

Dheeran Vidhyalaya Matric Hr Sec School

Slip Test - 9

Date : 21-Nov-18

12th Standard

Economics

Reg.No. :

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Total Marks : 70

30 x 1 = 30

Time : 01:30:00 Hrs

I. Choose the correct answer

- 1) Monetary policy is controlled by
(a) central government (b) state government (c) central bank (d) private sector.
- 2) Currency with the public is known as
(a) M_1 (b) M_2 (c) M_3 (d) M_4
- 3) Bank rate is raised during
(a) deflation (b) inflation (c) stable prices (d) unemployment
- 4) During inflation
(a) businessmen gain (b) wage earners gain (c) salaried people gain (d) Renters gain
- 5) Macro economic policy can be broadly divided into monetary policy and _____ Policy.
(a) Monetary policy (b) Fiscal policy (c) Industrial policy (d) Agricultural policy
- 6) M_3 is called
(a) Broad money (b) narrow money (c) fiat money (d) reserve money
- 7) _____ is the cash held by the public and banks.
(a) Deposit money (b) invented money (c) Reserve money (d) Saved money
- 8) The Reserve bank of India has started applying the selective credit controls since _____
(a) 1975 (b) 1965 (c) 1945 (d) 1955
- 9) "Too much money chases too few goods" refers to
(a) Cost-push inflation (b) hyperinflation (c) demand-pull inflation (d) profit-push inflation
- 10) _____ denotes a phase in which loans are available at low rate of interest.
(a) Dear money (b) Cheap money (c) Fiat money (d) Black money
- 11) Under dear money policy the
(a) rate of interest is constant (b) rate of interest is low (c) bank rate is low (d) rate of interest is high
- 12) Purchasing power of money depends upon the
(a) Total output (b) Total supply (c) Price level (d) Total demand
- 13) Inflation that results from shortages, imbalances, and rising marginal costs is called
(a) walking inflation (b) galloping inflation (c) bottleneck inflation (d) repressed inflation
- 14) The Great Depression was experienced in
(a) 1929 (b) 1939 (c) 1949 (d) 1959
- 15) Public finance is deals with the income and expenditure of
(a) Private sector (b) Agricultural sector (c) Public authorities (d) Industrial sector
- 16) Tax revenue deals with the
(a) Fees (b) Kinds of taxes (c) Revenue (d) Non tax revenue
- 17) The federal form of government consists of
(a) central, state and local government (b) central and state government (c) state and local government
(d) above all
- 18) The compulsory charge levied by the government is-----
(a) Licence fees (b) Gifts and grants (c) Loan (d) Tax
- 19) In ZBB every year is considered as a
(a) base year (b) financial year (c) new year (d) academic year
- 20) Borrowing by the Government from the Public is
(a) Public revenue (b) Public expenditure (c) Public debt (d) Non-tax revenue

- 21) External debt includes borrowing from
(a) People (b) Banks (c) IMF (d) RBI
- 22) is one of the important sources of Public revenue.
(a) Tax (b) Fees (c) Fines (d) non-tax
- 23) 'Canons of taxation' were propounded by
(a) Adam Smith (b) Dalton (c) Malthus (d) Seligman
- 24) The tax rate increases as the tax base increases is
(a) Progressive (b) Proportional (c) Regressive (d) Degressive
- 25) The tax rate decrease as the tax base increases is
(a) Progressive (b) Proportional (c) Regressive (d) Degressive
- 26) A..... is the annual financial statement of estimated receipts and proposed expenditure of the Government.
(a) Taxation (b) Budget (c) Planning (d) None
- 27) When there is an excess of income over expenditure it is called
(a) Surplus budget (b) Deficit budget (c) Balanced budget (d) Revenue budget
- 28) can be the most effective means of increasing the total quantum of savings and investment.
(a) public expenditure (b) taxation (c) public debt (d) public revenue
- 29) is considered an important determinant of economic growth.
(a) income (b) saving (c) consumption (d) capital formation
- 30) is one of the limitations of fiscal policy
(a) Traditions (b) full employment (c) economic development (d) tax evasion

II. Answer the following

6 x 2 = 12

- 31) Define monetary policy.
- 32) Define inflation.
- 33) What is Reserve money?
- 34) What are the canons of taxation ?
- 35) Define Tax.
- 36) What do you mean by Revenue budget?

III. Answer in Briefly

6 x 3 = 18

- 37) Explain (a) Dear Money policy (b) Cheap Money Policy?
- 38) What do you mean by flight from currency?
- 39) Explain the canons of taxation?
- 40) What are main sources of tax and non-tax revenue of the state government ?
- 41) Differentiate between the direct and indirect taxes ?
- 42) What is capital expenditure?

IV. Answer in detail

5 x 5 = 25

- 43) Discuss the objectives and instruments of monetary policy.
- 44) Discuss the causes, effects and remedies for inflation.
- 45) Explain the Transmission mechanism.
- 46) Classify budgets?
- 47) Discuss the subject matter of Public Finance.
