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MAT. HR. SEC. SCHOOL**ECONOMICS****GRADE: XII****REVISION TEST - 3****MARKS: 90****I CHOOSE THE CORRECT ANSWER**

20 X 1 = 20

1. 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
2. Which of the following is a modern theory of international trade?
  - a) absolute cost
  - b) comparative cost
  - c) Factor endowment theory
  - d) none of these
3. Net export equals .....
  - a) Export x Import
  - b) Export + Import
  - c) Export – Import
  - d) Exports of services only
4. 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
5. Favourable trade means value of exports are ..... Than that of imports.
  - a) More
  - b) Less
  - c) More or Less
  - d) Not more than
6. If there is an imbalance in the trade balance (more imports than exports), it can be reduced by
  - a) decreasing customs duties
  - b) increasing export duties
  - c) stimulating exports
  - d) stimulating imports
7. Components of balance of payments of a country includes
  - a) Current account
  - b) Official account
  - c) Capital account
  - d) All of above
8. IBRD is otherwise called
  - a) IMF
  - b) World Bank
  - c) ASEAN
  - d) International Finance Corporation
9. The other name for Special Drawing Rights is
  - a) Paper gold
  - b) Quotas
  - c) Voluntary Export Restrictions
  - d) None of these
10. Which of the following is not the member of SAARC?
  - a) Pakistan
  - b) Sri Lanka
  - c) Bhutan
  - d) China
11. SAARC meets once in ----- years.
  - a) 2
  - b) 3
  - c) 4
  - d) 5
12. New Development Bank is associated with
  - a) BRICS
  - b) WTO
  - c) SAARC
  - d) ASEAN
13. Which of the following does not come under 'Six dialogue partners' of ASEAN?
  - a) China
  - b) Japan
  - c) India
  - d) North Korea
14. The term BRIC was coined in
  - a) 2001
  - b) 2005
  - c) 2008
  - d) 2010
15. The tax possesses the following characteristics
  - a) Compulsory
  - b) No quid pro quo
  - c) Failure to pay is offence
  - d) All the above
16. 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
17. The difference between revenue expenditure and revenue receipts is
  - a. Revenue deficit
  - b. Fiscal deficit
  - c. Budget deficit
  - d. Primary deficit
18. The difference between total expenditure and total receipts including loans and other liabilities is called
  - a. Fiscal deficit
  - b. Budget deficit
  - c. Primary deficit
  - d. Revenue deficit
19. The word budget has been derived from the French word "bougette" which means
  - a) A small bag
  - b) An empty box
  - c) A box with papers
  - d) None of the above
20. Which one of the following deficits does not consider borrowing as a receipt?
  - a) Revenue deficit
  - b) Budgetary deficit
  - c) Fiscal deficit
  - d) Primary deficit

## XII ECONOMICS – REVISION III (L.NO.7, 8 &amp; 9)

**II ANSWER THE FOLLOWING (ANY 7) Q.No.30 is compulsory**

7 X2 = 14

21. Define international trade.
22. State any two merits of trade.
23. What is the main difference between Adam Smith and Ricardo with regard to the emergence of foreign trade?
24. Write the meaning of Special Drawing rights.
25. Define Common Market.
26. Specify any two affiliates of World Bank Group.
27. What is public revenue?
28. Differentiate tax and fee.
29. What are the components of GST?
30. What do you mean by public debt?

**III ANSWER THE FOLLOWING (ANY 7) Q.No.40 is compulsory**

7 X3 = 21

31. Describe the subject matter of International Economics.
32. Compare the Classical Theory of international trade with Modern Theory of International trade.
33. What are import quotas?
34. What are trade blocks?
35. What is Multilateral Agreement?
36. State briefly the functions of SAARC.
37. List out the achievements of ASEAN.
38. Describe canons of Taxation.
39. State any three characteristics of taxation.
40. Mention any three methods of redemption of public debt

**IV ANSWER THE FOLLOWING**

7 X5 = 35

41. a) Explain briefly the Comparative Cost Theory. (OR)  
b) Explain the scope of public finance.
42. a). Bring out the merits of indirect taxes over direct taxes (OR)  
b) Explain the types of Terms of Trade given by Viner.
43. a) Write a note on a) SAARC b) BRICS (OR)  
b) Explain the methods of debt redemption.
44. a) How the Rate of Exchange is determined? Illustrate. (OR)  
b) Discuss the role of WTO in India's socio economic development.
- 45.a) Describe the various types of deficit in budget. (OR)  
b) Bring out the components of balance of payments account.
46. a) Bring out the functions of World Bank. (OR)  
b) Explain the principles of federal finance.
47. a) Explain the objectives of IMF. (OR)  
b) Discuss the differences between Internal Trade and International Trade.

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