the mixed economies.

(v). Functional vs Structural planning:

Functional planning refers to that planning which seeks to remove economic difficulties.

The structural planning refers to good ideal of changes in the socio-economic framework of the country.

47) b). Standard deviation:

$$\bar{x} = 15$$

S.No	x	$x - \bar{x}$	$(x - \bar{x})^2$
1	14	$14 - 15 = -1$	1
2	22	$22 - 15 = 7$	49
3	9	$9 - 15 = -6$	36
4	15	$15 - 15 = 0$	0
5	20	$15 - 20 = -5$	25
6	17	$15 - 17 = -2$	4
7	12	$15 - 12 = 3$	9
8	11	$15 - 11 = 4$	16
$N = 8$	120	0	140

$$\bar{x} = \frac{\sum x}{n}$$

$$n = 8$$

$$\bar{x} = \frac{120}{8} = 15$$

$$\sigma = \sqrt{\frac{\sum (x - \bar{x})^2}{n}} = \sqrt{\frac{140}{8}} = \sqrt{17.5}$$