

## UNIT TEST – 2 - 2021

## Economics

Class: 12

Maximum Marks: 50

Lesson: 4, 5, 6

Time Allowed: 1.30 Hrs

## PART - A

Choose the correct answer

10 x 1 = 10

1. If the Keynesian consumption function is  $C=10+0.8Y$  then, when disposable income is Rs 100, what is the marginal propensity to consume?
  - a) 0.8
  - b) 800
  - c) 810
  - d) 0.81
2. As increase in consumption at any given level of income is likely to lead
  - a) Higher aggregate demand
  - b) An increase in exports
  - c) A fall in taxation revenue
  - d) A decrease in import spending
3. The sum of the MPC and MPS is \_\_\_\_\_
  - a) 1
  - b) 2
  - c) 0.1
  - d) 1.1
4. According to Keynes, investment is a function of the MEC and \_\_\_\_
  - a) Demand
  - b) Supply
  - c) Income
  - d) Rate of interest
5. Irving Fisher's Quantity Theory of Money was popularized in
  - a) 1908
  - b) 1910
  - c) 1911
  - d) 1914.
6. During inflation, who are the gainers?
  - a) Debtors
  - b) Creditors
  - c) Wage and salary earners
  - d) Government
7. During depression the level of economic activity becomes extremely
  - a) high
  - b) bad
  - c) low
  - d) good
8. Central bank is-----authority of any country.
  - a) Monetary
  - b) Fiscal
  - c) Wage
  - d) National Income
9. Online Banking is also known as.
  - a) E-Banking
  - b) Internet Banking
  - c) RTGS
  - d) NEFT
10. Moral suasion refers.
  - a) Optimization
  - b) Maximization
  - c) Persuasion
  - d) Minimization

## PART-B

Answer any Five: (Compulsory Question No: 17)

5 x 2 = 10

11. Define average propensity to consume?
12. What do you mean by propensity to save?
13. Define Accelerator?
14. Define Inflation?
15. What is credit creation?

16. Define Central bank?

17. Mention the functions of agriculture credit department?

**PART-C**

**Answer any Five (Compulsory Question No: 24)**

**5x 3 = 15**

18. Differentiate autonomous and induced investment?

19. What are the determinants of money supply?

20. Write the types of inflation?

21. State Cambridge equations of value of Money?

22. What are the functions of NABARD?

23. Specify the functions of IFCI?

24. Distinguish between Money Market and Capital Market?

**PART-D**

**Answer All Questions:**

**3 x 5 = 15**

25. What are the differences between MEC and MEI? [OR]

Explain the operation of the Accelerator?

26. Describe the phases of Trade Cycle? [OR]

Explain the functions of money?

27. Elucidate the functions of Commercial banks? [OR]

What are the objectives of Monetary Policy?

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

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