

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Introduction to Macro Economics 1 marks**

12th Standard

Economics

100 x 1 = 100

- 1) The branches of the subject Economics is
 (a) Wealth and welfare (b) production and consumption (c) Demand and supply (d) micro and macro
- 2) Who coined the word 'Macro'?
 (a) Adam Smith (b) J M Keynes (c) Ragnar Frisch (d) Karl Marx
- 3) Who is regarded as Father of Modern Macro Economics
 (a) Adam Smith (b) J M Keynes (c) Ragnar Frisch (d) Karl Marx
- 4) Identify the other name for Macro Economics
 (a) Price Theory (b) Income Theory (c) Market Theory (d) Micro Theory
- 5) Macro economics is a study of _____
 (a) individuals (b) firms (c) a nation (d) aggregates
- 6) Indicate the contribution of J M Keynes to economics
 (a) Wealth of Nations (b) General Theory (c) Capital (d) Public Finance
- 7) A steady increase in general price level is termed as _____.
 (a) wholesale price index (b) Business Cycle (c) Inflation (d) National Income
- 8) 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
- 9) Indicate the fundamental economic activities of an economy
 (a) Production and Distribution (b) Production and Exchange (c) Production and Consumption (d) Production and Marketing
- 10) An economy consists of
 (a) consumption sector (b) Production sector (c) Government sector (d) All the above
- 11) Identify the economic system where only private ownership of production exists
 (a) Capitalistic Economy (b) Socialistic Economy (c) Globalistic Economy (d) Mixed Economy
- 12) Economic system representing equality in distribution is _____.
 (a) Capitalism (b) Globalism (c) Mixedism (d) Socialism
- 13) Who is referred as 'Father of Capitalism'?
 (a) Adam Smith (b) Karl Marx (c) Thackeray (d) J M Keynes
- 14) The country following Capitalism is _____
 (a) Russia (b) America (c) India (d) China
- 15) Identify The Father of Socialism
 (a) J M Keynes (b) Karl Marx (c) Adam Smith (d) Samuelson
- 16) An economic system where the economic activities of a nation are done both by the private and public together is termed as _____.
 (a) Capitalistic Economy (b) Socialistic Economy (c) Globalistic Economy (d) Mixed Economy
- 17) Quantity of a commodity accumulated at a point of time is termed as _____.

- (a) production (b) stock (c) variable (d) flow
- 18) Identify the flow variable
(a) money supply (b) assets (c) income (d) foreign exchange reserves
- 19) Identify the sectors of a Two Sector Model.
(a) Households and Firms (b) Private and Public (c) Internal and External (d) Firms and Government
- 20) 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
- 21) A steady fall in general price level is termed as _____.
(a) Deflation (b) Inflation (c) Trade (d) To achieve growth
- 22) Micro means _____.
(a) Large (b) Big (c) Small (d) Both 'a' and 'b'
- 23) Macro means _____.
(a) Large (b) Aggregate (c) Economy as a whole (d) All the above
- 24) Macro economics is also known as _____.
(a) Price theory (b) Income theory (c) Business cycle (d) Poverty and unemployment
- 25) Planned economy is also known as _____.
(a) Capitalist Economy (b) Socialist Economy (c) Mixed Economy (d) All the above
- 26) Father of socialism _____.
(a) Adam Smith (b) J.M. Keynes (c) Karl Marx (d) J.R. Hicks
- 27) Example for Mixed Economy _____.
(a) India (b) France (c) China (d) Both 'a' and 'b'
- 28) Combination of both capitalism and socialism _____.
(a) Capitalist Economy (b) Traditional Economy (c) Mixed Economy (d) Socialist Economy
- 29) Socialist Economy promote _____.
(a) Social welfare motive (b) Collective welfare motive (c) Profit motive (d) Both 'a' and 'b'
- 30) The right to property exists largely in _____.
(a) Traditional society (b) Capitalism (c) Socialism (d) Mixed economy
- 31) Absence of Price Mechanism is a characteristic feature of the _____.
(a) Socialist economy (b) Capitalist economy (c) Traditional economy (d) Mixed economy
- 32) Non-interference of the state is a characteristic features of the _____.
(a) Socialist Economy (b) Capitalist Economy (c) Traditional Economy (d) Command Economy
- 33) _____ sector sells the entire output to house holds.
(a) Firm (b) House hold (c) Government (d) Foreign trade
- 34) In addition to household and firms, inclusion of the government sector make this model a _____ model.
(a) Single sector model (b) Two sector model (c) Three sector model (d) Four sector model
- 35) _____ is a combination of both capitalism and socialism.
(a) Socialistic economy (b) Capitalistic economy (c) Traditional economy (d) Mixed economy

- 36) Identify the Father of Scientific Socialism.
 (a) Adam Smith (b) J.M. Keynes (c) Karl Marx (d) Marshall
- 37) Identify the stock variable.
 (a) Wealth (b) Income (c) Foreign exchange (d) Money
- 38) Identify the economic system where all decision are under taken by the central planning authority.
 (a) Socialist economy (b) Globalistic economy (c) Mixed economy (d) Capitalistic economy
- 39) Capitalism leads to _____.
 (a) Central planning (b) Class struggle (c) Welfare (d) All the above
- 40) The subject Economics is classified into two branches, namely,
 (a) Micro Economics and Minor Economics (b) Micro Economics and Macro Economics (c) Positive and Normative economics (d) Deductive and inductive economics
- 41) Who was the Norwegian economist and co-recipient of the first Nobel Prize?
 (a) JM Keynes (b) JR Hicks (c) Ragnar Frisch (d) Adam Smith
- 42) Macroeconomics in its modern form, began with John Maynard Keynes and his book "The General Theory of Employment, Interest and Money" published in _____?
 (a) 1936 (b) 1963 (c) 1935 (d) 1937
- 43) Identify which is not a subject matters covered in Macro Economics
 (a) employment (b) national income (c) inflation (d) Profit maximization
- 44) Inflation refers to steady _____ in general price level.
 (a) decrease (b) increase (c) constant (d) flat
- 45) The growth and development of an economy and the factors determining them could be understood only through _____.
 (a) macro analysis (b) micro analysis (c) positive analysis (d) rational analysis
- 46) Who defined the following statement for an economy? "A system by which people earn their living."
 (a) J. R. Hicks (b) A. J. Brown (c) J. S. Mill (d) J.M. Keynes
- 47) What supports the production and consumption activities?
 (a) production activity (b) consumption activity (c) distribution activity (d) exchange activity
- 48) Identify which of the following is not an external activity?
 (a) import and export (b) international relations (c) emigration and immigration (d) central bank policy
- 49) How the economy is divided based Nature of Functioning?
 (a) Static and Dynamic Economies (b) Developed and underdeveloped economies (c) Capitalist and Socialist economics (d) None of above
- 50) Identify which is not a part of classification of economy based on Status of Development
 (a) Mixed Economy (b) Developed and underdeveloped economie (c) Undeveloped economies (d) Developing economies
- 51) Identify which is not a part of classification of economy based on System of Activities
 (a) Capitalistic (b) Institutional (c) Socialistic (d) Mixed

- Economies Economies Economies Economies
- 52) Identify which is not a part of classification of economy based on Level of National Income
 (a) Foreign Income Economies (b) Low Income Economies (c) Middle Income Economies (d) High Income Economies
- 53) What is the term coined by Manfred D Steger (2002) to denote the new market ideology of globalisation that connects nations together through international trade and aiming at global development?
 (a) Extended Capitalism (b) Confined Capitalism (c) Favourable Capitalism (d) None of above
- 54) Identify which is not an example of capitalistic economy.
 (a) The USA economy (b) Germany economy (c) Indian economy (d) Australia economy
- 55) What is considered as the heart of any capitalistic economy?
 (a) Sales mechanism (b) Price mechanism (c) Demand mechanism (d) Exchange mechanism
- 56) Which of the following system leads to leads to frequent violent economic fluctuations and crises?
 (a) Free market system (b) Restricted market system (c) Black market system (d) New market system
- 57) _____ used in economic analysis are classified as stock and flow
 (a) Models (b) Variables (c) Charts (d) Equations
- 58) How many models of circular flow of economy are there?
 (a) One (b) Three (c) Five (d) Two
- 59) From the households sectors receives the income?
 (a) households sector (b) government expenditure (c) external sector (d) firm sector
- 60) The firm sector generates its by selling goods and services to the household sector
 (a) revenue (b) sales (c) expenditure (d) cost
- 61) Pick basic composition of two sector of model of economy
 (a) $Y = C + I + G + (X - M)$ (b) $Y = C + I + G$ (c) $Y = C + S$ (d) $Y = C + I$
- 62) Pick basic composition of three sector of model of economy.
 (a) $Y = C + I + G + (X - M)$ (b) $Y = C + I + G$ (c) $Y = C + S$ (d) $Y = C + I$
- 63) Pick basic composition of three sector of model of economy
 (a) $Y = C + I + G + (X - M)$ (b) $Y = C + I + G$ (c) $Y = C + S$ (d) $Y = C + I$
- 64) What shows flows of income, goods and services and factors of production between economic agents such as firms, households, government and nations
 (a) Circular Flow (b) Regular Flow (c) Cost Flow (d) Expenditure Flow
- 65) Assertion (A): The term coined by Manfred D Steger (2002) to denote the new market ideology of globalization.
 Reason (R): The ideology connects nations together through international trade and aiming at global development.
 (a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false. (d) (A) is false, but (R) is true.

66) Assertion (A): Each individual and organization produce only those goods which ensure high profit.

Reason (R): Profit is the driving force behind all economic activities in a capitalistic economy

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false (d) (A) is false, but (R) is true

67) The government has a limited role in a capitalistic economy

The government provides basic services such as, defense, public health, education, etc.

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false (d) (A) is false, but (R) is true

68) Planning is an integral part of a Capitalist economy.

In socialist system, all decisions are undertaken by the central planning authority

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false (d) (A) is false, but (R) is true

69) Match the items in the List – I with items in List – II. Select the correct answer from the code given below

List – I	List – II
I. Ownership of Means of Production	1. Free market System
II. Economic Motives	2. Private Ownership
III. Solution of Central Problems	3. Internal Regulation Only
IV. Government Role	4. Profit

- (a)

I	II	III	IV
3	2	1	4

 (b)

I	II	III	IV
2	4	1	3

 (c)

I	II	III	IV
2	3	4	1

 (d)

I	II	III	IV
3	4	1	2

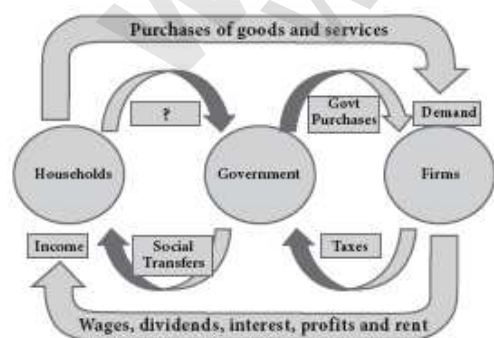
70) Identify which of following is not a feature of mixed economy?

- (a) Coexistence of Public and Private Sectors (b) Solution to Economic Problems (c) Equality of Income (d) Freedom and Control

71) Find the odd one out

- (a) $C + I$ (b) $C + I + G + (X - M)$ (c) $C + I + G$ (d) $(X - M)$

72) Find the missing flow from households to government in the diagram



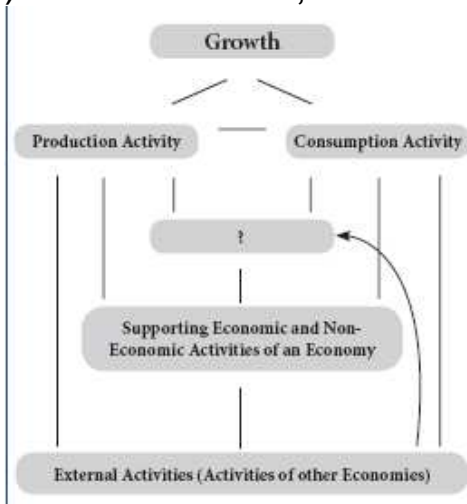
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- (a) Revenue (b) Fees (c) Taxes (d) None of the above

73) Given the chart, find the missing system of economy

- (a) Pure Mixed (b) Capitalist Learning (c) Mixed Learning (d) Marxis

74) Given the chart, find the missing activity of an economy.



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- (a) Foreign Activity (b) Excess Activity (c) Exchange Activity (d) Government Activity

75) Find the incorrect match

- (a) Capitalistic Economy - Capitalism (b) Command Economy - Socialism (c) Socialistic Economy - Globalism (d) Mixed Economy - Mixedism

76) Which of the following is not a macroeconomic goal?

- (a) Full Employment (b) Price Stability (c) Economic Security (d) All of the above are macro economic goals

77) Assertion (A) :The major problems of most resource - rich nations are poverty and unemployment.

Reason (R) :A clear understanding about the magnitude of poverty and unemployment facilitates allocation of resources and initiating corrective measures

- (a) Both A and R are true and R is the correct explanation of A (b) Both A and R are true but R is not the correct explanation of A (c) A is true but R is false. (d) A is false but R is true

78) Assertion (A) :Economic System refers to the manner in which individuals and institutions are connected together to carry out economic activities in a particular area.

Reason (R) :It is the methodology of doing economic activities to meet the needs of the society.

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

79) Assertion (A) :The means of production in a capitalistic economy are publicly owned.

Reason (R) :Manufacturers produce goods and services with profit motive

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false (d) A is false but R is true

80) Assertion (A) :Each individual and organization produce only those goods which ensure high profit.

Reason (R) :Profit is the driving force behind all economic activities in a capitalistic economy

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 81) Assertion (A) :In a mixed economy, all the resources are owned and operated by the government.
Reason (R) :Public welfare is the main motive behind all economic activities in mixed economy
(a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) Both A and R are false.
- 82) Assertion (A) :National plans are drawn up by the Government and both private and public sectors abide.
Reason (R) :The central planning authority prepares the economic plans
(a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 83) In a free-market economy the allocation of resources is determined by:
(a) Votes taken by consumers (b) A central planning authority (c) By consumer preferences (d) The level of profits of firms
- 84) The interaction of individuals and firms in a market can be described as a _____ of money, goods and services and resources through product and factor markets.
(a) Constant flow (b) Stable flow (c) Circular Flow (d) Circular Flow
- 85) The simple circular flow model shows that:
(a) Households are on the buying side of both product and resource market (b) Businesses are on the selling side of both product and resource markets (c) Households are on the selling side of the resource market and on the buying side of the product market (d) Businesses are on the buying side of the product market and on the selling side of the resource market.
- 86) Which of the following is a limitation of the simple circular flow model?
(a) Product markets are ignored (b) Resource markets are ignored. (c) The determination of product and resource prices is not explained. (d) Households are included, but not businesses.
- 87) Which of the following statements regarding the circular-flow diagram is true?
(a) If Vijay works for XYZ Solutions Ltd. and receives a salary payment, the transaction takes place in the market for goods and services. (b) If Vijay works for XYZ Solutions Ltd. and receives a salary payment, the transaction takes place in the market for goods and services. (c) None of these answers are owned by households. (d) The factors of production are owned by households.
- 88) In the circular-flow diagram
(a) Firms are sellers in the resource market and the product market (b) Households are sellers in the resource market (c) Firms are buyers in the product market (d) Spending on goods and services flow from firms to households
- 89) In the circular-flow diagram
(a) Spending on (b) Goods and (c) Factors of (d) Income from

goods and services flow from firms to households services flow from households to firms production flow from firms to households factors of production flows from firms to households

- 90) Which of the following could not be considered a major economic system?
 (a) capitalism. (b) communism. (c) socialism. (d) secularism.
- 91) Unlike a market economy, a command economy uses
 (a) more centralized planning in economic decision making (b) consumer sovereignty to make production decisions (c) its resources more efficiently (d) price signals in economic decision making
- 92) Which of the following is a basic characteristic of Capitalism?
 (a) economic decisions occur in markets (b) income is distributed on the basis of "need." (c) private ownership of property is illegal (d) none of the above answers are correct
- 93) The government may impose industrial safety regulations and occupational licensing requirements in which of the following economic systems?
 (a) laissez-faire economy (b) laissez-faire economy (c) mixed market economy (d) macroeconomic system
- 94) For an economy consisting of households and businesses only, which of the following is consistent with the circular flow of income and production?
 (a) Households are producers of goods and services and consumers of resources (b) Households are users of resources, and businesses are sources of saving (c) Households are suppliers of resources and consumers of goods and services (d) Businesses are users of taxes, and households are sources of taxes.
- 95) With what kinds of topics does macroeconomics concern itself?
 (a) Economic activities of individual firms, households, and other organizations (b) Forces of supply and demand in a particular market (c) Consumer behavior and firms output decisions (d) Aggregate economic phenomena like the rate of unemployment and inflation

- 96) Match the correct codes

1. "The General Theory of Employment, Interest and Money	i. A. J. Brown
2. Globalism The term coined by Manfred D Steger	ii 1936
3. The word 'Macro' is derived from the Greek word 'Makros' meaning	iii 2002
4. "A system by which people earn their living	iv Large

- (a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)

- 97) Match the correct codes

1 Profit	i Capitalism
2. Social Welfare	ii Socialism
3. Social Welfare and Profit Motive	iii Capitalist Economy
4. Free Market System	iv Mixed Economy

- (a) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii)

(i)

98) Match the correct codes

1 Govt. Internal Regulation only	i	Capitalism
2. Complete Involvement of Gov.	ii	Socialism
3. Limited Role of Government	iii	Mixed Economy
4 Government Enterprise Naure	iv	Capitalist Economy

(a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (c) (1) – (iv) (2) – (iii) (d) (1) – (i) (2) – (ii)
 (3) – (iv) (4) – (iii) (iii) (3) – (iv) (4) – (iii) (3) – (i) (4) – (ii) (3) – (iii) (4) – (iv)

(i)

99) Match the correct codes

1 $Y = C + I$	i	Don't exist
2. $Y = C + I + G$	ii	Two Sector
3. $Y = C + I + G + (X - M)$	iii	Three Sector
4. $Y = C$	iv	Four Sector

(a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (c) (1) – (iv) (2) – (iii) (d) (1) – (i) (2) – (ii)
 (3) – (iv) (4) – (iii) (iii) (3) – (iv) (4) – (iii) (3) – (i) (4) – (ii) (3) – (iii) (4) – (iv)

(i)

100) Match the correct codes

1. Wages, dividends, interest, profits and rent	-i	Towards Government
2. Purchases of goods and Service	-ii	Towards households
3. Taxes	-iii	Towards firm
4. Social Transfer	-iv	Towards house hold

(a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (c) (1) – (iv) (2) – (iii) (d) (1) – (i) (2) – (ii)
 (3) – (iv) (4) – (iii) (iii) (3) – (iv) (4) – (iii) (3) – (i) (4) – (ii) (3) – (iii) (4) – (iv)

(i)

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Introduction to Macro Economics 2 marks

12th Standard

Economics

20 x 2 = 40

- 1) Define Macro Economics
- 2) Define the term 'Inflation
- 3) What is meant by an 'Economy'?
- 4) Classify the economies based on status of development
- 5) What do you mean by Capitalism?
- 6) Define 'Economic Model"
- 7) 'Circular Flow of Income' - Define
- 8) Write down the three types of economic systems.
- 9) What are the demerits of socialism?
- 10) What is Mixed Economy?
- 11) What are the merits of Mixed Economy?
- 12) Give the countries which have communism.
- 13) Draw the diagram for Circular flow of income in a Two-sector economy
- 14) Who is the controll authority of socialistic economy?
- 15) What is Business Cycle?
- 16) What is Globalisation?
- 17) Write a note on Central Planning?
- 18) Define Globalism
- 19) What are flow variables?
- 20) Identify the following topics which are predominantly macroeconomic

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Introduction to Macro Economics 3 marks

12th Standard

Economics

20 x 3 = 60

- 1) State the importance of Macro Economics
- 2) Describe the different types of economic systems.
- 3) Outline the major merits of capitalism.
- 4) Indicate the demerits of socialism
- 5) Enumerate the features of mixed economy
- 6) Distinguish between Capitalism and Globalism.
- 7) Briefly explain the two sector circular flow model.
- 8) Outline major demerits of capitalism.
- 9) Write any two demerits of capitalism.
- 10) Explain any two merits of socialism.
- 11) What are the demerits of mixed economy?
- 12) What are the limitation of Macro Economics.
- 13) Explain any three features of Capitalistic Economy.
- 14) Bring out the functions of an economy with the help of flow chart.
- 15) Describe the three models of circular flow of income.
- 16) Indicate the demerits of Mixed Economy.
- 17) Draw the flow chart of Functioning of an Economy Based on Activities
- 18) Write the basis how Economies can be classified into different types
- 19) What are the Merits of Socialism?
- 20) Draw the flow chart of four sector model.

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Introduction to Macro Economics 5 marks

12th Standard

Economics

10 x 5 = 50

- 1) Discuss the scope of Macro Economics
- 2) Illustrate the functioning of an economy based on its activities
- 3) Compare the features of capitalism and socialism
- 4) Compare the feature among Capitalism, Secularism and Mixedism
- 5) Explain the four sector circular flow model.
- 6) Explain the merits of socialism.
- 7) Explain the Demerits of capitalism.
- 8) Explain the three sector model of economy with chart
- 9) Discuss the features of Capitalist economy
- 10) Explain the concepts of macro economics

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12th Standard

Economics

20 x 1 = 20

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(a) money supply (b) assets (c) income (d) foreign exchange reserves
- 11) 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
- 12) Micro means _____.
(a) Large (b) Big (c) Small (d) Both 'a' and 'b'
- 13) Example for Mixed Economy _____.
(a) India (b) France (c) China (d) Both 'a' and 'b'
- 14) Market forces are _____.
(a) Supply and price (b) Demand and price (c) Prices of commodity (d) Supply and demand
- 15) Identify the stock variable.
(a) Wealth (b) Income (c) Foreign exchange (d) Money
- 16) The subject Economics is classified into two branches, namely,
(a) Micro Economics and Minor Economics (b) Micro Economics and Macro Economics (c) Positive and Normative economics (d) Deductive and inductive economics

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- 17) Identify which of the following is not an external activity?
 (a) import and export (b) international relations (c) emigration and immigration (d) central bank policy
- 18) Identify which is not an example of capitalistic economy.
 (a) The USA economy (b) Germany economy (c) Indian economy (d) Australia economy
- 19) From the households sectors receives the income?
 (a) households sector (b) government expenditure (c) external sector (d) firm sector
- 20) Pick basic composition of three sector of model of economy
 (a) $Y = C + I + G + (X - M)$ (b) $Y = C + I + G$ (c) $Y = C + S$ (d) $Y = C + I$
 $7 \times 2 = 14$
- 21) Define Macro Economics
- 22) Define the term 'Inflation
- 23) What is meant by an 'Economy'?
- 24) Classify the economies based on status of development
- 25) What do you mean by Capitalism?
- 26) Define 'Economic Model"
- 27) 'Circular Flow of Income' - Define
 $7 \times 3 = 21$
- 28) State the importance of Macro Economics
- 29) Describe the different types of economic systems.
- 30) Outline the major merits of capitalism.
- 31) Indicate the demerits of socialism
- 32) Enumerate the features of mixed economy
- 33) Distinguish between Capitalism and Globalism.
- 34) Briefly explain the two sector circular flow model.
 $7 \times 5 = 35$
- 35) Discuss the scope of Macro Economics
- 36) Illustrate the functioning of an economy based on its activities
- 37) Compare the features of capitalism and socialism
- 38) Compare the feature among Capitalism, Secularism and Mixedism
- 39) Explain the Demerits of capitalism.
- 40) Explain the three sector model of economy with chart
- 41) Explain the concepts of macro economics

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**National Income 1 marks**

12th Standard

Economics

100 x 1 = 100

- 1) Net National product at factor cost is also known as
(a) National Income (b) Domestic Income (c) Per capita Income (d) Salary
- 2) Primary sector is _____
(a) Industry (b) Trade (c) Agriculture (d) Construction.
- 3) National income is measured by using _____ methods.
(a) Two (b) Three (c) Five (d) Four
- 4) Income method is measured by summing up of all forms of _____
(a) Revenue (b) Taxes (c) expenditure (d) Income
- 5) Which is the largest figure?
(a) Disposable income (b) Personal Income (c) NNP (d) GNP
- 6) Expenditure method is used to estimate national income in _____
(a) Construction sector (b) Agricultural Sector (c) Service sector (d) Banking sector
- 7) Tertiary sector is also called as _____ sector
(a) Service (b) Income (c) Industrial (d) Production
- 8) National income is a measure of the _____ performance of an economy
(a) Industrial (b) Agricultural (c) Economic (d) Consumption
- 9) Per capita income is obtained by dividing the National income by _____
(a) Production (b) Population of a country (c) Expenditure (d) GNP
- 10) $GNP = \text{_____} + \text{Net factor income from abroad}$
(a) NNP (b) NDP (c) GDP (d) Personal income
- 11) NNP stands for _____
(a) Net National Product (b) National Net product (c) National Net Provident (d) National Net Provident
- 12) _____ is deducted from gross value to get the net value
(a) Income (b) Depreciation (c) Expenditure (d) Value of final goods
- 13) The financial year in India is _____
(a) April 1 to March 31 (b) March 1 to April 30 (c) March 1 to March 16 (d) January 1 to December 31
- 14) When net factor income from abroad is deducted from NNP, the net value is _____
(a) Gross National Product (b) Disposable Income (c) Net Domestic Product (d) Personal Income
- 15) The value of NNP at production point is called _____
(a) NNP at factor cost (b) NNP at market cost (c) GNP at factor cost (d) Per capita income
- 16) The average income of the country is _____
(a) Personal Income (b) Per capita income (c) Inflation Rate (d) Disposal Income
- 17) The value of national income adjusted for inflation is called _____
(a) Inflation Rate (b) Disposal Income (c) GNP (d) Real national income
- 18) Which is a flow concept ?

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- (a) Number of shirts (b) Total wealth (c) Monthly income (d) Money supply
- 19) PQLI is the indicator of _____
 (a) Economic growth (b) Economic welfare (c) Economic welfare (d) Economic development
- 20) The largest proportion of national income comes from _____
 (a) Private sector (b) Local sector (c) Public sector (d) None of the above
- 21) GNP stands for
 (a) Net National Product (b) Gross Net Product (c) Gross Net Provident (d) Gross National Product
- 22) GDP stands for
 (a) Gross Domestic Product (b) Gross Direct Product (c) Gross Domestic Provident (d) Gross Derived Product
- 23) Formula for calculating NNP at factor cost.
 (a) $\frac{\text{Nominal GDP}}{\text{Real GDP}} \times 100$ (b) NNP at Market Prices - Indirect taxes + Subsidies. (c) GNP - Depreciation allowance (d) Output = Income = Expenditure
- 24) Value of output =
 (a) Sales + Change in stock (b) Sales - Change in stock (c) Sales \div Change in stock (d) Sales x Change in stock
- 25) Per capita Income =
 (a) National Income - Population (b) Personal Income (c) National Income \div Population (d) National Income x Population
- 26) A country which has no economic relations with other countries is termed as
 (a) Open economy (b) Closed economy (c) Planned economy (d) Command economy
- 27) National Income provides a comprehensive measure of _____ activities of a nation.
 (a) Economic activity (b) Production activity (c) Consumption activity (d) Industrial activity
- 28) Nobel laureate Simon Kuznets introduced the first concept of _____
 (a) Per capita Income (b) National Income (c) Domestic Income (d) Personal Income
- 29) GDP calculate at market price is known as _____.
 (a) GDP at factor price (b) NDP at factor price (c) GNP at factor price (d) GDP at Market price
- 30) GNP is the total measure of the flow of _____ and services.
 (a) Semi goods (b) Semi finished good (c) Final goods (d) None of these
- 31) GNP includes _____ types of final goods and services.
 (a) Two (b) Four (c) Five (d) Three
- 32) Goods and services produced in a year to satisfy immediate wants is known as _____.
 (a) Production (b) Consumption (c) Distribution (d) Exchange
- 33) Inventories of finished and unfinished goods are called _____.
 (a) Net Investment (b) Investment (c) Gross Investment (d) Both 'a' and 'b'
- 34) GNP at Market prices = GDP at Market Price + _____.
 (a) Net Market Income (b) Net Factor Income from abroad (c) Both 'a' and 'b' (d) Personal Income

- 35) $NNP = \underline{\hspace{2cm}}$ - Depreciation.
 (a) GNP (b) GDP (c) NDP (d) All of these
- 36) $\underline{\hspace{2cm}}$ Income is the buying power of nominal income.
 (a) Gross Income (b) Real Income (c) Per capita Income (d) National Income
- 37) National Income expressed in terms of money at $\underline{\hspace{2cm}}$ prices.
 (a) Constant Price (b) Market Price (c) Current Price (d) All the above
- 38) $Output = Income = \underline{\hspace{2cm}}$
 (a) Price (b) Expenditure (c) Income (d) None of these
- 39) $Output = \underline{\hspace{2cm}} = Expenditure$.
 (a) Output (b) Expenditure (c) Price (d) Income
- 40) $\underline{\hspace{2cm}}$ reflects the economic welfare of the country.
 (a) Personal Income (b) Per capita Income (c) Disposal Income (d) All of these
- 41) Great care is required to calculate $\underline{\hspace{2cm}}$.
 (a) Capital Gains (b) Social Accounting (c) Double Counting (d) Statistical Problems
- 42) $\underline{\hspace{2cm}}$ Framework is useful for economists as well as policy makers.
 (a) Social Accounting (b) Statistics (c) Capital Gains (d) None of these
- 43) Under social accounting method the economy is divided into $\underline{\hspace{2cm}}$ sectors.
 (a) four (b) two (c) several (d) three
- 44) $\underline{\hspace{2cm}}$ provides the social goods like public health and education etc.
 (a) Private (b) Government (c) Unorganised sector (d) None of these
- 45) The growth of an economy is indicated by an $\underline{\hspace{2cm}}$.
 (a) Increase in general prices (b) Increase in national income (c) Increase in savings (d) Increase in investment
- 46) The per capita income of an economy can be calculated by $\underline{\hspace{2cm}}$.
 (a) Dividing GDP by population (b) Dividing GNP by population (c) Multiplying GNP by population (d) Dividing GNP by number of people employed
- 47) The total money value of final goods and services produced in the country excluding depreciation is called $\underline{\hspace{2cm}}$.
 (a) NDP (b) GDP (c) NNP (d) GNP
- 48) The difference between NNP and NDP is $\underline{\hspace{2cm}}$.
 (a) Depreciation of the world (b) Current transfers from rest of the world (c) Indirect tax (d) Net factor income from abroad
- 49) National income per person is used as an indicator of $\underline{\hspace{2cm}}$.
 (a) standard of living of people (b) poverty of the people (c) the richness of people (d) growth of industrialisation
- 50) National income was called 'national dividend' by $\underline{\hspace{2cm}}$.
 (a) Irving Fisher (b) Alfred Marshall (c) Samuelson (d) T.M.Keynes
- 51) $\underline{\hspace{2cm}}$ is a measure of the total value of the goods and services produced in an economy for a year.
 (a) GNP (b) GDP (c) National income (d) Per capita income
- 52) $GDP = \underline{\hspace{2cm}}$.
 (a) $GNP + Depreciation$ (b) $GNP - Net\ income\ earned\ from\ abroad$ (c) $GNP - Depreciation$ (d) $NNP - Depreciation$

- 53) The income method of calculating national income includes the income of the _____
 (a) farmers only (b) businessmen only (c) service sector only (d) factors of production
- 54) _____ is not the correct indicator for the living standards of the people.
 (a) Per capita income (b) National income (c) Both (d) None of the above
- 55) In _____ method, the measures of GDP are calculated for adding total value of output produced by all activities during a year.
 (a) Expenditure (b) Income (c) Product (d) All the above
- 56) In _____ method, the measures of GDP are calculated by adding all the expenditures made in the economy.
 (a) Income (b) Expenditure (c) Product (d) All the above
- 57) GDP indicates productive capacity for an _____.
 (a) economy (b) employment (c) income (d) population
- 58) Transfer earnings is referred to _____.
 (a) Pension payments to retired persons (b) Income paid as rent to landlord (c) An interest payments to a capitalist (d) Medical payments made to an employee of a company
- 59) Parallel economy refers to _____.
 (a) agricultural economy (b) _____ industries (c) banking activities (d) black money in circulation
- 60) _____ is measured by using three method.
 (a) National Income (b) Domestic Income (c) Per capita Income (d) Personal Income
- 61) Secondary sector is _____.
 (a) Industry (b) Trade (c) Agriculture (d) Manufacture
- 62) Tertiary sector is _____.
 (a) Industry (b) Banking (c) Agriculture (d) Import and Export
- 63) $GDP =$ _____
 (a) $GDP \text{ at Market Price} + \text{Net factor income from abroad}$ (b) $GDP = \frac{\text{Normal GDP}}{\text{Real GDP}} \times 100$ (c) $GDP = GNP + \text{Net factor income from abroad}$ (d) All the above
- 64) Who was the Nobel laureate first introduced the concept of national income?
 (a) Quasney (b) Keynes (c) Simon Kuznets (d) Adam Smith
- 65) _____ means the total money value of all final goods and services produced in a country during a particular period of time.
 (a) State Revenue (b) National Income (c) Local Expenditure (d) International Income
- 66) $(X - M)$ is net export which can be.....?
 (a) positive or negative (b) positive (c) negative (d) none of the above
- 67) Find the missing term in the following equation.
 $NNP \text{ at factor cost} = NNP \text{ at Market prices} - \dots\dots\dots + \text{Subsidies}$
 (a) Direct taxes (b) Income of residents (c) Income of residents abroad (d) Indirect taxes
- 68) Personal income is derived from national income by _____. undistributed corporate profit, and employees' contributions to social security schemes and adding transfer payment.

- (a) adding (b) deducting (c) multiplying (d) subtracting
- 69) GDP deflator is anof goods and services included in GDP
 (a) index of cost changes (b) index of GDP growth (c) index of price changes (d) index of wages
- 70) Find the odd one out
 (a) Production or value added method (b) Deductive method (c) Income method or factor earning method (d) Expenditure method
- 71) Given the equation, which of the following is wrong? $Y = w + r + i + \pi + (R-P)$
 (a) $w =$ wages (b) $r =$ rent (c) $i =$ interest (d) $\pi =$ income
- 72) Windfall gains such as lotteries are also not to be included as they do not represent receipts from any productive activity
 (a) current (b) previous (c) future (d) none of the above
- 73) In case of transfer payments of nation income, expenditures towards payment incurred by the government like old age pension.....?
 (a) should be included (b) should not be included (c) both (d) none
- 74) (i) Firms, (ii) Households, (iii) Government, (iv) Rest of the world and (v) Capital sector. are different elements of?
 (a) social accounting method (b) private accounting method (c) public accounting method (d) social accounting model
- 75) _____ refers to saving an investment activities?
 (a) Firm sector (b) Household sector (c) Capital sector (d) Corporate sector
- 76) "The Government sector" refers to the economic transactions ofat all levels, centre, state and local?
 (a) firms (b) public bodies (c) society (d) Non-governmental organisations
- 77) What we can get by deriving the following equation? Private Final Consumption + Government Final Consumption Expenditure + Gross Domestic Capital Formation + Net Exports (Exports – Imports)
 (a) GNPMP (b) NDPFP (c) GDPMP (d) NDPFP
- 78) Find the incorrect match
 (a) Firms - Productive Activities (b) Households - Employment generation (c) Government - Public bodies (d) Capital sector - Savings and Investment
- 79) Which one of the following doesn't include 'income of residents'?
 (a) GDP (b) NNP (c) GNP (d) None of the above
- 80) Remittances made by NRIs to India in the context of national income accounting is called as....?
 (a) Remittance Income (b) NRI Income (c) Factor Payments (d) All of the above
- 81) Which one of the following is roughly equal to national income?
 (a) GDP (b) NNP (c) GNP (d) SDP
- 82) Why do not the sale or purchase of used goods are not included in the GDP?
 (a) Used goods have only limited life (b) Used goods are not fresh production (c) Used goods are included in the previous GDP calculations (d) All the above
- 83) Investment is reckoned by which method for computing GDP:
 (a) Income Method (b) Product method (c) Expenditure Method (d) Value added Method

- 84) Inventories are unsold goods produced by a firm, then why do they are included in GDP?
 (a) Inventories represent value (b) Inventories add to the stock of the firm (c) They are purchases by the firm itself (d) All the above
- 85) Value added at each stage of production means
 (a) Value of output minus value of input (b) Total value added by that stage (c) Total value produced at that stage (d) All of the above
- 86) Imputed value of good is added to the GDP because
 (a) Value of output minus value of input (b) Total value added by that stage (c) Total value produced at that stage (d) All of the above
- 87) GDP Deflator is also called as:
 (a) Implicit Cost Deflator (b) GDP at Factor Cost (c) Implicit Wage Deflator (d) Implicit Price Deflator
- 88) Personal Income includes:
 (a) Dividend distributed (b) Social insurance contributions (c) Corporate profit (d) None of the above
- 89) Assertion (A) :The growth of an economy is measured by the rate at which its real national income grows over time.
 Reason (R) : National income thus serves as an instrument of economic planning.
 (a) Both A and R are true and R is the correct explanation of A (b) Both A and R are true but R is not the correct explanation of A (c) A is true but R is false (d) A is false but R is true
- 90) Assertion (A) :Personal income is the total income received by the individuals of a country from all sources before payment of direct taxes in a year.
 Reason (R) :Personal income is never equal to the national income, because the former includes the transfer payments whereas they are not included in national income
 (a) Both A and R are true and R is the correct explanation of A (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false (d) A is true but R is false
- 91) Assertion (A) :The receipts from the sale of second hand goods should not be treated as part of national income.
 Reason (R) :They do create new flow of goods or services in the current year
 (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A (c) A is true but R is false. (d) A is false but R is true
- 92) The market value of all final goods and services produced within domestic territory of the country during a year is known as _____
 (a) GDP_{MP} (b) GDP_{FC} (c) GNP_{MP} (d) GNP_{FC}
- 93) The money value of all final goods and services produced in the domestic territory of a country during a year plus Net factor income from abroad is called _____
 (a) GDP_{MP} (b) GDP_{FC} (c) GNP_{MP} (d) GNP_{FC}
- 94) The difference between the income received from abroad for rendering factor services by the normal residents of the country to the rest of the world and income paid for the factor services rendered by nonresidents in the domestic territory of a country is known as _____

- (a) Net Factor Income from Abroad (b) Capital Consumption Allowances (c) Depreciation (d) None of these
- 95) That part of personal income which is actually available to households for consumption and saving is called _____
 (a) National Disposable Income (b) Personal Disposable Income (c) Personal Income (d) None
- 96) Real and nominal income is calculated respectively at _____
 (a) Current price and Constant Price (b) Constant price and Current price (c) Current price and Constant price (d) Constant price and Current price
- 97) Sum of all kinds of income received by the individuals from all sources is called _____
 (a) Personal Income (b) Private Income (c) Personal Disposable Income (d) Non
- 98) GNP_{MP} is equal to
 (a) $GDP_{MP} + NFIA$ (b) $GDP_{MP} - NFIA$ (c) $GDP_{MP} - D$ (d) None
- 99) Which of the following would be included in the income approach to measure GDP?
 (a) Wages, profits, rents (b) Wages, profits, investment spending (c) Wages, rents, investment spending, consumption spending (d) The value added in production
- 100) Match the correct codes

1	The total measure of the flow of final goods and services at market value resulting from current production in a country during a year, including net income from abroad	i	Per Capita Income
2	The market value of output	ii	GNP
3	The total income received by the individuals of a country from all sources before payment of direct taxes in a year	iii	NNP
4	The average income of a person of a country in a particular year	iv	Personal income

- (a) a (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (iii)
 (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (ii)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (iv)

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National Income 2 marks

12th Standard

Economics

25 x 2 = 50

- 1) Define National Income.
- 2) Write the formula for calculating GNP
- 3) What is the difference between NNP and NDP?
- 4) Trace the relationship between GNP and NNP
- 5) What do you mean by the term 'Personal Income'?
- 6) Define GDP deflator
- 7) Why is self consumption difficult in measuring national income?
- 8) Write the formula for calculating NDP.
- 9) What are the methods of measuring National Income?
- 10) What do you mean by Real Income?
- 11) Write the formula for Personal Income.
- 12) What do you mean by Disposable Income?
- 13) What are the basic concepts for measuring national income?
- 14) What is Current prices?
- 15) Give an example of how real GDP could be increased even though no more output is produced
- 16) What is the formula for calculating GDP at Market Price
- 17) What are unpaid services?
- 18) List some limitations of GDP as a measurement of social welfare
- 19) Why social accounting is considered as most useful tool of national income calculation?
- 20) Mention the sector divided in social accounting method
- 21) Explain what is meant by the concept of "value added" and how it can be used to calculate GDP.
- 22) Define GDP in broad terms
- 23) Mention any two statistical problems as Difficulties in Measuring National Income
- 24) What is the features of GDP_{MP} ?
- 25) What do you understand by Net Factor Income from Abroad (X-M)?

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National Income 3 marks

12th Standard

Economics

20 x 3 = 60

- 1) Write a short note on per capita income
- 2) Differentiate between personal and disposable income.
- 3) Explain briefly NNP at factor cost.
- 4) Give short note on Expenditure method
- 5) What is the solution to the problem of double counting in the estimation of national income?
- 6) Write briefly about national income and welfare
- 7) List out the uses of national income
- 8) What are the difficulties in measuring National Income?
- 9) Write down the some of the statistical problems?
- 10) What is Depreciation?
- 11) What is Per capita income?
- 12) What is Output method? What is its major challenge?
- 13) What are the National Income identities?
- 14) What are the five types of final goods and services that GNP includes?
- 15) Compare and contrast different measures of GDP calculations
- 16) How the gross value of the farm output is obtained In India?
- 17) What are the steps involved in income method?
- 18) What are the items should not be included while estimating national income through income method?
- 19) What are the items should be included while estimating national income through income method?
- 20) Write a note on social account method of national income

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National Income 5 marks

12th Standard

Economics

10 x 5 = 50

- 1) Explain the importance of national income
- 2) Discuss the various methods of estimating the national income of a country
- 3) What are the difficulties involved in the measurement of national income?
- 4) Discuss the importance of social accounting in economic analysis
- 5) Discuss the method measuring the National Income by Income Method.
- 6) Discuss the methods of measuring the National Income by Product Method.
- 7) Discuss the limitations of National Income as an index of economic welfare.
- 8) Explain the basic concepts of national income.
- 9) Discuss the concept of "Factor Cost".
- 10) Given the table, calculate GNP, NNP, National Income, Personal Income and Disposable income

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**National Income slip test**

12th Standard

Economics

20 x 1 = 20

- 1) Net National product at factor cost is also known as
(a) National Income (b) Domestic Income (c) Per capita Income (d) Salary
- 2) Primary sector is _____
(a) Industry (b) Trade (c) Agriculture (d) Construction.
- 3) National income is measured by using _____ methods.
(a) Two (b) Three (c) Five (d) Four
- 4) Income method is measured by summing up of all forms of _____
(a) Revenue (b) Taxes (c) expenditure (d) Income
- 5) Which is the largest figure?
(a) Disposable income (b) Personal Income (c) NNP (d) GNP
- 6) Expenditure method is used to estimate national income in _____
(a) Construction sector (b) Agricultural Sector (c) Service sector (d) Banking sector
- 7) Tertiary sector is also called as _____ sector
(a) Service (b) Income (c) Industrial (d) Production
- 8) National income is a measure of the _____ performance of an economy
(a) Industrial (b) Agricultural (c) Economic (d) Consumption
- 9) Per capita income is obtained by dividing the National income by _____
(a) Production (b) Population of a country (c) Expenditure (d) GNP
- 10) $GNP = \text{_____} + \text{Net factor income from abroad}$
(a) NNP (b) NDP (c) GDP (d) Personal income
- 11) NNP stands for _____
(a) Net National Product (b) National Net product (c) National Net Provident (d) National Net Provident
- 12) _____ is deducted from gross value to get the net value
(a) Income (b) Depreciation (c) Expenditure (d) Value of final goods
- 13) The financial year in India is _____
(a) April 1 to March 31 (b) March 1 to April 30 (c) March 1 to March 16 (d) January 1 to December 31
- 14) When net factor income from abroad is deducted from NNP, the net value is _____
(a) Gross National Product (b) Disposable Income (c) Net Domestic Product (d) Personal Income
- 15) The value of NNP at production point is called _____
(a) NNP at factor cost (b) NNP at market cost (c) GNP at factor cost (d) Per capita income
- 16) The average income of the country is _____
(a) Personal Income (b) Per capita income (c) Inflation Rate (d) Disposal Income
- 17) The value of national income adjusted for inflation is called _____
(a) Inflation Rate (b) Disposal Income (c) GNP (d) Real national income
- 18) Which is a flow concept ?

FULL SETS ANSWERS COST RS..100 ONLY. WHATSAPP - 8056206308**Kindly Send me Your Key Answer to Our email id - Padasalai.net@gmail.Com**

- (a) Number of shirts (b) Total wealth (c) Monthly income (d) Money supply
- 19) PQLI is the indicator of _____
- (a) Economic growth (b) Economic welfare (c) Economic welfare (d) Economic development

- 20) The largest proportion of national income comes from _____
 - (a) Private sector (b) Local sector (c) Public sector (d) None of the above
- 7 x 2 = 14

- 21) Define National Income.
 - 22) Write the formula for calculating GNP
 - 23) What is the difference between NNP and NDP?
 - 24) Trace the relationship between GNP and NNP
 - 25) What do you mean by the term 'Personal Income'?
 - 26) Define GDP deflator
 - 27) Why is self consumption difficult in measuring national income?
- 7 x 3 = 21

- 28) Write a short note on per capita income
 - 29) Differentiate between personal and disposable income.
 - 30) Explain briefly NNP at factor cost.
 - 31) Give short note on Expenditure method
 - 32) What is the solution to the problem of double counting in the estimation of national income?
 - 33) Write briefly about national income and welfare
 - 34) List out the uses of national income
- 7 x 5 = 35

- 35) Explain the importance of national income
- 36) Discuss the various methods of estimating the national income of a country
- 37) What are the difficulties involved in the measurement of national income?
- 38) Discuss the importance of social accounting in economic analysis
- 39) Discuss the methods of measuring the National Income by Product Method.
- 40) Discuss the limitations of National Income as an index of economic welfare.
- 41) Explain the basic concepts of national income.

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Theories of Employment and Income 1 MARKS**

12th Standard

Economics

100 x 1 = 100

- 1) Every able bodied person who is willing to work at the prevailing wage rate is employed called as _____
 (a) Full employment (b) Under employment (c) Unemployment (d) Employment opportunity
- 2) Structural unemployment is a feature in a _____
 (a) Static society (b) Socialist society (c) Dynamic society (d) Mixed economy
- 3) In disguised unemployment, the marginal productivity of labour is _____
 (a) Zero (b) One (c) Two (d) Positive
- 4) The main concention of the Classical Economic Theory is _____
 (a) Under employment (b) Economy is always in the state of equilibrium (c) Demand creates its supply (d) Imperfect competition
- 5) J.B. Say is a _____
 (a) Neo Classical Economist (b) Classical Economist (c) Modern Economist (d) New Economist
- 6) According to Keynes, which type of unemployment prevails in capitalist economy ?
 (a) Full employment (b) Voluntary unemployment (c) Involuntary unemployment (d) Under employment
- 7) 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
- 8) Keynes attributes unemployment to _____
 (a) A lack of effective supply (b) A lock of effective demand (c) A lack of both (d) None of the above
- 9) _____ Flexibility brings equality between saving and investment
 (a) Demand (b) Supply (c) Capital (d) Interest
- 10) _____ theory is a turning point in the development of modern economic theory.
 (a) Keynes' (b) Say's (c) Classical (d) Employmen
- 11) 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
- 12) The component of aggregate demand is _____
 (a) Personal demand (b) Government expenditure (c) Only export (d) Only import
- 13) Aggregate supply is equal to _____
 (a) $C + I + G$ (b) $C + S + G + (x-m)$ (c) $C + S + T + (x-m)$ (d) $C + S + T + R_f$
- 14) Keynes theory pursues to replace laissez faire by _____
 (a) No government intervention (b) Maximum intervention (c) State intervention in certain situation (d) Private sector intervention

- 15) In Keynes theory of employment and income, _____ is the basic cause of economic depression
 (a) Less (b) More (c) Inelastic (d) Less aggregate demand in relation to productive capacity
- 16) Classical theory advocates _____
 (a) Balanced budget (b) Unbalanced budget (c) Surplus budget (d) Deficit budget
- 17) Keynes theory emphasized on _____ equilibrium
 (a) Very short run (b) Short run (c) Very long run (d) Long run
- 18) According to classical theory, rate of interest is a reward for _____
 (a) Investment (b) Demand (c) Capital (d) Saving
- 19) In Keynes theory, the demand for and supply of money are determined by _____
 (a) Rate of interest (b) Effective demand (c) Aggregate demand (d) Aggregate supply
- 20) Say's law stressed the operation of _____ in the economy
 (a) Induced price mechanism (b) Automatic price mechanism (c) Induced demand (d) Induced investment
- 21) Every able bodied person who is willing to work at the prevailing wage rate but not employed is called _____
 (a) Full employment (b) Under employment (c) Unemployment opportunity (d) Employment
- 22) Interest flexibility brings equality between _____
 (a) Income and consumption (b) Saving and investment (c) Demand and supply (d) Labour and capital
- 23) 'Full employment as the absence of involuntary unemployment' was said by _____
 (a) J.B. Say (b) Ricardo (c) J.M. Keynes. (d) Adam Smith
- 24) Full employment as "that level of employment at which any further increase in spending would resort in an inflationary spiral of wages and prices" who quote this above concept.
 (a) J.M. Keynes (b) Lerner (c) J.B. Say (d) All the above
- 25) Rate of interest is a stock _____
 (a) Socialism (b) Keynesianism (c) Classicism (d) All the above
- 26) 'Demand creates its own supply' - who said this.
 (a) Socialism (b) Keynesianism (c) Classicism (d) Both 'b' and 'c'
- 27) 'Rate of interest is a reward for parting with liquidity' - Its belongs to which theory.
 (a) Keynesianism (b) Socialism (c) Both 'a' and 'b' (d) Classicism
- 28) Every economy in the world aims at attaining the level of _____
 (a) Full employment (b) Unemployment (c) Seasonal unemployment (d) Educated unemployment
- 29) Total production equals to _____
 (a) total income (b) gross income (c) net income (d) total sales
- 30) Keynes theory of employment and income is the principle of _____
 (a) long run (b) short run (c) capital (d) production
- 31) _____ was one of the most influential economists of the 20th Century.

- (a) J.B.Say (b) Marshall (c) John Maynard Keynes (d) Adam Smith
- 32) Effective demand equals to _____
 (a) National income (b) Gross income (c) Total income (d) Net income
- 33) _____ is only a medium of exchange.
 (a) Money (b) Goods (c) Labour (d) Service
- 34) _____ is homogeneous
 (a) Goods (b) Product (c) Labour (d) Money
- 35) Wages and prices are _____
 (a) flexible (b) related (c) homogeneous (d) none of the above
- 36) Capital stock and technological knowledge are given in the _____
 (a) medium run (b) long run (c) short run (d) none of the above
- 37) Say's law of market is the core of the _____ theory of employment.
 (a) classical (b) economical (c) environmental (d) proportional
- 38) Supply creates its own _____
 (a) demand (b) production (c) money (d) sales
- 39) _____ price is the total amount of money.
 (a) Aggregate supply (b) Aggregate demand (c) Aggregate income (d) Aggregate price
- 40) The entrepreneur would be encouraged to employ _____
 (a) more labour (b) more income (c) more product (d) more capital
- 41) _____ has inherent contradictions.
 (a) Socialism (b) Traditional (c) Capitalism (d) Economy
- 42) Based on Keynesianism _____ is vice.
 (a) Saving (b) Production (c) Consumption (d) None of these
- 43) _____ returns takes place as more workers are employed.
 (a) Law of diminishing marginal (b) Law of equi demand (c) Law of demand (d) None of the above
- 44) J.B. Say is a _____ economist.
 (a) French (b) British (c) Dutch (d) Indian
- 45) J.M. Keynes is one of the greatest and most influential economist in _____ century.
 (a) 17th (b) 18th (c) 19th (d) 20th
- 46) Keynesian theory is based on _____ equilibrium.
 (a) Very short - run equilibrium (b) Short run - equilibrium (c) Long run - equilibrium (d) Very long run - equilibrium
- 47) Classicism theory is based on _____ equilibrium.
 (a) Very short run (b) Short run (c) Long run (d) very long run
- 48) _____ refers to persuasion.
 (a) Growth rate (b) Minimization (c) Optimization (d) Moral Suasion
- 49) _____ started functioning from 1st July 1963.
 (a) ARDC (b) IMF (c) RBI (d) SBI
- 50) _____ was set up in July 1982.
 (a) ARDC (b) NABARD (c) ICICI (d) Indian Bank
- 51) J.M. Keynes was born in _____
 (a) 1885 (b) 1884 (c) 1883 (d) 1882
- 52) Keynes book, "The General Theory of Employment, interest and Money" published in _____.

- (a) 1932 (b) 1930 (c) 1933 (d) 1936
- 53) A situation in which every able bodied person who is willing to work at the prevailing wage rate, is employed _____?
- (a) Less than full employment (b) Full employment (c) underemployment (d) structural employment
- 54) Who said this? "that level of employment at which any further increase in spending would result in an inflationary spiral of wages and prices"
- (a) J.S.Mill (b) .J.M.Keynes (c) Lerner (d) Pigou
- 55) Which of the following economies largely structural unemployment which is due to slow rate of capital formation?
- (a) Developing economies (b) Underdeveloped economies (c) Developed economies (d) None of the above
- 56) _____ can be cured by public investment or expansionary monetary policy.
- (a) Frictional unemployment (b) Structural unemployment (c) Cyclical unemployment (d) educational unemployment
- 57) Find the unsuitable example for Seasonal unemployment
- (a) ice cream industry (b) doctors (c) farmers (d) farmers
- 58) Which of the following is not responsible for educated unemployment in India?
- (a) Faulty education system (b) lack of employable skills (c) Foreign Education (d) mass student turnout
- 59) Structural unemployment results from massive and deep rooted changes in _____?
- (a) political structure (b) economic structure (c) social structure (d) cultural structure
- 60) Identify the odd one
- (a) David Ricardo (b) J. M. Keynes (c) J. S. Mill (d) J. B. Say
- 61) Find the incorrect assumption of Say's Law
- (a) No single buyer or seller of commodity or an input can affect price (b) government intervention (c) Full employment (d) There is wage-price flexibility
- 62) Find the author of book, "The General Theory of Employment, Interest and Money" published in 1936.
- (a) David Ricardo (b) J. S. Mill (c) J. M. Keynes (d) J. B. Say
- 63) What is considered as the starting point of Keynes theory of employment and income?
- (a) The principle of effective demand (b) The principle of effective supply (c) The principle of effective equilibrium (d) Say's Market Law
- 64) Which of the following is not an assumption of classical theory?
- (a) Price flexibility (b) Unemployment (c) Say's law (d) Neutrality of money
- 65) Which of the following is not an obstacle to full employment in classical theory?
- (a) Excess of saving over investment (b) Liquidity trap (c) Price rigidity (d) Wage Flexibility
- 66) In classical theory of employment, there is the possibility of:
- (a) Voluntary (b) No (c) Involuntary (d) Disguised

- unemployment unemployment unemployment unemployment
- 67) The idea that a general cut in wages will finally lead to a state of full employment was suggested by:
 (a) Keynes (b) Marshall (c) J.B.Say (d) A.C.Pigou
- 68) Say's law of market says:
 (a) Supply creates its own demand (b) Demand creates supply (c) Income generates demand (d) Savings create demand
- 69) Supply creates its own demand "is a law of:
 (a) Investment (b) Inflation (c) Consumption (d) Market
- 70) In classical system which of the following keeps the economy at full employment
 (a) Level of saving (b) Increase in money supply (c) Adjustment in investment (d) Adjustment in money wages
- 71) In classical theory which of the following is found in the economy
 (a) Unemployment (b) Involuntary unemployment (c) Less than full employment (d) Full employment
- 72) Frictional unemployment exists:
 (a) When there is a decrease in real GDP (b) Because it takes time to find a job when one is first entering the labour force (c) As a result of technological change (d) When an individual retires
- 73) The natural rate of unemployment equals the sum of those who are:
 (a) Frictionally and structurally unemployed (b) Frictionally and cyclically unemployed (c) Structurally and cyclically unemployed (d) Frictionally, structurally and cyclically unemployed
- 74) In the Keynesian two sector economy, $AD > AS$, then
 (a) $S = I$ (b) $S > I$ (c) $S < I$ (d) $S = 0$
- 75) In the Keynesian two sector economy, $AD < AS$, then
 (a) $S = I$ (b) $S > I$ (c) $S < I$ (d) $S = 0$
- 76) In the classical theory the equality between saving and investment is brought about by
 (a) Income (b) Rate Interest (c) Consumption (d) None of these
- 77) Find the incorrect match with context of classical theory
 (a) Short-run equilibrium (b) S & I - Saving and investment through interest rate equilibrium (c) c. Money - The function of money is to act as a medium of exchange (d) Approach - Micro foundation to macro problems
- 78) A positively sloped aggregate supply curve indicates that
 (a) An increase in aggregate demand will be associated with an increase in the price level and no change in equilibrium output. (b) An increase in aggregate demand will be associated with an increase in both the price level and equilibrium output (c) An increase in aggregate demand will be associated with an increase in equilibrium output and no change in the price level (d) None of the above
- 79) Which of the following are true of disguised unemployment?
 I. It represents potential savings.
 II. The marginal productivity of labour is zero or extremely low.
 III. It is due to the existence of joint family system.
 IV. It is confined to the rural areas.

- (a) II and IV (b) III and IV (c) I, II and III (d) I, II, III and IV
- 80) Suppose there is full employment and vertical aggregate supply schedule. An increase in the nominal money supply
- (a) reduces the rate of interest and changes the composition of output
 (b) causes a proportional increase in real output
 (c) has no effect on the real money supply or the composition of output
 (d) causes the real money supply to increase, which changes composition of output
- 81) Assertion (A) :In developing countries like India, the nature of unemployment is different from that of developed countries.
 Reason (R) :In developed countries, the unemployment is purely temporary or cyclical or frictional
- (a) Both A and R are true and R is the correct explanation of A
 (b) Both A and R are true but R is not the correct explanation of A.
 (c) A is true but R is false
 (d) A is false but R is true
- 82) Assertion (A) :Structural unemployment is due to drastic change in the structure of the society.
 Reason (R) :Lack of demand for the product or shift in demand to other products cause this type of unemployment.
- (a) Both A and R are true and R is the correct explanation of A.
 (b) Both A and R are true but R is not the correct explanation of A.
 (c) A is true but R is false
 (d) A is false but R is true.
- 83) Assertion (A) :The theory of Keynes was against the belief of classical economists that the market forces in capitalist economy adjust themselves to attain equilibrium.
 Reason (R) :Keynes not only criticized classical economists but also advocated his own theory of employment.
- (a) Both A and R are true and R is the correct explanation of A.
 (b) Both A and R are true but R is not the correct explanation of A.
 (c) A is true but R is false
 (d) A is false but R is true
- 84) Assertion (A) :The starting point of Keynes theory of employment and income is the principle of market law.
 Reason (R) :Market Law denotes money actually spent by the people on products of industry
- (a) Both A and R are true and R is the correct explanation of A.
 (b) Both A and R are true but R is not the correct explanation of A.
 (c) A is true but R is false
 (d) Both A and R are false
- 85) Assertion (A) :Effective demand determines the level of unemployment in the economy.
 Reason (R) :When effective demand increases, employment will increase. When effective demand decreases, the level employment will decline
- (a) Both A and R are true and R is the correct explanation of A
 (b) Both A and R are true but R is not the correct explanation of A.
 (c) A is true but R is false
 (d) A is false but R is true.
- 86) Assertion (A) :Aggregate supply function is an increasing function of the level of employment.

Reason (R) :Aggregate supply refers to the value of total output of goods and services produced in an economy in a year.

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

87) Assertion (A) : The slope of the aggregate supply curve depends on the relation between the employment and productivity.

Reason (R) :The capital stock is often fixed and hence the law of diminishing marginal returns takes place as more workers are employed.

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

88) The total demand for goods and services in an economy is known as:

- (a) Aggregate demand. (b) Gross national product. (c) Economy-wide demand. (d) National demand.

89) Unemployment means that

- (a) People are not willing to work at the going wage rate. (b) At the going wage rate, there are people who want to work but cannot find work. (c) There are some people who will not work at the going wage rate. (d) There is excess demand in the labour market.

90) Which of the following was not a classical economist?

- (a) Adam Smith. (b) Thomas R. Malthus. (c) John Stuart Mill. (d) John Maynard Keynes.

91) The Keynesian remedy for unemployment is to

- (a) decrease aggregate demand. (b) reduce tax rates or lower interest rates. (c) decrease government spending. (d) decrease private consumption and investment.

92) Mohan used to work as an autoworker, and due to the decline of the Indian auto industry, is now unemployed and thinking about retraining as a bicycle assembler. What type of unemployment is he experiencing?

- (a) frictional unemployment. (b) structural unemployment. (c) cyclical unemployment. (d) natural unemployment.

93) Thalib lost his job during the last recession. What type of unemployment is he experiencing?

- (a) frictional unemployment. (b) structural unemployment. (c) cyclical unemployment. (d) natural unemployment.

94) After raising two children, Ancy has started looking for a job and sent out a few job applications. What type of unemployment is she experiencing?

- (a) frictional unemployment. (b) structural unemployment. (c) cyclical unemployment. (d) natural unemployment.

95) In the classical model:

- (a) flexible markets will keep the economy at a full-employment level of spending and output. (b) both households' saving activity and firms' investment activity are quite sensitive to changes in the interest rate. (c) adjustments in the interest rates quickly correct any imbalances between saving and investment. (d) all of the above.

96) Match the correct codes

1	J.B. Say's Market Law	i	A person receives his income from production which is spent on the purchase of goods and services produced by others
2.	Keynes theory of employment	ii	Denotes money actually spent by the people on products of industry
3.	Market Law Meaning	iii	Effective demand signifies the money spent on consumption of goods and services and on investment
4.	Effective demand	iv	Supply creates its own demand

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i)
 (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (i)
 (d) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i)

97) Match the correct codes

1	"An Enquiry into the Nature and Causes of the Wealth of Nations	i	1776
2.	"The General Theory of Employment, Interest and Money	i	1936
3.	Market Law	iii	ADF equals ASF
4.	Effective Demad	iv	S equals D

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i)
 (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (i)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

98) Match the correct codes

1	This unemployment exists during the downturn phase of trade cycle in the economy.	i	Cyclical Unemployment
2.	This type of unemployment occurs during certain seasons of the year	ii	Seasonal Unemployment
3.	Frictional unemployment arises due to imbalance between supply of labour and demand for labour	iii	Temporary Unemployment
4.	Sometimes educated people are underemployed or unemployed when qualification does not match the job	iv	Educated Unemployment

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i)
 (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (i)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

99) Match the correct codes

1	Modern technology being capital intensive requires slanderousness contributes to technological unemployment.	i	Technical Unemployment
2	Due to drastic change in the structure of the societ	ii	Structural Unemployment
3.	Occurs when more people are than what is actually required	iii	Seasonal Unemployment
4.	ice cream industry, holiday resorts etc	iv	Disguised unemployment

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i)
 (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (i)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

100) Match the correct codes

1. AD	i	$C + S + T + R_f$
2. ED	ii	Supply = Demand
Occurs when more people are than what is actually required		Seasonal Unemployment
3 AS	iii	$Y = C + I = \text{Output} = \text{Employment}$
4. Market Law	iv	$C + I + G + (X - M)$

(a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)

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Theories of Employment and Income 2 MARKS

12th Standard

Economics

25 x 2 = 50

- 1) Define full employment.
- 2) What is the main feature of rural unemployment ?
- 3) Give short note on frictional unemployment
- 4) Give reasons for labour retrenchment at present situation
- 5) List out the assumptions of Say's law.
- 6) What is effective demand ?
- 7) What are the components of aggregate supply ?
- 8) Give short note on Cyclical unemployment?
- 9) What are the four components of aggregate demand?
- 10) Write any two types of unemployment?
- 11) What is Say's law of market?
- 12) What is unemployment?
- 13) What are the assumptions of Say's Law of Market?
- 14) What are the three motives of liquidity preference?
- 15) List various types of unemployment.
- 16) Write a short note on Seasonal Unemployment
- 17) What is Technical Unemployment?
- 18) Mention few names of Classical theor
- 19) Write any two Criticisms of Say's Law.
- 20) Draw the diagram of effective demand
- 21) Write the equation of Aggregate Supply.
- 22) What is Aggregate supply?
- 23) Write a note on "wage-price flexibility" of classicals
- 24) Write a note on "wage-price rigidity" Keynes.
- 25) Comment : "Self-Adjustment not Possible"

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Theories of Employment and Income 3 MARKS

12th Standard

Economics

15 x 3 = 45

- 1) Explain the following in short
 - (i) Seasonal unemployment
 - (ii) Frictional unemployment
 - (iii) Educated unemployment
- 2) According to classical theory of employment, how wage reduction solve the problem of unemployment diagrammatically explain.
- 3) Write short note on the implications of Say's law.
- 4) Explain Keynes' theory in the form of flow chart
- 5) What do you mean by aggregate demand ? Mention its components
- 6) Explain about aggregate supply with the help of diagram.
- 7) Write any five differences between classism and Keynesianism.
- 8) Explain the classical theory about unemployment?
- 9) Write a short note on effective demand?
- 10) Give the factors on which the aggregate demand depends.
- 11) Write the criticism of Say's Law.
- 12) Distinguish between Fictional and Structural unemployment.
- 13) Comment - "Ex ante and Ex post in Says' Law
- 14) Aggregate Demand Function (ADF) – Explain
- 15) What are the economic costs of unemployment?

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Theories of Employment and Income 5 MARKS

12th Standard

Economics

10 x 5 = 50

- 1) Describe the types of unemployment
- 2) Critically explain Say's law of market
- 3) Narrate the equilibrium between ADF and ASF with diagram
- 4) Explain the differences between classical theory and Keynes theory.
- 5) List out all assumption of say's law of market?
- 6) Draw the diagram ADF.
- 7) Draw the diagram for Aggregate supply curves diagram.
- 8) Comparison of Classicism and Keynesianism
- 9) In each of the following scenario, classify the individual as frictionally,structurally, or cyclically unemployed. Explain your classification.
 - (a) There has been a general economic slow down. Because of weak demand, Kumar has lost his portering job at the railway station.
 - (b) Sathish, a newly qualified dental graduate, is looking for a place to set up practice.
 - (c) Latha is thrown out of work by the introduction of a more mechanized production process.
 - (d) Devi, a computer programmer with a large bank, quit her job two months ago in search of a better-paid programming position. She is still looking.
- 10) State the 'Full Employment' in The Classical view.

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Theories of Employment and Income SLIP TEST**

12th Standard

Economics

20 x 1 = 20

- 1) Every able bodied person who is willing to work at the prevailing wage rate is employed called as _____
 (a) Full employment (b) Under employment (c) Unemployment (d) Employment opportunity
- 2) Structural unemployment is a feature in a _____
 (a) Static society (b) Socialist society (c) Dynamic society (d) Mixed economy
- 3) In disguised unemployment, the marginal productivity of labour is _____
 (a) Zero (b) One (c) Two (d) Positive
- 4) The main concention of the Classical Economic Theory is _____
 (a) Under employment (b) Economy is always in the state of equilibrium (c) Demand creates its supply (d) Imperfect competition
- 5) J.B. Say is a _____
 (a) Neo Classical Economist (b) Classical Economist (c) Modern Economist (d) New Economist
- 6) According to Keynes, which type of unemployment prevails in capitalist economy ?
 (a) Full employment (b) Voluntary unemployment (c) Involuntary unemployment (d) Under employment
- 7) 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
- 8) Keynes attributes unemployment to _____
 (a) A lack of effective supply (b) A lock of effective demand (c) A lack of both (d) None of the above
- 9) _____ Flexibility brings equality between saving and investment
 (a) Demand (b) Supply (c) Capital (d) Interest
- 10) _____ theory is a turning point in the development of modern economic theory.
 (a) Keynes' (b) Say's (c) Classical (d) Employmen
- 11) 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
- 12) The component of aggregate demand is _____
 (a) Personal demand (b) Government expenditure (c) Only export (d) Only import
- 13) Aggregate supply is equal to _____
 (a) $C + I + G$ (b) $C + S + G + (x-m)$ (c) $C + S + T + (x-m)$ (d) $C + S + T + R_f$
- 14) Keynes theory pursues to replace laissez faire by _____
 (a) No government intervention (b) Maximum intervention (c) State intervention in certain situation (d) Private sector intervention

- 15) In Keynes theory of employment and income, _____ is the basic cause of economic depression
 (a) Less (b) More (c) Inelastic (d) Less aggregate demand in relation to productive capacity
- 16) Classical theory advocates _____
 (a) Balanced budget (b) Unbalanced budget (c) Surplus budget (d) Deficit budget
- 17) Keynes theory emphasized on _____ equilibrium
 (a) Very short run (b) Short run (c) Very long run (d) Long run
- 18) According to classical theory, rate of interest is a reward for _____
 (a) Investment (b) Demand (c) Capital (d) Saving
- 19) In Keynes theory , the demand for and supply of money are determined by _____
 (a) Rate of interest (b) Effective demand (c) Aggregate demand (d) Aggregate supply
- 20) Say's law stressed the operation of _____ in the economy
 (a) Induced price mechanism (b) Automatic price mechanism (c) Induced demand (d) Induced investment
- 7 x 2 = 14
- 21) Define full employment.
- 22) What is the main feature of rural unemployment ?
- 23) Give short note on frictional unemployment
- 24) Give reasons for labour retrenchment at present situation
- 25) List out the assumptions of Say's law.
- 26) What is effective demand ?
- 27) What are the components of aggregate supply ?
- 7 x 3 = 21
- 28) Explain the following in short
 (i) Seasonal unemployment
 (ii) Frictional unemployment
 (iii) Educated unemployment
- 29) According to classical theory of employment, how wage reduction solve the problem of unemployment diagrammatically explain.
- 30) Write short note on the implications of Say's law.
- 31) Explain Keynes' theory in the form of flow chart
- 32) What do you mean by aggregate demand ? Mention its components
- 33) Explain about aggregate supply with the help of diagram.
- 34) Write any five differences between classism and Keynesianism.
- 7 x 5 = 35
- 35) Describe the types of unemployment
- 36) Critically explain Say's law of market
- 37) Narrate the equilibrium between ADF and ASF with diagram
- 38) Explain the differences between classical theory and Keynes theory.
- 39) Draw the diagram ADF.
- 40) Draw the diagram for Aggregate supply curves diagram.
- 41) Comparison of Classicism and Keynesianism

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RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Consumption and Investment Functions 1 MARKS**

12th Standard

Economics

100 x 1 = 100

- 1) The average propensity to consume is measured by
(a) C/Y (b) $C \times Y$ (c) Y/C (d) $C+Y$
- 2) 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
- 3) If the Keynesian consumption function is $C=10+0.8 Y$ then, if disposable income is Rs 1000, what is amount of total consumption?
(a) Rs.0.8 (b) Rs.800 (c) Rs.810 (d) Rs.0.81
- 4) 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) Rs.0.8 (b) Rs.800 (c) Rs.810 (d) Rs.0.81
- 5) If the Keynesian consumption function is $C=10+0.8 Y$ then, and disposable income is Rs.100, what is the average propensity to consume?
(a) Rs.0.8 (b) Rs.800 (c) Rs.810 (d) Rs.0.9
- 6) 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
- 7) 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
- 8) Lower interest rates are likely to :
(a) Decrease in consumption (b) increase cost of borrowing (c) Encourage saving (d) increase borrowing and spending
- 9) The MPC is equal to :
(a) Total spending / total consumption (b) Total consumption/total income (c) Change in consumption /change in income (d) none of the above
- 10) 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
- 11) The sum of the MPC and MPS is _____
(a) 1 (b) 2 (c) 0.1 (d) 1.1
- 12) As income increases, consumption will _____
(a) fall (b) not change (c) fluctuate (d) increase
- 13) When investment is assumed autonomous the slope of the AD schedule is determined by the _____

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- (a) marginal propensity to invest (b) disposable income (c) marginal propensity to consume (d) average propensity to consume
- 14) The multiplier tells us how much _____ changes after a shift in _____
 (a) Consumption, income (b) investment, output (c) savings, investment (d) output, aggregate demand
- 15) The multiplier is calculated as
 (a) $1/(1-MPC)$ (b) $1/MPS$ (c) $1/MPC$ (d) a and b
- 16) If the MPC is 0.5, the multiplier is _____
 (a) 2 (b) $1/2$ (c) 0.2 (d) 20
- 17) In an open economy import _____ the value of the multiplier
 (a) Reduces (b) increase (c) does not change (d) changes
- 18) According to Keynes, investment is a function of the MEC and _____
 (a) Demand (b) Supply (c) Income (d) Rate of interest
- 19) The term super multiplier was first used by
 (a) J.R.Hicks (b) R.G.D. Allen (c) Kahn (d) Keynes
- 20) The term MEC was introduced by
 (a) Adam Smith (b) J.M. Keynes (c) Ricardo (d) Malthus
- 21) Higher Interest rates likely to
 (a) Reduce investment (b) Decrease the cost of borrowing (c) Discourage saving (d) Increase borrowing and spending
- 22) If the Keynesian consumption function is $C = 10 + 0.9 Y$ then, if disposable income is Rs 1000, what is amount of total consumption?
 (a) 0.9 (b) 800 (c) 0.91 (d) 910
- 23) If the Keynesian consumption function is $C = 10 + 0.8Y$ then, if disposable income is Rs 1000, what is amount of total saving?
 (a) 810 (b) 190 (c) 0.8 (d) 0.81
- 24) If the Keynesian consumption function is $C = 10 + 0.5Y$ then, and disposable income is 100, what is the average propensity to consume?
 (a) 0.5 (b) 0.6 (c) 0.7 (d) 0.8
- 25) Decrease in consumption at any given level of income is likely to lead
 (a) Lower aggregate demand (b) An increase in exports (c) Higher aggregate demand (d) An increase in investment
- 26) Formula for calculating Multiplier
 (a) $K = \frac{1}{1-MPC}$ (b) $\frac{\Delta Y}{\Delta I}$ (c) $\frac{1}{MPS}$ (d) All the above
- 27) If the MPC = 0.6, find MPS
 (a) 1 (b) 0.4 (c) 0.6 (d) 2
- 28) _____ principle explains the relationship between consumption expenditure and capital expenditure
 (a) Multiplier (b) Accelerator (c) Super Multiplier (d) All the above
- 29) In the long run, the autonomous consumption will become _____
 (a) Maximum (b) Minimum (c) Negative (d) Zero
- 30) Investment is the addition to real _____
 (a) Input (b) Output Asset (c) Capital Assets (d) None of these
- 31) According to Keynes, employment depends on _____
 (a) savings (b) Income (c) Interest (d) Investment

- 32) The term consumption function explains the relationship between _____ and _____
 (a) Labour and Consumer (b) Income and Consumption (c) Consumer and Consumption (d) Organisation and Consumption
- 33) The Great Depression of 1930s was also caused by a _____
 (a) Fall in investment (b) Income and consumption (c) Income and employment (d) Interest and money
- 34) The magnified effect of initial investment on income is called _____ effect.
 (a) Multiplier (b) Value of multiplier (c) both (d) none
- 35) Accelerator (β) = _____
 (a) $C + I$ (b) $1/1 - MPC$ (c) $\frac{\Delta C}{\Delta C}$ (d) $\Delta C/\Delta Y$
- 36) _____ is the author of the "General theory of employment, interest and money"
 (a) J.M. Keynes (b) J.B. Say's (c) David Ricardo (d) Malthus
- 37) The author of the book "General Theory of Employment, Interest and Money" is:
 (a) Adam Smith (b) J.M. Keynes (c) David Ricardo (d) Alfred Marshall
- 38) _____ is the autonomous consumption.
 (a) Consumption made either by gift or borrowings (b) _____ (c) _____ (d) None
- 39) _____ is the correct formula of MPS.
 (a) $\Delta S/\Delta Y$ (b) $\Delta I/\Delta Y$ (c) $\Delta P/\Delta Q$ (d) $\Delta C/\Delta Y$
- 40) Theory of _____ states the effect of investment upon the level of income.
 (a) _____ (b) J.B. Say's Law of Multiplier market theory (c) General theory (d) Classical theory of employment
- 41) The expected rate 'of profit technically means _____
 (a) Marginal efficiency of capital (b) Aggregate Demand (c) The principle of effective demand (d) Consumption function
- 42) Investment depends upon _____ and rates of interest.
 (a) MEC (b) AD (c) Both (d) None
- 43) $K=1/MPS=$ _____
 (a) $\frac{\Delta P}{\Delta Q}$ (b) $\frac{C}{4} \times \frac{\Delta P}{\Delta Q}$ (c) Value of multiplier (d) Value of accelerator
- 44) The average propensity to save is measured by _____
 (a) C/Y (b) $C \times Y$ (c) S/Y (d) $C + Y$
- 45) If the MPS is 0.5, the multiplier is _____
 (a) 0.2 (b) 1 (c) 0.5 (d) 2
- 46) The concept of multiplier was first developed by _____ in terms of employment.
 (a) R.F.Khan (b) J.M Keynes (c) H.F.Khan (d) M.J.Keynes
- 47) The simple accelerated model was made by J.M. Clark in _____
 (a) 1915 (b) 1916 (c) 1917 (d) 1910
- 48) As income decreases, consumption will _____
 (a) fall (b) not change (c) fluctuate (d) increase

- 49) "The consumption expenditure depends not only on his current income but also past income and standard of living" Who said this?
 (a) J.M.Keynes (b) R.F.Khan (c) J.R Hicks (d) Duesenberry
- 50) Formula for calculating Accelerator
 (a) $MPC = \Delta C / \Delta Y$ (b) $K = 1/MPS$ (c) $\Delta I / \Delta C$ (d) C/Y
- 51) What is the primary macro economic objective?
 (a) acceleration of growth of national income (b) acceleration of growth of state inc (c) acceleration of growth of private income (d) acceleration of growth of international income
- 52) The value of multiplier itself depends on _____ or marginal propensity to consume.
 (a) savings function (b) investment function (c) consumption function (d) interest function
- 53) The ratio of consumption expenditure to any particular level of income is called as..?
 (a) The average propensity to consume (b) The average propensity to saving (c) The average propensity to investment (d) The marginal propensity to consume
- 54) The average APC is expressed in _____ and the MPC in _____?
 (a) percentage and ratio (b) ratio and fraction (c) percentage and fraction (d) none of the above
- 55) What is not the nature of other variables such as income distribution, tastes, habits, social customs, price movements, population growth, etc. in the context of consumption function?
 (a) other things being constant (b) ceteris paribus (c) constant extraneous variables (d) dynamic variables postulate
- 56) Find the missing value.
- | Income Y | Consumption C | Savings S=Y-C |
|----------|---------------|---------------|
| 120 | 120 | 0 |
| 180 | 170 | 10 |
| 240 | ? | 20 |
- (a) 220 (b) 290 (c) 0 (d) 20
- 57) Find the odd on out with context of subjective factor of consumption function
 (a) The motive of precaution (b) The motive of foresight (c) The motive of calculation (d) The Average Propensity to Save
- 58) Find the odd on out with context of objective factor of Consumption function
 (a) Price level (b) Wage level (c) The motive of pride (d) Interest rate
- 59) Who is the proponent of the following statement? "The community with more equal distribution of income tends to have high propensity to consume."
 (a) Keynes (b) V.K.R.V. Rao (c) Hicks (d) Say
- 60) Find what is associated with the following: Construction of road, bridges, School, Charitable houses.
 (a) Induced Investment (b) Private Investment (c) Autonomous Investment (d) None
- 61) What is the nature of the relationship between the national income and induced investment?
 (a) positive (b) negative (c) zero (d) infinite

- 62) Which is not a Determinants of Investment Function
 (a) Rate of interest (b) Level of uncertainty (c) Political environment (d) Taste and preferences
- 63) Contended that business expectations and profits are more important in deciding investment?
 (a) Hicks (b) Keynes (c) Keats (d) Joan
- 64) Which one of the following factor that is not taken into consideration while making any investment decision
 (a) The cost of the capital asset return from during its lifetime (b) The expected rate of (c) The Marginal propensity to save rate of interest (d) The market
- 65) Find the value of K, if MPC is 0.75, MPS is 0.25.
 (a) 8 (b) 4 (c) 1 (d) 2
- 66) _____ is otherwise known as simultaneous multiplier, timeless multiplier, and logical multiplier.
 (a) Dynamic multiplier (b) Super multiplier (c) Static multiplier (d) Government multiplier
- 67) _____ is also known as 'sequence multiplier'. In real life, income level does not increase instantly with investment.
 (a) Dynamic multiplier (b) Super multiplier (c) Static multiplier (d) Government multiplier
- 68) Which of the following is not a kind of multiplier?
 (a) Tax multiplier (b) Employment multiplier (c) Foreign Trade multiplier (d) Technical Multiplier
- 69) Arrange the order of accelerator effects
 Increase in consumer demand Films get close to fill capacity Films invest to meet rising demand
 (a) I, II, III (b) II, I, III (c) III, II, I (d) III, I, II
- 70) Which of the is not a Assumptions?
 (a) Formulating Government policies (b) Absence of excess capacity in consumer (c) Supply of funds and other inputs is quite elastic
- 71) If there is _____ in the consumer goods industry, the accelerator principle would not work.
 (a) Full capacity (b) unused or excess capacity (c) No capacity (d) None
- 72) The slope of the consumption function is called
 (a) MPC (b) MPS (c) APC (d) APS
- 73) Psychological law of consumption states that the value of MPC is lies between zero and
 (a) 1 (b) 2 (c) 3 (d) 4
- 74) When $MPS = 0.2$, MPC will be
 (a) 0.8 (b) 0.2 (c) 1.2 (d) 20
- 75) In the linear consumption function $C = a + bY$, coefficient 'a' denotes
 (a) MPC (b) APC (c) Autonomous consumption (d) Induced consumption
- 76) When $MPC = 0.5$, the value of multiplier is
 (a) 5 (b) 0.5 (c) 2 (d) 4
- 77) Autonomous investment is
 (a) Income inelastic (b) Instable (c) Interest elastic (d) Income elastic

- 78) MEC for a capital good was found out to be 10% and the market rate of interest is 9%, then the investment
 (a) Not profitable (b) Profitable (c) Breakeven (d) Cannot say
- 79) Value of MPC is
 (a) > 1 (b) < 1 (c) 0 (d) $0 \leq MPC \leq 1$
- 80) MEC is directly related to
 (a) Prospective yield (b) Supply price (c) Rate of interest (d) All of the above
- 81) According to Keynes the most important determinant of consumption
 (a) Rate of interest (b) Saving (c) Income (d) Investment
- 82) According to Keynes the most important determinant of investment
 (a) MEC (b) Effective demand (c) Aggregate demand (d) Rate of interest
- 83) In Keynesian terminology, investment means?
 (a) Financial investment (b) Real investment (c) Induced investment (d) None of the above
- 84) Rate of change in savings to change in income:
 (a) APS (b) APC (c) MPS (d) MPC
- 85) Which of the following can cause shifts in consumption function:
 (a) Psychological attitude (b) Social practices (c) Business motives (d) Changes in price level
- 86) APC is determined by the following equation
 (a) C/Y (b) S/Y (c) $\Delta C/\Delta Y$ (d) $\Delta S/\Delta Y$
- 87) According to Keynes, saving is:
 (a) Private virtue but not social virtue (b) Private and social virtue (c) Is neither private virtue nor social virtue (d) Is either social virtue or private virtue
- 88) The sum of marginal propensity to consume plus marginal propensity to save must equal to:
 (a) 0 (b) 1 (c) 100 (d) 1000
- 89) Which of the following is correct?
 (a) $1 + MPC = MPS$ (b) $1 - MPC = MPS$ (c) $MPC + MPS > 1$ (d) $MPC + MPS < 1$
- 90) As the value of MPC increases, the value of multiplier
 (a) Decreases (b) Increases (c) Constant (d) Cannot say
- 91) The marginal propensity to save is defined as:
 (a) $1 - \Delta C/\Delta Y$ (b) S/Y (c) Y/S (d) $Y/\Delta S$
- 92) Which of the following is Keynesian saving function?
 (a) $S = f(i)$ (b) $S = f(P)$ (c) $S = f(Y)$ (d) $S = f(W)$
- 93) Assertion (A): The multiplier is directly related to MPC and inversely related to MPS.
 Reason (R): The accelerator principle explains the effect of changing consumption expenditure upon volume of investment.
 (a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false. (d) (A) is false, but (R) is true.
- 94) Assertion (A): Consumption is an increasing function of income because consumption expenditure increases with increase in income.

Reason (R): When income is negative, people spend out of their past savings on consumption because they must eat in order to live.

- (a) Both A and R are true and R is the correct explanation of A (b) Both A and R are true but R is not the correct explanation of A (c) A is true but R is false. (d) A is false but R is true

95) Assertion (A): J.B. Say propounded the fundamental Psychological Law of Consumption which forms the basis of the consumption function.

Reason (R): The law implies that there is a tendency on the part of the people to spend on consumption less than the full increment of income.

- (a) Both A and R are true and R is the correct explanation of A (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

96) Assertion (A): The progressive tax system increases the propensity to consume of the people by altering the income distribution in favour of poor.

Reason (R): When government reduces the tax the disposable income rises and the propensity to consume of community increases.

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

97) Assertion (A): The marginal efficiency of capital is also affected by waves of optimism and pessimism in the business cycle.

Reason (R): If businessmen are optimistic about future, the MEC will be likely to be high. During periods of pessimism the MEC is under estimated and so will be low.

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

98) A high marginal propensity to consume implies which of the following

- (a) A small change in consumption when income changes (b) A high savings rate (c) A high marginal tax rate (d) A low marginal propensity to save

99) The marginal propensity to consume (mpc):

- (a) stands for the portion of every additional dollar of aggregate income that goes to consumption spending (b) is equal to the change in consumption (C) divided by the change in aggregate income (Y) (c) is equal to $1 - mps$. (d) all of the above

100) Assume a simple, closed economy with no government. The marginal propensity to consume (mpc) = 0.75. Then the value of the multiplier is:

- (a) 1.34 (b) 0.57 (c) 4 (d) 1.75

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Consumption and Investment Functions 2 MARKS

12th Standard

Economics

25 x 2 = 50

- 1) What is consumption function?
- 2) What do you mean by propensity to consume?
- 3) Define average propensity to consume (APC).
- 4) Define marginal propensity to consume (MPC).
- 5) What do you mean by propensity to save?
- 6) Define average propensity to save (APS).
- 7) Define Marginal Propensity to Save (MPS).
- 8) Define Multiplier.
- 9) Define Accelerator
- 10) List out the assumption of psychological Law of Consumption.
- 11) What do you mean by investment?
- 12) Write any two long run factors which influencing marginal efficiency of capital?
- 13) When income increases, consumption expenditure also increases but by a smaller amount. Justify.
- 14) Write a note on motives of precaution and foresight.
- 15) Define Investment Function.
- 16) Draw the diagram of induced investment.
- 17) What is the Meaning of Marginal Efficiency of Capital (MEC)?
- 18) Mention the Factors Affecting MEC:
- 19) Define - Marginal Efficiency of Investment.
- 20) How can investment (I) = Saving (S) be a possible?
- 21) What are the "Leakages of Multiplier? Leakages of multiplier.
- 22) Write the channel of effects of accelerator.
- 23) Mention any two limitations of accelerator principle.
- 24) Write the definition of "Leverage Effect".
- 25) Compare and contrast the MPC and the MPS. Also explain what these two figures must always add up to.

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Consumption and Investment Functions 3 MARKS

12th Standard

Economics

20 x 3 = 60

- 1) State the propositions of Keynes's Psychological Law of Consumption
- 2) Differentiate autonomous and induced investment.
- 3) Explain any three subjective and objective factors influencing the consumption function.
- 4) Mention the differences between accelerator and multiplier effect
- 5) State the concept of super multiplier
- 6) Specify the limitations of the multiplier.
- 7) When $Y = 180$, $C = 170$, find saving and APS.
- 8) Draw the diagrams for Autonomous investment and induced investment.
- 9) Mention the assumptions of multiplier.
- 10) Explain the uses of multiplier
- 11) Specify the limitations of accelerator.
- 12) Draw the diagram of consumption function.
- 13) Given the table, write the proposition for consumptions function (value in crores).
- 14) Draw the diagram of induced investment and autonomous investment.
- 15) Draw the diagram depicting the Relationship between rate of interest and Investment.
- 16) Explain any three short run factors of MEC.
- 17) Draw the diagram of Multiplier in an economy.
- 18) List of uses of multiplier.
- 19) Assume the following saving function and investment function: $S = -200 + .25Y$ and $I = 25$. Calculate the equilibrium output level.
- 20) Assume the level of saving that would take place in an economy is - Rs.200 even when aggregate output is zero. Also assume that the marginal propensity to save is 0.1. Derive the algebraic expression for the saving function and the consumption function.

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Consumption and Investment Functions 5 MARKS

12th Standard

Economics

15 x 5 = 75

- 1) Explain Keynes psychological law of consumption f.unction with diagram.
- 2) Briefly explain the subjective and objective factors of consumption function?
- 3) Illustrate the working of Multiplier
- 4) Explain the operation of the Accelerator
- 5) What are the differences between MEC and MEI.
- 6) Explain consumption function with the help of diagram.
- 7) What are the determinants of investment function?
- 8) What are the factors on which MEC depends? Also give details on the factors which influence MEC.
- 9) Explain Marginal propensity to consume and multiplier, with the help of a diagram.
- 10) Draw a consumption table where autonomous consumption is Rs.200 and the marginal propensity to consume is .8. Make sure to start with an income level of Rs.0 and increase by Rs.100 each time up to an income level of Rs.400. Without completing the table any further determine the level of income where consumption and income are equal. Prove this algebraically.
- 11) Explain the concept of super multiplier.
- 12) Explain Multiplier with help of suitable diagram.
- 13) State the Relationship between rate of interest and Investment:
- 14) Explain the short and long run factors of MEC.
- 15) Derive the value of the multiplier assuming the basic form of the consumption function as $C = a + bY$ where "a" is autonomous consumption and "b" is the marginal propensity to consume. You may assume a two-sector economy.

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Consumption and Investment Functions SLIP TEST**

12th Standard

Economics

20 x 1 = 20

- 1) The average propensity to consume is measured by
(a) C/Y (b) $C \times Y$ (c) Y/C (d) $C+Y$
- 2) 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
- 3) If the Keynesian consumption function is $C=10+0.8 Y$ then, if disposable income is Rs 1000, what is amount of total consumption?
(a) Rs.0.8 (b) Rs.800 (c) Rs.810 (d) Rs.0.81
- 4) 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) Rs.0.8 (b) Rs.800 (c) Rs.810 (d) Rs.0.81
- 5) If the Keynesian consumption function is $C=10+0.8 Y$ then, and disposable income is Rs.100, what is the average propensity to consume?
(a) Rs.0.8 (b) Rs.800 (c) Rs.810 (d) Rs.0.9
- 6) 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
- 7) 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
- 8) Lower interest rates are likely to :
(a) Decrease in consumption (b) increase cost of borrowing (c) Encourage saving (d) increase borrowing and spending
- 9) The MPC is equal to :
(a) Total spending / total consumption (b) Total consumption/total income (c) Change in consumption /change in income (d) none of the above
- 10) 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
- 11) The sum of the MPC and MPS is _____
(a) 1 (b) 2 (c) 0.1 (d) 1.1
- 12) As income increases, consumption will _____
(a) fall (b) not change (c) fluctuate (d) increase
- 13) When investment is assumed autonomous the slope of the AD schedule is determined by the _____

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- (a) marginal propensity to invest (b) disposable income (c) marginal propensity to consume (d) average propensity to consume
- 14) The multiplier tells us how much _____ changes after a shift in _____
 (a) Consumption, income (b) investment, output (c) savings, investment (d) output, aggregate demand
- 15) The multiplier is calculated as
 (a) $1/(1-MPC)$ (b) $1/MPS$ (c) $1/MPC$ (d) a and b
- 16) If the MPC is 0.5, the multiplier is _____
 (a) 2 (b) $1/2$ (c) 0.2 (d) 20
- 17) In an open economy import _____ the value of the multiplier
 (a) Reduces (b) increase (c) does not change (d) changes
- 18) According to Keynes, investment is a function of the MEC and _____
 (a) Demand (b) Supply (c) Income (d) Rate of interest
- 19) The term super multiplier was first used by
 (a) J.R.Hicks (b) R.G.D. Allen (c) Kahn (d) Keynes
- 20) The term MEC was introduced by
 (a) Adam Smith (b) J.M. Keynes (c) Ricardo (d) Malthus
- 7 x 2 = 14
- 21) What is consumption function?
 22) What do you mean by propensity to consume?
 23) Define marginal propensity to consume (MPC).
 24) Define average propensity to save (APS).
 25) Define Marginal Propensity to Save (MPS).
 26) Define Multiplier.
 27) Define Accelerator
- 7 x 3 = 21
- 28) State the propositions of Keynes's Psychological Law of Consumption
 29) Differentiate autonomous and induced investment.
 30) Explain any three subjective and objective factors influencing the consumption function.
 31) Mention the differences between accelerator and multiplier effect
 32) State the concept of super multiplier
 33) Specify the limitations of the multiplier.
 34) Draw the diagram of induced investment and autonomous investment.
- 7 x 5 = 35
- 35) Explain Keynes psychological law of consumption function with diagram.
 36) Briefly explain the subjective and objective factors of consumption function?
 37) Illustrate the working of Multiplier
 38) Explain the operation of the Accelerator
 39) What are the differences between MEC and MEI.
 40) Explain Marginal propensity to consume and multiplier, with the help of a diagram.
 41) State the Relationship between rate of interest and Investment:

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Monetary Economics 1 MARKS**

12th Standard

Economics

100 x 1 = 100

- 1) The RBI Headquarters is located at
(a) Delhi (b) Chennai (c) Mumbai (d) Bengaluru
- 2) Money is
(a) acceptable only when it has intrinsic value (b) constant in purchasing power (c) the most liquid of all assets (d) needed for allocation of resources
- 3) Paper currency system is managed by the
(a) Central Monetary authority (b) State Government (c) Central Government (d) Banks
- 4) The basic distinction between M_1 and M_2 is with regard to
(a) post office deposits (b) time deposits of banks (c) saving deposits of banks (d) currency
- 5) Irving Fisher's Quantity Theory of Money was popularized in
(a) 1908 (b) 1910 (c) 1911 (d) 1914
- 6) MV stands for
(a) demand for money (b) supply of legal tender money (c) Supply of bank money (d) Total supply of money
- 7) Inflation means
(a) Prices are rising (b) Prices are falling (c) Value of money is increasing (d) Prices are remaining the same
- 8) _____inflation results in a serious depreciation of the value of money.
(a) Creeping (b) Walking (c) running (d) Hyper
- 9) _____inflation occurs when general prices of commodities increases due to increase in production costs such as wages and raw materials.
(a) Cost-push (b) demand pull (c) running (d) galloping
- 10) During inflation, who are the gainers?
(a) Debtors (b) Creditors (c) Wage and salary earners (d) Government
- 11) _____ is a decrease in the rate of inflation.
(a) Disinflation (b) Deflation (c) Stagflation (d) Depression
- 12) Stagflation combines the rate of inflation with
(a) Stagnation (b) employment (c) output (d) price
- 13) The study of alternating fluctuations in business activity is referred to in Economics as
(a) Boom (b) Recession (c) Recovery (d) Trade cycle
- 14) During depression the level of economic activity becomes extremely
(a) high (b) bad (c) low (d) good
- 15) "Money can be anything that is generally acceptable as a means of exchange and that the same time acts as a measure and a store of value", This definition was given by
(a) Crowther (b) A.C.Pigou (c) F.A.Walker (d) Francis Bacon
- 16) Debit card is an example of
(a) currency (b) paper currency (c) plastic money (d) money

FULL SETS ANSWERS COST RS..100 ONLY. WHATSAPP - 8056206308**Kindly Send me Your Key Answer to Our email id - Padasalai.net@gmail.Com**

- 17) Fisher's Quantity Theory of money is based on the essential function of money as
 (a) measure of value (b) store of value (c) medium of exchange (d) standard of deferred payment
- 18) 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
- 19) When prices rise slowly, we call it
 (a) galloping inflation (b) mild inflation (c) hyper inflation (d) deflation
- 20) _____ inflation is in no way dangerous to the economy
 (a) walking (b) running (c) creeping (d) galloping
- 21) Liquid form of assets
 (a) Bills of payment (b) Gold (c) Money (d) Silver
- 22) Deflation 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 gainers?
 (a) Creditors (b) Wage and salary earners (c) Government (d) Business men
- 24) Inflation is 'taxation without legislation' was said by _____
 (a) Rudi Dornbusch (b) Adam Smith (c) Milton Friedman (d) Alfred Marshall
- 25) Money is the most liquid form of _____
 (a) revenue (b) capital (c) both 'a' and 'b' (d) none of the above
- 26) In India, currency notes are issued by the _____
 (a) State Bank (b) RBI (c) World Bank (d) SBI
- 27) The symbol of India rupee came into use on _____
 (a) 15th July, 2010 (b) 16th July, 2010 (c) 15th June, 2010 (d) 16th June, 2010
- 28) India is the _____ country to accept a unique currency symbol.
 (a) 4th (b) 6th (c) 5th (d) 7th
- 29) Fisher's Quantity theory of Money was first propounded in 1588 by an Italian economist.
 (a) Davanzatti (b) Malthus (c) Ricardo (d) Harry Dexter White
- 30) The general form of equation given by Fisher is _____
 (a) $MV=PT$ (b) $M = KPY$ (c) $N= P/K$ (d) None of the above
- 31) The exchange of one good for another without the use of money is called _____
 (a) Supply of Money (b) Inflation (c) Deflation (d) Barter
- 32) Phases of trade cycle is classified into _____ types
 (a) 1 (b) 2 (c) 3 (d) 4
- 33) "A state of abnormal increase in the quantity of purchasing power" was said by _____.
 (a) Coulbourn (b) Gregorye (c) Ricardo (d) Malthus
- 34) Barter system was introduced by _____ tribes.
 (a) Mesopotamia (b) Phoenician (c) Babylonian (d) Jarwa
- 35) Disinflation is the slowing down the rate of _____
 (a) Deflation (b) Inflation (c) Stagflation (d) Depression
- 36) Irving Fisher's _____ was published in 1911.
 (a) Quantity theory of (b) Liquidity (c) Quality theory of (d) Both 'b'

- money preference money and 'c'
- 37) _____ system is managed by the Central Monetary Authority.
 (a) Plastic money (b) Metallic Standard (c) Silver standard (d) Paper currency
- 38) During _____ the level of economic activity becomes extremely low.
 (a) Boom (b) Recession (c) Depression (d) Recovery
- 39) During _____ the level of economic activity becomes extremely high.
 (a) Boom (b) Recession (c) Depression (d) Recovery
- 40) _____ is a branch of economics that provides a framework for analyzing money.
 (a) Fiscal Economics (b) Micro Economics (c) Monetary Economics (d) International Economics
- 41) Which of the following is not an example of barter system?
 (a) furs, skins, utensils, weapons (b) furs, skins, utensils, but not weapons (c) automated teller machine (d) none of the above
- 42) Gold Standard is a system in which the value of the monetary unit or the standard currency is _____ linked with gold.
 (a) directly (b) indirectly (c) positively (d) negatively
- 43) _____ is a monetary arrangement in which a country's Government allows conversion of its currency into fixed amount of silver.
 (a) The Gold Standard (b) The silver standard (c) The Metallic standard (d) None of the above
- 44) Which of the following is not an example of Plastic money?
 (a) Credit card (b) Debit cards (c) Pre-paid Cash cards (d) Bonds
- 45) Identify an example of digital currency.
 (a) crypto currencies (b) ATM (c) Legal Tender Money (d) None of the above
- 46) Assertion (A) Money has the quality of general acceptability, and all exchanges take place in terms of money.
 Reason (R) On account of the use of money, the transaction has now come to be divided into two parts.
 (a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false. (d) (A) is false, but (R) is true.
- 47) In India, _____ are issued by the Reserve Bank of India (RBI) and _____ are issued by the Ministry of Finance, Government of India (GOI).
 (a) coins and currency notes (b) currency notes and coins (c) currency notes and pass books (d) none of the above
- 48) _____ and _____ are known as broad money.
 (a) M2 and M3 (b) M3 and M4 (c) M1 and M2 (d) M1 and M4
- 49) The new symbol of Rupee is an amalgamation of Devanagiri 'Ra' and the _____ without the stem.
 (a) Arial 'R' (b) Roman 'R' (c) Italian 'R' (d) Greek Script 'R'
- 50) The symbol of India rupee came into use on _____?
 (a) 25th July, 2010 (b) 16th July, 2010 (c) 15th July, 2010 (d) None of the above
- 51) Which of following country do not to accept a unique currency symbol?
 (a) China (b) America (c) Britain (d) Japan
- 52) Expand the CDR.

- (a) Cash Deposit Ratio (CDR) (b) Currency Digital Ratio (CDR) (c) Currency Deposit Ratio (CDR) (d) Currency Deposit Ration (CDR)

53) Expand the CRR

- (a) Capital Reserve Ratio (CRR) (b) Cash Reserve Ratio (CRR) (c) Government Reserve Ratio (CRR) (d) Cash Revised Ratio (CRR)

54) What is SLR?

- (a) It is the fraction of the total demand and time deposits of the commercial banks is the form of specified liquid assets (b) Reserve Money consists of two things (a) vault cash in banks and (b) deposits of commercial banks with RBI. (c) It is the fraction of the deposits of the banks must keep with RBI. (d) It is the ratio of money held by the public in currency to that they hold in bank deposits

55) Who published the book, 'The Purchasing Power of Money' in 1911

- (a) Arthur (b) Hicks (c) Irving Fisher (d) Pigou

56) Who gave a quantitative form in terms of his famous "Equation of Exchange"?

- (a) Irving Fisher (b) J.M.Keynes (c) J.A. Schumpeter (d) R.F.Kahn

57) Given the equation, $PT = MV + M^1V^1$, V1 represents ...?

- (a) the quantity of money in circulation (b) the velocity of circulation of money (c) the volume of bank credit money (d) the velocity of circulation of credit money

58) What is the other name of Cambridge Approach?

- (a) Quantity theory of money (b) Cash Balances Approach (c) Modern theory of Money Approach (d) Classical Approach

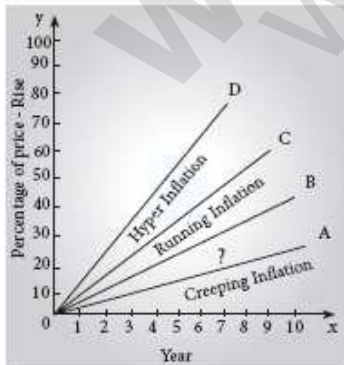
59) According to Marshall's equation, the value of money is influenced not only by changes in M, but also by changes in

- (a) K (b) P (c) KI (d) PI

60) In Keynes' extended equation: $n = p(k + rk')$ or $p = n/(k + rk')$, which one is wrongly denoted?

- (a) n = total money supply (b) p = price level of consumer goods (c) k = peoples' desire to hold money in hand (in terms of consumer goods) in the total income of them (d) r = community's total money deposit in banks, in terms of consumers goods

61) Find the missing type of inflation



- (a) Walking Inflation (b) Running Inflation (c) Creeping Inflation (d) Hyper Inflation

62) _____ is also known as mild inflation or moderate inflation

- (a) Walking Inflation (b) Running Inflation (c) Creeping Inflation (d) Hyper Inflation
- 63) _____ can be possible When prices rise moderately and the annual inflation rate is a single digit (3% - 9%).
 (a) Walking Inflation (b) Running Inflation (c) Creeping Inflation (d) Hyper Inflation
- 64) When prices rise rapidly like the running of a horse at a rate of speed of _____ per annum, it is called running inflation.
 (a) 1% - 2 % (b) 100% - 200 % (c) 10% - 20% (d) None of the above
- 65) By Galloping inflation, the percentage of the same is almost _____ from an overall perspective.
 (a) 1% - 2% (b) 100% - 200% (c) 10% - 20% (d) 20% to 100%
- 66) Scarcity induced inflation has happened in Venezula of the year _____
 (a) 2017 (b) 2018 (c) 2016 (d) 2008
- 67) Assertion (A): Reduced capital accumulation may discourage entrepreneurs and business men from taking business risk. Reason (R): With reduced capital accumulation, the investment will suffer a serious set-back which may have an adverse effect on the volume of production in the country.
 (a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false. (d) (A) is false, but (R) is true.
- 68) Find which is not a an example of Fixed income Groups?
 (a) wages (b) salary (c) pension (d) organization
- 69) Which is not a major anti-inflationary fiscal measures: are the following
 (a) Reduction of Government Expenditure (b) Public Borrowing (c) Augmenting Foreign Investment (d) Enhancing taxation
- 70) Stagflation is a combination of stagnant economic growth, high unemployment and high inflation _____ ?
 (a) high inflation (b) low inflation (c) no inflation (d) disinflation
- 71) After a period of depression _____ sets in.
 (a) recovery (b) prosperity (c) boom (d) trough
- 72) Assertion (A): When the disposable income of the people increases, it raises their demand for goods and services.
 Reason (R): Disposable income may increase with the rise in national income or reduction in taxes or reduction in the saving of the people.
 (a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false. (d) (A) is false, but (R) is true.
- 73) Equation of exchange is associated with:
 (a) Pigou (b) J.B.Say (c) Marshall (d) Irving Fisher
- 74) The theory explaining the direct relationship between the price level and quantity of money is known as:
 (a) Quantity theory of money (b) Say's law of markets (c) Real theory of interest (d) None of these
- 75) Equation of exchange is converted into the quantity theory of money by assuming the following variables as constants:
 (a) V and T (b) M and V (c) M and P (d) V and P

- 76) Fisher's Equation of quantity theory states that:
 (a) P varies directly with income (b) P varies directly with M (c) P and M are constant (d) None of the above
- 77) In the Cambridge equation of $M = kPY$, the value of k is:
 (a) M/V (b) $1/V$ (c) V in Fisher's equation (d) None of these
- 78) In the Fisher's extended equation of exchange $M_1 V_1$ represents:
 (a) Credit money (b) Primary money (c) Both primary and credit money (d) General price level
- 79) In Fisher's transaction velocity model, one of the following is not an assumption
 (a) Velocity of circulation of money is constant (b) The volume of transactions is constant (c) Full employment (d) P is considered as an active factor
- 80) In the equation $MV + M_1 V_1 = PT$, 'M' denotes:
 (a) Velocity of money (b) Money in circulation (c) Bank deposit (d) None of these
- 81) The Cambridge version of the quantity theory of money was developed by:
 (a) Fisher (b) Alfred Marshall (c) Pigou (d) Keynes
- 82) In Fisher's equation of exchange $MV = PT$, the variation of which produces a proportional change in price:
 (a) M (b) V (c) P (d) T
- 83) In $MV = PT$, if M doubles and V and T remain constant, then P will:
 (a) Double (b) $1/2$ (c) 1 (d) 4
- 84) Assertion (A): Gold Standard is a system in which the value of the monetary unit or the standard currency is directly linked with gold. Reason (R): The monetary unit is defined in terms of a certain weight of gold.
 (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 85) Assertion (A): Fisher extended his original equation of exchange to include bank deposits M_1 and its velocity V_1 . Reason (R): In a modern economy, bank's demand deposits or credit money and its velocity play a vital part in business.
 (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 86) Assertion (A): When the disposable income of the people decreases, it raises their demand for goods and services. Reason (R): Disposable income may increase with the rise in national income or reduction in taxes or reduction in the saving of the people.
 (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 87) Assertion (A): During inflation, debtors are the gainers while the creditors are losers. Reason (R): The debtors had borrowed when the purchasing power of money was high and now repay the loans when the purchasing power of money is low due to falling prices.

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation (c) A is true but R is false (d) A is false but R is true.
- 88) Money is
 (a) Backed by gold in Fort Knox (b) The same as income (c) The value of all coins and currency in circulation at any time (d) Anything that is generally accepted as a medium of exchange
- 89) The development of money as a medium of exchange has facilitated the expansion of trade because
 (a) Holding money increases people's income (b) No other mediums of exchange are available (c) Money eliminates the "double coincidence of wants" problem (d) Holding money increases people's wealth
- 90) A recession is:
 (a) A period of declining unemployment (b) A period of declining prices (c) A period during which aggregate output declines (d) A period of very rapidly declining prices
- 91) Inflation is measured by the
 I. consumer price index (CPI).
 II. GDP deflator.
 III. current account.
 IV. depreciation.
 (a) I and II only. (b) I and III only. (c) III and IV only. (d) I, II and III.
- 92) During stagflation
 I. an increase in aggregate spending will eliminate the recession.
 II. a decrease in aggregate spending will reduce inflation.
 III. government faces contradictory goals.
 IV. The central bank decreases money supply to reduce inflation
 (a) I and II only (b) III and IV only (c) I, II and III only (d) I, II, III and IV
- 93) Which of the following are costs of inflation?
 I. Inflation weakens the creation of credit and capital markets.
 II. Inflation distorts business behavior, especially investment behavior.
 III. Inflation increases the prices of foreign goods relative to domestic goods.
 IV. Inflation imposes a tax on the holders of money.
 (a) I and II only (b) III and IV only (c) I, II and IV only (d) I, II and III only
- 94) Demand pull inflation results from
 (a) demand for government spending on public goods goes down due to lack of financial backup through tax collection (b) consumer, business, and government demand for goods and services in excess of an economy's capacity to produce. (c) a shortage of demand for good and services in excess of supply during depression (d) demand for public goods is greater than demand for consumer goods
- 95) What problems are we most likely to see at which stage of the business cycle?
 (a) High inflation during recessions (b) High unemployment during booms (c) Low inflation during booms. (d) High unemployment during recessions

96) Match the correct codes

1	Gold Standard	i	Refers to the monetary system in which the paper currency notes issued by the Treasury or the Central Bank or both circulate as unlimited legal tender.
2	The silver standard	ii	Such as Bitcoin now provide an outlet for Personal Wealth that is beyond restriction and confiscation
3	The paper currency standard	iii	A monetary system in which the standard economic unit of account is a fixed weight of silver.
4	Decentralised crypto currencies	iv	A system in which the value of the monetary unit or the standard currency is directly linked with gold.

(a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (iii) (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (i)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

97) Match the correct codes

1	It is the ratio of money held by the public in currency to that they hold in bank deposits.	i	CRR
2	Reserve Money consists of two things (a) vault cash in banks and (b) deposits of commercial banks with RBI	ii	SLR
3	It is the fraction of the deposits the banks must keep with RBI	iii	RDR
4	It is the fraction of the total demand and time deposits of the commercial banks is the form of specified liquid assets	iv	CDR

(a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (iii) (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (i)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

98) Match the correct codes

1	$MV = PT$	i	Fisher's Quantity Theory of Money:
2	Revised equation of fisher	ii	$PT = MV + M1V1$
3	Marshall's Equation	iii	$M = KPY$
4	Keynes equation	iv	$n = pk$ (or) $p = n / k$

(a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (iii) (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (i)
 (d) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i)

99) Match the correct codes

1	"Too much of Money chasing too few goods"	i	Walker
2	"A state of abnormal increase in the quantity of purchasing power"	ii	Crowther
3	"Money is, what money does"	iii	Gregorye
4	"Money can be anything that is generally acceptable..."	iv	Coulbourn

(a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (iii) (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (i)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

100) Match the correct codes

1	Creeping inflation	i	Points out to unmanageably high inflation rates that run into two or three digits.
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2	Walking or trolling inflation	ii	Slow-moving and very mild.
3	Running inflation	iii	When prices rise moderately and the annual inflation rate is a single digit 3% - 9%)
4	GallopIng inflation or hyper inflation	iv	When prices rise rapidly like the running of a horse at a rate of speed of 10% - 20% per annum,

(a) (1) - (i) (2) - (ii) (3) - (iv) (4) - (iii)
 (b) (1) - (ii) (2) - (iii) (3) - (iv) (4) - (i)
 (c) (1) - (iv) (2) - (iii) (3) - (i) (4) - (ii)
 (d) (1) - (i) (2) - (ii) (3) - (iii) (4) - (iv)

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Monetary Economics 2 MARKS

12th Standard

Economics

20 x 2 = 40

- 1) Define Money
- 2) What is barter?
- 3) What is commodity money?
- 4) What is gold standard?
- 5) What is plastic money? Give example.
- 6) Define inflation.
- 7) What is Stagflation?
- 8) Write a brief history of barter system.
- 9) Define paper currency.
- 10) Write about Money as a Means of Transferring Purchasing Power in short.
- 11) Mention the components of Money Supply in India.
- 12) What are the other names for M1, M2, M3 and M4 Money?
- 13) What is Currency Deposit Ratio (CDR)?
- 14) Define the "Statutory Liquidity Ratio"?
- 15) Write the Fisher's Extended Form of equation
- 16) Present the version of Keynes extended equation.
- 17) Write the meaning of Galloping inflation.
- 18) Write a note on Scarcity induced inflation.
- 19) State the Monetary Measures for Inflation.
- 20) Write the meaning of Depression.

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12th Standard

Economics

20 x 3 = 60

- 1) Write a note on metallic money
- 2) What is money supply?
- 3) What are the determinants of money supply?
- 4) Write the types of inflation
- 5) Explain Demand-pull and Cost push inflation.
- 6) State Cambridge equations of value of money.
- 7) Explain disinflation
- 8) What are the components of Money Supply?
- 9) Explain the history of Barter System.
- 10) Write a note on paper currency standard
- 11) Explain the concept of Plastic Money.
- 12) Explain the primary function of money:
- 13) Explain the three secondary function of money.
- 14) What are the Contingent Functions?
- 15) Draw the diagram of Fisher's Quantity theory of money.
- 16) Explain "The Keynes Equation" Keynes equation is expressed as:
- 17) Explain any three main causes of inflation in India.
- 18) Explain Effects on Production of Inflation.
- 19) What is money? Explain the three functions that money performs. Which one is the primary function of money?
- 20) Fill in the following table by indicating whether the proposed Central Bank action will increase or decrease the money supply. If the action is not a Central Bank power then write not applicable.

Action	Effect on money supply
A decrease in central spending	
A decrease in the required reserve	
A sale of government debt	
A lowering of the discount rate	
Buying government debt	
A decrease in tax	

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Monetary Economics 5 MARKS

12th Standard

Economics

10 x 5 = 50

- 1) Illustrate Fisher's Quantity theory of money.
- 2) Explain the functions of money
- 3) What are the causes and effects of inflation on the economy?
- 4) Describe the phases of Trade cycle.
- 5) Explain the Secondary Functions.
- 6) Explain other types of inflation (on the basis of inducement).
- 7) Explain the evolution of money.
- 8) List the problems in defining Money Supply.
- 9) Consider $M = \text{Rs. } 1000$. $M' = \text{Rs. } 500$, $V = 3$, $V' = 2$, $T = 4000$ goods and Find the value of money using Fisher's quantity theory of
- 10) Solve and discuss the following using Marshall "Cash Balance Approach".
Suppose money supply in cash and bank deposits (M) = Rs. 1,000. (ii) The total annual national income (R) = 10,000 units. (iii) The goods (income) which the community wants to hold in money (K), say one-fifth of $Y = 2,000$ units.

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Monetary Economics SLIP TEST**

12th Standard

Economics

20 x 1 = 20

- 1) The RBI Headquarters is located at
(a) Delhi (b) Chennai (c) Mumbai (d) Bengaluru
- 2) Money is
(a) acceptable only when it has intrinsic value (b) constant in purchasing power (c) the most liquid of all assets (d) needed for allocation of resources
- 3) Paper currency system is managed by the
(a) Central Monetary authority (b) State Government (c) Central Government (d) Banks
- 4) The basic distinction between M_1 and M_2 is with regard to
(a) post office deposits (b) time deposits of banks (c) saving deposits of banks (d) currency
- 5) Irving Fisher's Quantity Theory of Money was popularized in
(a) 1908 (b) 1910 (c) 1911 (d) 1914
- 6) MV stands for
(a) demand for money (b) supply of legal tender money (c) Supply of bank money (d) Total supply of money
- 7) Inflation means
(a) Prices are rising (b) Prices are falling (c) Value of money is increasing (d) Prices are remaining the same
- 8) _____inflation results in a serious depreciation of the value of money.
(a) Creeping (b) Walking (c) running (d) Hyper
- 9) _____inflation occurs when general prices of commodities increases due to increase in production costs such as wages and raw materials.
(a) Cost-push (b) demand pull (c) running (d) galloping
- 10) During inflation, who are the gainers?
(a) Debtors (b) Creditors (c) Wage and salary earners (d) Government
- 11) _____ is a decrease in the rate of inflation.
(a) Disinflation (b) Deflation (c) Stagflation (d) Depression
- 12) Stagflation combines the rate of inflation with
(a) Stagnation (b) employment (c) output (d) price
- 13) The study of alternating fluctuations in business activity is referred to in Economics as
(a) Boom (b) Recession (c) Recovery (d) Trade cycle
- 14) During depression the level of economic activity becomes extremely
(a) high (b) bad (c) low (d) good
- 15) "Money can be anything that is generally acceptable as a means of exchange and that the same time acts as a measure and a store of value", This definition was given by
(a) Crowther (b) A.C.Pigou (c) F.A.Walker (d) Francis Bacon
- 16) Debit card is an example of
(a) currency (b) paper currency (c) plastic money (d) money

FULL SETS ANSWERS COST RS..100 ONLY. WHATSAPP - 8056206308**Kindly Send me Your Key Answer to Our email id - Padasalai.net@gmail.Com**

- 17) Fisher's Quantity Theory of money is based on the essential function of money as
 (a) measure of value (b) store of value (c) medium of exchange (d) standard of deferred payment
- 18) 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
- 19) When prices rise slowly, we call it
 (a) galloping inflation (b) mild inflation (c) hyper inflation (d) deflation
- 20) _____ inflation is in no way dangerous to the economy
 (a) walking (b) running (c) creeping (d) galloping
- 21) Define Money
- 22) What is barter?
- 23) What is commodity money?
- 24) What is gold standard?
- 25) What is plastic money? Give example.
- 26) Define inflation.
- 27) What is Stagflation?
- 28) Write a note on metallic money
- 29) What is money supply?
- 30) What are the determinants of money supply?
- 31) Write the types of inflation
- 32) Explain Demand-pull and Cost push inflation.
- 33) State Cambridge equations of value of money.
- 34) Explain disinflation
- 35) Illustrate Fisher's Quantity theory of money.
- 36) Explain the functions of money
- 37) What are the causes and effects of inflation on the economy?
- 38) Describe the phases of Trade cycle.
- 39) Explain the evolution of money.
- 40) Explain Measures to Control Inflation.
- 41) List the problems in defining Money Supply.

7 x 2 = 14

7 x 3 = 21

7 x 5 = 35

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Banking 1 MARKS**

12th Standard

Economics

100 x 1 = 100

- 1) A Bank is a
(a) Financial institution (b) Corporate (c) An Industry (d) Service institutions
- 2) A Commercial Bank is an institutions that provides services
(a) Accepting deposits (b) Providing loans (c) Both a and b (d) None of the above
- 3) The Functions of commercial banks are broadly classified into
(a) Primary Functions (b) Secondary functions (c) Other functions (d) a, b, and c
- 4) Bank credit refers to
(a) Bank Loans (b) Advances (c) Bank loans and advances (d) Borrowings
- 5) Credit creation means
(a) Multiplication of loans and advances (b) Revenue (c) Expenditure (d) Debt
- 6) NBFIs do not have.
(a) Banking license (b) government approval (c) Money market approval (d) Finance ministry approval
- 7) Central bank is _____ authority of any country.
(a) Monetary (b) Fiscal (c) Wage (d) National Income
- 8) Who will act as the banker to the Government of India?
(a) SBI (b) NABARD (c) ICICI (d) RBI
- 9) Lender of the last resort is one of the functions of.
(a) Central Bank (b) Commercial banks (c) Land Development Banks (d) Co-operative banks
- 10) Bank Rate means.
(a) Re-discounting the first class securities (b) Interest rate (c) Exchange rate (d) Growth rate
- 11) Repo Rate means.
(a) Rate at which the Commercial Banks are willing to lend to RBI (b) Rate at which the RBI is willing to lend to commercial banks (c) Exchange rate of the foreign bank (d) Growth rate of the economy
- 12) Moral suasion refers.
(a) Optimization (b) Maximization (c) Persuasion (d) Minimization
- 13) ARDC started functioning from
(a) June 3, 1963 (b) July 3, 1963 (c) June 1, 1963 (d) July 1, 1963
- 14) NABARD was set up in
(a) July 1962 (b) July 1972 (c) July 1982 (d) July 1992
- 15) EXIM bank was established in.
(a) June 1982 (b) April 1982 (c) May 1982 (d) March 1982
- 16) The State Financial Corporation Act was passed by
(a) Government of India (b) Government of Tamilnadu (c) Government of Union Territories (d) Local Government
- 17) Monetary policy is formulated by.
(a) Co-operative (b) Commercial (c) Central (d) Foreign

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- banks banks Bank banks
- 18) Online Banking is also known as.
 (a) E-Banking (b) Internet Banking (c) RTGS (d) NEFT
- 19) Expansions of ATM
 (a) Automated Teller Machine (b) Adjustment Teller Machine (c) Automatic Teller mechanism (d) Any Time Money
- 20) 2016 Demonetization of currency includes denominations of
 (a) Rs.500 and Rs.1000 (b) Rs.1000 and Rs2000 (c) Rs.2c0 and Rs.500 (d) All the above
- 21) RBI will act as the banker to the _____
 (a) Private concern (b) Society (c) Government of India (d) Both 'i' and 'b'
- 22) A large number of central banks were established between _____
 (a) 1911 - 1940 (b) 1921 - 1954 (c) 1940 - 1960 (d) 1933 - 1954
- 23) Banks issue traveler's cheques to _____
 (a) Group of people (b) Family (c) Individual (d) Couple
- 24) Credit creation means the _____
 (a) Multiplication of loans and advances (b) Money supply (c) Letter of credit (d) All the above
- 25) "Commercial banks are the institutions that make short term loans to business and in the process create money" was said by _____
 (a) Culbertson (b) Adam smith (c) Ricardo (d) J.M. Keynes
- 26) Finance is the life blood of all economic activities such as _____
 (a) trade (b) commerce (c) agriculture (d) all the above
- 27) The modern banks create deposits in _____ ways
 (a) 1 (b) 2 (c) 3 (d) 4
- 28) The minimum amount for RTGS transfer is _____
 (a) 2lakhs (b) 2.5 lakhs (c) 3lakhs (d) 4lakhs
- 29) _____ is a Financial Institution
 (a) Bank (b) Service Institution (c) Industry (d) School
- 30) _____ refers to bank loans and advances
 (a) Credit creation (b) Exchange rate (c) Bank credit (d) Bank debit
- 31) _____ means multiplication of loans and advances.
 (a) Exchange rate (b) Bank rate (c) Bank credit (d) Credit creation
- 32) _____ is the monetary authority of the country.
 (a) Central bank (b) RBI (c) SBI (d) Botha' and 'b'
- 33) _____ means re-discounting the first class securities.
 (a) Exchange rate (b) Bank rate (c) Interest rate (d) All the above
- 34) _____ means rate at which the RBI is willing to lend to commercial banks
 (a) Interest rate (b) Growth rate (c) Repo rate (d) Bank rate
- 35) Commercial banks are institutions that conduct business _____.
 (a) with profit motive (b) By accepting the deposits (c) By Lending loans (d) all the above
- 36) _____ refers to persuasion
 (a) Growth rate (b) Minimization (c) Optimization (d) Moral Suasion
- 37) _____ started functioning from 1st July 1963.
 (a) ARDC (b) IMF (c) RBI (d) SBI
- 38) _____ was set up in July 1982

- (a) ARDC (b) NABARD (c) ICICI (d) Indian Bank
- 39) Which had sprung from a private bank established in 1656 is the oldest central bank in the world?
 (a) The Ricks Banks of Swede (b) The Ricks Banks of Spain (c) The Royal Banks of Switzerland (d) The Ricks Board of Sweden
- 40) The fundamentals of the art of banking have been developed by _____ as the first bank of issues
 (a) The Bank of Baroda (b) The Bank of India (c) Federal Bank of America (d) The Bank of England
- 41) Before independence, there were _____ Presidency Banks.
 (a) two (b) three (c) one (d) five
- 42) Demand Deposits refers to deposits that can be withdrawn by individuals _____ to the bank.
 (a) without any prior notice (b) with prior notice (c) both a and b are correct (d) none of the above
- 43) Find the suitable match :Commercial banks act as agents of customers by performing various functions.
 (a) Primary Function (b) Secondary Function (c) Other Function (d) None of the above
- 44) _____ implies that commercial banks provide some utility services to customers by performing various functions.
 (a) Moral Suasion (b) General Utility Functions (c) Open market operation (d) Credit rationing
- 45) Pick the financial tool which are the safe and easy way to protect money while traveling.
 (a) Demand Draft (b) ATM (c) Master Card (d) Traveller's Cheque
- 46) Which of the following statement is wrong?
 (a) It is out of these primary deposits that the bank makes loans and advances to its customers. (b) The initiative is taken by the customers themselves. In this case, the role of the bank is passive (c) So these deposits are also called "Passive deposits" (d) None of the above
- 47) _____ insists the banks to maintain a ratio between the total deposits they create and the cash in their possession.
 (a) New Bank of India (b) Central Bank (c) Development Bank (d) Federal Bank
- 48) Which of the following is not a NBFBI?
 (a) insurance firms (b) pawn shops (c) currency exchanges (d) gramin bank
- 49) RBI commenced its operations on _____
 (a) 10 April 1925 (b) 1 April 1835 (c) 10 April 1930 (d) 1 April 1935
- 50) Which of these terms are/is appropriate for RBI?
 (a) Banker's Bank (b) Banker's to the Government (c) Both (d) None
- 51) Following India's independence on 15 August 1947, the RBI was nationalised on _____?
 (a) 1 January 1949 (b) 10 January 1949 (c) 1 January 1959 (d) 11 January 1949

- 52) _____ was introduced by Sher Shah Suri based on a ratio of 40 copper pieces (paise) per rupee.
 (a) The first currency (b) The first rupee (c) The first money (d) The first transaction
- 53) Each _____ has its amount written in 17 languages (English and Hindi on the front and 15 other on the back) illustrating the diversity of the country.
 (a) rupee (b) coins (c) demand drafts (d) bank note
- 54) Who is "Lender of Last Resort"?
 (a) World Bank (b) Government (c) RBI (d) Private Bank
- 55) Expand FEMA.
 (a) Factory Exchange Management Act (b) Foreign Exchange Management Act (c) Foreign Economic Management Act (d) Foreign Exchange Maintenance Act
- 56) Find the odd one.
 (a) Rationing of Credit (b) Bank Rate (c) Open Market Operations (d) Variable Cash Reserve Ratio
- 57) Variable Cash Reserve Ratio as an objective of monetary policy was first suggested by _____
 (a) J.R. Hicks (b) J.M. Keynes (c) J.S. Mill (d) J.A. Schumpeter
- 58) _____ and _____ are the frequently used tools with which the RBI can control the availability and the supply of money in the economy.
 (a) The Repo Rate and the Reverse Repo Rate (b) CRR, SLR (c) Moral Suasion, Credit Ceiling (d) The Reverse Repo Rate, The Repo Rate
- 59) Expand ARDC
 (a) The Agricultural Restructure Development Corporation (b) The Agricultural Refinance Departmental Corporation (c) The Agricultural Refinance Development Company (d) The Agricultural Refinance Development Corporation
- 60) Expand NABARD
 (a) National Bank for Agriculture and Regional Development (b) National Bank for Agriculture and Restructure Development (c) National Bank for Agriculture and Rural Development (d) National Bank for Agriculture and Rural Department
- 61) Expand IFCI
 (a) Industrial Finance Corporation of India (b) Investment Finance Corporation of India (c) Industrialisation Finance Committee of India (d) Industrial Formation Corporation of India
- 62) Expand SIDC
 (a) State Industrial Development Company (b) Small Industrial Development Corporation (c) State Investment Development Corporation (d) State Industrial Development Corporation
- 63) Expand IDBI
 (a) Industrial Department Bank (b) Investment Development Bank (c) Industrial Development Bank (d) Industrial Development Body

- of India of India of India of India
- 64) _____ is the macroeconomic policy being laid down by the Central Bank towards the management of money supply and interest ratee
 (a) Narrow Money Policy (b) Dear Money Policy (c) Fiscal Policy (d) Monetary Policy
- 65) The specific objectives of monetary policy are
 (a) Neutrality of money (b) Tax control (c) Stability of exchange rates (d) Price stability
- 66) _____ have only an internet presence, which enables them to lower costs than traditional brick-and-mortar banks
 (a) indirect banks (b) development bank (c) cooperative bank (d) direct banks
- 67) Expand NEFT
 (a) National electronic Fund Transfer (b) National electric Fund Transfer (c) National electronic Finance Transfer (d) National electronic Fund Transmission
- 68) Expand RTGS
 (a) Read Time Gross Settlement (b) Real Time Gross Settlement (c) Real Time Cross Settlem (d) Recovery Time Gross Settlement
- 69) Expand ATM
 (a) Any Time Money (b) Automated Telling Machine (c) Automated Teller Machine (d) Automated Teller Machanism
- 70) The Paytm Payments Bank is a separate entity in which founder Vijay Shekhar Sharma will hold _____?
 (a) 51% share (b) 50% share (c) 41% share (d) 25% share
- 71) A _____ is a payment card issued to users (cardholders) to enable the cardholder to pay a merchant for goods and services.
 (a) Debit Card (b) Swipe card (c) Punch Card (d) credit card
- 72) During 2018 - 19, the GOI has infused _____ into the banking system.
 (a) Rs.78,000 crores (b) Rs.88,000 crores (c) Rs.68,000 crores (d) Rs.66,000 crores
- 73) Of the three policy tools that the RBI can use to change the money supply, the one that does not affect the monetary base is
 (a) open market operations (b) changes in the discount rate (c) changes in the federal funds rate (d) reserve requirements
- 74) India's first women's bank The BharatiyaMahila Bank was inaugurated in which city?
 (a) Mumabi (b) Delhi (c) Kolkata (d) Chennai
- 75) Current deposit is also known as _____
 (a) Savings deposit (b) demand deposit (c) time deposit (d) recurring deposit
- 76) The process of _____ begins with banks lending money out of primary deposit.
 (a) credit creation (b) cash credit (c) debit creation (d) over draft
- 77) State which of the following statements are True and which are false. Write 'T' for True and 'F' for a False statement:
 (a) Loans and advances are both granted by banks to customers for a long period of time.
 (b) Banks keep our jewellery and important documents safe with them.

- (c) Banks grant loans to students for their studies at reasonable interest rate.
 (d) Discounting of bills is done by banks free of cost.
 (e) Through overdraft, a customer can withdraw more money than the amount in his/her bank account
 (a) (a) F (b) F (c) T (b) (a) T (b) F (c) T (c) (a) F (b) T (c) T (d) (a)T (b) F (c) T
 (d) T (e) F (d) F (e) T (d) F (e) T (d) F (e) F
- 78) Which bank was introduced first ATM machine in India?
 (a) RBI (b) HSBC (c) PNB (d) ICICI bank
- 79) Which among the following is a qualitative tool of monetary policy?
 (a) Bank Rate (b) Credit Ceiling (c) Credit rationing (d) Cash Reserve Ratio
- 80) Which of the following is not the work of RBI?
 (a) Bank of (b) Credit (c) Custodian of (d) Allocating funds directly to the
 the banks controller foreign currency farmers for agricultural development
- 81) Cash reserve ratio is maintained in the form of
 (a) Government (b) Balance (c) Balance with state (d) All of the
 securities with RBI bank of India above
- 82) Manipulation in CRR enables the RBI to _____
 (a) Influence the lending ability of (b) Check (c) Check (d)
 the commercial banks the unemployment poverty Increase
 growth GDP
- 83) How does a commercial bank create money
 (a) By printing (b) By lending a part of its (c) By issuing (d) Accepting
 money deposits ATM cards deposits
- 84) Who is associated with the doctrine of "monetarism" and who received Nobel prize in 1976?
 (a) Milton Friedman (b) Joseph Schumpeter (c) John Stuart Mill (d) Keynes
- 85) Assertion (A): Banks issue traveler's cheques to individuals for traveling outside the country.
 Reason (R): Traveler's cheques are the safe and easy way to protect money while traveling.
 (a) Both A and R are true (b) Both A and R are true (c) A is (d) A is
 and R is the correct but R is not the correct true but R false but R
 explanation of A. explanation of A. is false. is true.
- 86) Assertion (A): The power of commercial bank to create deposits through expanding their loans and advances is known as credit creation.
 Reason (R): Banks have the power to expand or contract demand deposits and they exercise this power through granting more or less loans and advances and acquiring other assets.
 (a) Both A and R are true (b) Both A and R are true (c) A is (d) A is
 and R is the correct but R is not the correct true but R false but R
 explanation of A explanation of A is false is true.
- 87) Assertion (A): Now-a-days, banks offer very attractive schemes to induce the people to save their money with them and bring the savings mobilized to the organized money market.
 Reason (R): If the banks do not perform this function, savings either remains idle or used in creating other assets, (eg. gold) which are low in scale of plan priorities.
 (a) Both A and R are true (b) Both A and R are true (c) A is (d) A is

- and R is the correct explanation of A but R is not the correct explanation of A true but R is false false but R is true
- 88) Assertion (A): Many banks help in the development of the right type of industries by extending loan to right type of persons. Reason (R): In this way, they help not only for industrialization of the country but also for the economic development of the country.
- (a) Both A and R are true and R is the correct explanation of A (b) Both A and R are true but R is not the correct explanation of A (c) A is true but R is false. (d) A is false but R is true.
- 89) Assertion (A): Whenever banks have any shortage of funds they can borrow from the RBI, against securities. Reason (R): If the RBI increases the Repo Rate, it makes borrowing expensive for banks and vice versa.
- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 90) Assertion (A): If the RBI increases the reverse repo rate, it means that the RBI is willing to offer lucrative interest rate to banks to park their money with the RBI. Reason (R): This results in a decrease in the amount of money available for banks customers as banks prefer to park their money with the RBI as it involves higher safety.
- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A (c) A is true but R is false (d) A is false but R is true
- 91) Which of the following is not included as "money" in M1?
- (a) Currency in circulation (b) Checkable deposits (c) Traveler's checks (d) The use of a credit card
- 92) An open market purchase by the Central bank
- (a) increases bank reserves, loans, and deposits, and thus increases the money supply. (b) decreases bank reserves, loans, and deposits, and thus decreases the money supply (c) increases bank reserves, loans, and deposits, and thus decreases the money supply (d) decreases bank reserves, loans, and deposits, and thus increases the money supply
- 93) Which of the following is not one of the Central bank's monetary policy tools?
- (a) Buying bonds on the open market (b) Selling bonds on the open market (c) Raising or lowering taxes (d) Raising or lowering the reserve requirement ratio
- 94) Suppose the Central bank wanted to engage in an expansionary monetary policy. Which of the following should it do?
- (a) Sell bonds on the open market. (b) Increase the reserve requirement ratio (c) Increase the discount rate. (d) Buy bonds on the open market
- 95) When credit rationing occurs,
- (a) banks keep their interest rates below what the market would bear, (b) Banks lend to only those customers (c) Smaller and less well-known firms may be more disadvantaged than bigger firms. (d) All of the above.

and deny loans to some potential borrowers. deemed to be creditworthy and less risky firms with well-established reputations.

96) Match the correct codes

1	The Ricks Banks of Sweden	i	1656
2	Bank of England	ii	1864
3	Finance Conference held at Brussels	iii	1920
4	The Central Bank of China	iv	1928

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i)
 (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)

97) Match the correct codes

1	Bank of Bengal	i	1843
2	Bank of Bombay	ii	1921
3	Bank of Madras	iii	1840
4	All Merged	iv	1809

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i)
 (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)

98) Match the correct codes

1	It implies that commercial banks are mainly dependent on public deposits	i	Agency Functions
2	It refers to deposits that can be withdrawn by individuals without any prior notice to the bank.	ii	Accepting Deposits
3	It refers to deposits that are made for certain committed period of time	iii	Demand Deposits
4	It implies that commercial banks act as agents of customers	iv	Time Deposits

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i)
 (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii)
 (d) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii)

99) Match the correct codes

1	Commercial banks issue letters of credit to their customers to certify their creditworthiness	i	Issuing Traveler's Cheques
2	It includes services, such as debit cards, credit card and Internet banking	ii	General Utility Functions
3	Banks issue traveler's cheques to individuals for traveling outside the country	iii	Electronic Banking
4	It implies that commercial banks provide some utility services to customers by performing various functions	iv	Letter of Credit

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i)
 (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)

100) Match the correct codes

1	The rate at which the RBI is willing to lend to commercial banks	i	RRR
2	The amount which a bank has to maintain in the form of cash, gold or approved securities	ii	CRR

3	The rate at which the RBI is willing to borrow from the commercial banks	iii	SLR
4	Under this system the Central Bank controls credit by changing the Cash Reserves Ratio	iv	RR

- (a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (c) (1) – (iv) (2) – (i) (d) (1) – (i) (2) – (ii)
 (3) – (iv) (4) – (iii) (iii) (3) – (iv) (4) – (iii) (3) – (i) (4) – (ii) (3) – (iii) (4) – (iv)
 (i)

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Banking 2 MARKS

12th Standard

Economics

25 x 2 = 50

- 1) Define Commercial banks.
- 2) What is credit creation?
- 3) Define Central bank.
- 4) Distinguish between CRR and SLR
- 5) Write the meaning of Open market operations
- 6) What is rationing of credit?
- 7) Mention the functions of agriculture credit department.
- 8) Name the two ways of deposits that the modern banks create?
- 9) What is meant by Regulation of consumer's credit?
- 10) In which year the state financial corporation was started?
- 11) What is Demonitisation?
- 12) What are Demand Deposits?
- 13) Write a note on "Providing Locker Facilities" of banks.
- 14) Write few examples of NBFIs.
- 15) Mention few major functions of RBI.
- 16) Comment on RBI as "Lender of last resort"
- 17) Write a brief note on Bank Rate Policy.
- 18) Write a brief note on Statutory Liquidity Ratio.
- 19) What is Moral Suasion?
- 20) What are the All-India Level Institutions for industrial finance?
- 21) List the functions of ICICI as an industrial finance bank.
- 22) Write a brief note on SFCs.
- 23) Expansionary policy – Define.
- 24) Write a note on Paytm.
- 25) Write a brief note on Demonetisation of 2016.

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Banking 3 MARKS

12th Standard

Economics

20 x 3 = 60

- 1) Write the mechanism of credit creation by commercial banks.
- 2) Give a brief note on NBFIs.
- 3) Bring out the methods of credit control
- 4) What are the functions of NABARD?
- 5) Specify the functions of IFCI.
- 6) Distinguish between money market and capital market
- 7) Mention the objectives of demonetizations.
- 8) Explain about money supply.
- 9) Distinguish between NEFT and RTGS
- 10) What are the Objectives of the ARDC.
- 11) Explain about Agricultural Refinance Development Corporation (ARDC).
- 12) List of the role of commercial bank.
- 13) List out the functions of Commercial Banks
- 14) Discuss the Primary Functions.
- 15) General Utility Functions of RBI – Discuss.
- 16) Write a brief note on “The First Rupee”
- 17) Differentiate CRR and SLR.
- 18) Compare the dissimilarities of Repo Rate and Reverse Repo Rate.
- 19) What are the key difference between Credit and Debit Card?
- 20) State the implications of ATM.

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Banking 5 MARKS

12th Standard

Economics

10 x 5 = 50

- 1) Explain the role of Commercial Banks in economic development.
- 2) Elucidate the functions of Commercial Banks
- 3) Describe the functions of Reserve Bank of India.
- 4) What are the objectives of Monetary Policy? Explain.
- 5) Distinguish between RTGS and NEFT.
- 6) What are the objectives of ARDC? Explain
- 7) Compare and contrast RBI and other Commercial Banks.
- 8) Distinguish between NBFC and Other Commercial Bank.
- 9) Write the History, Administration and Brief Functions of RBI.
- 10) Explain the chain of events that results from an expansionary monetary policy.

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Banking SLIP TEST**

12th Standard

Economics

20 x 1 = 20

- 1) A Bank is a
(a) Financial institution (b) Corporate (c) An Industry (d) Service institutions
- 2) A Commercial Bank is an institutions that provides services
(a) Accepting deposits (b) Providing loans (c) Both a and b (d) None of the above
- 3) The Functions of commercial banks are broadly classified into
(a) Primary Functions (b) Secondary functions (c) Other functions (d) a, b, and c
- 4) Bank credit refers to
(a) Bank Loans (b) Advances (c) Bank loans and advances (d) Borrowings
- 5) Credit creation means
(a) Multiplication of loans and advances (b) Revenue (c) Expenditure (d) Debt
- 6) NBFIs do not have.
(a) Banking license (b) government approval (c) Money market approval (d) Finance ministry approval
- 7) Central bank is _____ authority of any country.
(a) Monetary (b) Fiscal (c) Wage (d) National Income
- 8) Who will act as the banker to the Government of India?
(a) SBI (b) NABARD (c) ICICI (d) RBI
- 9) Lender of the last resort is one of the functions of.
(a) Central Bank (b) Commercial banks (c) Land Development Banks (d) Co-operative banks
- 10) Bank Rate means.
(a) Re-discounting the first class securities (b) Interest rate (c) Exchange rate (d) Growth rate
- 11) Repo Rate means.
(a) Rate at which the Commercial Banks are willing to lend to RBI (b) Rate at which the RBI is willing to lend to commercial banks (c) Exchange rate of the foreign bank (d) Growth rate of the economy
- 12) Moral suasion refers.
(a) Optimization (b) Maximization (c) Persuasion (d) Minimization
- 13) ARDC started functioning from
(a) June 3, 1963 (b) July 3, 1963 (c) June 1, 1963 (d) July 1, 1963
- 14) NABARD was set up in
(a) July 1962 (b) July 1972 (c) July 1982 (d) July 1992
- 15) EXIM bank was established in.
(a) June 1982 (b) April 1982 (c) May 1982 (d) March 1982
- 16) The State Financial Corporation Act was passed by
(a) Government of India (b) Government of Tamilnadu (c) Government of Union Territories (d) Local Government
- 17) Monetary policy is formulated by.
(a) Co-operative (b) Commercial (c) Central (d) Foreign

FULL SETS ANSWERS COST RS..100 ONLY. WHATSAPP - 8056206308**Kindly Send me Your Key Answer to Our email id - Padasalai.net@gmail.Com**

- banks banks Bank banks
- 18) Online Banking is also known as.
 (a) E-Banking (b) Internet Banking (c) RTGS (d) NEFT
- 19) Expansions of ATM
 (a) Automated Teller Machine (b) Adjustment Teller Machine (c) Automatic Teller mechanism (d) Any Time Money
- 20) 2016 Demonetization of currency includes denominations of
 (a) Rs.500 and Rs.1000 (b) Rs.1000 and Rs2000 (c) Rs.200 and Rs.500 (d) All the above
- 21) Define Commercial banks.
 22) What is credit creation?
 23) Define Central bank.
 24) Distinguish between CRR and SLR
 25) Write the meaning of Open market operations
 26) What is rationing of credit?
 27) Mention the functions of agriculture credit department.
- 28) Write the mechanism of credit creation by commercial banks.
 29) Give a brief note on NBFIs.
 30) Bring out the methods of credit control
 31) What are the functions of NABARD?
 32) Specify the functions of IFCI.
 33) Distinguish between money market and capital market
 34) Mention the objectives of demonetizations.
- 35) Explain the role of Commercial Banks in economic development.
 36) Elucidate the functions of Commercial Banks
 37) Describe the functions of Reserve Bank of India.
 38) What are the objectives of Monetary Policy? Explain.
 39) What are the objectives of ARDC? Explain
 40) Compare and contrast RBI and other Commercial Banks.
 41) Distinguish between NBFC and Other Commercial Bank.

7 x 2 = 14

7 x 3 = 21

7 x 5 = 35

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**International Economics 1 MARKS**

12th Standard

Economics

100 x 1 = 100

- 1) Trade between two countries is known as _____ trade
(a) External (b) Internal (c) Inter-regional (d) Home
- 2) Which of the following factors influence trade?
(a) The stage of development of a product (b) The relative price of factors of productions. (c) Government. (d) All of the above.
- 3) International trade differs from domestic trade because of
(a) Trade restrictions (b) Immobility of factors (c) Different government policies (d) All the above
- 4) 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
- 5) 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
- 6) Exchange rates are determined in
(a) money market (b) foreign exchange market (c) stock market (d) capital market
- 7) Exchange rate for currencies is determined by supply and demand under the system of
(a) Fixed exchange rate (b) Flexible exchange rate (c) Constant (d) Government regulated
- 8) Net export equals _____.
(a) Export x Import (b) Export + Import (c) Export - Import (d) Exports of services only
- 9) 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
- 10) Terms of Trade of a country show _____.
(a) Ratio of goods exported and imported (b) Ratio of import duties (c) Ratio of prices of exports and imports (d) Both (a) and (c)
- 11) Favourable trade means value of exports are _____ Than that of imports.
(a) More (b) Less (c) More or Less (d) Not more than
- 12) 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
- 13) BOP includes

- (a) visible items only (b) invisible items only (c) both visible and invisible items (d) merchandise trade only
- 14) Components of balance of payments of a country includes
 (a) Current account (b) Official account (c) Capital account (d) All of above
- 15) In the case of BOT,
 (a) Transactions of goods are recorded. (b) Transactions of both goods and services are recorded. (c) Both capital and financial accounts are included. (d) All of these
- 16) Tourism and travel are classified in which of balance of payments accounts?
 (a) merchandise trade account (b) services account (c) unilateral transfers account (d) capital account
- 17) 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)
- 18) Which of the following is not an example of foreign direct investment?
 (a) the construction of a new auto assembly plant overseas (b) the acquisition of an existing steel mill overseas (c) the purchase of bonds or stock issued by a textile company overseas (d) the creation of a wholly owned business firm overseas
- 19) Foreign direct investments not permitted in India
 (a) Banking (b) Atomic energy (c) Pharmaceutical (d) Insurance
- 20) Benefits of FDI include, theoretically
 (a) Boost in Economic Growth (b) Increase in the import and export of goods and services (c) Increased employment and skill levels (d) All of these
- 21) IMF stands for
 (a) Indian Managing Fund (b) Indian's Marketing Fund (c) International Monetary Fund (d) International Marketing Fund
- 22) Absolute Cost Advantage was developed by
 (a) Adam Smith (b) Ricardo (c) T.R.Hicks (d) Doltan
- 23) Comparative cost advantages was developed by
 (a) Adam Smith (b) Ricardo (c) T.S.Mill (d) J.R.Hicks
- 24) International trade was developed by
 (a) Adam Smith and Ricardo (b) Eli Heckscher and Bertil Ohlin (c) Ricardo and A.C. Pigou (d) Adam Smith and Ohlin
- 25) _____ includes both visible and invisible items.
 (a) Balance of payment (b) Balance of Trade (c) Foreign Trade (d) None of these
- 26) _____ equals Export - Import
 (a) Gross Import (b) Gross Export (c) Net Import (d) Net Export
- 27) _____ are determined in foreign exchange rate.
 (a) Rate of interest (b) Exchange rate (c) Net Exports (d) All the above
- 28) _____ means value of exports is more than that of imports.
 (a) Unfavorable trade (b) International trade (c) Favorable trade (d) External trade
- 29) Trade is of _____ types

- (a) One (b) Two (c) Three (d) Four
- 30) _____ is one of the types of BoP disequilibrium.
 (a) Income terms of trade (b) Devaluation (c) Structural (d) FDI
- 31) There are _____ major exchange rate system
 (a) two (b) three (c) four (d) five
- 32) _____ refers to foreign currencies.
 (a) BOT (b) FOREX (c) BOP (d) FUND
- 33) High _____ level is responsible for high imports and low exports
 (a) Domestic price (b) Domestic expenses (c) Domestic profit (d) Domestic earnings
- 34) Large _____ are driving out foreign investors.
 (a) public debt (b) private debt (c) public revenue (d) private revenue
- 35) Viner has devised another concept called _____.
 (a) The single factorial terms of trade (b) Net Barter terms of trade (c) Gross Barter terms of trade (d) Internal trade
- 36) International economics first originated inon account of increasing importance of foreign trade in that part of the world
 (a) Eastern Europe (b) Western Europe (c) North America (d) None
- 37) Who is not associated with those who shaped the subject matter of International Economics.
 (a) F.W. Taussig (b) Haberler (c) Bela Balassa (d) J.M. Keynes
- 38) Which of the following is not a subject matter of economics?
 (a) Pure Theory of Trade (b) International Cartels and Blocs (c) Fiscal Federalism (d) International Financial and Trade Regulatory Institutions
- 39) Which of the following is not another term used for International Trade?
 (a) 'inter-home trade' (b) 'external trade' (c) 'foreign trade' (d) 'inter-regional trade'.
- 40) Mercantilism
 (a) Is the philosophy of free international trade (b) Was a system of export promotion and barriers to imports practiced by governments (c) Was praised by Adam Smith in The Wealth of Nations (d) Both (a) and (c)
- 41) Who is the author of 'Principles of Political Economy and Taxation'?
 (a) David Ricardo (b) J.S Mill (c) Marshall (d) Taussig
- 42) The modern theory of international trade explains the causes for?
 (a) comparative cost difference (b) absolute cost difference (c) comparative cost similarities (d) absolute cost similarities
- 43) Which is of the following statement is modern theory of trade
 (a) It presents a one factor (labour) model (b) It attributes the differences in the efficiency of workers in the two countries (c) the phenomenon of international trade on the basis of labour theory of value (d) It presents a multi - factor (labour and capital) model
- 44) The different concepts of terms of trade were classified by?
 (a) Gerald (b) Morris D. (c) John M. (d) Joseph A.

- M.Meier Morris Keynes Schumpeter
- 45) Find the incorrect representation. Net Barter Terms of Trade $T_n = (P_x / P_m) \times 100$
- (a) $T_n =$ Net Barter Terms of Trade (b) $P_x =$ Index number of export prices (c) $P_m =$ Index number of import prices (d) $T_n =$ Gross Barter Terms of Trade
- 46) Find the correct representation. Gross Barter Terms of Trade, $T_g = (Q_m / Q_x) \times 100$
- (a) $Q_m =$ Index of import quantities (b) $Q_x =$ Index of net export quantities (c) $Q_m =$ Index of net import quantities (d) None of the above
- 47) Identify the odd one out.

- (a) IMF (b) IBRD (c) WTO (d) RBI
- 48) Match the items in the List – I with items in List – II. Select the correct answer from the code given below :

List – I	List – II
Absolute Advantage	Ray Vernon
Factor - proportions	Adam Smith
Comparative Advantage	Heckscher –Ohlin
International Product life cycle	David Ricardo

- (a)

I	II	III	IV
3	2	1	4

 (b)

I	II	III	IV
2	4	1	3

 (c)

I	II	III	IV
2	3	4	1

 (d)

I	II	III	IV
1	2	3	4

- 49) Movements of goods (export and imports of commodities) are also known as.....
- (a) invisible trade (b) visible trade (c) new trade (d) conventional trade
- 50) The principal items shown on the.....are exports of goods and services, transfer receipts in the form of gift etc.
- (a) BoT side (b) debite side (c) credit side (d) BoP side
- 51) The principal items on the include imports of goods and services, transfer payments to foreigners, lending to foreign countries.
- (a) BoT side (b) debite side (c) credit side (d) BoP side
- 52) Find the odd one out with respect to components of BoP.
- (a) The current account (b) The capital account (c) The official settlements or official reserve assets account (d) The export import account
- 53) How many main types of BOP Disequilibrium are there?
- (a) Three (b) Two (c) Five (d) Six
- 54)in BOP occurs because of long-run and deep seated changes in an economy as it advances from one stage of growth to another
- (a) The structural disequilibrium (b) The secular disequilibrium (c) The cyclical disequilibrium (d) The seasonal disequilibrium
- 55) Devaluation means deliberate reduction of the official rate at which.....?
- (a) domestic currency is exchanged for another currency (b) domestic currency is blocked for another currency (c) domestic import is exchanged for another import (d) none of the above

- 56) Find the incorrect one with respect to Indian rupee devaluation
 (a) On 29th September, 1949 (b) On 6th June, 1966 (c) On 1st July, 1991 (d) On 9th August, 1990
- 57) Whose statement is this? "The equilibrium exchange rate is that rate, which over a certain period of time, keeps the balance of payments in equilibrium
 (a) Gunnar Mirdal (b) Ragner Nurkse (c) Schumpeter (d) Bertil Ohlin
- 58) means the entry of funds into a nation where foreigners deposit money in a nation's bank or make purchase in the stock and bond markets, sometimes for speculation.
 (a) Foreign Government Investment (b) Foreign Portfolio Investment (c) Foreign Institutional Investment (d) Foreign Direct Investment
- 59) is an investment in hedge funds, insurance companies, pension funds and mutual funds.
 (a) Foreign Institutional Investment (b) Foreign Portfolio Investment (c) Foreign Institutional Investment (d) Foreign Direct Investment
- 60) Suppose a doctor from England is invited to diagnose the health status of a VIP in our State. The fees which we pay to the doctor are entered in to which account of the BOPs Account?
 (a) The current account (b) The capital account (c) State account of expenses (d) The official settlements account or official reserve assets account
- 61) The trade balance of a country is represented by
 (a) the difference between imports and exports (b) the total of imports and exports (c) the report between imports and exports (d) the difference between income and expenditure
- 62) When there is a chronic imbalance in the trade balance (more imports than exports), it can theoretically be reduced by means of a package of tax measures
 (a) decrease of customs duties (b) increase of customs duties (c) stimulating imports. (d) stimulating exports
- 63) International trade in goods and services is sometimes used as a substitute for all of the following except
 (a) International movements of capital. (b) International movements of labor. (c) International movements of technology (d) Domestic production of different goods and services
- 64) If a nation has an open economy it means that the nation
 (a) Allows private ownership of capital (b) Has flexible exchange rates (c) Has fixed exchange rates (d) Conducts trade with other countries
- 65) International trade forces domestic firms to become more competitive in terms of
 (a) The introduction of new products (b) Product design and quality (c) Product price (d) All of the above
- 66) According to the principle of comparative advantage

Country	Tons of steel	DVDs
China	80	40
India	20	20

- (a) China should export steel (b) China should export steel and DVDs (c) India should export steel (d) India should export steel and DVDs

67) With international trade, what would be the maximum number of DVDs that India would be willing to export to China in exchange for each ton of steel

Country	Tons of steel	DVDs
China	80	40
India	20	20

- (a) One DVD (b) Two DVDs (c) Three DVDs (d) Four DVDs

68) The earliest statement of the principle of comparative advantage is associated with

- (a) Adam Smith (b) David Ricardo (c) Eli Heckscher (d) Bertil Ohlin

69) If the international terms of trade settle at a level that is between each country's opportunity cost

- (a) There is no basis for gainful trade for either country (b) Both countries gain from trade (c) Only one country gains from trade (d) One country gains and the other country loses from trade

70) According to the classical theory of international trade:

- (a) Only countries with low wages will export (b) Only countries with high wages will import (c) Countries with high wages will have higher prices (d) All the above are false

71) In the classical model of Ricardo, the direction of trade is determined by:

- (a) absolute advantage (b) comparative advantage (c) physical advantage (d) which way the wind blows

72) Absolute advantage is determined by

- (a) actual differences in labor productivity between countries (b) relative differences in labor productivity between countries. (c) both (a) and (b) (d) neither (a) nor (b)

73) Comparative advantage is determined by:

- (a) actual differences in labor productivity between countries. (b) relative differences in labor productivity between countries (c) both (a) and (b) (d) neither (a) nor (b)

74) The Heckscher-Ohlin theory explains comparative advantage as the result of differences in countries':

- (a) Economies of large-scale production. (b) Relative abundance of various resources (c) Relative costs of labor. (d) Research and development expenditures.

75) According to the factor endowment model of Heckscher and Ohlin, countries heavily endowed with land will:

- (a) Devote excessive amounts of resources to agricultural production (b) Devote insufficient amounts of resources to agricultural production. (c) Export products that are land-intensive (d) Import products that are land-intensive

76) According to the Heckscher-Ohlin model, the source of comparative advantage is a country's:

- (a) technology (b) advertising (c) factor endowments (d) both (a) and (c)

- 77) The Heckscher-Ohlin model rules out the classical model's basis for trade by assuming that _____ is (are) identical between countries
 (a) factor endowments (b) factor intensities (c) technology (d) opportunity costs
- 78) The comparative advantage model of Ricardo was based on
 (a) intraindustry specialization and trade (b) interindustry specialization and trade (c) demand conditions underlying specialization and trade (d) income conditions underlying specialization and trade
- 79) The Heckscher-Ohlin assumes that _____ are identical between countries
 (a) tastes and preferences (b) technology levels (c) factor endowments (d) both (a) and (b)
- 80) According to the Heckscher-Ohlin model
 (a) everyone automatically gains from trade (b) the gainers from trade outnumber the losers from trade (c) the scarce factor necessarily gains from trade (d) none of the above
- 81) The most widely traded currency in the foreign exchange market is the
 (a) euro (b) Chinese yuan (c) British pound (d) U.S. dollar
- 82) Which among the following are the major assumptions of Absolute advantage theory?
 (a) There are two countries and two commodities and one country has absolute advantage in one commodity and the second country has advantage in another commodity
 (b) Labour is the only factor of production and labour is homogeneous, that means each unit of labour produces same level of output. Value of a commodity is measured in terms of its labour content
 (c) Labour is perfectly mobile within the country that means each unit of labour produces same level of output. Value of a commodity is measured in terms of its labour content
 (d) All the above
- 83) Which among the following is NOT an assumption of H-O Theorem
 (a) There are two countries involved. Each country has two factors (labour and capital) and produce two commodities either labour intensively or capital intensively.
 (b) There is no perfect competition in both commodity and factor markets. All production functions are heterogeneous. Production function is subject to increasing or decreasing returns to scale.
 (c) There are no transportation costs
 (d) Factors are freely mobile within a country but immobile between countries
- 84) The foreign exchange rate is NOT
 (a) The price of one currency expresses in terms of another.
 (b) Rate at which of one commodity expresses in terms of another
 (c) The value of one currency in terms of another
 (d) Fixed for ever
- 85) Assertion (A): According to Adam Smith, the basis of international trade was absolute cost advantage

Reason (R): Trade between two countries would be mutually beneficial when one country produces a commodity at an absolute cost advantage over the other country which in turn produces another commodity at an absolute cost advantage over the first country.

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

86) Assertion (A): According to HO theorem, a country can gain from trade when it produces at relatively lower costs

Reason (R): Even when a country enjoys absolute advantage in both goods, the country would specialize in the production and export of those goods which are relatively more advantageous.

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

87) Assertion (A): The classical theory argued that the basis for foreign trade was comparative cost difference and it considered only labour factor

Reason (R): But the modern theory of international trade explains the causes for such comparative cost difference

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

88) Assertion (A): Viner has devised another concept called "the single factorial terms of trade" as an improvement upon the commodity terms of trade.

Reason (R): It represents the ratio of export price index to the import-price index adjusted for changes in the productivity of a country's factors in the production of exports.

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

89) The economist who said that international trade was based upon the concept of absolute advantage was:

- (a) David Ricardo (b) Adam Smith (c) J.S.Mill (d) Bertil Ohlin

90) In a portfolio investment

- (a) investors are directly involved in managing the operations. (b) as in direct investment, investors export goods and services abroad. (c) investors transfer the technology to local investors. (d) investors have no control over operations.

91) Use the following Table to answer the next three questions

TABLE 1 Comparative Costs of Textiles and Steel in India and Japan

	India	Japan
Textiles (price per meter)	Rs. 50	Y300
Steel (price per ton)	Rs. 200	Y400

The ratio of the price of steel to that of textiles is _____ in Japan and _____ in India.

- (a) 4:3; 4:1. (b) 3:4; 1:4 (c) 0.75; 0.25 (d) cannot be determined

92) India has a comparative cost advantage in

- (a) textiles (b) steel (c) both of them (d) none of them

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93) Japan has comparative cost in

- (a) steel (b) textiles (c) both of them (d) cannot be determined

94) Assume a foreign exchange market with a flexible exchange system.

Suppose the demand for a country's currency decreases. This results in a _____ in its currency.

- (a) depreciation (b) appreciation (c) devaluation (d) revaluation

95) If the value of a country's currency falls, what is the effect on exports and imports, assuming all else remains unchanged?

- (a) Exports will fall, (b) Exports and imports will both fall (c) Exports will rise, (d) Exports and imports will both rise

96) Match the correct codes

1 Mercantilism	i	Takes an usversus- them view of trade
2 Free Trade theories	ii	Absolute Advantage
3 Free Trade refined	iii	David Ricardo
4 Comparative Advantage	iv	Heckscher - Ohlin

- (a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (iii) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

97) Match the correct codes

1 Absolute Advantage - Adam Smith	i	1966
2 Comparative Advantage - David Ricardo	ii	1776
3 Factor – proporations- Heckscher - Ohlin	iii	1817
4 International Product life cycle - Ray Vernon	iv	1919

- (a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (iii) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

98) Match the correct codes

1 Tffi	(Qm/Qx) x 100
2 Tnii	(Px / Pm) Fx
3 Tgiii	(Px / Pm) x 100
4 Tfiv	(Px / Pm) (Fx / Fm)

- (a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (iii) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

99) Match the correct codes

1 The BoP is said to be balanced when the receipts (R) and payments (P) are just equal	i	R / P = 1
2 When receipts exceed payments, the BoP is said to be favourable	ii	R / P > 1
3 When receipts are less than payments, the BoP is said to be unfavourable or adverse	iii	R / P < 1
4 BOP Disequilibrium	iv	R / P ≠ 1

- (a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (iii) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

100) Match the correct codes

1 Monetary measures	i	Import Duties
2 Export Promotion	ii	Foreign Loans
3 Import Control	iii	Abolition / reduction of duties
4 Miscellaneous Measures	iv	Monetary Contraction / Expansion

- (a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (3) – (iii) (4) – (iv)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)

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International Economics 2 MARKS

12th Standard

Economics

25 x 2 = 50

- 1) What is International Economics?
- 2) Define International trade.
- 3) State any two merits of trade.
- 4) What is the main difference between Adam Smith and Ricardo with regard to the emergence of foreign trade?
- 5) Define Terms of Trade.
- 6) What do you mean by Balance of Payments?
- 7) What is meant by Exchange Rate?
- 8) List out the types of BOP Disequilibrium.
- 9) What is an import control?
- 10) Mention the subject matter of international economics
- 11) What are the types Trade?
- 12) What is the view of Mercantilism about trade?
- 13) What are the Free Trade theories ?
- 14) List the assumption of Adam smith trade theory.
- 15) What is "The Single Factoral Terms of Trade"?
- 16) Define - Favourable BOT
- 17) Write a brief note on The Official Reserve Assets Account
- 18) Write the Balance of Payment (BOP) Account Chart
- 19) What is Unfavourable BOP?
- 20) List the Monetary measures for Correction of Balance of payment Disequilibrium.
- 21) Mention the dates of devaluation of Indian Rupee.
- 22) What are the Fixed Exchange Rates?
- 23) Mention the Similarities of Internal and International Trade.
- 24) Write the latest trend of FDI in India?
- 25) What is the significant difference between FDI and FII?

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International Economics 3 MARKS

12th Standard

Economics

20 x 3 = 60

- 1) Describe the subject matter of International Economics.
- 2) Compare the Classical Theory of international trade with Modern Theory of International trade.
- 3) Explain the Net Barter Terms of Trade and Gross Barter Terms of Trade.
- 4) Distinguish between Balance of Trade and Balance of Payments.
- 5) What are import quotas?
- 6) Write a brief note on flexible exchange rate.
- 7) State the objectives of Foreign Direct Investment.
- 8) What are the assumptions of Absolute Cost Advantages?
- 9) List out the limitations of Modern Theory of International Trade?
- 10) What are the general advantages of International Trade?
- 11) Write the measures to correct BOP Disequilibrium.
- 12) What are the Determinants of Exchange Rates?
- 13) What are the major sectors benefited from FDI in India?
- 14) List the assumption of Comparative advantage theory of international trade.
- 15) General Utility Functions of RBI – Discuss.
- 16) List the “Role of a state” according to mercantilists?
- 17) Mention the difference between FDI and FPI
- 18) Write a brief note on HO - Factor endowment model theorem
- 19) What are the assumption of Modern theory international trade?
- 20) State the Correction of Balance of payment Disequilibrium - Trade Measures.

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International Economics 5 marks

12th Standard

Economics

15 x 5 = 75

- 1) Discuss the differences between Internal Trade and International Trade.
- 2) Explain briefly the Comparative Cost Theory.
- 3) Discuss the Modern Theory of International Trade.
- 4) Explain the types of Terms of Trade given by Viner.
- 5) Bring out the components of balance of payments account.
- 6) Discuss the various types of disequilibrium in the balance of payments.
- 7) How the Rate of Exchange is determined? Illustrate.
- 8) Explain the relationship between Foreign Direct Investment and Economic development.
- 9) Explain the causes for Balance of Payment Disequilibrium
- 10) Explain the any two types of Exchange Rates
- 11) Draw the flow chart for correction of Balance Payment Disequilibrium
- 12) Discuss the state of FDI in India.
- 13) State the importance of the comparative advantage of international trade.
- 14) Elaborate various Gains from International Trade?
- 15) List the offers of International specialization

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**International Economics SLIP TEST**

12th Standard

Economics

20 x 1 = 20

- 1) Trade between two countries is known as _____ trade
(a) External (b) Internal (c) Inter-regional (d) Home
- 2) Which of the following factors influence trade?
(a) The stage of development of a product (b) The relative price of factors of productions. (c) Government. (d) All of the above.
- 3) International trade differs from domestic trade because of
(a) Trade restrictions (b) Immobility of factors (c) Different government policies (d) All the above
- 4) 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
- 5) 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
- 6) Exchange rates are determined in
(a) money market (b) foreign exchange market (c) stock market (d) capital market
- 7) Exchange rate for currencies is determined by supply and demand under the system of
(a) Fixed exchange rate (b) Flexible exchange rate (c) Constant (d) Government regulated
- 8) Net export equals _____.
(a) Export x Import (b) Export + Import (c) Export - Import (d) Exports of services only
- 9) 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
- 10) Terms of Trade of a country show _____.
(a) Ratio of goods exported and imported (b) Ratio of import duties (c) Ratio of prices of exports and imports (d) Both (a) and (c)
- 11) Favourable trade means value of exports are _____ Than that of imports.
(a) More (b) Less (c) More or Less (d) Not more than
- 12) 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
- 13) BOP includes

FULL SETS ANSWERS COST RS..100 ONLY. WHATSAPP - 8056206308**Kindly Send me Your Key Answer to Our email id - Padasalai.net@gmail.Com**

- (a) visible items only (b) invisible items only (c) both visible and invisible items (d) merchandise trade only
- 14) Components of balance of payments of a country includes
 (a) Current account (b) Official account (c) Capital account (d) All of above
- 15) In the case of BOT,
 (a) Transactions of goods are recorded. (b) Transactions of both goods and services are recorded. (c) Both capital and financial accounts are included. (d) All of these
- 16) Tourism and travel are classified in which of balance of payments accounts?
 (a) merchandise trade account (b) services account (c) unilateral transfers account (d) capital account
- 17) 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)
- 18) Which of the following is not an example of foreign direct investment?
 (a) the construction of a new auto assembly plant overseas (b) the acquisition of an existing steel mill overseas (c) the purchase of bonds or stock issued by a textile company overseas (d) the creation of a wholly owned business firm overseas
- 19) Foreign direct investments not permitted in India
 (a) Banking (b) Atomic energy (c) Pharmaceutical (d) Insurance
- 20) Benefits of FDI include, theoretically
 (a) Boost in Economic Growth (b) Increase in the import and export of goods and services (c) Increased employment and skill levels (d) All of these
- 7 x 2 = 14
- 21) What is International Economics?
 22) Define International trade.
 23) State any two merits of trade.
 24) What is the main difference between Adam Smith and Ricardo with regard to the emergence of foreign trade?
 25) Define Terms of Trade.
 26) What do you mean by Balance of Payments?
 27) What is meant by Exchange Rate?
- 7 x 3 = 21
- 28) Describe the subject matter of International Economics.
 29) Compare the Classical Theory of international trade with Modern Theory of International trade.
 30) Explain the Net Barter Terms of Trade and Gross Barter Terms of Trade.
 31) Distinguish between Balance of Trade and Balance of Payments.
 32) What are import quotas?
 33) Write a brief note on flexible exchange rate.
 34) State the objectives of Foreign Direct Investment.
- 7 x 5 = 35
- 35) Discuss the differences between Internal Trade and International Trade.

- 36) Explain briefly the Comparative Cost Theory.
- 37) Discuss the Modern Theory of International Trade.
- 38) Explain the types of Terms of Trade given by Viner.
- 39) Bring out the components of balance of payments account.
- 40) Discuss the various types of disequilibrium in the balance of payments.
- 41) How the Rate of Exchange is determined? Illustrate.

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RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**International Economic Organisations 1 MARKS**

12th Standard

Economics

100 x 1 = 100

- 1) International Monetary Fund was an outcome of
(a) Pandung Conference (b) Dunkel Draft (c) Bretton Woods Conference (d) Doha Conference
- 2) International Monetary Fund is having its headquarters at
(a) Washington D.C. (b) New York (c) Vienna (d) Geneva
- 3) IBRD is otherwise called
(a) IMF (b) World Bank (c) ASEAN (d) International Finance Corporation
- 4) The other name for Special Drawing Rights is
(a) Paper gold (b) Quotas (c) Voluntary Export Restrictions (d) None of these
- 5) The organization which provides long term loan is
(a) World Bank (b) International Monetary Fund (c) World Trade Organisation (d) BRICS
- 6) Which of the following countries is not a member of SAARC?
(a) Sri Lanka (b) Japan (c) Bangladesh (d) Afghanistan
- 7) International Development Association is an affiliate of
(a) IMF (b) World Bank (c) SAARC (d) ASEAN
- 8) _____ relates to patents, copyrights, trade secrets, etc.,
(a) TRIPS (b) TRIMS (c) GATS (d) NAMA
- 9) The first ministerial meeting of WTO was held at
(a) Singapore (b) Geneva (c) Seattle (d) Doha
- 10) ASEAN meetings are held once in every _____ years
(a) 2 (b) 3 (c) 4 (d) 5
- 11) Which of the following is not the member of SAARC?
(a) Pakistan (b) Sri Lanka (c) Bhutan (d) China
- 12) SAARC meets once in _____ years.
(a) 2 (b) 3 (c) 4 (d) 5
- 13) The headquarters of ASEAN is
(a) Jaharta (b) New Delhi (c) Colombo (d) Tokyo
- 14) The term BRIC was coined in
(a) 2001 (b) 2005 (c) 2008 (d) 2010
- 15) ASEAN was created in
(a) 1965 (b) 1967 (c) 1972 (d) 1997
- 16) The Tenth BRICS Summit was held in July 2018 at
(a) Beijing (b) Moscow (c) Johannesburg (d) Brasilia
- 17) New Development Bank is associated with
(a) BRICS (b) WTO (c) SAARC (d) ASEAN
- 18) Which of the following does not come under 'Six dialogue partners' of ASEAN?
(a) China (b) Japan (c) India (d) North Korea
- 19) SAARC Agricultural Information Centre (SAI) works as a central information institution for agriculture related resources was founded on

- (a) 1985 (b) 1988 (c) 1992 (d) 1998
- 20) BENELUX is a form of
 (a) Free trade area (b) Economic Union (c) Common market (d) Customs union
- 21) Head quarters of SAARC is in
 (a) Kathmandu (b) Bangkok (c) shanghai (d) Singapore
- 22) Head quarters of ASEAN is located in
 (a) Nepal (b) Maldives (c) Indonesia (d) Afghanistan
- 23) Head quarters of BRICS is in
 (a) Shanghai (b) India (c) Sri lanka (d) Bhutan
- 24) World Bank Group
 (a) IDA (b) IFC (c) IMF (d) MIGA
- 25) Jakarta is the head quarters of _____.
 (a) BRICS (b) WTO (c) SAARC (d) ASEAN
- 26) The _____ BRICS summit was held in July 2018 at Johannesburg
 (a) Tenth (b) Fifth (c) Sixth (d) Third
- 27) World Bank is otherwise called _____.
 (a) ASEAN (b) IBRD (c) International finance (d) SAARC
- 28) The Bretton Woods conference proposal IMF, World Bank and International Trade Organisation (ITO) in _____.
 (a) 1944 (b) 1934 (c) 1964 (d) 1974
- 29) The IMF and World Bnak were started in _____.
 (a) 1945 (b) 1965 (c) 1895 (d) 1780
- 30) The GATT was transformed into WTO on _____.
 (a) 1995 (b) 1965 (c) 1975 (d) 1985
- 31) The World Bank's headquarters are in _____.
 (a) Washington D.C (b) Hyderabad (c) New york (d) Alaska
- 32) The International Monetary Fund was established in _____.
 (a) 1985 (b) 1940 (c) 1945 (d) 1918
- 33) The World Bank was established in _____.
 (a) 1918 (b) 1969 (c) 1945 (d) 2002
- 34) The World Trade Organisation was started in _____.
 (a) 2003 (b) 1996 (c) 1997 (d) 1995
- 35) The IMF has _____ member countries.
 (a) 180 (b) 189 (c) 181 (d) 111
- 36) Unconditionally borrowing right is called as _____.
 (a) special drawing right (b) the reserve tranche (c) both (a) and (b) (d) none of the above
- 37) SDR's is otherwise called as _____.
 (a) paper gold (b) paper currency (c) both (a) and (b) (d) none of the above
- 38) The IMF established structural adjustment facility in _____.
 (a) March 1980 (b) March 1986 (c) March 1981 (d) March 1982
- 39) SDR stands for _____.
 (a) Special Drawing Resource (b) Special Drawing Rights (c) Special Daily Rights (d) Special Detail Rights
- 40) _____ of the agreement states the functions performed by the world bank.

- (a) Article 2 (b) Article 3 (c) Article 4 (d) Article 1
- 41) The first WTO conference was held at _____ in 1996.
 (a) Singapore (b) Morocco (c) Hong Kong (d) Malaysia
- 42) _____ is not a member of ASEAN.
 (a) Indonesia (b) Singapore (c) Philippines (d) Thailand
- 43) _____ meets once in 2 years.
 (a) ASEAN (b) SAARC (c) IMF (d) WTO
- 44) _____ provides long term loan.
 (a) BRICS (b) WTO (c) World Bank (d) None of the above
- 45)are "founding fathers" of both the World Bank and the International Monetary Fund (IMF).
 (a) John Maynard Keynes and Harry Dexter White (b) John Stuart Mill and Paul A Samuelson (c) Amartya Kumar Sen and Jagadish Bagawathi (d) Milton Friedman and Simon Kuznuts
- 46) What was the name of the conference that laid the foundations for the creation of the WTO, the IMF and the World Bank Group?
 (a) The Doha Conference (b) The Bretton woods Conference (c) The Tokyo Protocol (d) The Shangai Summit
- 47) Expand the term GATT
 (a) General Agreement on Tariff and Trade (b) Joint Agreement on Tariff and Trade (c) General Arrangement on Tariff and Trade (d) General Agreement on Travel and Trade
- 48) What was the initial term proposed for the coining of GATT?
 (a) OTP (b) ITP (c) SAF (d) SDR
- 49) Pick the year of establishment of World Trade Organisation. Pick the year of establishment of World Trade Organisation
 (a) 1945 (b) 2001 (c) 1995 (d) 1996
- 50) Which is latest member of IMF as 189th member
 (a) Czech Republic (b) Afganistan (c) Uruguay (d) Republic of Nauru
- 51) Find the correct answer
 I. Financial – Assistance to correct short and medium term deficit in BOP;
 II. Regulatory – Counseling and technical consultancy
 III. Consultative - Code of conduct and
 (a) All are correctly matched (b) II only correctly matched (c) All are incorrectly matched (d) I only correctly matched
- 52) The achievements of the fund can be summed up as 'Fund is like an International Reserve Bank.' Who said this
 (a) Haien (b) Firedman (c) Arrow (d) Lancaster
- 53) Expand the term ESAF
 (a) Enhanced Structural Adjustment Faculty (b) Enhanced Structural Arrangement Facility (c) Enhanced Standard Adjustment Faculty (d) Enhanced Structural Adjustment Facility
- 54) Why Was the SDR Created?
 (a) To assist developed nations (b) To improve FOREX imbalances (c) To be the World Reserve Currency (d) none of the above
- 55) What was the initial value of SDR?
 (a) equivalent to (b) equivalent to (c) equivalent to (d) none of

- 2.33 dollar 0.888671 grams gold 500gm of silver the above
- 56) India's current quota in the IMF is SDRs (Special Drawing Rights).....?
 (a) 5,821.5 million (b) 6,821.5 million (c) 5,621.5 million (d) 8,821.5 million
- 57) India is the quota holding country at IMF with shareholdings of 2.44%.
 (a) 2nd Largest (b) 3rd Smallest (c) 13th largest (d) 14th Smallest
- 58) Expand the term MIGA
 (a) Multilateral Investment Guarantee Agreement (b) Multilateral International Guarantee Arrangement (c) Multilateral Investment Guarantee Agency (d) Multilateral International Guarantee Agency
- 59) As of now, The IBRD hasmember countries
 (a) 188 (b) 189 (c) 35 (d) 210
- 60) The name "International Bank for Reconstruction and Development" was first suggested by to the drafting committee.
 (a) China (b) USA (c) Japan (d) India
- 61) In which of following establishment, India is not a member?
 (a) International Development Association (IDA, 1960) (b) International Finance Corporation (IFC, 1956) (c) Multilateral Investment Guarantee Agency (MIGA, 1958) (d) International Centre for Settlement of Investment Disputes (ICSID, 1966)
- 62) India became a member of MIGA in?
 (a) 1994 (b) 1995 (c) 1996 (d) 1997
- 63) WTO is planned to organize 12th ministerial conference at in 2020.
 (a) Russia (b) China (c) Kazakhstan (d) South Africa
- 64) Expand the term TRIMs
 (a) Tradition Related Investment Movements (b) Travel Related Investment Measures (c) Trade Related Investment Movements (d) Trade Related Investment Measures
- 65) The multi-fiber agreement governed the world trade is related to?
 (a) textiles and garments industry (b) optic fiber industry (c) fiber rich food industry (d) software and technological industry
- 66) In WTO,puts an end to procedural delays
 (a) Agreement on Agriculture (b) The Disputes Settlement Body (c) Phasing out of Multi Fibre Agreement (d) None of the above
- 67) Match the items in the List – I with items in List – II. Select the correct answer from the code given below
 (a) Free Trade Area (b) Customs Union (c) Common Market (d) Trade Barriers
- 68) What are the BENELUX countries?
 (a) Brazil, Nigeria and Luxumburag (b) Belgium, Netherland and Luxumbuarg (c) Bay of Jamaica, Norway and Luxumbuarg (d) None of the above
- 69) Expand the term ECM
 (a) European Common Market (b) Equal Common Market (c) East Asian Common Market (d) EnglandCustom Market
- 70) Which of the following is correct representation in terms of trade agreement?

- (a) EU < CM > CU (b) EU > CM > CU (c) EU > CM < CU (d) EU < CM < CU
> FTA > FTA > FTA < FTA
- 71) Where is the head-quarter of South Asian Association for Regional Cooperation (SAARC) located?
(a) Kathmandu (b) Bangkok (c) New Dehli (d) Shangai
- 72) Where is the head-quarter of ASEAN located?
(a) Bangkok (b) Chili (c) New Dehli (d) Shangai
- 73) Expand the term SAPTA
(a) SAARC Preferential Trading Agency (b) SAARC Preferential Trading Arrangement (c) SAARC Preferential Trading Agreement (d) SAARC Pricing and Trading Agency
- 74) Expand the term SAIC
(a) American Information Centre (b) Agricultural Information Centre (c) Agrarian Information Centre (d) Agricultural Investment Centre
- 75) Expand the term SADF.
(a) South Asian Divisional Fund (b) South Asian Development Force (c) South Asian Development Fund (d) South East Asian Development Force
- 76) Who are ASEAN initial original member countries?
(a) India, China, Russia, Japan and Australia (b) Indonesia, Malaysia, Philippines, Singapore and Thailand (c) Pakistan, Srilanka, Bangladesh and Philippines (d) Brunei Darussalam, Vietnam, Laos and Myanmar and Cambodia joined.
- 77) Find the right combination of BRICS
(a) Brazil, Russia, India, China and Africa (b) Britain, Russia, Indonesia, China and Sweden (c) Belgium, Russia, India, Chili, Spain (d) None of the above
- 78) The BRICS countries make up of global GDP.
(a) 1 Percent (b) 21 percent (c) 51 percent (d) one third
- 79) The BRICS are home to of the world's population
(a) two third (b) 3 percent (c) three fourth (d) 43 percent
- 80) In BRICS summit in Brazil, the member countries, signed an agreement to create a development bank (New Development Bank) with headquarters at Shangai, China in 2015.
(a) the first (b) the second (c) the sixth (d) the latest
- 81) The European Union is an example of a/an
(a) customs union (b) economic union (c) common market (d) free trade area
- 82) When several countries jointly impose common external tariffs, eliminate tariffs on each other, and eliminate barriers to the movement of labor and capital among themselves, they have formed a/an
(a) free trade area (b) customs union (c) common market (d) economic union
- 83) Which statement is not true about SAARC?
(a) Currently there are 8 members of SAARC (b) It was established in Bangladesh in 1964 (c) Its first meeting was held in Danka (d) It aims to promote mutual cooperation among members in South Asia

- 84) Who issues the Special Drawing Rights (SDR) in the following?
 (a) World Bank (b) World Trade Organization (c) Asian Development Bank (d) International Monetary Fund
- 85) Which of the followings are called Brettonwoods Twins?
 (a) IMF & International Bank for Reconstruction and Development (IBRD) (b) IMF & World Trade Organisation (c) IBRD & World Trade Organisation (d) None of the above
- 86) Which of the following statements is not correct?
 (a) Both the IMF & IBRD have headquarters in Washington (b) Both IMF & IBRD are the Constituent organizations of United Nations Organization (c) IBRD is also called World Bank (d) India's vote share in the International Monetary Fund is 10%
- 87) Which of the following institution is associated with Dunkel Proposals?
 (a) World Bank (b) International Monetary Fund (c) World Trade Organization (d) United Nations Organization
- 88) Which of the following institutions is not part of the World Bank community?
 (a) IBRD (b) WTO (c) IDA (d) IFC
- 89) Expand the term MFN
 (a) Multilateral Financial Nations (b) Most Favoured Nation (c) Mutual Financial Nation (d) Movements of Foreign Nations
- 90) WTO is serving as the successor to which of the following organisations?
 (a) General Agreement on Trade and Tariffs (b) General Arrangement on Trade and Tariffs (c) World Health Organisation (d) UN Development Programme
- 91) Assertion (A): The Brettonwoods Conference proposed IMF, World Bank and International Trade Organisation (ITO) in 1944.
 Reason (R): Instead of ITO, an interim arrangement was made and named GATT (General Agreement on Tariff and Trade).
 (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 92) Assertion (A): IMF enforces the system of determination of par values of the currencies of the member countries
 Reason (R): According to the Articles of Agreement of the IMF, every member nation should declare the par value of its currency in terms of gold or US dollars.
 (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 93) Assertion (A): SDRs act both as an international unit of account and a means of payment.
 Reason (R): SDRs are used as a means of payment by Fund members to meet balance of payments deficits and their total reserve position with the Fund.
 (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

- 94) Assertion (A): The World Bank has given large financial assistance to India for economic development.
Reason (R): Special mention may be made of the assistance World Bank has given to India in the development of infrastructure such as electric power, transport, communication, irrigation projects and steel industry
(a) Both A and R are true and R is the correct explanation of A (b) Both A and R are true but R is not the correct explanation of A (c) A is true but R is false (d) A is false but R is true
- 95) Assertion (A): The ASEAN nations are expected to benefit from the FTA as it will reduce tariff and non-tariff barriers.
Reason (R): The common historical and cultural background made the member countries to maintain their unity and solidarity by establishing a trade block.
(a) Both A and R are true and R is the correct explanation of A (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false (d) A is false but R is true.
- 96) Which of the following is not one of the international institutions established in the late 1940s?
(a) The General Agreement on Tariffs and Trade (GATT) (b) The World Bank (c) The International Monetary Fund (IMF) (d) The World Trade Organization
- 97) Match the correct codes
- | | | | |
|---|------|-----|------|
| 1 | IBRD | i | 1956 |
| 2 | IDA | ii | 1958 |
| 3 | IFC | iii | 1960 |
| 4 | MIGA | iv | 1945 |
- (a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)
- 98) Match the correct codes
- | WTO Ministerial Conference | Venue and Date |
|----------------------------|---|
| 109 | i Singapore, 9-13 December 1996 |
| 206 | ii Bali, 3-6 December 2013 |
| 303 | iii Hong Kong, 13-18 December 2005 |
| 401 | iv Seattle, November 30 – December 3 1999 |
- (a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)
- 99) Match the correct codes
- | | | | |
|---|---------|-----|---|
| 1 | SAARC | i | Bangladesh, Bhutan, India, The Maldives, Nepal, Pakistan and Sri Lanka. |
| 2 | ASEAN | ii | Indonesia, Malaysia, Philippines, Singapore and Thailand |
| 3 | BRICS | iii | Brazil, Russia, India, China and South Africa |
| 4 | BENELUX | iv | Belgium, Netherland and Luxumbuarg |
- (a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)
- 100) Match the correct codes

1	It is composed of a common market with a customs union	i	Economic Union
2	Free trade area (zero tariffs among members) with a common external tariff	ii	Customs Union
3	A region encompassing a trade bloc whose member countries have signed a free-trade agreement	iii	Multilateral trade agreement
4	It is a multi national legal or trade agreements between countries	iv	Free Trade Area

(a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (iii) (i)
(c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii)
(d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)

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International Economic Organisations 2 MARKS

12th Standard

Economics

25 x 2 = 50

- 1) Write the meaning of Special Drawing rights.
- 2) Mention any two objectives of ASEAN.
- 3) Point out any two ways in which IBRD lends to member countries.
- 4) Define Common Market.
- 5) What is Free trade area?
- 6) When and where was SAARC Secretariat established?
- 7) Specify any two affiliates of World Bank Group.
- 8) Write a short note of IMF.
- 9) Write a short note on World Trade Organisation.
- 10) What is MFA?
- 11) Write any two points of the objectives of IBRD.
- 12) Who are the founding fathers of World Bank and IMF?
- 13) Why was the SDR created?
- 14) Write a short note on structural adjustment facility.
- 15) What was proposed in The Brettonwoods Conference?
- 16) Write a brief note on "Buffer Stock Facility"
- 17) How is the SDR Valued?
- 18) Write a note how World Bank us associated with rural areas?
- 19) Expand the term TRIPS and TRIMS
- 20) Write a note on WTO's Dispute Settlement Body
- 21) What is an economic union?
- 22) What is the basic aim of SAARC organisation?
- 23) List the members of BRICS
- 24) What is MFN?
- 25) What are The Three Regulatory Pillars of the "World Economic Order"?

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International Economic Organisations 3 MARKS

12th Standard

Economics

20 x 3 = 60

- 1) Mention the various forms of economic integration.
- 2) What are trade blocks?
- 3) Mention any three lending programmes of IMF.
- 4) What is Multilateral Agreement?
- 5) Write the agenda of BRICS Summit, 2018.
- 6) State briefly the functions of SAARC.
- 7) List out the achievements of ASEAN.
- 8) What are the Objectives of the IBRD?
- 9) What are the achievements of World Bank?
- 10) Write the objectives for BRICS
- 11) Write a short note on SDRs.
- 12) Mention any two functions of the ASEAN.
- 13) Mention any two objectives of SAARC.
- 14) Explain the achievements of WTO.
- 15) List the important objectives of IMF
- 16) Write briefly about "Structural Adjustment Facility"
- 17) What are the major objectives of WTO?
- 18) Write a short note on TRIMs
- 19) Explain the "General Agreement on Trade in Services (GATS)"
- 20) Distinguish between IMF and World Bank

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International Economic Organisations 5 MARKS

12th Standard

Economics

10 x 5 = 50

- 1) Explain the objectives of IMF.
- 2) Bring out the functions of World Bank.
- 3) Discuss the role of WTO in India's socio economic development.
- 4) Write a note on
 - a) SAARC
 - b) BRICS
- 5) State the objectives of SAARC.
- 6) List out the achievements of SAARC.
- 7) Differentiate the GATT with WTO by the help of a table
- 8) Explain in detail about the facilities offered by IMF to its member nations?
- 9) Narrate the achievements of IMF
- 10) Elaborate the WTO Agreements in detail

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**International Economic Organisations SLIP TEST**

12th Standard

Economics

20 x 1 = 20

- 1) International Monetary Fund was an outcome of
(a) Pandung Conference (b) Dunkel Draft (c) Bretton Woods Conference (d) Doha Conference
- 2) International Monetary Fund is having its headquarters at
(a) Washington D.C. (b) New York (c) Vienna (d) Geneva
- 3) IBRD is otherwise called
(a) IMF (b) World Bank (c) ASEAN (d) International Finance Corporation
- 4) The other name for Special Drawing Rights is
(a) Paper gold (b) Quotas (c) Voluntary Export Restrictions (d) None of these
- 5) The organization which provides long term loan is
(a) World Bank (b) International Monetary Fund (c) World Trade Organisation (d) BRICS
- 6) Which of the following countries is not a member of SAARC?
(a) Sri Lanka (b) Japan (c) Bangladesh (d) Afghanistan
- 7) International Development Association is an affiliate of
(a) IMF (b) World Bank (c) SAARC (d) ASEAN
- 8) _____ relates to patents, copyrights, trade secrets, etc.,
(a) TRIPS (b) TRIMS (c) GATS (d) NAMA
- 9) The first ministerial meeting of WTO was held at
(a) Singapore (b) Geneva (c) Seattle (d) Doha
- 10) ASEAN meetings are held once in every _____ years
(a) 2 (b) 3 (c) 4 (d) 5
- 11) Which of the following is not the member of SAARC?
(a) Pakistan (b) Sri Lanka (c) Bhutan (d) China
- 12) SAARC meets once in _____ years.
(a) 2 (b) 3 (c) 4 (d) 5
- 13) The headquarters of ASEAN is
(a) Jaharta (b) New Delhi (c) Colombo (d) Tokyo
- 14) The term BRIC was coined in
(a) 2001 (b) 2005 (c) 2008 (d) 2010
- 15) ASEAN was created in
(a) 1965 (b) 1967 (c) 1972 (d) 1997
- 16) The Tenth BRICS Summit was held in July 2018 at
(a) Beijing (b) Moscow (c) Johannesburg (d) Brasilia
- 17) New Development Bank is associated with
(a) BRICS (b) WTO (c) SAARC (d) ASEAN
- 18) Which of the following does not come under 'Six dialogue partners' of ASEAN?
(a) China (b) Japan (c) India (d) North Korea
- 19) SAARC Agricultural Information Centre (SAI) works as a central information institution for agriculture related resources was founded on

- (a) 1985 (b) 1988 (c) 1992 (d) 1998
- 20) BENELUX is a form of
- (a) Free trade area (b) Economic Union (c) Common market (d) Customs union

7 x 2 = 14

- 21) Write the meaning of Special Drawing rights.
- 22) Mention any two objectives of ASEAN.
- 23) Point out any two ways in which IBRD lends to member countries.
- 24) Define Common Market.
- 25) What is Free trade area?
- 26) When and where was SAARC Secretariat established?
- 27) Specify any two affiliates of World Bank Group.

7 x 3 = 21

- 28) Mention the various forms of economic integration.
- 29) What are trade blocks?
- 30) Mention any three lending programmes of IMF.
- 31) What is Multilateral Agreement?
- 32) Write the agenda of BRICS Summit, 2018.
- 33) State briefly the functions of SAARC.
- 34) List out the achievements of ASEAN.

7 x 5 = 35

- 35) Explain the objectives of IMF.
- 36) Bring out the functions of World Bank.
- 37) Discuss the role of WTO in India's socio economic development.
- 38) Write a note on
 - a) SAARC
 - b) BRICS
- 39) Discuss the major functions of IMF
- 40) Narrate the achievements of IMF
- 41) Elaborate the WTO Agreements in detail

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Fiscal Economics 1 MARKS**

12th Standard

Economics

100 x 1 = 100

- 1) The modern state is
(a) Laissez-faire state (b) Aristocratic state (c) Welfare state (d) Police state
- 2) One of the following is NOT a feature of private finance
(a) Balancing of income and expenditure (b) Secrecy (c) Saving some part of income (d) Publicity
- 3) The tax possesses the following characteristics
(a) Compulsory (b) No quid pro quo (c) Failure to pay is offence (d) All the above
- 4) 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
- 5) Consider the following statements and identify the correct ones.
(i) Central government does not have exclusive power to impose tax which is not mentioned in state or concurrent list.
(ii) The Constitution also provides for transferring certain tax revenues from union list to states.
(a) i only (b) ii only (c) both (d) none
- 6) GST is equivalence of
(a) Sales tax (b) Corporation tax (c) Income tax (d) Local tax
- 7) The direct tax has the following merits except
(a) equity (b) convenient (c) certainty (d) civic consciousness
- 8) Which of the following is a direct tax?
(a) Excise duty (b) Income tax (c) Customs duty (d) Service tax
- 9) 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
- 10) "Revenue Receipts" of the Government do not include
(a) Interest (b) Profits and dividends (c) Recoveries and loans (d) Rent from property
- 11) The difference between revenue expenditure and revenue receipts is
(a) Revenue deficit (b) Fiscal deficit (c) Budget deficit (d) Primary deficit
- 12) 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
- 13) The primary purpose of deficit financing is
(a) Economic development (b) Economic stability (c) Economic equality (d) Employment generation
- 14) Deficit Budget means
(a) An excess of government's revenue over expenditure (b) An excess of government's current expenditure over its current revenue (c) An excess of government's total expenditure over its total revenue (d) None above

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- 15) Methods of repayment of public debt is
 (a) Conversion (b) Sinking fund (c) Funded debt (d) All these
- 16) Conversion of public debt means exchange of
 (a) New bonds (b) Low interest bonds for higher interest bonds (c) Long term bonds for short term bonds (d) All the above
- 17) 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
- 18) 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
- 19) Finance Commission determines
 (a) The finances of Government of India transfer to the states (b) The resources transfer to the various departments of the states (c) The resources transfer to the various departments of the states (d) None of the above
- 20) Consider the following statements and identify the right ones.
 (i) The finance commission is appointed by the President
 (ii) The tenure of Finance commission is five years
 (a) i only (b) ii only (c) both (d) none
- 21) The old and popular term of Fiscal Economics is called _____
 (a) Public dept (b) Public finance (c) Federal finance (d) Public expenditure
- 22) Public finance is related to the financing of the _____ activities.
 (a) State (b) Central (c) Both (a) and (b) (d) None of the above
- 23) Unbalanced budget are of _____ types
 (a) 3 (b) 2 (c) 4 (d) 5
- 24) Sale within the states are _____
 (a) IGST (b) CGST (c) SGST (d) Both (b) and (c)
- 25) GST will mainly remove the _____
 (a) Cascading effect (b) VAT (c) CGST (d) Both (a) and (c)
- 26) _____ consists of capital receipts and capital expenditure.
 (a) Budge (b) Capital budget (c) Revenue (d) Supplementary budget
- 27) Financial operation of the government _____
 (a) Treasury (b) Bills of payment (c) Bills of exchange (d) All the above
- 28) Public finance has been newly tert.ned as _____
 (a) Fiscal policy (b) Fiscal economics (c) Federal finance (d) None of these
- 29) _____ state is a welfare state.
 (a) Economic (b) Political (c) Modern (d) Fiscal
- 30) 'Public finance' is a study of the financial aspects of _____
 (a) The Private (b) The Local (c) Both 'a' and 'b' (d) The Government
- 31) 'Public finance' includes _____ major sub divisions.
 (a) Three (b) Two (c) Four (d) Five
- 32) Defense is the _____ function of the government.
 (a) Secondary (b) Primary (c) Tertiary (d) All of these
- 33) The population of India has increased from 36.1 crore in 1951 to _____ crore in 2011
 (a) 121 (b) 131 (c) 111 (d) 110.5
- 34) _____ occupies an important place in the study of public finance.

- (a) Public debt (b) Public expenditure (c) Public revenue (d) Public policy
- 35) Public revenue can be classified into _____
 (a) Two (b) Three (c) Four (d) Five
- 36) Direct taxes are _____
 (a) Progressive (b) Regressive (c) Proportion (d) Digressive
- 37) Indirect taxes are _____
 (a) Progressive (b) Propertional (c) Digressive (d) Regressive
- 38) GST is of _____ tax.
 (a) Direct tax (b) Indirect tax (c) Multiple tax (d) Single tax
- 39) The word 'budget' is origin from _____ word.
 (a) Italic (b) Latin (c) British (d) French
- 40) Public finance is concerned with the income and expenditure of _____
 (a) Private sector (b) Agricultural sector (c) Public authorities (d) Industrial sector
- 41) Tax revenue deals with the _____
 (a) Fees (b) Kinds of taxes (c) Revenue (d) Non tax revenue
- 42) The term 'Fiscal Economics' is a new one; the old and popular term of the subject is?
 (a) Private Finance (b) Public Finance (c) International Finance (d) Modern Economics
- 43) Identify the odd one
 (a) Public Revenue (b) Corporate Finance (c) Federal Finance (d) Public Debt
- 44) In the context of a welfare state, find the incorrect one.
 (a) creating economic and social overheads (b) ensuring stability both internally and externally (c) augmenting the profit of public enterprises (d) conserving resources for sustainable development and so on.
- 45) Assertion (A): The state intervenes through control of monopolies and restrictive trade practices to curb concentration of economic power.
 Reason (R): Concentration of economic power is another evil to be corrected by the Government.
 (a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false. (d) (A) is false, but (R) is true
- 46) During the past 67 years of planning, the population of India has increased from 36.1 crore in....., to 121 crore in.....?
 (a) 1951 and 2011 (b) 1981 and 2011 (c) 1991 and 2018 (d) 1971 and 2001
- 47) The interest payment of the central government has increased from Rs. 21,500 crores into Rs.5, 75,794 crores in.....?
 (a) 1950-51 and 2018-19 (b) 2000-01 and 2018-19 (c) 1990-91 and 2018-19 (d) 1960-61 and 2018-19
- 48) In India, there are more than above one million population.
 (a) 45 cities (b) 54 towns (c) 54 cities (d) 45 towns
- 49) Grants from foreign countries are known as.....?
 (a) Global Aid (b) Foreign Aid (c) International Aid (d) All the above
- 50) What is name of following?
 1. Economical

2. Equitable
3. Convenient
4. Certain
- (a) Canons of Taxation (b) Canons of Budget (c) Fiscal Federalism (d) None of the above
- 51) Central Board of Direct Taxes is under control of?
(a) The Ministry of External Affairs (b) The Ministry of Finance (c) The Ministry of Urban Development (d) None of the above
- 52) Income tax satisfies the canon of?
(a) equity (b) equality (c) economy (d) efficiency
- 53) Direct taxes satisfy the canon of?
(a) efficiency (b) economy (c) elasticity (d) equity
- 54) can be ensured by direct taxes?
(a) Canon of certainty (b) Canon of convenience (c) Canon of economy (d) Canon of equity
- 55) Find the meaning of following statement. "Paid by a shopkeeper or retailer, who then shifts the tax burden to customers by charging sales tax on goods and services."
(a) Trade Tax (b) GST (c) Sales Tax (d) Revenue Tax
- 56) Find the meaning of following statement. "Import duties levied on goods from outside the country, ultimately paid for by consumers and retailers"
(a) Sales Tax (b) Custom Duty (c) Gift Tax (d) GST
- 57) Which of the following is note related to direct tax?
(a) Progressive person (b) Falls on the same assessee (c) Income or wealth of the (d) Can be shifted
- 58) The component of GST are of
(a) 2 types (b) 5 types (c) 4 types (d) 3 types
- 59) Which is not a component of GST
(a) CGST (b) SGST (c) GCST (d) GCST
- 60) The existing Government may or may not continue for the year, on account of the fact that elections are due, then the Government places a
(a) Balanced Budget (b) Election Budget (c) Lame duck Budget (d) None of the above
- 61) When the outcome of any activity is taken as the base of any budget, such budget is known as
(a) Unbalanced Budget (b) Performance Budget (c) Revenue Budget (d) Deficit Budget
- 62) For the first time in the world, the performance budget was made in?
(a) USA (b) UAE (c) USSR (d) UK
- 63) In India, the is also known as 'Outcome Budget'.
(a) Provisional Budget (b) Programme Budget (c) Performance Budget (d) Zero based Budget
- 64) What is the formula for calculating the Fiscal deficit (FD)?
(a) Budget deficit + Government's market borrowings and liabilities (b) Net Revenue Expenditure (NE) - Total Revenue Receipts (RR) (c) Total Revenue Expenditure (RE) - Net Revenue Receipts (NR) (d) Total Expenditure - Total Revenue
- 65) Find the measure of Primary Deficit (PD)?

- (a) Fiscal Surplus (PS) - Interest Payment (IP) (b) Fiscal Surplus (PS) – Net Interest Payment (NIP) (c) Fiscal Deficit (PS) – Net Interest Payment (IP) (d) Fiscal deficit (PD) - Interest Payment (IP)
- 66) refers to the system of assigning the source of revenue to the Central as well as State Governments for the efficient discharge of their respective functions.
 (a) Public Economics (b) Federal Economics (c) Federal finance (d) Fiscal Economics
- 67) There are enumerated in the Seventh Schedule of constitution
 (a) two lists (b) five lists (c) three lists (d) 78 lists
- 68) Find the incorrect one regarding the Seventh Schedule of constitution.
 (a) the Foreign list (b) the Union list (c) the State list (d) the Concurrent List.
- 69) The Union List consists of of national importance such as Defence, Railways, Post and Telegraph, etc.
 (a) 22 subjects (b) 100 subjects (c) 3 subjects (d) 200 subjects
- 70)consists of 61 subjects of local interest such as Public Health, Police etc?
 (a) Central List (b) Union List (c) Concurrent List (d) The State List
- 71) The Concurrent List has 52 subjects important to....., such as Electricity, Trade Union, Economic and Social Planning, etc
 (a) both the Union and the State (b) Union (c) State (d) None of the above
- 72) Which of the following is not a Union Source?
 (a) Corporation tax (b) Capitation tax (c) Currency, coinage and legal tender, foreign exchange including export duties (d) Duties of customs including export duties
- 73) Which of the following is not a State Source
 (a) Estate duty in respect of property other than agricultural land. (b) Taxes on agricultural income (c) Taxes on buildings (d) Taxes on mineral rights, subject to limitations impose by Parliament relating to mineral development
- 74) Which of the following Taxes are not Levied and Collected by the union but Assigned to the States (Art.269)?
 (a) Duties in respect of succession to property other than agricultural land. (b) Estate duty in respect of property other than agricultural land (c) Taxes on railway fares and freights (d) None of the above
- 75) A Finance Commission is set up once in every?
 (a) 6 years (b) 1 year (c) 5 years (d) 3 years
- 76) The 15th Finance Commission has been set up in November 2017 and its recommendations will be implemented starting.....?
 (a) 1 April 2020 (b) 1 April 2021 (c) 1 April 2025 (d) 1 April 2031
- 77) Which of the following is not a direct tax?
 (a) Personal Income Tax (b) Service tax (c) Wealth Tax (d) Corporate Income Tax
- 78) Consider the following statements and identify the right ones.
 i. Central government does not have exclusive power to impose tax which is not mentioned in state or concurrent list.

ii. The constitution also provides for transferring certain tax revenues from union list to states

- (a) i only (b) ii only (c) both (d) none

79) Consider the following statements and identify the right ones

i. The 14th finance commission is headed by C. Rangarajan

ii. The recommendations of the commission will come into effect from April, 1, 2015

- (a) i only (b) ii only (c) both (d) none

80) Find the correct answer.

Head	Duration
C. Rangarajan	2005–10
Dr. Vijay L. Kelkar	2020–25
Dr. Y. V Reddy	2015–20
N. K. Singh	2010–15

- (a) All are incorrect (b) I and II are incorrect (c) II and III are incorrect (d) II and IV are incorrect

81) Which of the following is not the source of revenue of village panchayats?

- (a) general property tax (b) taxes on land (c) profession tax (d) taxes on industries

82) Find the author of following statement. "By fiscal policy is meant the use of public finance or expenditure, taxes, borrowing and financial administration to further our national economic objectives"

- (a) Buehler (b) Dalton (c) Arthur Smithies (d) Pigou

83) The following is not a characteristic of a tax.

- (a) It is a compulsory payment (b) Every tax involves a sacrifice by tax payer (c) There is a quid-pro-quo between the tax payer and the Government (d) Refusal to pay tax is a punishable offence.

84) The following is a characteristic of indirect tax

- (a) The impact and incidence are not on the same person (b) It is levied on income. (c) Taxes are progressive in nature. (d) All of the above

85) Impact of a tax refers to

- (a) Final money burden (b) Immediate money burden (c) Indirect real burden (d) None of the above

86) Generally, the nature of indirect tax is

- (a) Progressive (b) Regressive (c) Proportional (d) None of the above

87) Pick out the item which is not a part of non-tax revenue,

- (a) Interest Receipts (b) Dividends (c) Customs (d) Profits

88) Pick out the feature which is not true in the case of repudiation of debt.

- (a) Simplest method of liquidating a debt. (b) It will increase the credibility of the government (c) Debtors may face loss discriminating (d) It is

89) Pick out the method which is not a part of redemption

- (a) Sinking Fund (b) Surplus Budget (c) Terminal Annuities (d) Refunding

90) Which of the following is the most comprehensive measure of budgetary imbalances?

- (a) Fiscal Deficit (b) Revenue Deficit (c) Primary Deficit (d) All of the above

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- 91) External debts can be raised from
- (a) Individuals (b) RBI (c) Commercial Banks (d) World Bank
- 92) Fiscal federalism deals with
- (a) The division of governmental functions (b) Financial relations among levels of government (c) Proper allocation of Resources (d) All of the above
- 93) Assertion (A): The state intervenes through control of monopolies and restrictive trade practices to curb concentration of economic power.
Reason (R): Concentration of economic power is another evil to be corrected by the Government
- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 94) Assertion (A): There has been enormous increase in defence expenditure in India during planning period.
Reason (R): The defence expenditure of the government was Rs. 10,874 crores in 1990-91 which increased significantly to Rs. 2,95,511 crores in 2018-19.
- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 95) The property tax, wealth tax, inheritance tax, and income taxes such as personal and corporate taxes are
- (a) indirect taxes (b) direct taxes. (c) inelastic. (d) value-added tax.
- 96) Match the correct codes

1 A fee	i	Charged by public authorities for rendering a service to the citizens
2 A fine	ii	A penalty imposed on an individual for violation of law
3 Earnings from Public Enterprises	iii	The Government also gets revenue by way of surplus from public enterprises
4 A grant	iv	One government to another is an important source of revenue

- (a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (iii) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (iii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (iii)

- 97) Match the correct codes

1 Canon of Ability	i	The method of tax collection and the timing of the tax payment should suit the convenience of the people.
2 Canon of Certainty	ii	The Government has to spend money for collecting taxes, for example, salaries are given to the persons who are responsible for collecting taxes.
3 Canon of Convenience	iii	The Government must ensure that there is no uncertainty regarding the rate of tax or the time of payment.
4 Canon of Economy	iv	The Government should impose tax in such a way that the people have to pay taxes according to their ability.

- (a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (iii) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (iii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (iii)

(i)

98) 1	Excise Duty	i	Liability is on the cinema theatre owners, who transfer the burden to cinema goers
2	Sales Tax	ii	Payable by the manufacturer who shifts the tax burden to retailers and wholesalers
3	Custom Duty	iii	Paid by a shopkeeper or retailer, who then shifts the tax burden to customers by charging sales tax on goods and services.
4	Entertainment Tax	iv	Import duties levied on goods from outside the country, ultimately paid for by consumers and retailers.

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

99) Match the correct codes

1	CGST	i	Collected by the Central Government on an intra-state sale (Eg: Within state/ union territory)
2	SGST	ii	Collected by the State Government on an intra-state sale (Eg: Within state/ union territory)
3	IGST	iii	One indirect tax for the entire country.
4	GST	iv	Collected by the Central Government for inter-state sale (Eg: Maharashtra to Tamil Nadu)

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

100) Match the correct codes

1	Revenue Deficit (RD)	i	Fiscal deficit (PD) - Interest Payment (IP)
2	Budget Deficit	ii	Total Revenue Expenditure (RE) - Total Revenue Receipts (RR),
3	Fiscal deficit (FD)	iii	Total Expenditure – Total Revenue
4	Primary Deficit (PD)	iv	Budget deficit + Government's market borrowings and liabilities

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv) (i)

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Fiscal Economics 2 MARKS

12th Standard

Economics

25 x 2 = 50

- 1) Define public finance.
- 2) What is public revenue?
- 3) Differentiate tax and fee.
- 4) Write a short note on zero based budget.
- 5) Give two examples for direct tax.
- 6) What are the components of GST?
- 7) What do you mean by public debt?
- 8) What is Canons of Taxation?
- 9) What is meant by redemption of public debt?
- 10) What are the subject matter of public finance?
- 11) What are the tax revenue sources?
- 12) What is Surplus budget?
- 13) What do you mean by Local Finance?
- 14) Write, any two sources of revenue of municipalities.
- 15) What are the instruments of Fiscal Policy?
- 16) What are the two kinds of taxes?
- 17) What are the sub divisions of Public Finance?
- 18) Write a brief note on the role of state – for Social Welfare
- 19) Write a short note on Macro-economic policy as role a modern state.
- 20) How do you classify the state roles?
- 21) What is Excise Duty?
- 22) What are Sale Taxes?
- 23) What is an Entertainment Tax?
- 24) "Sinking Fund" – Define.
- 25) Define - Capital Budget?

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Fiscal Economics 3 MARKS

12th Standard

Economics

20 x 3 = 60

- 1) Describe Canons of Taxation.
- 2) Mention any three similarities between public finance and private finance.
- 3) What are the functions of a modern state?
- 4) State any three characteristics of taxation.
- 5) Point out any three differences between direct tax and indirect tax.
- 6) What is primary deficit?
- 7) Mention any three methods of redemption of public debt.
- 8) Write any six principles of Federal Finance.
- 9) What do you mean by Government subsidies?
- 10) What are external public debt?
- 11) Compare the nature of Sales Tax, VAT and GST.
- 12) Bring out the sources of revenue of district boards.
- 13) Bring out the sources of Revenue of Corporations.
- 14) List the Classification of public expenditure Classification on the Basis of Function
- 15) Discuss the Demerits of Indirect Taxes
- 16) Draw the flow chart depicting components of budget
- 17) Present the flow chart depicting the process in the preparation of the budget.
- 18) Discuss the division of power in federal finance.
- 19) List the main principles of federal system of finance
- 20) Mention the Sources of revenue of municipalities.

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Fiscal Economics 5 MARKS

12th Standard

Economics

15 x 5 = 75

- 1) Explain the scope of public finance.
- 2) Bring out the merits of indirect taxes over direct taxes.
- 3) Explain the methods of debt redemption.
- 4) State and explain instruments of fiscal policy.
- 5) Explain the principles of Federal Finance.
- 6) Describe the various types of deficit in budget.
- 7) What are the reasons for the recent growth in public expenditure?
- 8) What are the advantages of GST?
- 9) What are the causes for the increase in public debt?
- 10) Explain the Non-Tax Revenue of a state
- 11) List the Revenue of State Sources
- 12) Distinguish between Balanced and Unbalanced Budget
- 13) numerate the factors are taken into account while preparing the budget
- 14) Write a note on Indian Finance Commission.
- 15) What are the taxes levied and collected by the union but assigned to the states?

12TH SAMACHEER KALVI

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RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Fiscal Economics SLIP TEST**

12th Standard

Economics

20 x 1 = 20

- 1) The modern state is
(a) Laissez-faire state (b) Aristocratic state (c) Welfare state (d) Police state
- 2) One of the following is NOT a feature of private finance
(a) Balancing of income and expenditure (b) Secrecy (c) Saving some part of income (d) Publicity
- 3) The tax possesses the following characteristics
(a) Compulsory (b) No quid pro quo (c) Failure to pay is offence (d) All the above
- 4) 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
- 5) Consider the following statements and identify the correct ones.
(i) Central government does not have exclusive power to impose tax which is not mentioned in state or concurrent list.
(ii) The Constitution also provides for transferring certain tax revenues from union list to states.
(a) i only (b) ii only (c) both (d) none
- 6) GST is equivalence of
(a) Sales tax (b) Corporation tax (c) Income tax (d) Local tax
- 7) The direct tax has the following merits except
(a) equity (b) convenient (c) certainty (d) civic consciousness
- 8) Which of the following is a direct tax?
(a) Excise duty (b) Income tax (c) Customs duty (d) Service tax
- 9) 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
- 10) "Revenue Receipts" of the Government do not include
(a) Interest (b) Profits and dividends (c) Recoveries and loans (d) Rent from property
- 11) The difference between revenue expenditure and revenue receipts is
(a) Revenue deficit (b) Fiscal deficit (c) Budget deficit (d) Primary deficit
- 12) 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
- 13) The primary purpose of deficit financing is
(a) Economic development (b) Economic stability (c) Economic equality (d) Employment generation
- 14) Deficit Budget means
(a) An excess of government's revenue over expenditure (b) An excess of government's current expenditure over its current revenue (c) An excess of government's total expenditure over its total revenue (d) None above

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- 15) Methods of repayment of public debt is
 (a) Conversion (b) Sinking fund (c) Funded debt (d) All these
- 16) Conversion of public debt means exchange of
 (a) New bonds (b) Low interest bonds for (c) Long term bonds (d) All
 for the old ones higher interest bonds for short term bonds the
 above
- 17) 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
- 18) 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
- 19) Finance Commission determines
 (a) The finances of Government of India (b) The resources transfer to the
 Government of India transfer to the states (c) The resources transfer to the various departments of the
 above (d) None
- 20) Consider the following statements and identify the right ones.
 (i) The finance commission is appointed by the President
 (ii) The tenure of Finance commission is five years
 (a) i only (b) ii only (c) both (d) none
- 7 x 2 = 14
- 21) Define public finance.
- 22) What is public revenue?
- 23) Differentiate tax and fee.
- 24) Write a short note on zero based budget.
- 25) Give two examples for direct tax.
- 26) What are the components of GST?
- 27) What do you mean by public debt?
- 7 x 3 = 21
- 28) Describe Canons of Taxation.
- 29) Mention any three similarities between public finance and private finance.
- 30) What are the functions of a modern state?
- 31) State any three characteristics of taxation.
- 32) Point out any three differences between direct tax and indirect tax.
- 33) What is primary deficit?
- 34) Mention any three methods of redemption of public debt.
- 7 x 5 = 35
- 35) Explain the scope of public finance.
- 36) Bring out the merits of indirect taxes over direct taxes.
- 37) Explain the methods of debt redemption.
- 38) State and explain instruments of fiscal policy.
- 39) Explain the principles of Federal Finance.
- 40) Describe the various types of deficit in budget.
- 41) What are the reasons for the recent growth in public expenditure?

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Economics of Development and Planning 1 marks**

12th Standard

Economics

150 x 1 = 150

- 1) "Redistribution with Growth" became popular slogan under which approach?
 (a) Traditional approach (b) New welfare oriented approach (c) Industrial approach (d) None of the above
- 2) Which is not the feature of economic growth?
 (a) Concerned with developed nations (b) Gradual change (c) Concerned with quantitative aspect (d) Wider concept
- 3) 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
- 4) The non-economic determinant of economic development
 (a) Natural resources (b) Human resource (c) Capital formation (d) Foreign trade
- 5) Economic growth measures the _____
 (a) Growth of productivity (b) Increase in nominal income (c) Increase in output (d) None of the above
- 6) 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 a lack of effective government (d) a and b above
- 7) 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
- 8) Arrange following plans in correct chronological order
 (i) People's Plan
 (ii) Bombay Plan
 (iii) Jawaharlal Nehru Plan
 (iv) Vishveshwarya Plan
 (a) (i) (ii) (iii) (iv) (b) (iv) (iii) (ii) (i) (c) (i) (ii) (iv) (iii) (d) (ii) (i) (iv) (iii)
- 9) M.N. Roy was associated with _____
 (a) Congress Plan (b) People's Plan (c) Bombay Plan (d) None of the above
- 10) Which of the following country adopts indicative planning?
 (a) France (b) Germany (c) Italy (d) Russia
- 11) Short-term plan is also known as _____
 (a) Controlling Plans (b) De-controlling Plans (c) Rolling Plans (d) De-rolling Plans
- 12) Long-term plan is also known as _____
 (a) Progressive Plans (b) Non-progressive Plans (c) Perspective Plans (d) Non-perspective Plans
- 13) The basic philosophy behind long-term planning is to bring _____ changes in the economy?
 (a) Financial (b) Agricultural (c) Industrial (d) Structural
- 14) Sarvodaya Plan was advocated by _____
 (a) Mahatma Gandhi (b) J.P.Narayan (c) S.N Agarwal (d) M.N. Roy

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- 15) Planning Commission was set up in the year _____
 (a) 1950 (b) 1951 (c) 1947 (d) 1948
- 16) Who wrote the book 'The Road to Serfdom'?
 (a) Friedrich Hayek (b) H.R. Hicks (c) David Ricardo (d) Thomas Robert Malthus
- 17) Perspective plan is also known as _____
 (a) Short-term plan (b) Medium-term plan (c) Long-term plan (d) None of the above
- 18) NITI Aayog is formed through _____
 (a) Presidential Ordinance (b) Allocation of business rules by President of India (c) Cabinet resolution (d) None of the above
- 19) Expansion of NITI Aayog
 (a) National Institute to Transform India (b) National Institute for Transforming India (c) National Institution to Transform India (d) National Institution for Transforming India
- 20) The Chair Person of NIT I Aayog is
 (a) Prime Minister (b) President (c) Vice - President (d) Finance Minister
- 21) _____ measures the increase in output
 (a) Economic development (b) Economic Growth (c) Both a and b (d) None of these
- 22) The concept _____ refers to the structural changes towards betterment
 (a) Economic fluctuation (b) Economic growth (c) Economic development (d) None of these
- 23) These are _____ main approaches to economic development.
 (a) Traditional approach (b) The New Welfare oriented approach (c) Both a and b (d) None of these
- 24) Which is not the characteristics of UDCs?
 (a) Low per capita (b) Wide in equality (c) High rate of unemployment (d) Price mechanism
- 25) Economic development depends on
 (a) Social (b) Political (c) Religious (d) All the above
- 26) The first country to introduce Five Year Plan was
 (a) UK. (b) U.S.A. (c) Former Soviet Russia (d) France
- 27) Planning in India is
 (a) Centralized planning (b) Democratic planning (c) Partial Planning (d) Indicative planning
- 28) Perspective Plan covers a period of
 (a) 5 years (b) 10 years (c) 10 to 30 years (d) 15 years
- 29) The first Five Year Plan of India was launched in
 (a) 1947 (b) 1951 (c) 1956 (d) 1961
- 30) There was plan holiday in India from
 (a) 1966 - 69 (b) 1961 - 63 (c) 1980 - 84 (d) 2002- 2004
- 31) "Strictly speaking , all. economic life involves planning" was said by
 (a) Alfred Marshall (b) Lionel Robbins (c) J.M. Keynes (d) Schumpeter
- 32) In a socialist state most of the means of production are owned by the
 (a) Private individuals (b) State (c) Planning authority (d) none of the above
- 33) In a democracy, planning is done by
 (a) inducement (b) index (c) discussion (d) choice

- 34) The Great Depression occurred in
 (a) 1930 (b) 1950 (c) 1980 (d) 2000
- 35) The Under developed nations, plan for economic
 (a) stability (b) equality (c) growth and development (d) progres
- 36) The period of Eighth plan was
 (a) 1978-83 (b) 1985-90 (c) 1992-97 (d) 1990-95
- 37) The term Modernisation means
 (a) industrialisation (b) electrification (c) structural changes (d) urbanisation
- 38) During depression, there will be falling prices and mass
 (a) full employment (b) unemployment (c) production (d) recession
- 39) In Soviet Russia, the New Economic policy was from 1921 to
 (a) 1924 (b) 1926 (c) 1928 (d) 1932
- 40) The National Planning Commission was set up in India in
 (a) 1947 (b) 1950 (c) 1956 (d) 1952
- 41) The objectives of five year plan in India is to
 (a) raise the standard of living (b) increase output (c) reduce inequalities (d) all the above
- 42) Indian plans have looked at employment as an intergral part of the problem of the removal of
 (a) Poverty (b) unemployment (c) Both (a) and (b) (d) None
- 43) The aim of Seventh five year plan
 (a) agricultural growth in food grains production (b) increasing employment opportunities (c) raising productivity in all sectors (d) all the above
- 44) Normally, India has been adopting
 (a) annual plans (b) rolling plans (c) mid-term plans (d) perspective plans
- 45) The people's plan was prepared by
 (a) Sriman Narayan (b) Sir M. Viswesvaraya (c) M. N. Roy (d) N. S. C. Bose
- 46) Planning is a gift of _____ to the world
 (a) America (b) Japan (c) Former Soviet Russia (d) Germany
- 47) In _____ countries, planning is almost a religion
 (a) Socialis (b) Capitalist (c) Mixed economic (d) Traditional economic
- 48) Capitalist economy is basically a _____ economy
 (a) traditional (b) market (c) mixed (d) socialis
- 49) In capitalism, the allocation of resources and distribution of rewards are done through the _____ system.
 (a) supply (b) demand (c) price (d) curve
- 50) There will be _____ planning in acapitalist economy
 (a) rural (b) urban (c) total (d) partial
- 51) Socialist economy gives more importance to _____ sector.
 (a) agriculture (b) industry (c) service (d) goods
- 52) _____ is the period of sixth five year plan during lanata party in centre.
 (a) 1975-80 (b) 1980-85 (c) 1985-90 (d) 1978-83
- 53) Poverty alleviation programmes started by the government from _____ Five Year Plan.
 (a) Fourth (b) Fifth (c) Sixth (d) Seven
- 54) The Ninth Plan _____ on the external trade front.

- (a) succeeded (b) failed (c) succeeded more than target (d) aim and target are equal
- 55) The process of decision making about alternative ways of using available scarce resources is _____
 (a) consumption (b) saving (c) expenditure (d) economic planning
- 56) In _____ planning the period extends over 3 to 5 year upto 7 to 10 years.
 (a) over all (b) rolling (c) indicative (d) mid-term
- 57) plan is made for the period of five years.
 (a) Short term plan (b) Long term plan (c) Medium term plan (d) Annual plan
- 58) _____ planning refers to that planning which seeks to remove economic difficulties.
 (a) Comprehensive (b) Financial (c) Functional (d) Decentralized
- 59) The vicious circle of poverty was introduced by _____
 (a) Adam smith (b) Nurkse (c) Dalton (d) Robbins
- 60) _____ adopted economic planning for the first time 1928
 (a) U.S.A (b) Soviet union (c) Former soviet Russia (d) Both 'b' and 'c'
- 61) The concept "development" refers to the _____ changes towards betterment.
 (a) systematic (b) seasonal (c) structural (d) functional
- 62) After the Second World War, economists started devoting their attention towards analyzing the problems of _____ Countries.
 (a) underdeveloped (b) developed (c) developing (d) modern
- 63) How many approaches are there to the concept of development?
 (a) one (b) two (c) three (d) seven
- 64) What are the main approaches of approaches to the concept of development?
 (a) The traditional approach and the new welfare oriented approach (b) The modern approach and the classical approach (c) Lewis approach and Sen's approach (d) None of the above
- 65) Consider the following statement and find a suitable answer.
 "The increase in GNP is accompanied by decline in share of agriculture in output and employment while those of manufacturing and service sectors increase"
 (a) Modern Approach (b) new welfare approach (c) neo-classical approach (d) Traditional Approach
- 66) Find the author of following statement. "Development must, therefore, be conceived as a multidimensional process involving major changes _____"
 (a) Arthur C. Pigou (b) Michael P. Todaro (c) John M. Keynes (d) Smith
- 67) The UDCs are characterized by predominance of _____?
 (a) secondary sector (b) tertiary sector (c) primary sector (d) primitive sector
- 68) Associate the following conditions to a suitable type of economy.
 "Low per capita income, widespread poverty, wide inequality in distribution of income and wealth, overpopulation, low rate of capital formation, high rate of unemployment, technological backwardness, dualism, etc."
 (a) developed economy (b) Underdeveloped economy (c) mixed economy (d) advanced economy
- 69) The term 'underdeveloped country' is _____ one.

- (a) relative (b) absolute (c) systematic (d) structural
- 70) What is the count of classification of countries as per World Development Report?
 (a) Three (b) One (c) Four (d) Nine
- 71) GNI Per Capita of \$906 and below refers to _____?
 (a) High Income Countries (b) Middle Income Countries (c) Poor Countries (d) Low Income Countries
- 72) What are the income limits of Middle Income Countries as per World Development Report?
 (a) GNI Per Capita Ranging Between 906 And 11, 115 (b) GDP Per Capita Ranging Between 906 And 11, 115 (c) Per Capita Ranging \$11, 115 and above (d) GDP Per Capita Ranging Between \$906 or below
- 73) GNI Per Capita of \$11,116 Or more refers to
 (a) Poor Countries (b) High Income Countries (c) Middle Income Countries (d) Low Income Countries
- 74) Find the suitable answer for the statement given. "This indicator of economic growth emphasizes that for economic development the rate of increase in real per capita income should be higher than the growth rate of population."
 (a) GDP at factor cost (b) GDP per capita (c) GNP per capita (d) GNI
- 75) Identify the odd one in the context of determinants of economy.
 (a) Human Resource (b) Structural Change (c) Technical Know-how (d) Political Freedom
- 76) The _____ affecting the development of an economy is the availability of natural resources.
 (a) secondary factor (b) principal factor (c) additional factor (d) classical factor
- 77) A country like _____ lacking natural resources imports them and achieve faster rate of economic development with the help of technology, India with larger resources is poor.
 (a) Japan (b) China (c) Korea (d) USA
- 78) Capital formation refers to the net addition to the _____ which are either tangible like plants and machinery or intangible like health, education, and research.
 (a) existing flow of capital goods (b) old stock of capital goods (c) anticipated flow of capital goods (d) existing stock of capital goods
- 79) Find the suitable match
 I. Primary sector - a . Industrial production, constructions
 II. Secondary sector - b. Agricultural, animal husbandry, forestry
 III. Tertiary sector - c . Trade, banking, and commerce.
 (a) I (a) II (b) III (c) (b) I (b) II (a) III (c) (c) I (b) II (c) III (b) (d) I (c) II (b) III (a)
- 80) _____ implies the existence of an efficient and organized banking system in the country.
 (a) Political system (b) Budgetary System (c) Economics System (d) Financial system
- 81) _____ refers to the total amount of farm output cultivated by farmers over and above their family consumption needs.
 (a) Marketable Deficits (b) Social Cost (c) Marketable surplus (d) Levy

82) Find the author of following statement.

“Economic Development has much to do with human endowments, social attitudes, political conditions and historical accidents. Capital is a necessary but not a sufficient condition of progress”

(a) Ragnar Nurkse (b) Ragnar Frisch (c) McCullum (d) Lewis Arthur

83) Human resource is named as _____?

(a) human capital (b) natural capital (c) physical capital (d) employment

84) _____ formation is the process of increasing knowledge, skills and the productive capacity of people.

(a) finance capital (b) human capital (c) material capital (d) investment

85) Find the suitable examples for the following statement. “If labour is efficient and skilled, its capacity to contribute to growth will be high.

(a) India and China (b) Japan and India (c) Japan and China (d) USA and Canada

86) Who attributed the cause for economic development to innovation?

(a) Dalton (b) Lewis (c) Schumpeter (d) Nurkse

87) Who wrote ‘Poverty and Un-British Rule in India’ that the drain of wealth from India under the British rule was the major cause of the increase in poverty in India?

(a) Vallabhai Patel (b) Mahatma Gandhi (c) Dadabhai Naoroji (d) Pandit Nehru

88) Find the meaning of the following statement

“A Majority of the poor people do not participate in the process of development”.

(a) crony capitalism (b) mixedism (c) socialism (d) modern socialism

89) Corruption is a _____ in the growth process?

(a) positive factor (b) negative factor (c) irrelevant factor (d) associate

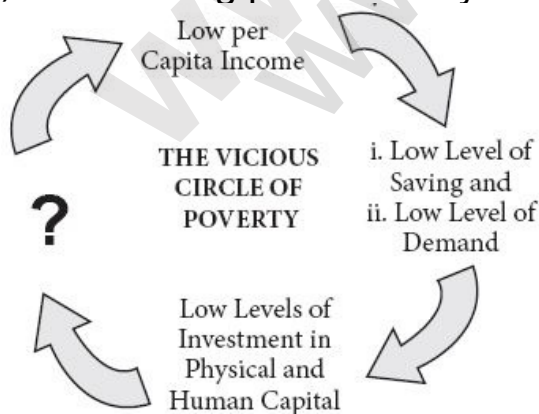
90) “Moral, ethical and social values: These determine the efficiency of the market” Who said this?

(a) Douglas (b) Negi (c) Arthur (d) Dalton

91) Find the meaning of the following statement “If People spend larger proportion of their income and time on entertainment liquor and other illegal activities, productive activities may suffer”

(a) crony capitalism (b) capitalism (c) socialism (d) casino capitalism

92) The missing part of the cycle



(a) Low income (b) Low tax (c) Low productivity (d) Low investment

93) Expand the term LDCs.

(a) Latest Developed (b) Less Developed (c) Less Developed (d) None of

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- Countries Countries Continents the above
- 94) Who explained the idea in these words: "It implies a circular constellation of forces tending to act and react upon one another in such a way as to keep a poor country in a state of poverty"
 (a) Dalton (b) Pigou (c) Schumpeter (d) Nurkse
- 95) What is true according to the "vicious circle of poverty"?
 (a) A county is poor because the country is poor (b) A county is rich because the country is capitalist (c) A county is poor because the country is socialist (d) None of the above
- 96) Find the missing stage of the supply side cycle.
 Low Income → Low Saving → _____? _____ → Low Production → Low Income
 (a) Low Interest (b) Low Tax (c) Low capital (d) Low Investment
- 97) Find the missing stage of the demand side cycle.
 Low Income → _____? _____ → Low Investment → Low Productivity → Low Income
 (a) Low Supply (b) Low Demand (c) Low Capital (d) Low interest
- 98) Through the strategy, of _____ vicious circle of poverty operating on the demand side of capital formation can be broken?
 (a) capitalism (b) unbalanced growth (c) parallel growth (d) balanced growth
- 99) Trace of author of following statement "Economic Planning is "collective control or suppression of private activities of production and exchange"
 (a) Joan Robbins (b) Robbins (c) Marshall (d) Dalton
- 100) Trace the author of following statement "Economic Planning in the widest sense is the deliberate direction by persons incharge of large resources of economic activity towards chosen ends"
 (a) Dalton (b) Arthur Lewis (c) Arthur Schumpeter (d) None of the above
- 101) Soviet Union adopted economic planning for the first time in 1928 that enabled the country to turn into an _____ superpower.
 (a) software (b) agricultural (c) industrial (d) military
- 102) The idea of _____ was strengthened during the Great Depression in 1930s.
 (a) political planning (b) industrial planning (c) economic planning (d) democratic planning
- 103) National Planning Commission came into force on _____?
 (a) January 26, 1950 (b) January 15, 1950 (c) January 26, 1951 (d) August 15, 1950
- 104) In logical order, the Planning Commission was created on _____ and the plan era began on _____ with the launch of the first five year plan.
 (a) April 1, 1951 and March 15, 1950 (b) March 15, 1950 and April 1, 1951 (c) April 1, 1951 and March 15, 1951 (d) All the above are incorrect
- 105) Find the incorrect match
 (a) Sir M. Vishveshwarya (1934): "Planned Economy of India". (b) Jawaharlal Nehru (1938): "National Planning Commission (c) Bombay Plan (1940): 'People's Plan" (d) None of the above

- 106) J.P. Narayan (1950) advocated, “_____” which was inspired by Gandhian Plan and with the idea of VinobaBhave
 (a) Industrial Plan (b) People’s Plan (c) Sarvodaya Plan (d) Bombay Plan
- 107) Jawaharlal Nehru was the first Chairman of _____ Government of India.
 (a) Planning Commission (b) Finance Commission (c) Economic Advisory Council (d) Constitutional
- 108) Which of the following Taxes are not Levied and Collected by the union but assigned to the States (Art.269)?
 (a) Duties in respect of succession to property other than agricultural land. (b) Estate duty in respect of property other than agricultural land. (c) Taxes on railway fares and freights (d) None of the above
- 109) Who said, “Planning is more necessary in backward countries to devise ways and means and to make concerted efforts to raise national income”
 (a) 1 and 2 (b) 2 and 3 (c) 3 and 4 (d) 1 and 4
- 110) A Finance Commission is set up once in every _____?
 (a) Dalton (b) Schumpeter (c) Robbins (d) Arthur Lewis
- 111) Under planning, the crucial decisions are made by the _____?
 (a) Central Planning Authority (b) Finance commission (c) Ministry of Finance (d) Developmental Council
- 112) Consider the statements: 1. In India, the Planning Commission was constituted in 1950 as an advisory corporation. 2. A provision has been given in Indian constitution of Planning Commission. Select the correct statement/statements by using the codes given below.
 (a) 1 only (b) 2 only (c) 1 and 2 (d) None of these
- 113) Find the author of following statement “Road to Serfdom: that centralized planning leads to loss of personal freedom and ends in economic stagnation”
 (a) Walker (b) Henman (c) Ohlin (d) Hayek
- 114) Who said, “The better we try to plan, the more planners we need”
 (a) Joan Robins (b) Lewis (c) Dalton (d) Amartya K Sen
- 115) Under which planning, there is central control and direction of all economic activities in accordance with a single plan
 (a) totalitarian planning (b) indicative planning (c) long term planning (d) mid term planning
- 116) Associate the term: “Under decentralized planning, local organizations and institutions formulate, adapt, execute and supervise the plan without interference by the central authorities.
 (a) planning from above (b) planning from below (c) planning to parallel (d) none of the above
- 117) _____ is peculiar to the mixed economies.
 (a) Financial Planning (b) Structural Planning (c) Indicative planning (d) Physical Planning
- 118) The USSR President Stalin used to say, _____?
 (a) Our plans are our instructions (b) My plans are my instructions (c) Our plans are our Policies (d) My ideas are my plans

- 119) _____ refers to the technique of planning in which resources are allocated in terms of money.
 (a) economic planning (b) defense planning (c) financial planning (d) trade planning
- 120) NITI Aayog is a _____ think-tank of the Government of India
 (a) political (b) media (c) bureaucratic (d) policy
- 121) _____ are/is the Chairperson of NITI Aayog and _____ will be Ex-officio members.
 (a) The Prime Minister and The Finance Commission (b) The Prime Minister and Union Ministers (c) The Finance Minister and Union Ministers (d) Union Ministers and The Prime Minister
- 122) The Vice- Chairman of the NITI Aayog is the functional head and the first Vice- Chairman was _____?
 (a) Surchit Bella (b) Jagadish Bagawati (c) Kowsik Bashu (d) Arvind Panangariya
- 123) Associate with the Initiatives “Atal Innovation Mission, Ayushman Bharat approach towards water conservation measures and the draft bill to establish the National Medical Commission to replace the Medical Council of India”
 (a) Planning Commission (b) Finance Commission (c) NITI Aayog (d) Ministry of Finance
- 124) Match list-I with List-II correctly and select your answer from the codes given below:

List I	List II
a) Gandhian Plan	1) Ardesir Dalal
b) People's plan	2) Mannarayana
c) Bombay Plan	3) M. N. Roy
d) Sarvodaya Plan	4) Jay Prakash Narayan

- (a) 1 2 3 4 (b) 2 3 1 4 (c) 2 3 4 1 (d) 1 2 4 3
- 125) Consider the following statements:
 1. P.C. Mahalanobis was first chairman of Planning Commission.
 2. Primary emphasis during second plan was laid on the development of basic and key industries.
 3. National Development Council of India is presided over by deputy chairman of Planning commission of India.
 Select the correct answer from the given codes below:
 (a) 1 only (b) 2 only (c) 1 and 2 (d) None of these
- 126) Consider the following statement with regards to planning commission.
 1. It is a central body for making planning in India.
 2. Planning commission was constituted on 15th March, 1950.
 3. Finance minister is ex-officio chairman of this commission.
 4. Final clearance to planning is given by 'National Development Council'
 Select the correct answer from the given codes below:
 (a) 1 and 2 (b) 3 and 4 (c) 1, 2 and 4 (d) 1, 2, 3 and 4
- 127) Consider the following statements with regards to 'Economic Planning':
 1. The concept of Economic planning in India is derived from Russia (the then USSR)
 2. It is a process in which limited natural resources are used skillfully so that

the desired goals can be achieved.

3. It derives its objectives and social premises from the fundamental rights enshrined in the constitution.

Select the correct answer from the given codes below:

(a) 1 and 2 (b) 2 only (c) 1 and 2 (d) 1, 2, and 3

128) Consider the following statements:

1. 'Planned Economy for India' was a famous book written by Dada BhaiNauroji.

2. For Economic planning, 'Gandhian plan' was proposed by Mr. Mannarayan.

3. First five year plan was started in 1950

4. 'People Plan' was presented by M.N. Roy Select the correct answer from the given codes below

(a) 1 and 2 (b) 2 and 4 (c) 1, 2, and 3 (d) 1, 2,3 and 4

129) Planning was considered a prerequisite.

1. For balanced socio-economic development.

2. For extending the benefit of development in an even manner.

3. For focusing on removal of region disparity.

4. For maximizing the utilization of available resources.

(a) 1 and 2 (b) 1,2 and 3 (c) 2, 3, and 4 (d) All of these

130) In India service sector includes:

1. Mining and Quarrying

2. Transport and communication

3. Hotels.

4. Forestry and fishing

Select the correct statement from the given codes below:

(a) 1 & 2 only (b) 2 & 3 only (c) 3 and 4 (d) 1 and 4

131) Which of the following are included in tertiary sector:

1. Trade and transport

2. Forestry and fishing

3. Finance and real estate.

Select the correct statement from the given codes below:

(a) 1 only (b) 2 only (c) 1 and 3 (d) 2 and 3

132) Economic development refers to

(a) economic growth plus economic changes in output growth (b) economic growth plus distribution and economic structure (c) improvement in the well-being of urban population (d) sustainable increases in Gross National Product.

133) Which of the following is not a problem in comparing developed and developing countries' GNP?

(a) GNP is understated for developed countries since a number of items included in their national incomes are intermediate goods (b) The economic contribution of a housewife in a peasant family may not be measured in GNP in a poor country. (c) GNP is understated for developing countries since many of their labor intensive good have no impact on exchange rate since they are not traded. (d) GNP is overstated for countries where the price of foreign exchange is less than market clearing price.

- 134) According to the supply side of the vicious circle theory of development, a country is poor because
 (a) technology levels do not allow for self-sufficiency. (b) it was previously too poor to save and invest. (c) underemployment allocation is too widespread. (d) resource poor.
- 135) The vicious circle theory states that
 (a) growing government assistance create addiction to welfare programs (b) low income levels create pressure for money creation. (c) low income levels create pressure for cheap imports (d) low per capita income creates low savings that keep incomes low.
- 136) Most mixed or capitalist developing countries are limited to an indicative plan, which indicates expectations, aspirations, and intentions
 (a) but falls short of authorization (b) with immediate implementation (c) of the central bank (d) of implementation through foreign aid.
- 137) Goals are achieved through _____, such as monetary, fiscal, exchange rate, tariff, tax, subsidy, business incentive, foreign investment, and foreign aid.
 (a) indicative plan (b) central bank policies. (c) central planning. (d) instrument variables
- 138) Under Soviet-type economy-wide central planning,
 (a) most resources lack freedom to move to their highest value uses. (b) resources are free to move to their lowest cost uses. (c) resources owned by private entities move to efficient use but not those owned publicly (d) resources are privately owned by capitalists.
- 139) Find the meaning of the following statement "If People spend larger proportion of their income and time on entertainment liquor and other illegal activities, productive activities may suffer"
 (a) Hayek (b) Joseph Waker (c) Lipsey (d) Thomas Piketty
- 140) Planning in many LDCs has failed because detailed programs for the public sector have not been worked out and
 (a) governments depend primarily on their colonial masters. (b) excessive controls are used in the private sector (c) the brain drain cost government substantially. (d) monopolies dominate in the agricultural sector

141) Find the missing stage of plan.

Sir. M Vishvshwarya (1934)

"Planned Economy of India"



Jawaharlal Nehru (1938)

'National Planning Commission"



Bombay Plan (1940)



S.N Agarwal (1944)

"Gandhian Plan"



?



J.P Narayan (1950)

"Sarvodaya Plan"



Planning Commission 1950

(a) Nehru Plan (b) People's Plan (c) First Plan (d) Modern plan

142) Assertion (A): The principal factor affecting the development of an economy is the availability of natural resources.

Reason (R): The existence of natural resources in abundance is essential for development.

(a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false (d) A is false but R is true.

143) Assertion (A): Financial system implies the existence of an efficient and organized banking system in the country.

Reason (R): There should be an organized money market to facilitate easy availability of capital.

(a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

144) Assertion (A): There is a circular relationship between human development and economic growth.

Reason (R): A healthy, educated and skilled labour force is the most important productive asset.

(a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false (d) A is false but R is true

145) Assertion (A): The deficiency of capital, in turn, leads to low levels of productivity and back to low income.

Reason (R): The low level of saving leads to low investment and to deficiency of capital.

- (a) Both A and R are true and R is the correct explanation of A
 (b) Both A and R are true but R is not the correct explanation of A.
 (c) A is true but R is false.
 (d) A is false but R is true

146) Assertion (A): The prime goals of economic planning are stabilization in developed countries and growth in LDCs.

Reason (R): The failure of market mechanism invited state intervention in economic activities through planning.

- (a) Both A and R are true and R is the correct explanation of A.
 (b) Both A and R are true but R is not the correct explanation of A.
 (c) A is true but R is false.
 (d) A is false but R is true.

147) Assertion (A): Under planning by inducement, the people are induced to act in a certain way through various monetary and fiscal measures.

Reason (R): If the planning authority wishes to encourage the production of a commodity, it can give subsidy to the firms.

- (a) Both A and R are true and R is the correct explanation of A.
 (b) Both A and R are true but R is not the correct explanation of A.
 (c) A is true but R is false.
 (d) A is false but R is true

148) The growth of an economy is indicated by an

- (a) Increase in savings
 (b) Increase in investment
 (c) Increase in general prices
 (d) Increase in national income

149) Match the correct codes

1 Low Income Countries	i.	Gross National Income (GNI) Per Capita.
2 Middle Income Countries	ii.	GNI Per Capita of \$906 And below
3 High Income Countries	iii.	GNI Per Capita Ranging Between 906 And 11, 115
4 The World bank in its World Development Report classified various countries on the basis of	iv.	GNI Per Capita of \$11,116 Or more

- (a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii)
 (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)

150) Match the correct codes

1 “Collective control or suppression of private activities of production and exchange”.	i	Social Indicators
2 “Economic Planning in the widest sense is the deliberate direction by person in charge of large resources of economic activity towards chosen ends”.	ii	Policy think tank
3 The basic needs for development such as health, education, sanitation, water, food, etc.	iii	Dalton
4 NITI Aayog	iv	Robbins

- (a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii)
 (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i)
 (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii)
 (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)

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Economics of Development and Planning 2 marks

12th Standard

Economics

25 x 2 = 50

- 1) Define economic development
- 2) Mention the indicators of development.
- 3) Distinguish between economic growth and development
- 4) What is GNP?
- 5) Define economic planning
- 6) What are the social indicators of economic development?
- 7) Write a short note on NITI Aayog
- 8) What do you mean by economic development?
- 9) What are the two approaches of economic development?
- 10) Write any two characteristics of UDCs
- 11) Write any two Economic factors.
- 12) Write any three non-economic factors
- 13) What is centralized planning?
- 14) What is financial planning?
- 15) What is perspective plan?
- 16) What is the main problem of planning in underdeveloped countries?
- 17) Write a brief note on New Welfare oriented Approach about economic development
- 18) How economic growth and development differs with their respective indicators?
- 19) List the Economic Factors of economic development.
- 20) What are the pre-stages of Planning Commission establishment in India?
- 21) What are the differences between centralized and decentralized plan?
- 22) What is the key difference between comprehensive and partial plan?
- 23) What are the initiatives of NITI Aayog?
- 24) What are the implication of NITI Aayog?
- 25) List the NITI Aayog's seven pillars of effective governs.

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Economics of Development and Planning 3 marks

12th Standard

Economics

20 x 3 = 60

- 1) Elucidate major causes of vicious circle of poverty with diagram
- 2) What are the non-economic factors determining development?
- 3) How would you break the vicious circle of poverty?
- 4) Trace the evolution of economic planning in India.
- 5) Describe the case for planning
- 6) Distinguish between functional and structural planning.
- 7) What are the functions NITI Aayog
- 8) Explain about traditional approach.
- 9) What are the characteristics of under developed countries?
- 10) Classify the various countries on the basis of gross national.income (GNI) per capita?
- 11) Write a note on loss of freedom
- 12) Tabulate the details of short, medium and long term planning.
- 13) What are the main objectives of planning in India?
- 14) Write short note on second five year plan
- 15) Explain the concept "economic development"
- 16) Distinguish between Economic Development and Growth. (Any Three Points)
- 17) What are essential features of an economic plan
- 18) Form a chart how supply and demand sides of vicious circle of poverties are happening.
- 19) Write a short note on former Indian Planning Commission.
- 20) List the seven pillars of NITI Aayog with its effective governance theme.

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Economics of Development and Planning 5 marks

12th Standard

Economics

8 x 5 = 40

- 1) Discuss the economic determinants of economic development.
- 2) Describe different types of Planning.
- 3) Bring out the arguments against planning.
- 4) Draw the 7 pillars of NITI Aayog
- 5) Explain non-economic factors determining development?
- 6) Compare and contrast the "Planning Commission" and NITI Aayog"
- 7) Compare and contrast economic growth and economic development.
- 8) Discuss the Non- Economic Factors economic development.

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Economics of Development and Planning slip test**

12th Standard

Economics

20 x 1 = 20

- 1) "Redistribution with Growth" became popular slogan under which approach?
 (a) Traditional approach (b) New welfare oriented approach (c) Industrial approach (d) None of the above
- 2) Which is not the feature of economic growth?
 (a) Concerned with developed nations (b) Gradual change (c) Concerned with quantitative aspect (d) Wider concept
- 3) 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
- 4) The non-economic determinant of economic development
 (a) Natural resources (b) Human resource (c) Capital formation (d) Foreign trade
- 5) Economic growth measures the _____
 (a) Growth of productivity (b) Increase in nominal income (c) Increase in output (d) None of the above
- 6) 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 a lack of effective government (d) a and b above
- 7) 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
- 8) Arrange following plans in correct chronological order
 (i) People's Plan
 (ii) Bombay Plan
 (iii) Jawaharlal Nehru Plan
 (iv) Vishveshwarya Plan
 (a) (i) (ii) (iii) (iv) (b) (iv) (iii) (ii) (i) (c) (i) (ii) (iv) (iii) (d) (ii) (i) (iv) (iii)
- 9) M.N. Roy was associated with _____
 (a) Congress Plan (b) People's Plan (c) Bombay Plan (d) None of the above
- 10) Which of the following country adopts indicative planning?
 (a) France (b) Germany (c) Italy (d) Russia
- 11) Short-term plan is also known as _____
 (a) Controlling Plans (b) De-controlling Plans (c) Rolling Plans (d) De-rolling Plans
- 12) Long-term plan is also known as _____
 (a) Progressive Plans (b) Non-progressive Plans (c) Perspective Plans (d) Non-perspective Plans
- 13) The basic philosophy behind long-term planning is to bring _____ changes in the economy?
 (a) Financial (b) Agricultural (c) Industrial (d) Structural
- 14) Sarvodaya Plan was advocated by _____
 (a) Mahatma Gandhi (b) J.P.Narayan (c) S.N Agarwal (d) M.N. Roy

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- 15) Planning Commission was set up in the year _____
 (a) 1950 (b) 1951 (c) 1947 (d) 1948
- 16) Who wrote the book 'The Road to Serfdom'?
 (a) Friedrich Hayek (b) H.R. Hicks (c) David Ricardo (d) Thomas Robert Malthus
- 17) Perspective plan is also known as _____
 (a) Short-term plan (b) Medium-term plan (c) Long-term plan (d) None of the above
- 18) NITI Aayog is formed through _____
 (a) Presidential Ordinance (b) Allocation of business rules by President of India (c) Cabinet resolution (d) None of the above
- 19) Expansion of NITI Aayog
 (a) National Institute to Transform India (b) National Institute for Transforming India (c) National Institution to Transform India (d) National Institution for Transforming India
- 20) The Chair Person of NITI Aayog is
 (a) Prime Minister (b) President (c) Vice - President (d) Finance Minister
 $7 \times 2 = 14$
- 21) Define economic development
- 22) Mention the indicators of development.
- 23) Distinguish between economic growth and development
- 24) What is GNP?
- 25) Define economic planning
- 26) What are the social indicators of economic development?
- 27) Write a short note on NITI Aayog
 $7 \times 3 = 21$
- 28) Elucidate major causes of vicious circle of poverty with diagram
- 29) What are the non-economic factors determining development?
- 30) How would you break the vicious circle of poverty?
- 31) Trace the evolution of economic planning in India.
- 32) Describe the case for planning
- 33) Distinguish between functional and structural planning.
- 34) What are the functions NITI Aayog
 $7 \times 5 = 35$
- 35) Discuss the economic determinants of economic development.
- 36) Describe different types of Planning.
- 37) Bring out the arguments against planning.
- 38) Draw the 7 pillars of NITI Aayog
- 39) Explain non-economic factors determining development?
- 40) Discuss the Non- Economic Factors economic development.
- 41) Elucidate various measures of economic development.

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Environmental Economics 1 MARK**

12th Standard

Economics

100 x 1 = 100

- 1) The term environment has been derived from a French word _____
(a) Environ (b) Environs (c) Environia (d) Envir
- 2) The word biotic means environment
(a) living (b) non-living (c) physical (d) None of the above
- 3) Ecosystem is smallest unit of
(a) Ionosphere (b) Lithosphere (c) Biosphere (d) Mesosphere
- 4) Who developed Material Balance Models?
(a) Thomas and Picardy (b) AlenKneese and R.Y. Ayres (c) Joan Robinson and J.M. Keynes (d) Joseph Stiglitz and Edward Chamberiin'
- 5) Environmental goods are _____
(a) Market goods (b) Non-market goods (c) Both (d) None of the above
- 6) In a pure public good, consumption is _____
(a) Rival (b) Non-rival (c) Both (d) None of the above
- 7) One of the most important market failures is caused by _____
(a) Positive externalities (b) Negative externalities (c) Both (d) None of the above
- 8) The common source of outdoor air pollution is caused by combustion processes from the following _____
(a) Heating and cooking (b) Traditional stoves (c) Motor vehicles (d) All the above
- 9) The major contributor of Carbon monoxide is _____
(a) Automobiles (b) Industrial process (c) Stationary fuel combustion (d) None of the above
- 10) Which one of the following causes of global warming?
(a) Earth gravftation force (b) Oxygen (c) Centripetal force (d) Increasing temperature
- 11) Which of the following is responsible for protecting humans from harmful ultraviolet rays?
(a) UV-A (b) UV-C (c) Ozone layer (d) None of the above
- 12) Global warming also refers to as _____
(a) Ecological change (b) Climate Change (c) Atmosphere change (d) None of the above
- 13) Which of the following is the anticipated effect of Global warming?
(a) Rising sea levels (b) Changing precipitation (c) Expansion of deserts (d) All of the above
- 14) The process of nutrient enrichment is termed as _____
(a) Eutrophication (b) Limiting nutrients (c) Enrichment (d) Schistosomiasis
- 15) Primary cause of Soil pollution is _____
(a) Pest control measures (b) Land reclamation (c) Agricultural runoff (d) Chemical fertilizer
- 16) Which of the following is main cause for deforestation?
(a) Timber harvesting (b) Natural (c) Soil (d) Climate

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- industry afforestation stabilization stabilization
- 17) Electronic waste is commonly referred as _____
 (a) solid waste (b) composite waste (c) e-waste (d) hospital waste
- 18) Acid rain is one of the consequences of _____ Air pollution
 (a) Water Pollution (b) Land Pollution (c) Noise Pollution (d) None above
- 19) Sustainable Development Goals and targets are to be achieved by _____
 (a) 2020 (b) 2025 (c) 2030 (d) 2050
- 20) Alkali soils are predominantly located in the _____ plains?
 (a) Indus-Ganga (b) North-Indian (c) Gangetic plains (d) All the above
- 21) "What goes in must come out" This is known as _____
 (a) Eco system (b) Material balance Approach (c) Material balance model (d) Material balance principle
- 22) Increasing temperature in the atmosphere leads to Global Warming.
 (a) Increase sea level (b) Melting of polar ice large (c) Displacement and loss of habitat (d) Destroying the forest
- 23) _____ are the remedial measure to control air _____
 (a) Establishment of industries (b) Growing plants and trees. (c) Use of mass transit system. (d) Increase in the length of the chimneys in industries.
- 24) Ground water contamination occurs when man made products such as _____
 (a) Gasoline (b) Oil (c) Water (d) Chemical
- 25) _____ gases are released in to the atomosphere during the burning of fossil fuels
 (a) Nitrogen oxides (b) Sulfur oxides (c) Acid rain (d) Ammonia
- 26) _____ are the particles, and gases out comes during the construction and agricultural activates to affect the air.
 (a) Dust particles (b) Gaseous emission (c) Ammonia (d) Oxygen gas
- 27) The common sources of out door air pollution are caused by _____
 (a) Motor vehicle (b) Power plants (c) Solid fuel burning (d) Discharge of savage
- 28) The dumping of solid wastes and litters in _____ cause huge problems.
 (a) Water bodies (b) Air (c) Land (d) Noise
- 29) Increasing temperature in the atmosphere leads to _____
 (a) Global warming (b) Oxygen deletion pollution (c) Microbiological pollutions (d) Ground water pollutions
- 30) The natural pollution causes both aquatic and _____
 (a) Cancer (b) Human illness (c) Children (d) Asthm(a)
- 31) Improper urban planning will cause more _____ among the city travelers.
 (a) Crackers (b) Factory machinery (c) Nuisances (d) Sound from motor vehicle.
- 32) Noise pollution is _____ or _____ sound.
 (a) unwanted (b) excessive (c) Both (a) and (b) (d) motor
- 33) Many area affected by _____ of human pollution.
 (a) carelessness (b) solid waste (c) chemical (d) sludge
- 34) Ecosystems can be severely destroyed by _____ pollution.

- (a) land (b) water (c) noise (d) air pollution
- 35) _____ is the current increase in temperature of earth's surface.
 (a) Land (b) Global warming (c) Climate change (d) Air
- 36) _____ is the example of. negative consumption externality.
 (a) Non-smoker (b) Smoker (c) Chain smoker (d) Rare-smoker
- 37) _____ is the example of positive externalities.
 (a) Resident of security (b) Other resident (c) Security area (d) None of the above
- 38) _____ is one of the causes of production externalities.
 (a) Factory emission (b) Beehive pollination (c) Public safety (d) Noise pollution
- 39) _____ are considered to be the lungs of the earth.
 (a) Oxygen (b) Water (c) Trees (d) Climate amelioration
- 40) _____ means "all the conditions, circumstances, and influences surrounding and affecting the development of an organism or group of organisms".
 (a) atmosphere (b) environmental economy (c) ecosystem (d) Environment
- 41) Environmental Economics is an area of economics that studies the financial impact of _____ issues and policies.
 (a) environmental (b) ecosystem (c) economy (d) ergonomics
- 42) Ecosystems are the foundations of the _____ and they determine the health of the entire earth system
 (a) Atmosphere (b) Economy (c) Biodiversity (d) Biosphere
- 43) The relationship between the _____ and _____ is generally explained in the form of a "Material Balance Model" developed by AlenKneese and R.V. Ayres.
 (a) economy and the ecosystem (b) society and the environment (c) ecosystem and society (d) economy and the environment
- 44) _____ considers the total economic process as a physically balanced flow between inputs and outputs.
 (a) Material Balance Model (b) Material Equality Model (c) Material Environmental Model (d) Material atmospheric Model
- 45) The law of conservation of matter and energy, emphasizes that in any production system "what goes in must come out". Name the Law:
 (a) The second law of thermodynamics (b) The third law of thermodynamics (c) The first law of thermodynamics (d) none of the above
- 46) In economic activities of Goods and Service, what the RrP + RrC mean?
 (a) Recycles from Production and Consumption (b) Residual Discharges from Consumption and Production (c) _____ and Production (d) Final Residual Discharge from Production and Consumption
- 47) In economic activities of Goods and Service, what the RC+RP mean?
 (a) Recycles from Production and Consumption (b) Residual Discharges from Consumption and Production (c) _____ and Production (d) Final Residual Discharge from Production and Consumption
- 48) In economic activities of Goods and Service, what the RdP+ RdC mean?
 (a) Final Residual (b) Residual (c) _____ (d) Recycles

- | | | | |
|---|--|---|--|
| Discharge from
Production and
Consumption | Discharges from
Consumption and
Production | Consumption from
Production and
Consumption | |
|---|--|---|--|
- 49) _____ is a set of properties and characteristics of the environment either generalized or local, as they impinge on human beings and other organisms
 (a) Economic Status (b) Economics Growth (c) Environmental Degradation (d) Environmental quality
- 50) Environment is a pure _____ that can be consumed simultaneously by everyone and from which no one can be excluded.
 (a) Pure private good (b) Free Good (c) public good (d) mixed good
- 51) A pure public good is one for which consumption is non-rival and from which it is impossible to _____?
 (a) includes a consumer (b) includes a producer (c) excludes a consumer (d) excludes a producer
- 52) Pure public goods pose a _____?
 (a) free-rider problem (b) environment tax (c) environment fee (d) none of the above
- 53) Externalities are third party effects arising from production and consumption of goods and services for which _____
 (a) equal compensation is paid (b) some compensation is paid (c) no appropriate compensation is paid (d) none of the above
- 54) _____ occur outside of the market i.e. they affect people not directly involved in the production and consumption of a good or service
 (a) Fee good (b) spill-over effects (c) Public good (d) private good
- 55) Find the relevant term of the following statement. "When some residents of a locality hire a private security agency to patrol their area, the other residents of the area also benefit from better security without bearing cost"
 (a) Negative Production Externality (b) Negative Consumption Externality (c) Positive production Externality (d) Positive Consumption Externality
- 56) Find the relevant term of the following statement. "A person smoking cigarette gets may give satisfaction to that person, but this act causes hardship (dissatisfaction) to the non-smokers who are driven to passive smoking."
 (a) Positive production Externality (b) Positive Consumption Externality (c) Negative Consumption Externality (d) None of the above
- 57) Find the relevant organization which said the following statement "Every day about 93% of the world's children under the age of 15 (1.8 billion children) breath polluted air that puts their health and development at serious risk"
 (a) WTO (b) WHO Organisation (c) International Environmental Organisation (d) Indian Ministry of Environment and Forest
- 58) Increasing temperature in the atmosphere leads to _____ and thereby _____ and melting of polar icebergs, displacement, and loss of habitat
 (a) global warming and to increase sea level (b) Acid Rain and to increase sea level (c) global warming and to decrease sea level (d) None of the above

- level rise rise rise above
- 59) Identify the odd one
 (a) Establishment of industries away from the towns and cities (b) Decrease the length of the Chimneys in industries (c) Growing more plants and trees (d) Use of non-conventional fuels like Biogas, CNG, and LPG
- 60) Eutrophication is an increase _____ in water bodies.
 (a) level of minerals (b) level of vitamins (c) level of nutrients (d) level of balance
- 61) Eutrophication _____ the oxygen in water which negatively affects fish and other aquatic animal population
 (a) inflates (b) depletes (c) increases (d) keeps
- 62) Which of the following is not an example of Water-borne disease?
 (a) Hepatitis-A (b) Typhoid (c) Dysentery (d) HPV
- 63) Expand the following term NIHL.
 (a) Noise Induced Hearing Loss (b) Natural Induced Hearing Loss (c) Nitrogen Induced Hearing Loss (d) Neutron Induced Hearing Loss
- 64) Find the odd one in the context of man made noises.
 (a) ships (b) aircraft (c) seismic exploration (d) submarines
- 65) Find the odd one in the context Solid waste
 (a) plastic containers (b) emission (c) bottles (d) used cars
- 66) Which is not a remedial measure to control Land Pollution
 (a) Making people aware about the concept of a Reduce, Recycle and Reuse (b) Buying biodegradable products (c) Keeping cultivation (d) Minimizing the usage of pesticides
- 67) Average temperatures around the world have risen by _____ over the last 100 years.
 (a) 0.25°C (b) 0.70°C (c) 0.75°C (d) 1.0°C
- 68) Find the odd one in the context green house effect.
 (a) Oxygen (b) Carbon dioxide (c) methane (d) Chlorofluoro Carbon
- 69) The CO₂ is the most important of the green house gases contributing to _____ of global warming.
 (a) 1% (b) 50% (c) 500% (d) 100%
- 70) Match the items in the List – I with items in List – II. Select the correct answer from the code given below :

List I	List II
I Home	1 PC, Boilers, Mixer
II Government	2 ECG devise, Microscope, Incubator
III Private Sectors	3 PC, Television, Radio, Cell phones
IV Hospitals	4 FAX machine, Xerox machine, Scanner

(a)

I	II	III	IV
3	2	1	4

(b)

I	II	III	IV
2	4	1	3

(c)

I	II	III	IV
2	3	4	1

(d)

I	II	III	IV
3	4	1	2

- 71) _____ waste which is commonly referred as “e-waste” is the new byproduct of the Info Tech society.
 (a) Electrical (b) Economical (c) Electronic (d) Environmental

- 72) The alkali soils are predominantly located in the _____
 (a) Indo-Gangetic plains (b) Himalayaas (c) Southern Peninsula (d) Western Ghats
- 73) _____ is formed due to the result of sulphur dioxide (SO₂) and nitrogen oxides (NO_x) reacting in the atmosphere with water and returning to earth as rain, fog or snow.
 (a) Global Warming (b) Acid Rain (c) Cloud Raining (d) Noise Pollutions
- 74) A public good is a good whose benefits are _____
 (a) diminished as it is consumed and whose benefits cannot be withheld from anyone
 (b) not diminished as it is consumed and whose benefits cannot be withheld from anyone
 (c) not diminished as it is consumed and whose benefits can be withheld from anyone
 (d) concentrated among a select few
- 75) Match the terms on the left with the definitions in the column on the right.
- | | | |
|-------------------|-----|---|
| I. Externalities | -1. | benefits from these goods aren't diminished by consumption and cannot be withheld from anyone |
| II. third parties | -2. | unintended costs or benefits imposed on third parties |
| III. public goods | -3. | someone who consumes a good or service without paying for it |
| IV. free rider | -4. | upon whom the externalities are imposed |
- (a)

I	II	III	IV
3	2	1	4
- (b)

I	II	III	IV
2	4	1	3
- (c)

I	II	III	IV
2	3	1	4
- (d)

I	II	III	IV
3	4	1	2
- 76) All of the following are ways to cope with negative externalities except
 (a) public choice (b) obligatory controls (c) pollution taxes (d) creating new property forms
- 77) Consumption of a pure public good
 (a) depletes the supply of the good for others (b) increases the supply of the good (c) denies the opportunity to consume the good to others (d) neither depletes the good nor excludes others from consuming it
- 78) Which of the following groups of gases contribute to the 'Green House Effect'?
 (a) Ammonia and Ozone (b) Carbon mono-oxide and Sulphur di-oxide (c) Carbon tetrafluoride and Nitrous oxide (d) Carbon dioxide and Methane
- 79) Environmental degradation means
 (a) Overall lowering of environmental qualities. (b) Adverse change brought in by human activities. (c) Ecological imbalance (d) All the above
- 80) Which of the following conditions indicate the impact of global warming?
 1. Melting of glaciers
 2. Lowering down of sea level
 3. Changes in weather conditions
 4. Rise in global temperature
 Select the correct answer from the codes given below:
 Codes:
 (a) 1 and 2 (b) 1,2 and 3 (c) 1, 3 and 4 (d) 1,4

81) Consider the following statements:

Assertion (A): Forests are a renewable resource.

Reason (R): They enhance the quality of the environment.

Select the correct answer from the codes given below:

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false (d) A is false but R is true.

82) Which one of the following does not promote stability of the ecosystem?

- (a) Balancing between production and consumption of each element in the ecosystem. (b) Balance between input and output of energy (c) Normal functioning of different biochemical cycles. (d) Increase of human population

83) Consider the following statements:

Assertion (A): Organic farming reduces the emission of greenhouse gases.

Reason (R): Organic farming utilize alternate practices.

Select the correct answer from the codes given below:

- (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true

84) Which of the following statements are correct?

1. A new study has found that changes in solar activity contributed no more than 10 percent to global warming in the 20th century published in the journal Environmental Research Letters.
2. It has been proposed that cosmic rays may have a role in cooling the earth by encouraging clouds to form, which subsequently reflect the sun's rays back into space.
3. Researchers found a high correlation between cosmic rays and global temperatures occurring every 22 years.

- (a) 1 only (b) 1 and 2 only (c) 2 and 3 only (d) All of the above

85) Which of the following is regarded as the main cause of groundwater contamination?

- (a) agricultural products (b) landfill (c) septic tanks (d) All of the above main sources of groundwater contamination.

86) Noise is _____ ?

- (a) Loud sound (b) Sound of high frequency (c) Unwanted sound (d) Constant sound

87) An Eco-System comprises of

- (a) Living organisms (b) Non-living organisms (c) Both living and non-living organisms (d) Only plants

88) Which of the following statement is TRUE?

- (a) Eco-Systems may vary in size (b) Eco-Systems are always very large (c) Eco-Systems are always very small (d) None of these is true.

89) If one part of Eco-System is damaged, what happens?

- (a) It doesn't have any impact on the Ecosystem (b) It completely destroys the eco-system (c) It has an impact on everything else in the eco-system (d) All of these

90) Air pollution causes

- (a) Global warming (b) Respiratory problems (c) Soil erosion (d) None of these
- 91) Pollution of water is responsible for
 (a) Oil refineries (b) Paper factories (c) Sugar mills (d) All
- 92) An externality can be a cost or benefit arising from the production of a good that falls upon
 (a) consumers but not producers. (b) producers but not consumers (c) the consumer and the producer both (d) someone other than the consumer or producer.
- 93) A noisy party that keeps neighbors awake is an example of a
 (a) negative production externality (b) positive production externality (c) negative consumption externality (d) positive consumption externality
- 94) Which one of the following is the best description of the term "ecosystem"?
 (a) A community of organisms interacting with one another (b) That part of the Earth which is inhabited by living organisms (c) A community of organisms together with the environment in which they live. (d) The flora and fauna of a geographical area.
- 95) Assertion (A): Environmental quality is a set of properties and characteristics of the environment either generalized or local, as they impinge on human beings and other organisms.
 Reason (R): It is a measure of the condition of an environment relative to and to any human need.
 (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 96) Assertion (A): Wastes contain harmful chemicals and toxins which make the water poisonous for aquatic animals and plants.
 Reason (R): Sewage, garbage, and liquid waste of households, agricultural runoff, and effluents from factories are discharged into lakes and rivers.
 (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 97) Assertion (A): Global warming adversely affects agriculture, horticulture, and ecosystem.
 Reason (R): An increase in the global average surface air temperature of such magnitude will bring about alarming changes in rainfall patterns and other climatic conditions, resulting in serious ecological disequilibrium
 (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.
- 98) Assertion (A): Organic production is a holistic system designed to optimize the productivity and fitness of diverse communities within the agro-ecosystem, including soil organisms, plants, livestock, and people.
 Reason (R): The principal goal of organic production is to develop enterprises that are sustainable and harmonious with the environment.
 (a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

99) Match the correct codes

1	Production Sector R	i.	$G-RC- RP + RrP + Rrc = Rdc + Rdc$
2	Household Sector	ii.	F+W1
3	R	iii.	F+W2
4	Material Balance Approach M	iv.	W1+W2 (Input=Output)

- (a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (c) (1) – (iv) (2) – (d) (1) – (i) (2) – (ii)
 (3) – (iv) (4) – (iii) (iii) (3) – (iv) (4) – (iii) (3) – (i) (4) – (ii) (3) – (iii) (4) – (iv)
 (i)

100)

1	EcoSystem	i.	The presence of harmful or objectionable material to damage water quality.
2	Pollution	ii.	The increase in temperature of the Earth's surface, due to greenhouse gases.
3	Water Pollution	iii.	Residual discharges of contaminants into the natural environment to the air or water
4	Global warming	iv.	The interacting system of a biological community and it's nonliving environmental surroundings

- (a) (1) – (i) (2) – (ii) (b) (1) – (ii) (2) – (c) (1) – (iv) (2) – (d) (1) – (i) (2) – (ii)
 (3) – (iv) (4) – (iii) (iii) (3) – (iv) (4) – (iii) (3) – (i) (4) – (ii) (3) – (iii) (4) – (iv)
 (i)

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Environmental Economics 2 MARK

12th Standard

Economics

25 x 2 = 50

- 1) State the meaning of environment.
- 2) What do you mean by ecosystem?
- 3) Mention the countries where per capita carbondioxide emission is the highest in the world.
- 4) What are environmental goods? Give examples
- 5) What are the remedial measures to control noise pollution?
- 6) Define Global warming.
- 7) Specify the meaning of seed ball.
- 8) Define Externalities.
- 9) What are the types of water pollution?
- 10) What are the effects of land pollution?
- 11) What is organic farming?
- 12) What are the types of noise pollution?
- 13) What do you mean sustainable development?
- 14) What is the key objective of Environmental Economics
- 15) Define the Environmental quality.
- 16) What are spillover effects?
- 17) Deforestation
- 18) What are the dimensions of sustainable development?
- 19) Write an example for "Negative Consumption Externality"
- 20) What is pollution?
- 21) What are the Remedial measures to control Water Pollution?
- 22) List the Remedial measures to control Noise Pollution.
- 23) List the examples of Home E-Wastes.
- 24) Write a brief note on "Trees"
- 25) What are the major Causes of Air Pollution?

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Environmental Economics 3 MARK

12th Standard

Economics

15 x 3 = 45

- 1) Brief the linkage between economy and environment.
- 2) Specify the meaning of material balance principle
- 3) Explain different types of air pollution.
- 4) What are the causes of water pollution?
- 5) State the meaning of e-waste.
- 6) What is land pollution? Mention the causes of land pollution.
- 7) Write a note on
 - a) Climate change and
 - b) Acid rain
- 8) What are the classification of Externalities?
- 9) Define water pollution.
- 10) Explain the types of water pollution.
- 11) Draw the classification of sources of e-waster.
- 12) Explain the Causes of Noise Pollution
- 13) Discuss the Effects of Noise Pollution.
- 14) Explain the Types of Land Pollution.
- 15) Explain different types of Noise.

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Environmental Economics 5 MARK

12th Standard

Economics

10 x 5 = 50

- 1) Briefly explain the relationship between GDP growth and the quality of environment.
- 2) Explain the concepts of externality and its classification
- 3) Explain the importance of sustainable development and its goals.
- 4) Explain any 5 causes of water pollution.
- 5) Explain effects of noise pollution.
- 6) Explain causes of noise pollution.
- 7) What are the Effects of Air pollution?
- 8) Discuss the Effects of Land Pollution.
- 9) List the Remedial measures to control Land Pollution
- 10) Enumerate the general principles of organic farming.

RAVI MATHS TUTOR CENTER, CHENNAI-82. WHATSAPP - 8056206308**Environmental Economics SLIP TEST**

12th Standard

Economics

20 x 1 = 20

- 1) The term environment has been derived from a French word _____
(a) Environ (b) Environs (c) Environia (d) Envir
- 2) The word biotic means environment
(a) living (b) non-living (c) physical (d) None of the above
- 3) Ecosystem is smallest unit of
(a) Ionosphere (b) Lithosphere (c) Biosphere (d) Mesosphere
- 4) Who developed Material Balance Models?
(a) Thomas and Picardy (b) AlenKneese and R.Y. Ayres (c) Joan Robinson and J.M. Keynes (d) Joseph Stiglitz and Edward Chamberiin'
- 5) Environmental goods are _____
(a) Market goods (b) Non-market goods (c) Both (d) None of the above
- 6) In a pure public good, consumption is _____
(a) Rival (b) Non-rival (c) Both (d) None of the above
- 7) One of the most important market failures is caused by _____
(a) Positive externalities (b) Negative externalities (c) Both (d) None of the above
- 8) The common source of outdoor air pollution is caused by combustion processes from the following _____
(a) Heating and cooking (b) Traditional stoves (c) Motor vehicles (d) All the above
- 9) The major contributor of Carbon monoxide is _____
(a) Automobiles (b) Industrial process (c) Stationary fuel combustion (d) None of the above
- 10) Which one of the following causes of global warming?
(a) Earth gravftation force (b) Oxygen (c) Centripetal force (d) Increasing temperature
- 11) Which of the following is responsible for protecting humans from harmful ultraviolet rays?
(a) UV-A (b) UV-C (c) Ozone layer (d) None of the above
- 12) Global warming also refers to as _____
(a) Ecological change (b) Climate Change (c) Atmosphere change (d) None of the above
- 13) Which of the following is the anticipated effect of Global warming?
(a) Rising sea levels (b) Changing precipitation (c) Expansion of deserts (d) All of the above
- 14) The process of nutrient enrichment is termed as _____
(a) Eutrophication (b) Limiting nutrients (c) Enrichment (d) Schistosomiasis
- 15) Primary cause of Soil pollution is _____
(a) Pest control measures (b) Land reclamation (c) Agricultural runoff (d) Chemical fertilizer
- 16) Which of the following is main cause for deforestation?
(a) Timber harvesting (b) Natural (c) Soil (d) Climate

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- industry afforestation stabilization stabilization
- 17) Electronic waste is commonly referred as _____
 (a) solid waste (b) composite waste (c) e-waste (d) hospital waste
- 18) Acid rain is one of the consequences of _____ Air pollution
 (a) Water Pollution (b) Land Pollution (c) Noise Pollution (d) None above
- 19) Sustainable Development Goals and targets are to be achieved by

 (a) 2020 (b) 2025 (c) 2030 (d) 2050
- 20) Alkali soils are predominantly located in the _____ plains?
 (a) Indus-Ganga (b) North-Indian (c) Gangetic plains (d) All the above
 7 x 2 = 14
- 21) State the meaning of environment.
- 22) What do you mean by ecosystem?
- 23) Mention the countries where per capita carbondioxide emission is the highest in the world.
- 24) What are environmental goods? Give examples
- 25) What are the remedial measures to control noise pollution?
- 26) Define Global warming.
- 27) Specify the meaning of seed ball.
 7 x 3 = 21
- 28) Brief the linkage between economy and environment.
- 29) Specify the meaning of material balance principle
- 30) Explain different types of air pollution.
- 31) What are the causes of water pollution?
- 32) State the meaning of e-waste.
- 33) What is land pollution? Mention the causes of land pollution.
- 34) Write a note on
 a) Climate change and
 b) Acid rain
 7 x 5 = 35
- 35) Briefly explain the relationship between GDP growth and the quality of environment.
- 36) Explain the concepts of externality and its classification
- 37) Explain the importance of sustainable development and its goals.
- 38) Explain any three causes of air pollution.
- 39) What are the causes of land pollution? What are the remedial measures to control land pollution?
- 40) State and discuss the Causes of Land Pollution
- 41) Discuss the Effects of Land Pollution.

RAVI MATHS TUTOR CENTER, CHENNAI-82. WHATSAPP - 8056206308**Introduction to Statistical Methods and Econometrics 1 marks**

12th Standard

Economics

100 x 1 = 100

- 1) The word 'statistics' is used as _____
(a) Singular. (b) Plural (c) Singular and Plural. (d) None of above
- 2) Who stated that statistics as a science of estimates and probabilities.
(a) Horace Secrist. (b) R.A Fisher (c) Ya-Lun-Chou (d) Boddington
- 3) Sources of secondary data are _____
(a) Published sources (b) Unpublished sources. (c) Neither published nor unpublished sources (d) Both (a) and (b)
- 4) The data collected by questionnaires are _____
(a) Primary data. (b) Secondary data (c) Published data. (d) Grouped data
- 5) A measure of the strength of the linear relationship that exists between two variables is called:
(a) Slope (b) Intercept (c) Correlation coefficient (d) Regression equation
- 6) If both variables X and Y increase or decrease simultaneously, then the coefficient of correlation will be:
(a) Positive (b) Negative (c) Zero (d) One
- 7) If the points on the scatter diagram indicate that as one variable increases the other variable tends to decrease the value of r will be:
(a) Perfect positive (b) Perfect negative (c) Negative (d) Zero
- 8) The value of the coefficient of correlation r lies between
(a) 0 and 1 (b) -1 and 0 (c) -1 and +1 (d) -0.5 and +0.5
- 9) The term regression was used by:
(a) Newton (b) Pearson (c) Spearman (d) Galton
- 10) The purpose of simple linear regression analysis is to:
(a) Predict one variable points on a scatter diagram from another variable by a straight line (b) Replace scatter diagram by a straight line (c) Measure the degree to which two variables are linearly associated (d) Obtain the expected value of the independent random variable for a given value of the dependent variable
- 11) A process by which we estimate the value of dependent variable on the basis of one or more independent variables is called
(a) Correlation (b) Regression (c) Residual (d) Slope
- 12) If $Y = 2 - 0.2X$, then the value of Y intercept is equal to
(a) -0.2 (b) 2 (c) 0.2X (d) All of the above
- 13) In the regression equation $Y = \beta_0 + \beta_1 X$, the Y is called:
(a) Independent variable (b) Dependent variable (c) Continuous variable (d) None of the above
- 14) In the regression equation $X = \beta_0 + \beta_1 Y$, the X is called:
(a) Independent variable (b) Dependent variable (c) Continuous variable (d) None of the above
- 15) Econometrics is the integration of
(a) Economics and Statistics (b) Economics and Mathematics (c) Economics, Mathematics and (d) None of the above

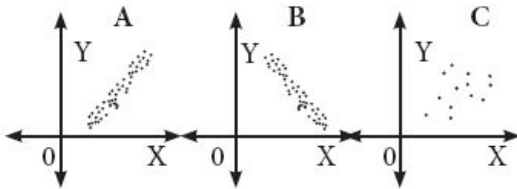
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Statistics

- 16) Econometric is the word coined by
 (a) Francis Galton (b) Ragnar Frish (c) Karl Person (d) Spearsman
- 17) The raw materials of Econometrics are:
 (a) Data (b) Goods (c) Statistics (d) Mathematics
- 18) The term Uiin regression equation is
 (a) Residuals (b) Standard error (c) Stochastic error term (d) None
- 19) The term Uuis introduced for the representation of
 (a) Omitted Variable (b) Standard error (c) Bias (d) Discrete Variable
- 20) Econometrics is the amalgamation of
 (a) 3 subjects (b) 4 subjects (c) 2 subjects (d) 5 subjects
- 21) The first book to have statistics as its title was 'Contributions to vital Statistics' by _____.
 (a) Karl Pearson (b) Francis GP Neison (c) Crowther (d) Fisher
- 22) Ronald Fisher is known as _____?
 (a) Father of statistics (b) Father of Mathematical economics (c) Father of econometrics (d) Father of Applied Economics
- 23) Evidence from history proves that during the reign of Chandra Gupta Maurya, there existed a system of maintaining _____.
 (a) vital statistics (b) descriptive statistics (c) inferential statistics (d) none of the above
- 24) There existed a system of maintaining vital statistics including registration of births and deaths found in _____.
 (a) Thriukkural (b) Arthashastra (c) Das Capital (d) Agananuru
- 25) The book _____ mentions the statistical and administrative surveys conducted during Akbar's rule.
 (a) Arthasasthara (b) Tholkappiyam (c) Ain-e-Akbari (d) none of the above
- 26) P.C.Mahalanobis is known as the founder of _____.
 (a) classical statistics (b) mathematical economics (c) modern statistics (d) applied econometrics
- 27) _____ is known as the founder of modern statistics and also as father of _____ in India.
 (a) P.C. Mahalanobis and statistical economics (b) Viswesvaraya and statistics (c) P.C. Mahalanobis and statistics (d) None of the above
- 28) The term 'Statistics' is used in two senses: as _____ and _____.
 (a) singular and plural (b) horizontal and vertical (c) numerical and inferential (d) none of the above
- 29) Find the author who said this "Statistics may be defined as the collection, organisation, presentation, analysis and interpretation of numerical data"
 (a) Croxton & Cowden (b) Karl Pearson (c) Spearman (d) Von Hayek
- 30) Which is not a limitation of statistics?
 (a) Statistics is not suitable to the study of qualitative phenomenon (b) Statistical laws are not exact (c) Statistical collection with a predetermined purpose (d) Statistics is only one of the methods of studying a problem
- 31) There are two major types of statistics named as _____ and _____ based on nature.

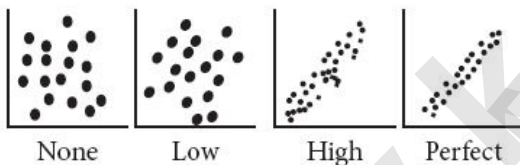
- (a) new statistics (b) descriptive statistics (c) numerical statistics (d) none of and old statistics and inferential statistics and inferential statistics the above
- 32) The branch of statistics concerned with using sample data to make an inference about a population of data is called _____.
- (a) Mathematical Statistics (b) Descriptive Statistics (c) Vital Statistics (d) Inferential Statistics
- 33) The branch of statistics devoted to the summarization and description of data is called _____.
- (a) Descriptive Statistics (b) Inferential Statistics (c) Modern Statistics (d) Applied Statistics
- 34) _____ are those that can be quantified in definite units of measurement.
- (a) Qualitative data (b) Raw data (c) Quantitative data (d) Refined data
- 35) _____ are further classified as nominal and rank data. Eg. Gender, Community, honesty.
- (a) Raw data (b) Qualitative data (c) Refined data (d) Quantitative data
- 36) _____ data already exist in some form: published or unpublished in an identifiable secondary source.
- (a) primary (b) vital (c) raw (d) secondary
- 37) The following are the examples for _____ : "Data from CSO, NSSO, RBI...."
- (a) secondary data (b) primary data (c) tertiary data (d) applied data
- 38) Those data which do not already exist in any form, and thus have to be collected for the first time from the primary source(s).
- (a) Secondary data (b) Vital data (c) Raw data (d) Primary data
- 39) Calculate the mean for given data 2,4,6,8,10.
- (a) 6 (b) 30 (c) 5 (d) 15
- 40) Standard Deviation is one of the methods of _____ of dispersion
- (a) Relative measure (b) Real measure (c) Absolute measure (d) Nominal measure
- 41) Who introduced the concept of standard deviation in 1893?
- (a) Relative measure (b) Absolute measure (c) Real measure (d) Nominal measure
- 42) _____ is also called Root- Mean Square Deviation?
- (a) Correlation (b) Mean deviation (c) Arithmetic mean (d) Standard deviation
- 43) The standard deviation of the population is denoted by the Greek letter _____, the standard deviation of sample is denoted as 's'.
- (a) β (b) π (c) σ (d) μ
- 44) There are two methods of calculating Standard deviation in an individual series.
- (a) deviations taken from actual mean and deviation taken from assumed mean (b) deviations taken from assumed mean and deviation taken from actual mean (c) deviations taken from actual median and deviation taken from assumed mean (d) None of the above
- 45) Find the formula for standard deviation
- (a) $Y = a - bx$ (b) $Y = a + bx$ (c) $\sqrt{\frac{\sum |x - \bar{X}|}{n}}$ (d) $\sqrt{\frac{\sum |x - \bar{X}|^2}{n}}$

- 46) Who is responsible for the calculation of correlation coefficient?
 (a) Francis Galton (b) Von Neuman (c) Philip (d) Irving Fisher
- 47) Find the positive correlation equation.
 (a) $Y = a - bx$ (b) $Y = a + bx$ (c) $Y = b - ax$ (d) $Y = a - by$
- 48) Find the negative correlation equation.
 (a) $Y = a - by$ (b) $X = a - bx$ (c) $Y = a + bx$ (d) $Y = a - bx$
- 49) In correlation, there are _____ types based upon the number of variables studied as
 (a) one (b) two (c) three (d) four
- 50) Find the equation of multiple correlation.
 (a) $Qd = f(P, Pc, Ps, t, y)$ (b) $X = a - bx$ (c) $Y = a + bx$ (d) $Y = a - bx$
- 51) The correlation would be _____ if the amount of change in one variable does not bear a constant ratio to the amount of change in the other variables.
 (a) linear (b) scatter (c) non-linear (d) downward always
- 52) Find the equation of non-linear correlation
 (a) $Y = a + bx^2$ (b) $Y = a + bx$ (c) $Y = b - ax$ (d) $Y = a - by$
- 53) Given the diagram, find the nature of correlation.



- (a) A, B, C, (b) A, B, C, (c) A is positive, B is Negative and C is Zero (d) A is positive, B is Negative and C is Positive
- 54) Given the diagram, find the correct answer.

Degrees of correlation :

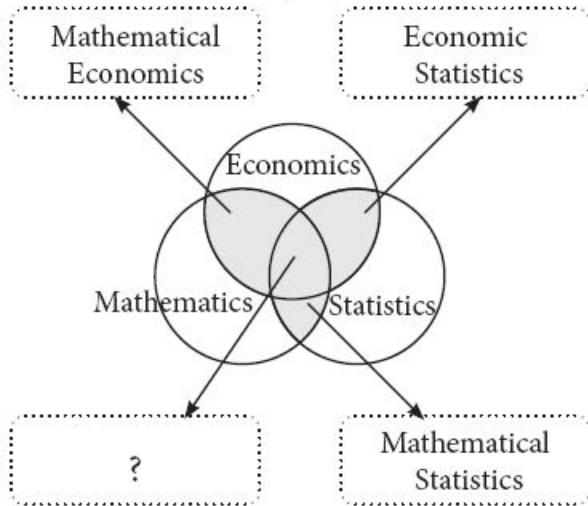


- (a) all the above are correct (b) all the above are incorrect (c) I and II are correct, III and IV are incorrect (d) I and II are incorrect, III and IV are correct
- 55) Find the incorrect match.
- I. $\sum dx dy$ = Sum of product of the deviations x and y series from their assumed means.
 II. $\sum dx^2$ = Sum of the squares of the deviations of x series from an assumed mean
 III. $\sum dy^2$ = sum of the deviation of x series from an assumed mean of x
 IV. $\sum dx$ = Sum of the squares of the deviations of y series from an assumed mean
- (a) I, II, III, IV are correct (b) I, II, III are correct, IV is incorrect (c) II and IV are correct, I and III are incorrect (d) III and IV are only incorrect

- 56) The term 'Regression' was first coined and used in 1877 by _____.
 (a) Hicks (b) Friedman (c) Galton (d) Spearman
- 57) The line describing this tendency to regress or going back was called by Galton a _____?

- (a) Regression Line (b) Regression Curve (c) Correlation Line (d) Correlation Curve
- 58) What are the two Regression lines?
 (a) X on Y = $a + by$ and Y on X = $a + bx$ (b) X on X = $a + by$ and Y on X = $a + bx$ (c) Y on Y = $a + by$ and Y on X = $a + bx$ (d) X on Y = $a + bX$ and Y on X = $a + bx$
- 59) Irving Fisher is the first person, developed _____ in the quantity theory of money with help of data.
 (a) statistical inference (b) econometrics (c) mathematical equation (d) applied economics
- 60) Econometrics may be considered as the integration of _____.
 (a) economics, statistics and mathematics (b) econometrics, statistics and mathematics (c) economics, applied statistics and mathematics (d) econometrics, statistics and applied mathematics
- 61) Find the incorrect equation.
 I. Economics + Mathematics = Mathematical Economics
 II. Mathematical Economics + Statistical Data & Its Technique = Econometrics
 III. {Economics + Statistics + Mathematics} + Empirical Data = Applied Econometrics
 (a) I (b) III (c) III and II (d) II and I
- 62) Who said "Econometrics is concerned with the empirical determination of economic laws"
 (a) Galton (b) H Theil (c) Fisher (d) Dalton
- 63) What is the term given for the following sequence of action?
 "Economic theory, Mathematical model of the theory, Economic model of the theory, Data Estimation of econometric model, Hypothesis Testing, Forecasting or prediction Using the model for control or policy purpose"
 (a) Anatomy of Economic Modeling (b) Anatomy of Mathematical Economic Modeling (c) Anatomy of Econometric Modeling (d) None of the above
- 64) Find an example of Statistics Regression.
 (a) $Y_i = \beta_0 + \beta_1 X_i + U_i$ (b) $Y_i = \beta_0 + \beta_1 X_i + U_i$ (c) $X_i = \beta_0 + \beta_1 X_i + U_i$ (d) $Y_0 = \beta_0 + \beta_1 X_i + U_0$
- 65) Find an example of Econometrics Regression
 (a) $Y_i = \beta_0 + \beta_1 X_i + U_i$ (b) $Y_i = \beta_0 + \beta_1 X_i + U_i$ (c) $X_i = \beta_0 + \beta_1 X_i + U_i$ (d) $Y_0 = \beta_0 + \beta_1 X_i + U_0$

66) Given the chart, find the missing term.



(a) applied Economics

(b) Mathematical Economics

(c) Econometrics

(d) Statistical Economics

67) Expand the term MOSPI.

(a) The Ministry of Statistics and Programme Implementation

(b) The Ministry of Statistics and Probability Implementation

(c) The Ministry of Statistical and Programme Improvements

(d) None of the above

68) The Statistics Wing called the National Statistical Office (NSO) consists of the _____, the Computer Centre and _____.

(a) NSO and MOSP

(b) CSO and NSSO

(c) ISRO and BARC

(d) NSSO and NSO

69) The Central Statistical Office is one of the two wings of the _____.

(a) NSSO

(b) CSIR

(c) MSOP

(d) NSO

70) How many divisions of operations that NSSO has?

(a) four divisions

(b) three divisions

(c) five divisions

(d) two divisions

71) Which of the following doesn't come under NSSO

(a) Survey Design and Research Division (SDRD)

(b) Field Operations Division (FOD)

(c) Data Processing Division (DPD)

(d) Central Statistical Office (CSO)

72) The downwards slope in the scatter plot above would have a correlation coefficient that is close to:

(a) -1.0

(b) -0.5

(c) +1.0

(d) +0.5

73) When the correlation coefficient, r , is close to one:

(a) there is no relationship between the two variables

(b) there is a strong linear relationship between the two variables

(c) it is impossible to tell if there is a relationship between the two variables

(d) the slope of the regression line will be close to one

74) A statistic is:

(a) a sample characteristic

(b) a population characteristic

(c) unknown

(d) normally distributed

75) A scatter plot of number of teachers and number of people with commerce degrees for cities in India reveals a positive association. The most likely explanation for this positive association is:

(a) Teachers encourage

(b) Larger cities tend to have

(c) Teaching is a common

(d) Cities with higher incomes tend to have

people to get both more profession for more teachers and more
college degrees, teachers and people with people going to college,
so an increase in more people college degrees, so income is a
the number of with college so an increase in confounding variable,
teachers is degrees, so the the number of making causation
causing an association is people with between number of
increase in the explained by a college degrees teachers and number of
number of people third variable, causes an people with college
with college the size of the increase in the degrees difficult to prove.
degrees. city number of teachers.

- 76) The value of a correlation is reported by a researcher to be $r = -0.5$. Which of the following statements is correct?
 (a) The x-variable explains 25% of the variability in the y-variable
 (b) The x-variable explains -25% of the variability in the y-variable.
 (c) The x-variable explains 50% of the variability in the y-variable
 (d) The x-variable explains -50% of the variability in the y-variable.
- 77) One use of a regression line is, _____?
 (a) to determine if any x-values are outliers
 (b) to determine if any y-values are outliers
 (c) to determine if a change in x causes a change in y
 (d) to estimate the change in y for a one-unit change in x.
- 78) What is the simple arithmetic mean of 15, 0, 36, 0 and 9?
 (a) 20 (b) 15 (c) 10 (d) 60
- 79) If all values of a sample are same, then its variance is
 (a) 1 (b) 0 (c) 2 (d) Cannot be determined
- 80) _____ is a coefficient to measure the degree of relationship between two sets of data by using ranks of observations
 (a) Pearson's Correlation Coefficient (b) Rank Correlation Coefficient (c) Partial Correlation (d) Multiple Correlation
- 81) Rank Correlation was obtained by _____ to measure degree of relationship between qualitative characteristics.
 (a) Karl Pearson (b) Galton (c) Spearman (d) None of them
- 82) Which among the following gives the value of b in the regression equation of y on x ?
 (a) P_{xy}/σ_y^2 (b) P_{xy}/σ_x^2 (c) $P_{xy}/\sigma_x \cdot \sigma_y$ (d) σ_y/σ_x
- 83) Which of the statements do not hold true?
 (a) Both regression coefficients cannot be greater than 1
 (b) Regression coefficients are unaffected by origin shift and scale shift
 (c) Both correlation and regression coefficients are of same sign
 (d) Two regression lines coincide if $r = \pm 1$
- 84) What is the mean for the following scores: 2, 5, 4, 1, 8?
 (a) 3 (b) 4 (c) 5 (d) 20
- 85) A scatterplot shows:
 (a) the frequency with which values appear in the data
 (b) the average value of groups of data
 (c) scores on one variable plotted against scores on a second variable
 (d) the proportion of data falling into different categories
- 86) R^2 is the notation for:

- (a) the coefficient of correlation. (b) the coefficient of determination. (c) the coefficient of variation. (d) the coefficient of regression
- 87) In a linear regression equation, $Y=a + bX$, what is the b denote?
 (a) the regression coefficient, the slope of the line. (b) the intercept with the y-axis. (c) the correlation coefficient, the strength of the line. (d) the score on the variable x.
- 88) In a linear regression equation, what does a slope of 2.5 indicate?
 (a) for every increase of 2.5 on the y-axis, there is an increase of 5.0 on the x-axis. (b) for every increase of 2.5 on the x-axis, there is an equivalent increase on the y-axis. (c) for every increase of 1.00 on the x-axis, there is an increase of 2.5 on the y-axis. (d) for every increase of 1.00 on the y-axis, there is an decrease of 2.5 on the x-axis.
- 89) A magazine editor designs a survey to better serve the interests of the magazine's readers. Some of the questions about the respondent include the respondent's. Which of these variables are qualitative?
 i) age. ii) gender. iii) income.
 (a) ii) (b) i) and iii) (c) ii) and iii) (d) i), ii), and iii)
- 90) Participants in a weight-loss program are asked for the following biographical information upon entering the program: Which of these variables are quantitative?
 i) weight
 ii) gender
 iii) age
 (a) i) (b) ii) (c) iii) (d) i) and iii)
- 91) The correlation coefficient is used to determine:
 (a) A specific value of the y-variable given a specific value of the x-variable (b) A specific value of the x-variable given a specific value of the y-variable (c) The strength of the relationship between the x and y variables (d) None of these
- 92) If there is a very strong correlation between two variables then the correlation coefficient must be
 (a) any value larger than 1 (b) much smaller than 0, if the correlation is negative (c) much larger than 0, regardless of whether the correlation is negative or positive (d) None of these alternatives is correct.
- 93) In regression, the equation that describes how the response variable (y) is related to the explanatory variable (x) is:
 (a) the correlation model (b) the regression model (c) used to compute the correlation coefficient (d) None of these alternatives is correct.
- 94) In regression analysis, the variable that is being predicted is the
 (a) response, or dependent, variable (b) independent variable (c) intervening variable (d) is usually x
- 95) If the correlation coefficient is a positive value, then the slope of the regression line
 (a) must also be positive (b) can be either negative or positive (c) can be zero (d) can not be zero

96) The correlation coefficient may assume any value between _____ and _____?
 (a) 0 and 1 (b) $-\infty$ and ∞ (c) 0 and 8 (d) -1 and 1

97) Assertion (A): Statistics is indispensable in planning.

Reason (R): In order to achieve the above goals, various advanced statistical techniques are used for processing, analyzing and interpreting data.

(a) Both A and R are true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A. (c) A is true but R is false. (d) A is false but R is true.

98) The branch of economics wherein mathematics and statistics are used to measure and analyze economics activities is called _____.

(a) Applied Economics (b) Econometrics (c) Statistics (d) Macro Economics

1	Statistics as a science of estimates and probabilities	1	H Theil
2	Statistics may be defined as the collection, organisation, presentation, analysis and interpretation of numerical data	2	Ragnar Frisch
3	“Econometrics is concerned with the empirical determination of economic laws”	3	Croxton & Cowden
4	“The mutual penetration of quantitative econometric theory and statistical observation is the essence of econometrics”	4	Boddington

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (ii) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (i) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)

100) Match the correct codes

1	Statistics Regression	1	$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + U_i$
2	Econometrics Regression	2	$\beta_0 + \beta_1X_i$
3	More than 2 variables	3	$Y_i = \beta_0 + \beta_1X_i$
4	Systematic Part	4	$Y_i = \beta_0 + \beta_1X_i$

(a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii) (i) (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (ii) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii) (i) (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)

Ravi home tutions**Introduction to Statistical Methods and Econometrics 2 marks**

12th Standard

Economics

25 x 2 = 50

- 1) What is Statistics?
- 2) What are the kinds of Statistics?
- 3) What do you mean by Inferential Statistics?
- 4) What are the kinds of data?
- 5) Define Correlation.
- 6) Define Regression.
- 7) What is Econometrics?
- 8) Write a brief note on origin of Indian Statistics.
- 9) Write a short note on Statistics and Economics.
- 10) List the major differences between Descriptive Statistics and Inferential Statistics
- 11) What is data?
- 12) What are Nominal Data?
- 13) Write the key difference between primary and secondary data.
- 14) What is central tendency?
- 15) What is dispersion? List its types.
- 16) Mention the meaning of relative measure of dispersion.
- 17) What are the methods of calculating SD?
- 18) Distinguish between simple and multiple correlation.
- 19) Mention the difference between linear and non linear correlation.
- 20) Define "Scatter Diagram" Method of correlation.
- 21) Write the Advantages of Scatter Diagram method.
- 22) Explain the following term: $\sum dx dy$, $\sum dx^2$, $\sum dy^2$, $\sum dx$ and $\sum dy$.
- 23) Write the definition of economics in the words of Ragnar Frisch.
- 24) List the Limitations of statistics.
- 25) Write some of econometric software that you may know.

12TH SAMACHEER KALVI

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Introduction to Statistical Methods and Econometrics 3 marks

12th Standard

Economics

20 x 3 = 60

- 1) What are the functions of Statistics?
- 2) Find the Standard Deviation of the following data: 14, 22, 9, 15, 20, 17, 12, 11
- 3) State and explain the different kinds of Correlation
- 4) Mention the uses of Regression Analysis
- 5) Specify the objectives of econometrics.
- 6) Differentiate the economic model with econometric model.
- 7) Discuss the important statistical organizations (offices) in India.
- 8) List the Assumptions of the Linear Regression Model.
- 9) Write note on MOSPI.
- 10) Write a note on CSO.
- 11) What are the divisions of NSSO?
- 12) List the wings of Programme Implementation.
- 13) Discuss the limitations of statistics.
- 14) State the types of correction on the basis of number of variables studied.
- 15) Draw the various kinds of scatter diagram.
- 16) Calculate the SD of the following data. 23, 25, 28, 31, 38, 40, 46
- 17) List various degrees of Karl Pearson co-efficient of correlation
- 18) List any three difference between correlation and regression.
- 19) How an econometric model is done?
- 20) What are the aims of econometrics analysis?

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Introduction to Statistical Methods and Econometrics 5 marks**

12th Standard

Economics

10 x 5 = 50

- 1) Elucidate the nature and scope of Statistics.
- 2) Calculate the Karl Pearson Correlation Co-efficient for the following data

Demand of Product X	23	27	28	29	30	31	33	35	36	39
Sale of Product Y:	18	22	23	24	25	26	28	29	30	32

- 3) Find the regression equation Y on X and X on Y for the following data:

Y	45	48	50	55	65	70	75	72	80	85
X	25	30	35	30	40	50	45	55	60	65

- 4) Describe the application of Econometrics in Economics.
- 5) Compare and contrast primary and secondary data.
- 6) Calculate the standard deviation for the following data by assumed mean method: 43, 48, 65, 57, 31, 60, 37, 48, 78, 59
- 7) Find the Karl Pearson coefficient of Correlation between X and Y from the following data:

X:	10	12	13	16	17	20	25
Y:	19	22	26	27	29	33	37

- 8) Fit two regression equation X on Y and Y on X for the following data.
 $\bar{x}=12$, $\bar{y}=10$, $\sigma_y=0.2$, $\sigma_x=0.1$ and $r=0.85$
- 9) Given the following data on sales (in thousand units) and expenses (in thousand rupees) of a firm for 10 month.

Month	J	F	M	A	M	J	J	A	S	O
Sales:	50	50	55	60	62	65	68	60	60	50
Expenses	11	13	14	16	16	15	15	14	13	13

- a) Make a Scatter Diagram
- b) Do you think that there is a correlation between sales and expenses of the firm? Is it positive or negative? Is it high or low?
- 10) Find the Pearsonian correlation coefficient between sales (in thousand units) and expenses (in thousand rupees) of the following 10 firms:

Firm	1	2	3	4	5	6	7	8	9	10
Sales:	50	50	55	60	65	65	65	60	60	50
Expenses:	11	13	14	16	16	15	15	14	13	13

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**Introduction to Statistical Methods and Econometrics slip test**

12th Standard

Economics

20 x 1 = 20

- 1) The word 'statistics' is used as _____
(a) Singular. (b) Plural (c) Singular and Plural. (d) None of above
- 2) Who stated that statistics as a science of estimates and probabilities.
(a) Horace Secrist. (b) R.A Fisher (c) Ya-Lun-Chou (d) Boddington
- 3) Sources of secondary data are _____
(a) Published sources (b) Unpublished sources. (c) Neither published nor unpublished sources (d) Both (a) and (b)
- 4) The data collected by questionnaires are _____
(a) Primary data. (b) Secondary data (c) Published data. (d) Grouped data
- 5) A measure of the strength of the linear relationship that exists between two variables is called:
(a) Slope (b) Intercept (c) Correlation coefficient (d) Regression equation
- 6) If both variables X and Y increase or decrease simultaneously, then the coefficient of correlation will be:
(a) Positive (b) Negative (c) Zero (d) One
- 7) If the points on the scatter diagram indicate that as one variable increases the other variable tends to decrease the value of r will be:
(a) Perfect positive (b) Perfect negative (c) Negative (d) Zero
- 8) The value of the coefficient of correlation r lies between
(a) 0 and 1 (b) -1 and 0 (c) -1 and +1 (d) -0.5 and +0.5
- 9) The term regression was used by:
(a) Newton (b) Pearson (c) Spearman (d) Galton
- 10) The purpose of simple linear regression analysis is to:
(a) Predict one variable points on a scatter diagram from another variable by a straight line (b) Replace two variables by a straight line (c) Measure the degree to which two variables are linearly associated (d) Obtain the expected value of the independent random variable for a given value of the dependent variable
- 11) A process by which we estimate the value of dependent variable on the basis of one or more independent variables is called
(a) Correlation (b) Regression (c) Residual (d) Slope
- 12) If $Y = 2 - 0.2X$, then the value of Y intercept is equal to
(a) -0.2 (b) 2 (c) 0.2X (d) All of the above
- 13) In the regression equation $Y = \beta_0 + \beta_1 X$, the Y is called:
(a) Independent variable (b) Dependent variable (c) Continuous variable (d) None of the above
- 14) In the regression equation $X = \beta_0 + \beta_1 X$, the X is called:
(a) Independent variable (b) Dependent variable (c) Continuous variable (d) None of the above
- 15) Econometrics is the integration of
(a) Economics (b) Economics and (c) Economics, (d) None of

and Statistics

Mathematics

Mathematics and
Statistics

the above

- 16) Econometric is the word coined by
(a) Francis Galton (b) Ragnar Frish (c) Karl Person (d) Spearsman
- 17) The raw materials of Econometrics are:
(a) Data (b) Goods (c) Statistics (d) Mathematics
- 18) The term Uiin regression equation is
(a) Residuals (b) Standard error (c) Stochastic error term (d) None
- 19) The term Uuis introduced for the representation of
(a) Omitted Variable (b) Standard error (c) Bias (d) Discrete Variable
- 20) Econometrics is the amalgamation of
(a) 3 subjects (b) 4 subjects (c) 2 subjects (d) 5 subjects
7 x 2 = 14

21) What is Statistics?

22) What are the kinds of Statistics?

23) What do you mean by Inferential Statistics?

24) What are the kinds of data?

25) Define Correlation.

26) Define Regression.

27) What is Econometrics?

7 x 3 = 21

28) What are the functions of Statistics?

29) Find the Standard Deviation of the following data:14,22,9,15.20,17,12.11

30) State and explain the different kinds of Correlation

31) Mention the uses of Regression Analysis

32) Specify the objectives of econometrics.

33) Differentiate the economic model with econometric model.

34) Discuss the important statistical organizations (offices) in India.

7 x 5 = 35

35) Elucidatethe nature and scope of Statistics.

36) Calculate the Karl Pearson Correlation Co-efficient for the following data

Demand of Product X	23	27	28	29	30	31	33	35	36	39
Sale of Product Y:	18	22	23	24	25	26	28	29	30	32

37) Find the regression equation Y on X and X on Y for the following data:

Y	45	48	50	55	65	70	75	72	80	85
X	25	30	35	30	40	50	45	55	60	65

38) Describe the application of Econometrics in Economics.

39) Calculate the standard deviation for the following data by assumed mean method: 43, 48, 65, 57, 31, 60, 37, 48, 78, 59

40) Calculate Karl Pearson's Coefficient of correlation from the following data and interpret its value:

Example 1

Calculate Karl pearson's Coefficient of correlation form the following data and interpret its value:

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

41) Fit two regression equation
X on Y and Y on X for the following data.
 $\bar{x}=12$, $\bar{y}=10$, $\sigma_y= 0.2$, $\sigma_x =0.1$ and $r = 0.85$

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RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**MODEL TEST 1**

12th Standard

Economics

20 x 1 = 20

- 1) The branches of the subject Economics is
(a) Wealth and welfare (b) production and consumption (c) Demand and supply (d) micro and macro
- 2) 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
- 3) Net National product at factor cost is also known as
(a) National Income (b) Domestic Income (c) Per capita Income (d) Salary
- 4) The largest proportion of national income comes from _____
(a) Private sector (b) Local sector (c) Public sector (d) None of the above
- 5) Every able bodied person who is willing to work at the prevailing wage rate is employed called as _____
(a) Full employment (b) Under employment (c) Unemployment opportunity (d) Employment
- 6) Say's law stressed the operation of _____ in the economy
(a) Induced price mechanism (b) Automatic price mechanism (c) Induced demand (d) Induced investment
- 7) The average propensity to consume is measured by
(a) C/Y (b) CxY (c) Y/C (d) C+Y
- 8) The term MEC was introduced by
(a) Adam Smith (b) J.M. Keynes (c) Ricardo (d) Malthus
- 9) The RBI Headquarters is located at
(a) Delhi (b) Chennai (c) Mumbai (d) Bengaluru
- 10) _____ inflation is in no way dangerous to the economy
(a) walking (b) running (c) creeping (d) galloping
- 11) A Bank is a
(a) Financial institution (b) Corporate (c) An Industry (d) Service institutions
- 12) 2016 Demonetization of currency includes denominations of
(a) Rs.500 and Rs.1000 (b) Rs.1000 and Rs2000 (c) Rs.2c0 and Rs.500 (d) All the above
- 13) Trade between two countries is known as _____ trade
(a) External (b) Internal (c) Inter-regional (d) Home
- 14) Benefits of FDI include, theoretically
(a) Boost in Economic Growth (b) Increase in the import and export of goods and services (c) Increased employment and skill levels (d) All of these
- 15) International Monetary Fund was an outcome of
(a) Pandung Conference (b) Dunkel Draft (c) Bretton Woods Conference (d) Doha Conference
- 16) The modern state is
(a) Laissez-faire state (b) Aristocratic state (c) Welfare state (d) Police state
- 17) The term environment has been derived from a French word _____

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- (a) Environ (b) Environs (c) Environia (d) Envir
- 18) "Redistribution with Growth" became popular slogan under which approach?
 (a) Traditional approach (b) New welfare oriented approach (c) Industrial approach (d) None of the above
- 19) The word 'statistics' is used as _____
 (a) Singular. (b) Plural (c) Singular and Plural. (d) None of above
- 20) Econometrics is the amalgamation of
 (a) 3 subjects (b) 4 subjects (c) 2 subjects (d) 5 subjects

7 x 2 = 14

- 21) Define Macro Economics
 22) Define National Income.
 23) Define full employment.
 24) What is consumption function?
 25) Define Money
 26) Define Commercial banks.
 27) What is International Economics?
 28) Write the meaning of Special Drawing rights.
 29) Define public finance.
 30) State the meaning of environment.

7 x 3 = 21

- 31) State the importance of Macro Economics
 32) Write a short note on per capita income
 33) Explain the following in short
 (i) Seasonal unemployment
 (ii) Frictional unemployment
 (iii) Educated unemployment
 34) State the propositions of Keynes's Psychological Law of Consumption
 35) Write a note on metallic money
 36) Write the mechanism of credit creation by commercial banks.
 37) Describe the subject matter of International Economics.
 38) Mention the various forms of economic integration.
 39) Describe Canons of Taxation.
 40) Brief the linkage between economy and environment.

7 x 5 = 35

- 41) Explain the importance of national income
 42) Briefly explain the relationship between GDP growth and the quality of environment.
 43)a) Bring out the merits of indirect taxes over direct taxes.
 (OR)
 b) Elucidate the nature and scope of Statistics.
 44)a) Discuss the scope of Macro Economics
 (OR)
 b) Illustrate Fisher's Quantity theory of money.
 45)a) Explain the role of Commercial Banks in economic development.
 (OR)
 b) Explain the objectives of IMF.

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46)a) Discuss the differences between Internal Trade and International Trade.

(OR)

b) Explain the scope of public finance.

47)a) Describe the types of unemployment

(OR)

b) Explain briefly the Comparative Cost Theory.

48)a) Explain Keynes psychological law of consumption f.unction with diagram.

(OR)

b) Discuss the economic determinants of economic development.

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12th Standard

Economics

20 x 1 = 20

- 1) Who coined the word 'Macro'?
(a) Adam Smith (b) J M Keynes (c) Ragnar Frisch (d) Karl Marx
- 2) Identify the sectors of a Two Sector Model.
(a) Households and Firms (b) Private and Public (c) Internal and External (d) Firms and Government
- 3) Primary sector is _____
(a) Industry (b) Trade (c) Agriculture (d) Construction.
- 4) PQLI is the indicator of _____
(a) Economic growth (b) Economic welfare (c) Economic welfare (d) Economic development
- 5) Structural unemployment is a feature in a _____
(a) Static society (b) Socialist society (c) Dynamic society (d) Mixed economy
- 6) In Keynes theory , the demand for and supply of money are determined by _____
(a) Rate of interest (b) Effective demand (c) Aggregate demand (d) Aggregate supply
- 7) 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
- 8) Money is _____
(a) acceptable only when it has intrinsic value (b) constant in purchasing power (c) the most liquid of all assets (d) needed for allocation of resources
- 9) When prices rise slowly, we call it _____
(a) galloping inflation (b) mild inflation (c) hyper inflation (d) deflation
- 10) A Commercial Bank is an institutions that provides services _____
(a) Accepting deposits (b) Providing loans (c) Both a and b (d) None of the above
- 11) Expansions of ATM _____
(a) Automated Teller Machine (b) Adjustment Teller Machine (c) Automatic Teller mechanism (d) Any Time Money
- 12) Which of the following factors influence trade?
(a) The stage of development of a product (b) The relative price of factors of productions. (c) Government. (d) All of the above.
- 13) Foreign direct investments not permitted in India _____
(a) Banking (b) Atomic energy (c) Pharmaceutical (d) Insurance
- 14) International Monetary Fund is having its headquarters at _____
(a) Washington D.C. (b) New York (c) Vienna (d) Geneva

- 15) SAARC Agricultural Information Centre (SAIC) works as a central information institution for agriculture related resources was founded on
 (a) 1985 (b) 1988 (c) 1992 (d) 1998
- 16) One of the following is NOT a feature of private finance
 (a) Balancing of income and expenditure (b) Secrecy (c) Saving some part of income (d) Publicity
- 17) The word biotic means environment
 (a) living (b) non-living (c) physical (d) None of the above
- 18) Which is not the feature of economic growth?
 (a) Concerned with developed nations (b) Gradual change (c) Concerned with quantitative aspect (d) Wider concept
- 19) Who stated that statistics as a science of estimates and probabilities.
 (a) Horace Secrist. (b) R.A Fisher (c) Ya-Lun-Chou (d) Boddington
- 20) The term Ujis introduced for the representation of
 (a) Omitted Variable (b) Standard error (c) Bias (d) Discrete Variable
 10 x 2 = 20
- 21) Define the term 'Inflation
- 22) Write the formula for calculating GNP
- 23) What is the main feature of rural unemployment ?
- 24) What do you mean by propensity to consume?
- 25) What is barter?
- 26) What is credit creation?
- 27) Define International trade.
- 28) Mention any two objectives of ASEAN.
- 29) What is public revenue?
- 30) What do you mean by ecosystem?
 10 x 3 = 30
- 31) Describe the different types of economic systems.
- 32) Differentiate between personal and disposable income.
- 33) According to classical theory of employment, how wage reduction solve the problem of unemployment diagrammatically explain.
- 34) Differentiate autonomous and induced investment.
- 35) What is money supply?
- 36) Give a brief note on NBF1.
- 37) Compare the Classical Theory of international trade with Modern Theory of International trade.
- 38) What are trade blocks?
- 39) Mention any three similarities between public finance and private finance.
- 40) Specify the meaning of material balance principle
 14 x 5 = 70
- 41)a) Illustrate the functioning of an economy based on its activities
 (OR)
 b) Critically explain Say's law of market
- 42)a) Bring out the functions of World Bank.
 (OR)
 b) Explain the concepts of externality and its classification

43)a) Elucidate the functions of Commercial Banks

(OR)

b) Explain briefly the Comparative Cost Theory.

44)a) Briefly explain the subjective and objective factors of consumption function?

(OR)

b) Explain the methods of debt redemption.

45)a) In each of the following scenario, classify the individual as frictionally, structurally, or cyclically unemployed. Explain your classification.

(a) There has been a general economic slow down. Because of weak demand, Kumar has lost his portering job at the railway station.

(b) Sathish, a newly qualified dental graduate, is looking for a place to set up practice.

(c) Latha is thrown out of work by the introduction of a more mechanized production process.

(d) Devi, a computer programmer with a large bank, quit her job two months ago in search of a better-paid programming position. She is still looking.

(OR)

b) Explain the functions of money

46)a) Explain the basic concepts of national income.

(OR)

b) Calculate the Karl Pearson Correlation Co-efficient for the following data

Demand of Product X	23	27	28	29	30	31	33	35	36	39
Sale of Product Y:	18	22	23	24	25	26	28	29	30	32

47)a) Discuss the various methods of estimating the national income of a country

(OR)

b) Describe different types of Planning.

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12th Standard

Economics

20 x 1 = 20

- 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 flow variable
(a) money supply (b) assets (c) income (d) foreign exchange reserves
- 3) National income is measured by using _____ methods.
(a) Two (b) Three (c) Five (d) Four
- 4) Which is a flow concept ?
(a) Number of shirts (b) Total wealth (c) Monthly income (d) Money supply
- 5) In disguised unemployment, the marginal productivity of labour is _____
(a) Zero (b) One (c) Two (d) Positive
- 6) According to classical theory, rate of interest is a reward for _____
(a) Investment (b) Demand (c) Capital (d) Saving
- 7) If the Keynesian consumption function is $C=10+0.8 Y$ then, if disposable income is Rs 1000, what is amount of total consumption?
(a) Rs.0.8 (b) Rs.800 (c) Rs.810 (d) Rs.0.81
- 8) According to Keynes, investment is a function of the MEC and _____
(a) Demand (b) Supply (c) Income (d) Rate of interest
- 9) Paper currency system is managed by the
(a) Central Monetary authority (b) State Government (c) Central Government (d) Banks
- 10) 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
- 11) The Functions of commercial banks are broadly classified into
(a) Primary Functions (b) Secondary functions (c) Other functions (d) a, b, and c
- 12) Online Banking is also known as.
(a) E-Banking (b) Internet Banking (c) RTGS (d) NEFT
- 13) International trade differs from domestic trade because of
(a) Trade restrictions (b) Immobility of factors (c) Different government policies (d) All the above
- 14) Which of the following is not an example of foreign direct investment?
(a) the construction of a new auto assembly plant overseas (b) the acquisition of an existing steel mill overseas (c) the purchase of bonds or stock issued by a textile company overseas (d) the creation of a wholly owned business firm overseas
- 15) IBRD is otherwise called
(a) IMF (b) World Bank (c) ASEAN (d) International Finance Corporation
- 16) Which of the following does not come under 'Six dialogue partners' of ASEAN?
(a) China (b) Japan (c) India (d) North Korea

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- 17) The tax possesses the following characteristics
 (a) Compulsory (b) No quid pro quo (c) Failure to pay is offence (d) All the above
- 18) 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
- 19) Who developed Material Balance Models?
 (a) Thomas and Picardy (b) AlenKneese and R.Y. Ayres (c) Joan Robinson and J.M. Keynes (d) Joseph Stiglitz and Edward Chamberiin'
- 20) 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
- 10 x 2 = 20
- 21) What is meant by an 'Economy'?
- 22) What is the difference between NNP and NDP?
- 23) Give short note on frictional unemployment
- 24) Define average propensity to consume (APC).
- 25) What is commodity money?
- 26) Point out any two ways in which IBRD lends to member countries.
- 27) Differentiate tax and fee.
- 28) Mention the countries where per capita carbondioxide emission is the highest in the world.
- 29) Distinguish between economic growth and development
- 30) What do you mean by Inferential Statistics?
- 10 x 3 = 30
- 31) Outline the major merits of capitalism.
- 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) What are the functions of a modern state?
- 38) Explain different types of air pollution.
- 39) How would you break the vicious circle of poverty?
- 40) State and explain the different kinds of Correlation
- 14 x 5 = 70
- 41)a) Compare the features of capitalism and socialism
 (OR)
 b) What are the difficulties involved in the measurement of national income?
- 42)a) Bring out the components of balance of payments account.
 (OR)
 b) Explain the methods of debt redemption.
- 43)a) Discuss the limitations of National Income as an index of economic welfare.
 (OR)
 b) What are the causes and effects of inflation on the economy?

- 44)a) Discuss the role of WTO in India's socio economic development.
(OR)
b) Explain the importance of sustainable development and its goals.
- 45)a) Illustrate the working of Multiplier
(OR)
b) Bring out the arguments against planning.
- 46)a) Narrate the equilibrium between ADF and ASF with diagram
(OR)
b) Describe the functions of Reserve Bank of India.
- 47)a) Explain the Demerits of capitalism.
(OR)
b) Describe the application of Econometrics in Economics.

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12th Standard

Economics

20 x 1 = 20

- 1) Quantity of a commodity accumulated at a point of time is termed as
 (a) production (b) stock (c) variable (d) flow
- 2) Income method is measured by summing up of all forms of _____
 (a) Revenue (b) Taxes (c) expenditure (d) Income
- 3) The value of national income adjusted for inflation is called _____
 (a) Inflation Rate (b) Disposal Income (c) GNP (d) Real national income
- 4) The main concentration of the Classical Economic Theory is _____
 (a) Under (b) Economy is always in the (c) Demand (d) Imperfect
 employment state of equilibrium creates its supply competition
- 5) Keynes theory emphasized on _____ equilibrium
 (a) Very short run (b) Short run (c) Very long run (d) Long run
- 6) 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) Rs.0.8 (b) Rs.800 (c) Rs.810 (d) Rs.0.81
- 7) In an open economy import _____ the value of the multiplier
 (a) Reduces (b) increase (c) does not change (d) changes
- 8) The basic distinction between M_1 and M_2 is with regard to
 (a) post office (b) time deposits of (c) saving deposits of (d)
 deposits banks banks currency
- 9) Fisher's Quantity Theory of money is based on the essential function of money as
 (a) measure of (b) store of (c) medium of (d) standard of deferred
 value value exchange payment
- 10) Bank credit refers to
 (a) Bank Loans (b) Advances (c) Bank loans and advances (d) Borrowings
- 11) Monetary policy is formulated by.
 (a) Co-operative (b) Commercial (c) Central (d) Foreign
 banks banks Bank banks
- 12) In general, a primary reason why nations conduct international trade is because
 (a) Some nations (b) Resources are (c) Trade (d) Interest rates
 prefer to produce one not equally enhances are not identical
 thing while others distributed among all opportunities to in all trading
 produce another trading nations accumulate nations
 profits
- 13) Cyclical disequilibrium in BOP occurs because of
 (a) Different (b) The income elasticity of (c) long-run (d) Both
 paths of demand or' price elasticity of changes in an (a) and
 business cycle. demand is different. economy (b)
- 14) The other name for Special Drawing Rights is
 (a) Paper gold (b) Quotas (c) Voluntary Export Restrictions (d) None of these

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- 15) New Development Bank is associated with
 (a) BRICS (b) WTO (c) SAARC (d) ASEAN
- 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 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
- 18) Who developed Material Balance Models?
 (a) Thomas and Picardy (b) Alen Kneese and R.Y. Ayres (c) Joan Robinson and J.M. Keynes (d) Joseph Stiglitz and Edward Chamberlin'
- 19) Electronic waste is commonly referred as _____
 (a) solid waste (b) composite waste (c) e-waste (d) hospital waste
- 20) The non-economic determinant of economic development
 (a) Natural resources (b) Human resource (c) Capital formation (d) Foreign trade

7 x 2 = 14

- 21) Classify the economies based on status of development
- 22) Trace the relationship between GNP and NNP
- 23) Give reasons for labour retrenchment at present situation
- 24) Define marginal propensity to consume (MPC).
- 25) What is gold standard?
- 26) Distinguish between CRR and SLR
- 27) What is the main difference between Adam Smith and Ricardo with regard to the emergence of foreign trade?
- 28) Define Common Market.
- 29) Write a short note on zero based budget.
- 30) What is GNP?

7 x 3 = 21

- 31) Indicate the demerits of socialism
- 32) Give short note on Expenditure method
- 33) Explain Keynes' theory in the form of flow chart
- 34) Mention the differences between accelerator and multiplier effect
- 35) Distinguish between Balance of Trade and Balance of Payments.
- 36) What is Multilateral Agreement?
- 37) State any three characteristics of taxation.
- 38) What are the causes of water pollution?
- 39) Trace the evolution of economic planning in India.
- 40) Mention the uses of Regression Analysis

7 x 5 = 35

- 41) a) Explain the relationship between Foreign Direct Investment and Economic development.

(OR)

b) Describe the application of Econometrics in Economics.

- 42) a) Explain the differences between classical theory and Keynes theory.

(OR)

- b) What are the differences between MEC and MEI.
- 43)a) Explain the merits of Mixed Economy.
(OR)
- b) Explain the basic concepts of national income.
- 44)a) Explain the operation of the Accelerator
(OR)
- b) Describe the phases of Trade cycle.
- 45)a) Discuss the importance of social accounting in economic analysis
(OR)
- b) What are the objectives of Monetary Policy? Explain.
- 46)a) Compare the feature among Capitalism, Secularism and Mixedism
(OR)
- b) How the Rate of Exchange is determined? Illustrate.
- 47)a) Write a note on
a) SAARC
b) BRICS
(OR)
- b) What are the reasons for the recent growth in public expenditure?

RAVI MATHS TUITION CENTER, CHENNAI-82. WHATSAPP - 8056206308**MODEL PAPER 5**

12th Standard

Economics

20 x 1 = 20

- 1) Identify the economic system where only private ownership of production exists
 (a) Capitalistic Economy (b) Socialistic Economy (c) Globalistic Economy (d) Mixed Economy
- 2) Economic system representing equality in distribution is _____.
 (a) Capitalism (b) Globalism (c) Mixedism (d) Socialism
- 3) Tertiary sector is also called as _____ sector
 (a) Service (b) Income (c) Industrial (d) Production
- 4) National income is a measure of the _____ performance of an economy
 (a) Industrial (b) Agricultural (c) Economic (d) Consumption
- 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 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
- 7) 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
- 8) Lower interest rates are likely to :
 (a) Decrease in consumption (b) increase cost of borrowing (c) Encourage saving (d) increase borrowing and spending
- 9) _____ inflation results in a serious depreciation of the value of money.
 (a) Creeping (b) Walking (c) running (d) Hyper
- 10) _____ inflation occurs when general prices of commodities increases due to increase in production costs such as wages and raw materials.
 (a) Cost-push (b) demand pull (c) running (d) galloping
- 11) Central bank is _____ authority of any country.
 (a) Monetary (b) Fiscal (c) Wage (d) National Income
- 12) Who will act as the banker to the Government of India?
 (a) SBI (b) NABARD (c) ICICI (d) RBI
- 13) Exchange rate for currencies is determined by supply and demand under the system of
 (a) Fixed exchange rate (b) Flexible exchange rate (c) Constant (d) Government regulated
- 14) Net export equals _____.
 (a) Export x Import (b) Export + Import (c) Export - Import (d) Exports of services only
- 15) ASEAN meetings are held once in every _____ years
 (a) 2 (b) 3 (c) 4 (d) 5
- 16) Which of the following is not the member of SAARC?

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- (a) Pakistan (b) Sri Lanka (c) Bhutan (d) China
- 17) 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
- 18) "Revenue Receipts" of the Government do not include
 (a) Interest (b) Profits and dividends (c) Recoveries and loans (d) Rent from property
- 19) The common source of outdoor air pollution is caused by combustion processes from the following _____
 (a) Heating and cooking (b) Traditional stoves (c) Motor vehicles (d) All the above
- 20) M.N. Roy was associated with _____
 (a) Congress Plan (b) People's Plan (c) Bombay Plan (d) None of the above
- 10 x 2 = 20
- 21) What do you mean by Capitalism?
 22) What do you mean by the term 'Personal Income'?
 23) List out the assumptions of Say's law.
 24) What do you mean by propensity to save?
 25) What is plastic money? Give example.
 26) Write the meaning of Open market operations
 27) What is Free trade area?
 28) Give two examples for direct tax.
 29) What are the remedial measures to control noise pollution?
 30) Define economic planning
- 10 x 3 = 30
- 31) Enumerate the features of mixed economy
 32) What is the solution to the problem of double counting in the estimation of national income?
 33) What do you mean by aggregate demand ? Mention its components
 34) State the concept of super multiplier
 35) State Cambridge equations of value of money.
 36) Distinguish between money market and capital market
 37) Write a brief note on flexible exchange rate.
 38) Write the agenda of BRICS Summit, 2018.
 39) What is primary deficit?
 40) What is land pollution? Mention the causes of land pollution.
- 14 x 5 = 70
- 41) a) Explain the three sector model of economy with chart
 (OR)
 b) Bring out the components of balance of payments account.
- 42) a) Explain the principles of Federal Finance.
 (OR)
 b) State and discuss the Causes of Land Pollution
- 43) a) Explain the relationship between Foreign Direct Investment and Economic development.

(OR)

- b) numerate the factors are taken into account while preparing the budget
44)a) What are the differences between MEC and MEI.

(OR)

- b) What are the reasons for the recent growth in public expenditure?
45)a) Explain the concept of super multiplier.

(OR)

- b) Calculate the standard deviation from the following data by Actual Mean Method: 25, 15, 23, 42, 27, 25, 23, 25, and 20.
46)a) Given the table, calculate GNP, NNP, National Income, Personal Income and Disposable income

(OR)

- b) Estimate the coefficient of correlation with actual mean method for the following data.

Age of cars in years	3	6	8	9	10	6
Cost of Annual Maintains	1	7	4	6	8	4

- 47)a) Fit two regression equation
X on Y and Y on X for the following data.
 $\bar{x}=12$, $\bar{y}=10$, $\sigma_y=0.2$, $\sigma_x=0.1$ and $r=0.85$

(OR)

- b) Compute the Pearson r for the same sets of data using the raw score method

X	9	13	6	18	14	12	11	7	2	6	14	15	5	8
Y	23	40	10	48	25	30	15	10	5	45	40	35	12	27

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