

THANJAVUR  
DISTRICTA. VENNILA  
Kumbakonam

2RM

**SECOND REVISION TEST - 2023**  
**ECONOMICS**

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12 - Std

Time : 3.00 Hrs

Marks : 90

**PART - A**

- I) Answer all the questions. II) Choose the best answer.** 20 X 1 = 20
- Indicate the contribution of J.M. Keynes to Economics.  
a) Wealth of Nations    b) General Theory    c) Capital    d) Public Finance
  - Identify the necessity of Economic policies  
a) to solve the basic problems  
b) to overcome the obstacles    c) to achieve growth    d) all the above
  - According to Keynes which type of unemployment prevails in capitalise economy?  
a) Full employment    b) Voluntary unemployment  
c) Involuntary unemployment    d) under employment
  - Expenditure method is used to estimate national income in .....  
a) Construction sector    b) Agricultural sector    c) Service sector    d) Banking sector
  - National income is a measure of the performance of an economy  
a) Industrial    b) Agricultural    c) Economic    d) Consumption
  - Keynes attributes unemployment to .....  
a) A lack of effective supply  
b) A lack of effective demand    c) A lack of both    d) None of the above
  - As national income increases .....  
a) The APC falls and gets nearer in value of the MPC  
b) The APC increases and diverges in value from the MPC  
c) The APC stays constant    d) The APC always approaches Infinity
  - Lower interest rates are likely to .....  
a) Decrease in consumption    b) Increase cost of borrowing  
c) Encourage saving    d) Increase borrowing and spending
  - MV stands for .....  
a) demand for money    b) Supply of legal tender money  
c) Supply of bank money    d) Total supply of money
  - ..... inflation results in a serious depreciation of the value of money  
a) Creeping    b) walking    c) running    d) Hyper
  - NBFI does not have .....  
a) Banking license    b) Government approval  
c) Money Market approval    d) Finance Ministry approval
  - Who will act as the Banker's Bank?  
a) SBI    b) NABARD    c) ICICI    d) RBI
  - Exchange rates are determined in .....  
a) Money Market  
b) Foreign exchange market    c) Stock market    d) Capital Market
  - Net export equals .....  
a) Export X import  
b) Export + import    c) Export - import    d) Exports of Services only
  - Which of the following countries is not a member of SAARC?  
a) Srilanka    b) Japan    c) Bangladesh    d) Afganistan
  - ..... relates to patents, copy rights, trade secrets, etc.,  
a) TRIPS    b) TRIMS    c) GATS    d) NAMA
  - GST is equivalence of .....  
a) Sales tax    b) Corporate tax    c) Income tax    d) local tax
  - In a pure public good, consumption is  
a) Rival    b) Non - rival    c) both    d) None of the above

19. The supply side vicious circle of poverty suggests that poor nations remain poor because .....  
 a) Saving remains low  
 b) Investment remains low c) There is lack of effective government d) a and b above
20. If both variable X and Y increase or decrease simultaneously, then the coefficient of correlation will be .....  
 a) positive b) negative c) zero d) one

**PART - B**

**II Note : i) Answer any seven of the following. ii) Question No. 30 is compulsory.**

21. What is meant by an "Economy". 7 x 2 = 14
22. What is the difference between NNP and NDP?
23. Give short note on "Frictional unemployment"?
24. Differentiate 'tax' and 'fee'.
25. Define average propensity to consume (APC).
26. What is commodity money?
27. Define Central Bank.
28. State any two merits of international trade.
29. Point out any two ways in which IBRD lends to member countries.
30. Distinguish between economic growth and development.

**PART - C**

**III i) Answer any seven of the following. ii) Questions number 40 is compulsory.**

31. Outline the major merits of capitalism. 7 x 3 = 21
32. Explain briefly NNP at factor cost.
33. Write short note on the implications of Say's law?
34. Explain any three subjective and objective factors influencing the consumption function.
35. What are the determinants of money supply?
36. Bring out the methods of credit control.
37. Explain the Net Barter terms of Trade and Gross Barter terms of trade?
38. Explain multi lateral agreement.
39. What are function of modern-state?
40. How would you break the vicious circle of poverty.

**PART - D**

**IV Answer in detail.**

7 x 5 = 35

41. a) Compare the features among capitalism, socialism and mixedism. **(OR)**  
 b) What are the difficulties involved in the measurement of national income.
42. a) Discuss the importance of social accounting in economic analysis. **(OR)**  
 b) Critically explain Say's law of market.
43. a) Explain the differences between classical theory and Keynes theory. **(OR)**  
 b) What are the differences between MEC and MEI?
44. a) Describe the phases of trade cycle. **(OR)**  
 b) What are the objectives of Monetary policy? Explain.
45. a) Explain the relationship between Foreign Direct Investment and Economics development. **(OR)**  
 b) Write a note on - a) SAARC b) BRICKS
46. a) Explain the principles of Federal - Finance. **(OR)**  
 b) Explain the importance of sustainable development and its goals.
47. a) Bring out the arguments against planning. **(OR)**  
 b) Find the regression equation Y on X and X on Y for the following data.
- |   |    |    |    |    |    |    |    |    |    |    |
|---|----|----|----|----|----|----|----|----|----|----|
| Y | 45 | 48 | 50 | 55 | 65 | 70 | 75 | 70 | 80 | 85 |
| x | 25 | 30 | 35 | 30 | 40 | 50 | 45 | 55 | 60 | 65 |