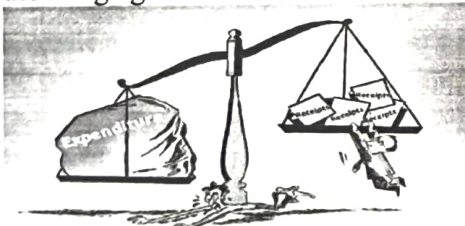


BHARATIYA SHIKSHA BOARD ECONOMICS (144) CLASS XII**TIME: 3 HOURS****MM:80****General instructions:**

- I. All the questions in both the sections are compulsory. Marks for questions are indicated against each question.
- II. Question number 1 - 10 and 18 - 27 are very Multiple Choice Questions carrying 1 mark each. They are required to be answered in one word or one sentence each.
- III. Question number 11 - 12 and 28 - 29 are short-answer questions carrying 3 marks each. Answers to them should not normally exceed 60-80 words each.
- IV. Question number 13 - 15 and 30 - 32 are also short-answer questions carrying 4 marks each. Answers to them should not normally exceed 80-100 words each.
- V. Question number 16 - 17 and 33 - 34 are long answer questions carrying 6 marks each. Answers to them should not normally exceed 100-150 words each.
- VI. Answer should be brief and to the point and the above word limit be adhered to as far as possible.

SECTION - A MACROECONOMICS		
Q.NO.	QUESTION	MARKS
1	With respect to the Current Account transactions of a nation, _____ are recorded as _____ item. (Choose the correct option to fill up the blanks) Options: A) Export of goods and services; debit C) Import of goods and services; credit B) All transfer payments; debit D) All transfer receipts; debit	1
2	Central Bank can decrease the money supply in the economy by _____. (Choose the correct option to fill in the blank) A) lowering the cash reserve B) lowering the bank rate C) increasing the bank rate D) purchase of G-Secs (Government Securities)	1
3	Inventory of goods in an economy is a _____ concept whereas the change in inventory is a _____ concept. (Choose the correct option to fill in the blank) Options: A) Stock, Flow C) Flow, Stock B) Stock, Stock D) Flow, Flow	1
4	Identify, which of the following situations of government budget is represented in the image given below: 	1

Valloor
4/6/2026

	Options: A) Balance budget B) Budget deficit C) Budget surplus D) Revenue surplus	
5	Suppose, the value of Average Propensity to Consume (APC) is 0.8 and National Income is ₹ 5,000 crore, the value of Saving would be ₹ _____ crore. (Choose the correct option to fill up the blank) Options: (A) 1000 (B) 200 (C) 500 (D) 800	1
6	Identify, which of the following is NOT a direct tax? A) Wealth tax B) Corporate tax C) Goods and Services Tax D) Income tax	1
7	Read the following statements carefully: Statement I: Inflationary gap arises due to prevailing excess demand in an economy. Statement II: During recession, the government reduces the tax rates. In the light of the given statements, choose the correct option 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.	1
8	Read the following statements: Assertion (A) and Reason (R). Choose the correct option from those given below: Assertion(A): Fixed exchange rate system reduces the possible fluctuations in the price of foreign currency. Reason (R): Under the Fixed exchange rate system the currency price is fixed by the government. Options: A) Both Assertion (A) and Reason (R) are true and Reason (R) is correct explanation of the Assertion (A). B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of the Assertion (A). C) Assertion (A) is true but Reason (R) is false D) Assertion (A) is false but Reason (R) is true	1
9	Read the following statements carefully: Statement-1: Managed floating exchange rate system is an amalgamation of fixed and flexible exchange rate system. Statement-2: Managed floating exchange rate system is also known as 'hybrid system'. In the light of the given statements, choose the correct option 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.	1
10	_____ releases data of money supply in India. (Choose the correct option to fill in the blank)	

	(A) Corporate Bank of India . (B) Reserve Bank of India (C) Commercial Banks of India (D) State Bank of India	1																											
11	Distinguish between autonomous transactions and accommodating transactions in the Balance of Payments of the economy.	3																											
12 A B	Explain any two precautions pertaining to the Expenditure Method of estimation of National Income in a country. Or Calculate the value of 'Sales' from the following data: <table><tr><th>S. No.</th><th>Particulars</th><th>Amount (in ₹ lakh)</th></tr><tr><td>(i)</td><td>Subsidies</td><td>20</td></tr><tr><td>(ii)</td><td>Operating surplus</td><td>50</td></tr><tr><td>(iii)</td><td>Opening stock</td><td>10</td></tr><tr><td>(iv)</td><td>Closing stock</td><td>60</td></tr><tr><td>(v)</td><td>Intermediate consumption</td><td>300</td></tr><tr><td>(vi)</td><td>Consumption of fixed capital</td><td>70</td></tr><tr><td>(vii)</td><td>Profits</td><td>50</td></tr><tr><td>(viii)</td><td>Net Value Added at Factor Cost (NVA_{FC})</td><td>270</td></tr></table>	S. No.	Particulars	Amount (in ₹ lakh)	(i)	Subsidies	20	(ii)	Operating surplus	50	(iii)	Opening stock	10	(iv)	Closing stock	60	(v)	Intermediate consumption	300	(vi)	Consumption of fixed capital	70	(vii)	Profits	50	(viii)	Net Value Added at Factor Cost (NVA _{FC})	270	3
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13	Suppose in an economy, primary deposits are ₹ 5,000, if the Reserve Ratio is 25%. Estimate the total deposits created and the total lending by the banking system.	4																											
14 A B	An economy experiences an initial investment of ₹ 3,000 crore, which results in an increase in income of ₹ 3,000 crore in the first round, ₹ 2,400 crore in the second round and continues in subsequent rounds. (i) Estimate the Marginal Propensity Consume. (ii) Estimate the total increase in Income. Or Find the missing values: <table><tr><th>INCOME</th><th>CONSUMPTION</th><th>INVESTMENT</th><th>AGGREGATE DEMAND</th></tr><tr><td>0</td><td>50</td><td>50</td><td>---(II)---</td></tr><tr><td>100</td><td>130</td><td>---(III)---</td><td>---(IV)---</td></tr><tr><td>200</td><td>---(V)---</td><td>50</td><td>---(VI)---</td></tr><tr><td>300</td><td>290</td><td>---(VII)---</td><td>---(VIII)---</td></tr></table>	INCOME	CONSUMPTION	INVESTMENT	AGGREGATE DEMAND	0	50	50	---(II)---	100	130	---(III)---	---(IV)---	200	---(V)---	50	---(VI)---	300	290	---(VII)---	---(VIII)---	1 3 4							
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15	“Under the Pradhan Mantri Jan Arogya Yojana (PM-JAY), the government provides cashless health insurance and medical facilities to economically weaker sections of society.” Identify and explain the nature of budget expenditure and the objective indicated in the given statement.	4																											
16 A) i)	Explain the likely impact of construction of 20 new universities providing high-quality education in a nation on Gross Domestic Product and Welfare in an economy.	3																											

ii)	Distinguish between Real Gross Domestic Product (GDP) and Nominal Gross Domestic Product (GDP)	3
B) i)	Or	4
ii)	Define Net Factor Income from Abroad (NFIA) and discuss its components. State one example each of positive and negative externalities.	2
17	Read the following text carefully: The economy of a hypothetical country BETA, was facing slow economic growth and rising unemployment due to low investment and weak consumer demand. To stimulate economic activity, the Central Bank reduced the Cash Reserve Ratio (CRR) by 100 basis points. As a result, commercial banks were required to keep less money as reserves and could lend more funds to businesses and consumers. With increased availability of credit at lower interest rates, firms borrowed more to expand production and set up new projects. This led to higher investment spending, which increased Aggregate Demand in the economy. As production increased, firms hired more workers, reducing unemployment and raising national income. Consumers also spent more due to easier access to loans, further boosting demand. Thus, the reduction in CRR helped in the determination of higher income and employment levels through increased investment, consumption and Aggregate Demand in the economy. Answer the given questions on the basis of the above text and common understanding: - Define Cash Reserve Ratio (CRR) - Briefly identify the issue highlighted in the above text faced by the Beta economy. - Explain how a reduction in Cash Reserve Ratio (CRR) will affect the economy of BETA.	1 2 3
SECTION - B INDIAN ECONOMIC DEVELOPMENT		
18	Read the following statements – Assertion (A) and Reason (R) carefully. Choose the correct alternative from those given below: Assertion (A): The year 1921 is called as the Year of Great Divide. Reason (R): After the year 1921, India experienced a sharp rise in its population growth rate. Options: A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). C) Assertion (A) is true, but Reason (R) is false. D) Assertion (A) is false, but Reason (R) is true.	1
19	Read the following statements carefully: Statement 1: Equity in agriculture called for land reforms which primarily refers to change in the ownership of landholdings. Statement 2: Lack of ownership reduced farmers' efficiency, leading to poor agricultural performance in India. In the light of the given statements, choose the correct option from the following: A) Statement 1 is true and Statement 2 is false.	1

	(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.	
26	_____ capacity means the ability of the environment to absorb degradation. (Choose the correct option to fill up the blank) Options: A) Absorptive B) Assimilating C) Carrying D) Sustainable	1
27	Identify, which of the following is the correct sequence citing the commencement of five-year plans in chronological order? Options: A) India, China & Pakistan B) China, India & Pakistan C) Pakistan, China & India D) India, Pakistan & China	1
28	Study the given image carefully:  i) Identify the environmental challenge indicated in the above image. ii) Explain any one likely impact of the indicated environmental challenge.	1 2
Q29	Compare and analyse the following information related to distribution of employment in India : A. Distribution of Employment (Male-Female) in Different Sectors  Or B. "Compared to urban women, more rural women are found working." Justify the given statement with valid explanation.	3 3
30	'To improve the marketing aspect, the need for government intervention is imminent particularly when a large share of agricultural products, is handled by the private sector'. Explain any two measures initiated by the government in this regard.	4
31	"The disinvestment policy of India under the 1991 reforms involved selling of the government's stakes in Public Sector Undertakings (PSUs)." A	4

B	Explain the rationale behind the decision undertaken by the government. OR Some economists argue that : "Post-1991 economic reforms, globalisation played a major role in poor performance of the industrial sector." Present your arguments to justify the given statement.	4
32 A)	Critically appraise, infrastructural development in India during the British rule.	3
B)	State the names of any two cash crops promoted by the British rulers.	1
33A) i)	"In recent times through various schemes and policies, the Government of India has taken vital initiatives to generate employment directly/indirectly."	4
ii)	Justify the statement, giving valid arguments in support of your answer. Define disguised unemployment with a suitable example Or	2
B) i)	"Bio-pesticides help to reduce the ill-impacts of green revolution on soil and water bodies while promoting sustainable development." Justify the given statement with valid explanation.	3
ii)	Explain the relation between human capital formation and growth of an economy	3
34	Read the following text carefully: India, Pakistan and China adopted different political systems but all introduced economic planning for development in the 1950s. India and Pakistan followed a mixed economy model, while China adopted a state-controlled command economy. Initially, all three countries had similar growth rates, employment patterns, and low levels of development. India and Pakistan relied greatly on the public sector, whereas China's economy was fully controlled by the state. After economic reforms were introduced, differences in development became clear. Due to effective policy measures and rapid industrial growth, China progressed faster and surpassed both India and Pakistan in economic and social development. Answer the given questions on the basis of the above text and common understanding: i) Briefly explain any two similar developmental strategies of India and Pakistan. ii) 'Out of the three countries indicated, China has outperformed the other two, in almost all the areas through its reforms undertaken.' Justify the given statement with valid arguments.	3 3

