

DAV PUBLIC SCHOOL, POKHARIPUT, BHUBANESWAR
POST-SUMMER VACATION TEST (2021)

- Please check that this question paper contains ____ printed pages.
- Set number given on the right hand side of the question paper should be written on the title page of the answer book by the candidate.
- Check that this question paper contains 14 questions.
- Write down the Serial Number of the question in the left side of the margin before attempting it.
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed 15 minutes prior to the commencement of the examination. The students will read the question paper only and will not write any answer on the answer script during this period.

CLASS- XII

SUB: ECONOMICS

Time Allowed: 1 ½ Hours

Maximum Marks:40

General Instructions :

- (i) All questions in both the sections are compulsory.
- (ii) Marks for questions are indicated against each question.
- (iii) Question numbers **1 - 11** are very short-answer questions carrying one mark each. They are required to be answered in **1** sentence each.
- (iv) Question numbers **12- 14** are short-answer questions carrying **3** marks each. The answer to them should normally not exceed **60** words each.
- (v) Question numbers **15 - 16** are also short-answer questions carrying **4** marks each. The answer to them should normally not exceed **70** words each.
- (vi) Question numbers **17 - 18** are also short-answer questions carrying **6** marks each. The answer to them should normally not exceed **100** words each.

- (vii) Answers should be brief and to the point and the above word limits should be adhered to as far as possible.
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PART A: MACROECONOMICS

1. Define GDP at FC. 1
2. Complete the following equation. 1
Gross investment = Net investment + _____.
3. The value of nominal GDP of an economy was rupees 2,500 crores in a particular year. The value of real GDP of that country during the same year, evaluated at the price of some base year was rupees 3,000 crores. The value of the GDP deflator in percentage terms will be _____. 1
4. **Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below:** 1
- Assertion (A):** Intermediate goods are not included in national income.
Reason (R): The value of intermediate goods when included will lead to double accounting.
- Alternatives:**
- 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 and 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.
5. Stock concepts are different from flow concepts. Defend or refute. 3
6. Discuss the circular flow of income with the help of a diagram. 3
7. One day Raju, the hairdresser, collects rupees 500 for haircuts; over this day, his equipment depreciates in value by rupees 50. Of the remaining rupees 450, Raju pays sales tax worth rupees 30, takes home rupees 200 and retains rupees 220 for improvement and buying of new equipment. He further pays rupees 20 as income tax from his income. Based on this information, complete Raju's contribution to the following measures of income: 4
- i. GDP at MP

ii. NNP at MP

8. i. With a numerical example show that real GDP is a better measure over nominal GDP.

ii. GDP does not reflect the welfare of the economy. State whether the statement is true or false. Use three valid arguments to prove your stance. 3+3

PART B: INDIAN ECONOMIC DEVELOPMENT

9. Under mixed economy central problems are solved by government. State whether the statement is true or false with reason. 1

10. Identify the correctly matched option from the following. 1

Col.I	Col.II
i. Schedule A industries	a. Fertilizers
ii. Schedule B industries	b. Hospitality
iii. Schedule C industries	c. Mineral oils

Alternatives:

- a. i-b, ii-a, iii-c
- b. i-a, ii-c, iii-b
- c. i-b, ii-c, iii-a
- d. i-c, ii-a, iii-b

11. Which of the following is not an objective of licensing policy? 1

- a. Setting up of new industries
- b. Expansion of existing ones
- c. Giving freedom to the industries
- d. Diversification of products

12. **Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below:** 1

Assertion (A): Lack of training in farming activities lead to low productivity and growth of agriculture in India.

Reason (R): Reforms in India focussed upon development of industries which was failed to generate enough employment.

Alternatives:

- 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 and 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.

13. India's trading profile at the time of independence was limited and discouraging both in terms of volume and direction. Defend or refute. 3

14. Subsidies to agriculture were a side-effect free step in the direction of rendering social justice. Do you agree with the statement? Supply reason for your answer. 3

15. Govt of India announced a relief package of rupees 1.70 lakh crore to tackle the financial difficulties arising from Covid-19 outbreak under the **PM Garib Kalyan Scheme**. Identify the planning objective mentioned here and explain it.

1+3

16. Defend or refute the following statements.

2X3

- a. Majority of the population was dependent on secondary sector in India at the time of independence.
- b. Success of green revolution was pervasive all across India.
- c. Import substitution under India's inward looking policy led to protection of domestic industries.
