ANGEL'S PUBLIC SCHOOL

Strive for Perfection

SAMPLE PAPER

HALF YEARLY EXAMS   SESSION 2025 – 26
CLASS – XII

TIME : 3 HRS.   **SUBJECT – ECONOMICS**   **M.M:80**

GENERAL INSTRUCTIONS:

(a) This question paper contains two sections:
   Section A – Macro Economics
   Section B – Indian Economic Development
(b) This paper contains 20 Multiple Choice Questions of 1 mark each.   (1-10 and 18-27)
(c) This paper contains 4 Short Answer Questions of 3 marks each to be answered in 60 to 80 Words. (11,12,28,29)
(d) This paper contains 6 Short Answer Questions of 4 marks each to be answered in 80 to 100 words. (13,14,15,30,31,32)
(e) This paper contains 4 Long Answer Questions of 6 marks each to be answered in 100 to 150 words. (16,17,33,34)

SECTION – A MACRO ECONOMICS

1. What is the relationship between MPS and Multiplier?
   (a) Positive   (b) Negative   (c) Constant   (d) Nome of these above

2. Which of the following is a transfer payment ?
   (a) Retirement pension   (b) Interest   (c) Old age pension (d) Wages

3. Read the following statements carefully:
   Statement 1: Consumption function assumes that, consumption changes at a constant rate as Income changes.
   Statement 2: Autonomous consumption is the ratio of total consumption (C) to total income(Y).
   In light of the given statements, choose the correct alternative from the following:
   (a) Statement 1 is true and Statement 2 is false.
   (b) Statement 1 is false and Statement 2 is true.
   (c) Both Statements 1 and 2 are true.
   (d) Both Statements 1 and 2 are false.

4. For a closed economy (with no foreign trade), which one of the following is correct?
   (a) GDP = GNP   (b) GDP > GNP   (c)   GDP < GNP   (d) GDP + GNP=0

5. The value of _____ can be greater than one.
   (Choose the correct alternative to fill up the blank)
   (a) Marginal Propensity to Consume   (b) Average Propensity to Consume
   (c) Marginal Propensity to Save   (d) Average Propensity to Save

6. Graphically, Aggregate Demand function can be obtained by vertically adding the _____ and _____ function.(Choose the correct alternative to fill up the blanks)
   (a) Consumption, saving   (b) Consumption, investment
   (c) Investment, saving   (d) Aggregate supply, consumption

7. Suppose for a given economy,
   $S = - 60 + 0.1Y$

I = ₹ 4,000 crore

(Where S = Saving Function, Y = National Income and I = Investment Expenditure)

Equilibrium level of Income would be ₹ _____ crore.

(Choose the correct alternative to fill up the blank)

Alternatives:

(a) 4,000.   (b) 40,000   (c) 40,600.   (d) 60,400

8. Breakeven point occurs when :

(a) Y=S   (b) S=0   (c) Y = C   (d) both second and third option

9. Since AS = C+S and AD = C+I, the equilibrium will be established when C+S = C+I , or where:

(a) S=I   (b) S>I   (c) S<I   (d) All of these

10. If nominal GDP is 15000 and real GDP is 12000, GDP deflator will be :

(a) 100   (b) 120   (c) 125   (d) 130

11. Describe the components of Aggregate Demand in brief.

12. Elaborate upon the ' Banker's Bank and supervisor' function performed by the R B I.

13. Credit creation is inversely related to the reserve deposit ratio : Justify the given statement using hypothetical example.

OR

"RBI lowers repo rate from 4.40% to 4.00%"

Analyse the economic value of this statement from the viewpoint of :

(a) Household   (b) Investors   (c) The economy

14. Discuss various drawbacks of Barter system

OR

Explain the precautions to be taken while calculating National Income through Product Method.

15. Calculate Gross National Product at Market Price using Expenditure Method.

Items - Rs (Cr)

(i) Private final consumption expenditure in domestic market - 1750

(ii) Government final consumption expenditure -100

(iii) Consumption of fixed capital - 25

(iv) Net exports - (-) 25

(v) Net factor income from abroad - (-)20

(vi) Gross fixed capital formation - 300

(vii) Change in stock - 50

(viii) Direct purchases from abroad by resident household- 50

(ix) Direct purchases by non-resident in domestic market -100

(x) Net indirect taxes -10

16. (a) State and explain the three phases of Circular flow of Income.

(b) Which one do you think is real indicator of welfare of the people - Real GDP or Nominal GDP? Justify your answer.

17. You are given the consumption function of an imaginary economy , C = 100 + 0.8Y , where C is consumption and Y is Income.

Calculate : (a) The value of MPS, MPC

(b) The level of income at Break – even point

SECTION – B INDIAN ECONOMIC DEVELOPMENT

18. Which was the last five year plan in India.

(a) Eleventh plan   (b) Twelfth plan   (c) Tenth plan   (d) Fourteenth plan

19. PSU is_____.
(a) Producing sector undertaking   (b) Private sector undertaking
(c) Public sector undertaking   (d) None

20. Identify the correct combination of the 'Goals of Indian Five Year Plans':
(a) Growth, Equality, Modernisation, Self-Reliance
(b) Development, Equality, Modernisation, Sustainability
(c) Good Health, Education, Modernisation, Sustainability
(d) Growth, Equity, Modernisation, Self-Reliance

21. The shackles of agriculture during the colonial rule Revolution that resulted from the application of ___
(I) High Yielding Varieties (HYV)   (II)   Mechanization of Agriculture
(III) Chemical Fertilizers and Pesticides   (IV)   Organic Fertilizers and Pesticides
Alternatives:
(a) I, II, IV   (b) I, II, III   (c) II, III, IV   (d) I, III, IV

22. Which of the following statements is true ?
(a) Green revolution transformed India from a subsistent food grain economy to a food Surplus economy.
(b) Green revolution was evenly spread across different states India .
(c) Green revolution was not evenly spread across different states in India.
(d) None of the above.

23. Assertion (A): GST is a comprehensive levy and collection on both goods and services at the same rate with benefit Of input tax credit or subtraction of value.
Reason (R): GST is a destination-based tax and levied at a single point at the time of consumption of goods and Services by the end consumer.
(a) Both Assertion (A) and Reason ® are true and Reason ® is the correct explanation of Assertion (A).
(b) Both Assertion (A) and Reason ® are true and Reason ® is not the correct explanation of Assertion (A).
(c) Assertion (A) is true but Reason ® is false.
(d) Assertion (A) is false but Reason ® is true

24. When was the Right to Education Act enacted?
(a) 2008   (b) 2009   (c) 2010   (d) 2012

25. Which of the following are indicators of HDI are?
(a) On-the-job training   (b) Education   (c) Migration   (d) All of these

26. Read the statements – Assertion (A) and Reason (R) and choose the correct alternative from the following:
Assertion (A) :Machines , buildings depreciate over a period of time whereas the knowledge of doctors , engineers does not depreciate.
Reason (R) : Friction, Weather , natural calamities , normal wear tear lead to depreciation of physical capital . The depreciation of human capital take place in form of aging, death, diseases.
(a) Both Assertion (A) & Reason (R) is true
(b) Both Assertion (A) & Reason (R) is false
(c) Assertion (A) is true & Reason (R) is False
(d) Assertion (A) is False & reason (R)

27. Which of the following is the limitations of green revolution in India?
   (a) Uneven spread.
   (b) Change in farmers out look.
   (c) Self sufficiency in food grains production.
   (d) Mechanization of agriculture.
28. Describe the role and significance of Small scale industries for India.
29. Describe Liberalisation as per New Economic Policy-1991.
30. Describe the challenges in Human Capital Formation in our country
<div align="center">OR</div>
   Describe the role of Education in Human Capital Formation.
31. Explain the main features of IPR 1956 in brief.
<div align="center">OR</div>
   What was the Import Substitution Policy adopted in India 1950-1990? Describe in brief.
32. Describe the two phases of implementation Green Revolution in India.
33. Explain the positive and negative impacts of New Economic Policy -1991.
34. CASE STUDY BASED QUESTION

Human capital is a key factor for growth, development, and competitiveness. More so In recent times, within the modern context of development, human capital forms the Base of economic growth. This link works through multiple pathways at the individual, Firm and national level. Learning and skill building provide people with livelihoods, an Opportunity to contribute to their societies. They also contribute vitally to the Formation of one's meaning and identity in life. Technological and corporate Innovation can only be fostered, in a decentralized manner, by a skilled talent pool.

This puts an onus on many developing countries that, at the various levels, equality of opportunity in education and employment is necessary. Necessary as a skilled and educated population doesn't just contribute to economic development but also towards positive social and political outcomes. That is why developing human capital Is often vital to develop countries with increasing working population. But before we develop further, it becomes important to define the human capital.
(a) Economic growth of a country depends on___ .
   (i) Physical capital   (ii) Human capital   (iii) Both A and B   (iv) Govt.political policies
(b) What is the main centre idea emphasised in above case study.
   (i) The growing importance of technical institutions.
   (ii) The growing importance of Human Capital
   (iii)The growing physical changes in World d) None of these
(c) Why do we need to invest in human capital_____
   (i) Increase income   (ii) Effective use of physical capital
   (iii) Increase productive capacity   (iv) Both B and C
(d) Before introducing to new technology, a firm provides basic skills to the workers for Its usage. This source of Human capital is called____
   (i) Study programmes for workers   (ii) On job training
   (iii) Expenditure on information   (iv) Investment in education