

**HIGHER SECONDARY SECOND YEAR
ECONOMICS**

Class: XII
Subject: Economics

Maximum Mark: 90
Time Allowed: 3 Hrs

PART-A

Note: i) Answer all the questions.

20 x1=20

ii) Choose the most suitable answers from the given from the alternative and write the

Options Code and the corresponding answer

1. Indicate the fundamental economic activities of an economy.

a) Production and Distribution	b) Production and Exchange
c) Production and Consumption	d) Production and Marketing
2. Identify the flow variable.

a) Money supply	b) assets	c) income	d) foreign exchange reserves
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3. Per capita income is obtained by dividing the National income by

a) Production	b) Population of a country	c) Expenditure	d) GNP
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4. $GNP = \text{-----} + \text{Net factor income from abroad.}$

a) NNP	b) NDP	c) GDP	d) Personal income
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5. The core of the classical theory of employment is

a) Law of Diminishing Return	b) Law of Demand
c) Law of Markets	d) Law of Consumption
6. Keynes theory emphasized on equilibrium.

a) Very short run	b) Short run	c) Very long run	d) Long run
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7. Lower interest rates are likely to:

a) Decrease in consumption	b) increase cost of borrowing
c) Encourage saving	d) increase borrowing and spending
8. Inflation means

a) Prices are rising	b) Prices are falling
c) Value of money is increasing	d) Prices are remaining the same
9. The study of alternating fluctuations in business activity is referred to in Economics as

a) Boom	b) Recession	c) Recovery	d) Trade cycle
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10. Moral suasion refers.

a) Optimization	b) Maximization	c) Persuasion	d) Minimization
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11. NABARD was set up in.

a) July 1962	b) July 1972	c) July 1982	d) July 1992
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12. Who among the following enunciated the concept of single factorial terms of trade?

a) Jacob Viner	b) G.S.Donens	c) Taussig	d) J.S.Mill
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13. Foreign direct investments not permitted in India
 a) Banking b) Atomic energy c) Pharmaceutical d) Insurance
14. Which of the following is not the member of SAARC?
 a) Pakistan b) Sri Lanka c) Bhutan d) China
15. The headquarters of ASEAN is
 a) Jakarta b) New Delhi c) Colombo d) Tokyo
16. GST is equivalence of
 a) Sales tax b) Corporation tax c) Income tax d) Local tax
17. Which of the following is a direct tax?
 a) Excise duty b) Income tax c) Customs duty d) Service tax
18. Ecosystem is smallest unit of
 a) Ionosphere b) Lithosphere c) Biosphere d) Mesosphere
19. In a pure public good, consumption is
 a) Rival b) Non-rival c) Both d) None of the above
20. The raw materials of Econometrics are:
 a) Data b) Goods c) Statistics d) Mathematics

Part – B

Note: Answer any seven questions. In which question no. 30 is compulsory.

7x2= 14

21. Circular flow of income –Define?
22. Write the formula for calculating GNP?
23. What is effective demand?
24. Define Average propensity to save?
25. What is meant by Exchange rate?
26. Specify any two affiliates of World Bank group?
27. What are the components of GST?
28. What do you mean by Ecosystem?
29. Write a short note on NITI Aayog?
30. Define Correlation?

Part -C

Note: Answer any seven questions. In which question no. 40 is compulsory

7x3=21

31. Briefly explain the two sector circular flow model?
32. Give short note on Expenditure method?
33. Write short note on the implications of Say's Law?
34. State Cambridge equations of value of Money?
35. Distinguish between Money Market and Capital Market?
36. List out the achievements of ASEAN?

37. What are the functions of a modern state?
38. What are the causes of water pollution?
39. How would you break the vicious circle of poverty?
40. Calculate the standard deviation from the following data by actual mean method?
25, 15, 23, 42, 27, 25, 23, 25, 20

Part - D

Note: Answer any seven questions.

7x5=35

41. (a) Discuss the difference between internal trade and International Trade? **[OR]**
(b) Explain the relationship between Foreign Direct Investment and Economics development?
42. (a) Compare the features among Capitalism, Socialism and Mixedism? **[OR]**
(b) Describe the types of unemployment?
43. (a) Discuss the various methods of estimating the national income of a country? **[OR]**
(b) Explain the operation of the Accelerator?
44. (a) Describe the phases of Trade Cycle? **[OR]**
(b) Explain the objectives of IMF?
45. (a) Describe the functions of Reserve Bank of India? **[OR]**
(b) Write a note on a) SAARC b) BRICS
46. (a) State and explain instruments of fiscal policy? **[OR]**
(b) Explain the importance of Sustainable development and its goals?
47. (a) Bring out the arguments against planning? **[OR]**
(b) Calculate Karl Pearson's Coefficient of Correlation from the following data

Price : X	10	12	14	15	19
Supply : Y	40	41	48	60	50

***** ALL THE BEST *****

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