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ECONOMICS

GRADE: XII   **BOOK BACK ONEWORD TEST**   **MARKS: 50**

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CHOOSE THE CORRECT ANSWER

1. Who is regarded as Father of Modern Macro Economics?
    a) Adam Smith   b) J M Keynes   c) Ragnar Frisch   d) Karl Marx
2. 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
3. Economic system representing equality in distribution is _____.
    a) Capitalism   b) Globalism   c) Mixedism   d) Socialism
4. Identify the flow variable.
    a) money supply   b) assets   c) income   d) foreign exchange reserves
5. 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
6. Income method is measured by summing up of all forms of ……………
    a) Revenue   b) Taxes   c) expenditure   d) Income
7. Tertiary sector is also called as ………. sector
    a) Service   b) Income   c) Industrial   d) Production
8. Per capita income is obtained by dividing the National income by …………
    a) Production   b) Population of a country
    c) Expenditure   d) GNP
9. PQLI is the indicator of ………………
    a) Economic growth   b) Economic welfare
    c) Economic progress   d) Economic development
10. The largest proportion of national income comes from …….
    a) Private sector   b) Local sector   c) Public sector   d) None of the above
11. In disguised unemployment, the marginal productivity of labour is …..
    a) Zero   b) One   c) Two   d) Positive
12. ………. Flexibility brings equality between saving and investment.
    a) Demand   b) Supply   c) Capital   d) Interest
13. 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
14. According to classical theory, rate of interest is a reward for ……
    a) Investment   b) Demand   c) Capital   d) Saving
15. Say's law stressed the operation of …………. in the economy.
    a) Induced price mechanism   b) Automatic price mechanism
    c) Induced demand   d) Induced investment
16. An increase in the marginal propensity to consume will:
    a) Lead to consumption function becoming steeper
    b) Shift the consumption function upwards
    c) Shift the consumption function downwards
    d) Shift savings function upwards

17. As national income increases
    a) The APC falls and gets nearer in value to the MPC.
    b) The APC increases and diverges in value from the MPC.
    c) The APC stays constant
    d) The APC always approaches infinity.

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

19. The relationship between total spending on consumption and the total income is the _____
    a) Consumption function
    b) Savings function
    c) Investment function
    d) aggregate demand function

20. In an open economy import _____ the value of the multiplier
    a) Reduces
    b) increase
    c) does not change
    d) changes

21. The RBI Headquarters is located at
    a) Delhi
    b) Chennai
    c) Mumbai
    d) Bengaluru

22. Inflation means
    a) Prices are rising
    b) Prices are falling
    c) Value of money is increasing
    d) Prices are remaining the same

23. During inflation, who are the gainers?
    a) Debtors
    b) Creditors
    c) Wage and salary earners
    d) Government

24. The study of alternating fluctuations in business activity is referred to in Economics as
    a) Boom
    b) Recession
    c) Recovery
    d) Trade cycle

25. V in MV = PT equation stands for
    a) Volume of trade
    b) Velocity of circulation of money
    c) Volume of transaction
    d) Volume of bank and credit money

26. Bank credit refers to
    a) Bank Loans
    b) Advances
    c) Bank loans and advances
    d) Borrowings

27. ARDC started functioning from
    a) June 3, 1963
    b) July 3, 1963
    c) June 1, 1963
    d) July 1, 1963

28. Expansions of ATM.
    a) Automated Teller Machine
    b) Adjustment Teller Machine
    c) Automatic Teller mechanism
    d) Any Time Money

29. International trade differs from domestic trade because of
    a) Trade restrictions
    b) Immobility of factors
    b) Different government policies
    d) All the above

30. Cyclical disequilibrium in BOP occurs because of
    a) Different paths of business cycle.
    b) The income elasticity of demand or price elasticity of demand is different.
    c) long-run changes in an economy
    d) Both (a) and (b).

31. The first ministerial meeting of WTO was held at
    a) Singapore
    b) Geneva
    c) Seattle
    d) Doha

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

33. Which of the following is a direct tax?
    a) Excise duty
    b) Income tax
    c) Customs duty
    d) Service tax

34. Which of the following canons of taxation was not listed by Adam smith?
    a) Canon of equality
    b) Canon of certainty
    c) Canon of convenience
    d) Canon of simplicity

35. Which of the following is **not** a tax under Union list?
    a) Personal Income Tax
    b) Corporation Tax
    c) Agricultural Income Tax
    d) Excise duty

36. The difference between revenue expenditure and revenue receipts is
 a) Revenue deficit   b) Fiscal deficit
 c) Budget deficit   d) Primary deficit
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38. Ecosystem is smallest unit of
 a) Ionosphere b) Lithosphere c) Biosphere d) Mesosphere
39. Global warming also refers to as
 a) Ecological change   b) Climate Change
 c) Atmosphere change   d) None of the above
40. Primary cause of Soil pollution is ----------------
 a) Pest control measures   b) Land reclamation
 c) Agricultural runoff   d) Chemical fertilizer
41. Which among the following is a characteristic of underdevelopment?
 a) Vicious circle of poverty   b) Rising mass consumption
 c) Growth of Industries   d) High rate of urbanization
42. Which of the following plan has focused on the agriculture and rural economy?
 a) People's Plan   b) Bombay Plan
 c) Gandhian Plan   d) Vishveshwarya Plan
43. Short-term plan is also known as----- --------------
 a) Controlling Plans   b) De-controlling Plans
 c) Rolling Plans   d) De-rolling Plans
44. Perspective plan is also known as ----
 a) Short-term plan   b) Medium-term plan
 c) Long-term plan   d) None of the above
45. The Chair Person of NITI Aayog is
 a) Prime Minister   b) President
 c) Vice – President   d) Finance Minister
46. Sources of secondary data are _____.
 a) Published sources   b) Unpublished sources.
 c) neither published nor unpublished sources.d) Both (A) and (B)
47. The term regression was used by:
 a) Newton   b) Pearson
 c) Spearman   d) Galton
48. In the regression equation $Y = \beta 0 + \beta 1X$, the Y is called:
 a) Independent variable   b) Dependent variable
 c) Continuous variable   d) none of the above
49. Econometrics is the integration of
 a)Economics and Statistics   b) Economics and Mathematics
 c) Economics, Mathematics and Statistics d) None of the above
50. The raw materials of Econometrics are:
 a) Data b) Goods c) Statistics d) Mathematics