





# SAMPLE QUESTION PAPERS ECONOMICS

CBSE CLASS 12

ALL PAPERS STRICTLY ON REDUCED SYLLABUS AND  
AS PER LATEST CBSE SAMPLE PAPER PROVIDED ON 9<sup>th</sup> OCT 2020

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AS PER LATEST CBSE SAMPLE PAPER PROVIDED ON 9<sup>th</sup> OCT 2020



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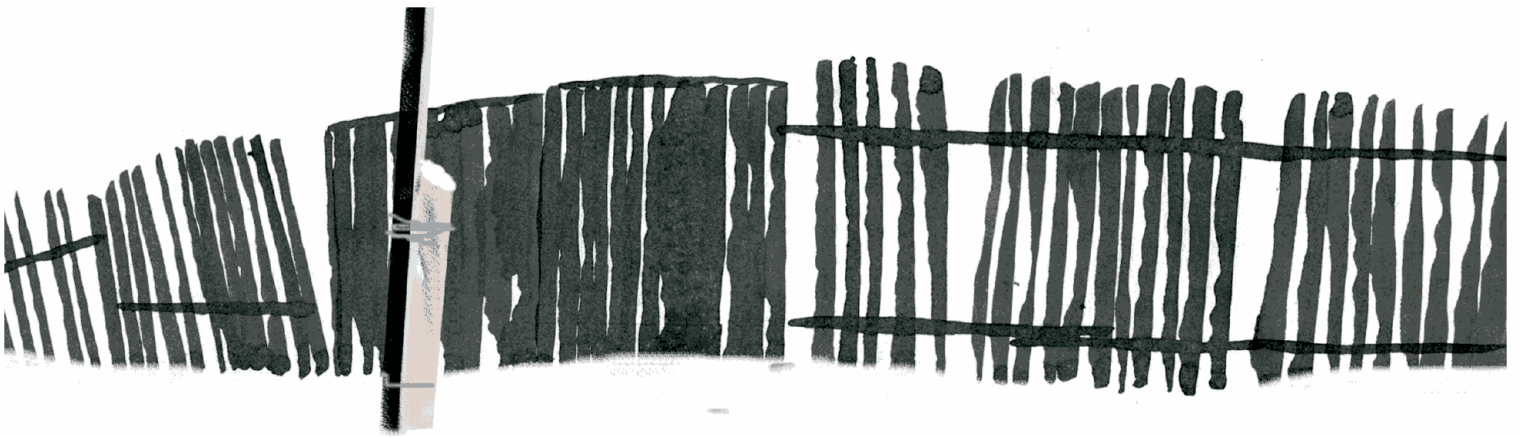
**Edition:** Latest

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AGP contributes **Rupee One** on every book purchased by you to the **Friends of Tribals Society** Organization for better education of tribal children.





# Hello!

Friends, this year is all about keeping caution, strengthening determination and smart learning. CBSE has made sweeping changes in the paper pattern of all subjects and we at Educart have adhered 100% to those changes.

After the record breaking sales and acceptance of our sample papers last year pan-india, we have launched class 12 books with some critical value additions. This is our special self-prep version for 2021 with the new objective section included.

EduCart has also roped in CBSE Economics experts and most experienced teachers, to analyse the new pattern and prepare a fine XII<sup>th</sup> Class Economics Sample Papers Book for 2021.

**Go break a leg!**



# Reviews



★★★★★ **Read carefully what I am writing**

By Sathya Raji on 2 October, 2020



Guys, this is a very emotional review who has gone through a lot. I lost confidence because of the lack of interest in studies. Dad said focus only on studies but I only like TikTok and PUBG. Now both got banned and I had no other option but to study effectively as mid-terms were near. Now 4 months has passed and I had no preparation of boards at all. So I decided to change things and bought EDUCART.

Their maps (mind maps rather) for the first time in life helped me understand that what all comes in the chapters & what's important in those chapters. I was actually being able to study. I mean how can someone put so much effort in writing the book. So that definately helped me figure some topics well. Today, I finished 2 chapters of chemistry from Educart book and managed to make my father proud.



★★★★★ **Worth for 💰**

By Malika on 3 September, 2020



It's a very good book for the candidates appearing in 2021.... very nice explanation and also very nice editing 👍👍 Go for itt!!!!!!



5★ **Great product**

Student



I recommend this book.... magnificent book for revision...so many good questions are there... My God! the mind maps are super cool... A must buy book ...for class 10 students...just a little mistakes are there but it doesn't matter as those are check points of your learning Mustbuy 👍👍👍👍👍



★★★★★ **Wonderful book 😊**

By S S on 10 September, 2020



Every paper has CBSE questions written in neat way with explanations and related theory. My father purchased this book for me as i m weak in science but i am so happy with it that im posting the review myself to thank educart personally. Edcart, please continue to make such books, in this covid time, this book is what we needed reallly!



**Dear Sir** 🗨️

6.77M Subscribers



India ki pehli atma-nirbhar self prep book that really no publisher can match with. Educart question bank is a must buy for all students!



**T S Sudhir**

(Author of Saina Nehwal's Biography | Journalist | Educator)

To: quickreply@agpgroup.in



Educart Exemplar is my suggested book for this year and I rarely recommend books. This one I have thoroughly read and liked for my students.



**RC Chauhan**

HOD of Mathematics - DPS

To: quickreply@agpgroup.in



We have reviewed countless Xth Class Maths books but Educart's Sample papers is our top recommendation. Educart has done their homework well on how CBSE students nowadays want to learn solving of maths standard questions.

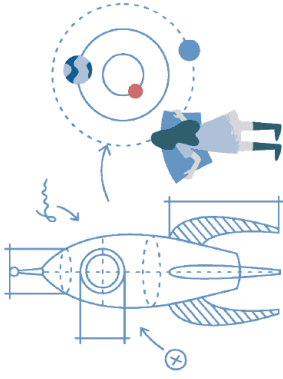


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\* Self-assessment papers' solution are available on our website ([www.educart.net](http://www.educart.net)).





# Question Paper Design

PARTS ↓	←←← TYPOLOGY OF QUESTIONS →→→				LA	6m each	
	MCQ / Fill up 7m each	Assertion Reason 7m each	Case-based 4m each	SA 1 3m each			SA 2 4m each
<b>PART A</b> (Introductory Macroeconomics)	6Q (1 choice)	-	1Q (4 MCQ)	2Q (1 choice)	3Q (1 choice)	2Q (1 choice)	<b>40m</b>
<b>PART B</b> (Indian Economic Development)	4Q (1 choice)	2Q (1 choice)	1Q (4 MCQ)	2Q (1 choice)	3Q (1 choice)	2Q (1 choice)	<b>40m</b>
<b>Total Marks</b>	<b>10Q (10m)</b>	<b>2Q (2m)</b>	<b>2Q (8m)</b>	<b>4Q (12m)</b>	<b>6Q (24m)</b>	<b>4Q (24m)</b>	<b>80m</b>

(vi)

**Note:** This blueprint is prepared for simplicity purpose, based on the CBSE Sample Paper provided on 9<sup>th</sup> October 2020.



# Time Management

The 3 hour long board paper needs to be attempted strategically so that you are not cut short for time on any question at the end. This means you need to complete each section of the paper within a pre-defined duration. Our experts have figured out the optimum time duration for each section for you to keep in mind. Please see below the time management chart for all subjects:

<b>ECONOMICS</b>				
<b>Parts</b>	<b>Question Type</b>	<b>Questions</b>	<b>Time To Be Spent (Per Question)</b>	<b>Total Time</b>
<b>PART A</b> (Introductory Macro Economics)	Objective (VSA, Fill up, MCQ)	6Q (1m each)	2 min per question	$6 \times 2 = 12 \text{ min}$
	CBQ	4Q (1m each)	6 min for reading the passage 2 min per question	$6 + 4 \times 2 = 14 \text{ min}$
	SA-1	2Q (3m each)	5 min per question	$2 \times 5 = 10 \text{ min}$
	SA-2	3Q (4m each)	8 min per question	$3 \times 8 = 24 \text{ min}$
	LA	2Q (6m each)	10 min per question	$2 \times 10 = 20 \text{ min}$
<b>PART B</b> (Indian Economic Development)	Objective (MCQ, AR)	6Q (1m each)	2 min per question	$6 \times 2 = 12 \text{ min}$
	CBQ	4Q (1m each)	6 min for reading the passage 2 min per question	$6 + 4 \times 2 = 14 \text{ min}$
	SA-1	2Q (3m each)	5 min per question	$2 \times 5 = 10 \text{ min}$
	SA-2	3Q (4m each)	8 min per question	$3 \times 8 = 24 \text{ min}$
	LA	2Q (6m each)	10 min per question	$2 \times 10 = 20 \text{ min}$
Total Time: <b>2 hours 40 min</b>				
Revision Time: <b>20 min</b>				





# Topper Tips

## (on cracking new pattern)

Friends, on request of the Educart team, followed below are some points I've prepared for you to keep in mind whilst attempting the Class 12 Board Exams on the new pattern:

### Select your MCQ options wisely (Hindi and English Core)

50% paper is now MCQs based. Do not rush into choosing a particular option. If unable to find the answer; use the rule of elimination to reach the most appropriate answer. Usually ruling out other 3 options works out faster.

### Cracking Case-based Questions (Maths and Physics)

Here is the trick. CBSE cannot ask any MCQ in case-based questions that is going to take you more than 1-2 minutes to solve as it will be a 1m MCQ each. So don't worry about the length of the question, treat it like a normal value input or understanding or remembering based question and move ahead. Time is of the essence.

### New Pattern MCQs (English)

CBSE has made a complete overhaul of MCQ's style of questioning in Reading and Literature comprehensions of English Section A. They are not direct but inference based and analytical thinking driven. Educart has provided detailed explanations in this book for such MCQs to help understand how to come to a conclusive option.

### Strictly provide what's or how it is asked (Accountancy)

- Answer all question parts in the order it is asked in. For instance, in a question, a revaluation account, partners' capital and balance sheet should be done in one place and order only.
- Avoid writing anything as it only leads to wastage of time (unless you don't have an answer for it in which case grace marks writing can be tried). For instance, if question asks for only capital account then preparing the balance sheet simultaneously is of no use. Similarly, if journal entries are asked, then do not prepare the ledger account and balance sheet along with it.

### 15 minutes reading time hack

- There is 30-50% internal choice this time in each section. You get good 15 minutes in the beginning to read the question paper. Use this time to mark the choice questions you are more confident in attempting to avoid wasting critical thinking time while writing the exam.
- Mark the tough questions you definitely don't know the answer to or where you feel you will struggle, and remember to leave space to come back to answering them.

### Prioritise your Sections order

Decide which Section you would want to attempt first and which Section at last. Always attempt the easy questions first. This way your confidence will grow and you will be mentally ready to take on the more challenging questions.

### **Answers Structure has to be right**

- Write most of the answers in bullet points (with headings) or in a tabular form where possible to save time and stick to the point. CBSE paper checkers prefer such format to make it easy to allot full marks.
- Underline key (value) points for all answers and follow word count to save on time.
- Explain lengthy answers with examples and diagrams.
- Recheck for all logics and calculations in case of numerical.

### **Double check numerical values and units representation (Mathematics)**

- A very common mistake we make is to not copy the correct values (numbers, equations etc) from the Question itself as we are in a rush. Ensure you read the questions word by word with great care.
- The following units should be written correctly always:
  - Length** - cm, mm, m, km (not as cms, mms, ms, kms)
  - Area** - sq cm, sq m, sq km (not as  $\text{cm}^2$ ,  $\text{mm}^2$ ,  $\text{m}^2$ ,  $\text{km}^2$ )
  - Volume** - cu cm, cu m, cu km (not as  $\text{cm}^3$ ,  $\text{mm}^3$ ,  $\text{m}^3$ ,  $\text{km}^3$ , etc)
  - Speed and Mass** - km/h, kg, g (not as km/hr, kgs, gs)

### **Define Or Differentiate Questions (Economics/Business Studies)**

For such questions, always substantiate your answer with suitable examples for the same. It's good to present your answers in a Tabular form with the basis for each point of differentiation.



# Syllabus

## (Reduced)

Parts	Unit Name	Marks
<b>PART A</b>	<b>Introductory Macroeconomics</b>	
	National Income and Related Aggregates	10
	Money and Banking	6
	Determination of Income and Employment	12
	Government Budget and the Economy	6
	Balance of Payments	6
<b>PART B</b>	<b>Indian Economic Development</b>	
	Development Experience (1947-90) and Economic Reforms since 1991	12
	Current Challenges facing Indian Economy	22
	Development Experience of India – A Comparison with Neighbours	6
	<b>TOTAL</b>	<b>80</b>
	<b>Project</b>	<b>20</b>

### Part A: Introductory Macroeconomics

#### Unit 1: National Income and Related Aggregates

What is Macroeconomics?

Basic concepts in macroeconomics: consumption goods, capital goods, final goods, intermediate goods; stocks and flows; gross investment and depreciation.

Circular flow of income (two sector model); Methods of calculating National Income - Value Added or Product method, Expenditure method, Income method.

Aggregates related to National Income:

Gross National Product (GNP), Net National Product (NNP), Gross Domestic Product (GDP) and Net Domestic Product (NDP) - at market price, at factor cost; Real and Nominal GDP.

GDP and Welfare

## **Unit 2: Money and Banking**

Money - meaning and supply of money - Currency held by the public and net demand deposits held by commercial banks.

Money creation by the commercial banking system.

Central bank and its functions (example of the Reserve Bank of India): Bank of issue, Govt. Bank, Banker's Bank, Control of Credit

## **Unit 3: Determination of Income and Employment**

Aggregate demand and its components.

Propensity to consume and propensity to save (average and marginal).

Short-run equilibrium output; investment multiplier and its mechanism.

Meaning of full employment and involuntary unemployment.

Problems of excess demand and deficient demand; measures to correct them - changes in government spending, taxes and money supply through Bank Rate, CRR, SLR, Repo Rate and Reverse Repo Rate, Open Market Operations, Margin requirement.

## **Unit 4: Government Budget and the Economy**

Government budget - meaning, objectives and components.

Classification of receipts - revenue receipts and capital receipts; classification of expenditure – revenue expenditure and capital expenditure.

Measures of government deficit - revenue deficit, fiscal deficit, primary deficit their meaning.

## **Unit 5: Balance of Payments**

Balance of payments account - meaning and components;

Foreign exchange rate - meaning of fixed and flexible rates and managed floating.

## **Part B: Indian Economic Development**

### **Unit 6: Development Experience (1947-90) and Economic Reforms since 1991:**

A brief introduction of the state of Indian economy on the eve of independence.

Indian economic system and common goals of Five Year Plans.

Main features, problems and policies of agriculture (institutional aspects and new agricultural strategy), industry (IPR 1956; SSI – role & importance) and foreign trade.

#### **Economic Reforms since 1991:**

Features and appraisals of liberalisation, globalisation and privatisation (LPG policy); Concepts of demonetization and GST

### **Unit 7: Current challenges facing Indian Economy**

**Poverty-** absolute and relative; Main programmes for poverty alleviation: A critical assessment;

**Human Capital Formation:** How people become resource; Role of human capital in economic development;

**Rural development:** Key issues - credit and marketing - role of cooperatives; agricultural diversification;

**Employment:** Growth and changes in work force participation rate in formal and informal sectors; problems and policies

**Infrastructure:** Meaning and Types: Case Studies: Health: Problems and Policies- A critical assessment;

**Sustainable Economic Development:** Meaning, Effects of Economic Development on Resources and Environment, including global warming

**UUnit 8: Development Experience of India:**

A comparison with neighbours

India and Pakistan

India and China

**Issues:** economic growth, population, sectoral development and other Human Development Indicators

## **Part C: Project in Economics**

**Prescribed Books:**

1. Statistics for Economics, NCERT
2. Indian Economic Development, NCERT
3. Introductory Microeconomics, NCERT
4. Macroeconomics, NCERT
5. Supplementary Reading Material in Economics, CBSE

**Note:** The above publications are also available in Hindi Medium.

# Deleted

(For 2021 Exam)

## Part A: Introductory Macroeconomics

### Unit 2: Money and Banking

#### Topics

Control of Credit through Bank Rate, CRR, SLR, Repo Rate and Reverse Repo Rate, Open Market Operations, Margin requirement.

### Unit 5: Balance of Payments

#### Topics

Balance of payments deficit-meaning.

Determination of exchange rate in a free market.

## Part B: Indian Economic Development

### Unit 7: Current challenges facing Indian Economy

#### Topics

Growth of Education Sector in India alternative farming - organic farming

**Infrastructure:** Energy



# FAQs

## 1. Can we use black pen in CBSE board exam 2021?

As per last year's CBSE guideline, students appearing for CBSE Board Exams can write answers ONLY with a Blue color pen (blue or royal blue). It should be a ball point, gel or fountain pen.

If the students want to use a black pen to highlight or bold the points in answers or for writing titles or headlines then it is allowed.

## 2. Will the CBSE 2021 paper on reduced syllabus come based on the sample paper CBSE released? Will the difficulty level be the same?

Yes, it will be exactly as per the paper pattern and type of questions introduced by CBSE in the 9th October 2020 uploaded Sample paper. As far as the difficulty level is concerned, expect an easier paper than the provided sample paper as CBSE will not want to reduce chances of students to pass considering COVID-19 has made things a bit difficult. However, this Educart book is prepared keeping a medium difficulty level to prepare students fully for the upcoming new pattern paper.

## 3. When will CBSE provide datesheet for 2021 boards?

Exact dates for all subjects' exams is usually provided in the month of December of the ongoing academic session. Last year it came on 16<sup>th</sup> December 2019. Expect the same in the month of December and expect the exams start date to be later than March for the 2020-21 session.

## 4. How shall I prepare when there is not much time left?

When in shortage of time, less material to study from, is better. This can be done by focusing on only NCERT books (for theory) and our Educart sample papers for practice and nothing else. Educart Sample papers book is 100% designed on the upcoming 2021 paper to help you cover questions on all possible topics with detailed explanations.

## 5. What is the Pass Marks Cut-off and Criteria?

A candidate has to obtain a grade higher than E (i.e. atleast 33% marks) in all the five subjects of external examination in the main or at the compartmental examinations.

## 6. How do I access latest CBSE circulars and announcements?

You can always email us on [quickreply@agpgroup.in](mailto:quickreply@agpgroup.in) for any update you want. As far as official source is concerned, refer: [www.cbseacademic.nic.in/circulars.html](http://www.cbseacademic.nic.in/circulars.html).



## **7. What is the process of applying for a recheck of Marks in a particular subject?**

Any student has the right to do so within a week from date of declaration of CBSE board exam result.

The whole process of verification of marks is done online. Steps to apply for verification/rechecking of the answer sheet, are as follows: Apply for rechecking of marks on the CBSE's website [www.cbse.nic.in](http://www.cbse.nic.in) by filling in your details and paying Rs. 500 per subject online (only). The result of verification of marks will be uploaded on the website automatically.

Overall, the verification will be restricted to checking whether all the answers have been checked, there has been no mistake in totalling of marks for each question and the marks have been transferred correctly on the title page of the answer book. A candidate may also apply for obtaining a copy of the evaluated answer book(s) at a later stage if not satisfied with the evaluation

## **8. What is the best way to practice from this book to score good marks?**

In order to crack the board exam, this book is custom made to start with Topper Tips and Time management. This includes an explanation of how to smartly structure your 3 hours during the paper.

Once, you have covered the basics, you can go through the exclusive CBSE last year Topper hand-written solutions and CBSE papers to get a feel of what is normally asked and how to answer them.

Then you start with our most likely 6 solved sample papers, where you time yourself to complete each paper and cross-check your performance with our detailed solutions.

Lastly, the unsolved papers help you self-assess without the temptation of looking at the back and fine-tune your preparation. These are solid papers that, if done well will fully prepare you to do well in the 2021 board exam.

## **9. Who should I reach out to for any issue related to examination, re-evaluation of copy or any serious matter?**

Ideally your only point of contact should be your school and they will take action on your behalf by submitting a request to CBSE regional office. However, we have managed to source some useful contacts in CBSE. Please **refer to the next page** for more information.



# IMPORTANT CBSE CONTACTS

Lots of students and parents face the problem of not knowing how best to contact CBSE for matters related to *Examination, admission fees, last-minute change of subject, direct admissions, passing criteria, examination centre related issue, unfair means or even re-evaluation of results* if not satisfactory. This list is not exhaustive.

We have compiled a comprehensive list of contacts of your nearest CBSE Regional Offices for various issues depending on the region you belong to. CBSE prefers any request to be sent to Regional Offices only and that also via the head of your school ideally. It is, therefore, advised to make the request accordingly through a proper channel for prompt and timely action.

Your School Location/Region	CBSE Regional Office (RO) Contact Details
General	Dr. Sanyam Bhardwaj (Controller of Examinations) sanyamb.cbse@nic.in   011-22515828 Dr. Joseph Emmanuel (Director (Academics)) directoracad.cbse.nic.in   011-23212603
Delhi, Foreign Schools	CBSE, PS-1-2, Institutional Area, I.P. Extn, Patparganj, Delhi - 110092 rodelhi.cbse@nic.in   91-11-22239177-80, 22235948, 22235904
Uttar Pradesh, Uttarakhand	CBSE, 35 B, Civil Station, M.G. Marg, Civil Lines, Allahabad - 211001 roallahabad.cbse@nic.in   91-532-2407970-72
Haryana, Chandigarh, Punjab, J&K, Himachal Pradesh	CBSE, Sector- 5, Panchkula, Haryana - 134152 ropanchkula.cbse@nic.in   91-172-2585193/2583547
Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Maharashtra, Goa, Puducherry, Andaman and Nicobar Islands, Daman and Diu	CBSE, New No-3, Old No. 1630 A, "J" Block, 16th Main Road, Anna Nagar West, Chennai - 600040 rochennai.cbse@nic.in   91-44-26162214, 26162213, 26162264
Assam, Nagaland, Manipur, Meghalaya, Tripura, Sikkim, Arunachal Pradesh, Mizoram	CBSE, Shilpo gram Road (Near Sankar dev Kalakshetra), Panjabari, Guwahati - 781037 roguwahati.cbse@nic.in   91-361-2229992, 2229995, 2229994
Rajasthan, Gujarat, M.P, Dadra and Nagar Haveli	CBSE, Todarmal Marg, Ajmer - 305001 roajmer.cbse@nic.in   91-145-2627460
Bihar and Jharkhand	CBSE, Ambika Complex, Behind State Bank Colony, Near Brahmsthan, Sheikhpura, Raza Bazar, Bailey Road, Patna-800014 ropatna.cbse@nic.in   91-612-2295048, 2295080
West Bengal, Orissa, Chhattisgarh	CBSE, 6 <sup>th</sup> Floor, Alok Bharti Complex, Shaheed Nagar, Bhubaneswar-751007 robhubaneshwa.cbse@nic.in   91-674-2542312

# CBSE

## SAMPLE PAPER

9<sup>th</sup> October 2020

# ECONOMICS

Time Allowed: 3 Hours

Maximum Marks: 80

### General Instructions:

- This question paper contains two parts:  
**Part A** - Macro Economics (40 marks)  
**Part B** - Indian Economic Development (40 marks).
- Marks for questions are indicated against each question.
- Question No. 1-10 and Question No. 18 – 27 (including two Case Based Questions) are 1 mark questions and are to be answered in one word/sentence.
- Case Based Questions (CBQ's) are Question No. 7-10 and Question No. 24-27.
- Question No. 11-12 and Question No. 28 – 29 are 3 marks questions and are to be answered in 60 - 80 words each.
- Question No. 13-15 and Question No. 30 – 32 are 4 marks questions and are to be answered in 80-100 words each.
- Question No. 16-17 and Question No. 33 – 34 are 6 marks questions and are to be answered in 100-150 words each.
- Answers should be brief and to the point and the above word limit be adhered to as far as possible.

### PART - A (Macro Economics)

**40 Marks**

- Inventory is a .....concept whereas the change in inventory is a ..... concept.  
(Fill up the blank with correct alternative)
 

(a) stock, flow	(b) flow, stock
(c) stock, stock	(d) flow, flow

**OR**

If in an economy the value of Net Factor Income from Abroad is ₹ 200 crores and the value of Factor Income to Abroad is ₹ 40 crores. Identify the value of Factor Income from Abroad.  
(Choose the correct alternative)

- |                  |                  |
|------------------|------------------|
| (a) ₹ 200 crores | (b) ₹ 160 crores |
| (c) ₹ 240 crores | (d) ₹ 180 crores |
- In the present COVID-19 times, many economists have raised their concerns that Indian economy may have to face a deflationary situation, due to reduced economic activities in the country.



Suppose you are a member of the high powered committee constituted by the Reserve Bank of India (RBI).

You have suggested that as the supervisor of commercial banks, ..... (restriction/release) of the money supply be ensured, by the Reserve Bank of India (RBI). (Choose the correct alternative)

1

3. Supply of money refers to ..... (Choose the correct alternative)

- (a) Currency held by the public
- (b) Currency held by Reserve Bank of India (RBI)
- (c) Currency held by the public and demand deposits with commercial banks
- (d) Currency held in the government account

1

4. Identify the correct pair of formula from the following column I and II: (Choose the correct alternative)

	Column I		Column II
A	Current Account Surplus	(i)	Receipts < Payments
B	Current Account Surplus	(ii)	Receipts > Payments
C	Balance Current Account	(iii)	Receipts ≠ Payments
D	Current Account Deficit	(iv)	Receipts ≤ Payments

- (a) A - i
- (b) B - ii
- (c) C - iii
- (d) D - iv

1

5. Identify which of the following statements is true? (Choose the correct alternative)

- (a) The flexible exchange rate system gives the government more flexibility to maintain large stocks of foreign exchange reserves.
- (b) In the managed floating exchange rate system, the government intervenes to buy and sell foreign currencies.
- (c) In the managed floating exchange rate system, the central bank intervenes to moderate exchange rate fluctuations.
- (d) In the fixed exchange rate system, market forces fix the exchange rate.

1

6. An Indian real estate company receives rent from Google in New York. This transaction would be recorded on.....side of .....account.

(Fill up the blanks with correct alternative)

- (a) credit, current
- (b) credit, capital
- (c) debit, capital
- (d) debit, current

1

Read the following news report and answer Questions 7-10 on the basis of the same:

The Reserve Bank of India (RBI), cut Repo Rate to 4.4%, the lowest in at least 15 years. Also, it reduced the Cash Reserve Ratio (CRR) maintained by the banks for the first time in over seven years. CRR for all banks was cut by 100 basis points to release ₹ 1.37 lakh crores across the banking system. RBI governor Dr. Shaktikanta Das predicted a big global recession and said India will not be immune. It all depends how India responds to the situation. Aggregate demand may weaken and ease core inflation.

*The Economic Times; March 27th, 2020*

7. Cut in Repo rate by RBI is likely to..... (increase/decrease) the demand for goods and services in the economy. (Choose the correct alternative)

1

8. Decrease in Cash Reserve Ratio will lead to..... (Choose the correct alternative)

- (a) Fall in aggregate demand
- (b) No change in aggregate demand
- (c) Rise in aggregate demand
- (d) Fall in general price level

1



9. The difference by which actual Aggregate Demand exceeds the Aggregate Demand, required to establish full employment equilibrium is known as.....(inflationary gap/ deflationary gap). (Choose the correct alternative) 1
10. The impact of 'Excess Demand' under Keynesian theory of income and employment, in an economy are: (Choose the correct alternative)
- (a) Decrease in income, output, employment and general price level
  - (b) Decrease in nominal income, but no change in real output
  - (c) Increase in income, output, employment and general price level
  - (d) no change in output/employment but increase in general price level. 1
11. State with valid reason, which of the following statement is true or false:
- (a) Gross Value Added at market price and Gross Domestic Product at market price are one and the same thing.
  - (b) Intermediate goods are always durable in nature. 3
12. State, giving valid reasons, whether the following statements are true or false:
- (a) Current account in Balance of Payments records only the exports and imports of goods and services.
  - (b) Borrowings from abroad are recorded in the Capital Account of the Balance of Payments on the debit side.

OR

'Trade Deficit must exist if a country is facing a situation of Current Account Deficit'.

Defend or refute the statement, with valid argument. 3

13. (a) Define money multiplier. 1
- (b) 'Credit creation is inversely related to the reserve deposit ratio'. Justify the given statement, using a hypothetical example. 3
14. In an economy  $C = 200 + 0.5 Y$  is the consumption function where C is the consumption expenditure and Y is the national income. Investment expenditure is ₹ 400 crores. Is the economy in equilibrium at an income level ₹ 1500 crores? Justify your answer. 4

OR

Define:

- (a) Ex-Ante Savings
- (b) Full Employment 2 + 2

15. 'India's GDP contracted 23.9% in the April-June quarter of 2020-21 as compared to same period of 2019-20, suggesting that the lockdown has hit the economy hard'.  
*The Hindustan Times, 1st September 2020*  
State and discuss any two fiscal measures that may be taken by the Government of India to correct the situation indicated in the above news report. 4
16. (a) 'Domestic/household services performed by a woman may not be considered as an economic activity'.  
Defend or refute the given statement with valid reason.
- (b) 'Compensation to the victims of a cyclone is an example of a welfare measure taken by the government'.  
State with valid reason, should it be included/not included in the estimation of national income of India.

OR

Suppose the Gross Domestic Product (GDP) of Nation X was ₹ 2,000 crores in 2018-19, whereas the Gross Domestic Product of Nation Y in the same year was ₹ 1,20,000 crores. If the Gross Domestic Product of Nation X rises to ₹ 4,000 crores in 2019-20 and the Gross Domestic Product of Nation Y rises to ₹ 2,00,000 crores in 2019-20.

Compare the rate of change of GDP of Nations X and Y, taking 2018-19 as base year. 6

17. (a) Elaborate the objective of 'allocation of resources' in the Government budget. 3  
(b) Discuss briefly how the Government budget can be used as an effective tool in the process of employment generation. 3

**PART - B**  
**(Indian Economic Development)**

**40 Marks**

18. .... was the Indian Finance Minister in 1991, acknowledged for his capabilities to steer away the economic crisis looming large on the erstwhile Indian Economy.

(Choose the correct alternative)

- (a) Dr. Subramanian Swamy (b) Dr. Manmohan Singh  
(c) Pranab Mukherjee (d) Dr. Urjit Patel 1

19. India entered the ..... stage of Demographic Transition after the year 1921.

(Choose the correct alternative)

- (a) Fourth (b) Second  
(c) Third (d) First 1

20. Read the following statements—Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

**Assertion (A):** India became an exporter of primary products and an importer of finished consumer and capital goods produced in Britain.

**Reason (R):** Restrictive policies of commodity production, trade and tariff pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade.

- (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.

OR

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

**Assertion (A):** The major policy initiatives *i.e.* land reforms and green revolution helped India to become self-sufficient in food grains production.

**Reason (R):** The proportion of people depending on agriculture did not decline as expected

- (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. 1



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

**Assertion (A):** Every year government fixes a target for disinvestment of Public Sector Enterprises (PSEs).

**Reason (R):** Disinvestment is an excellent tool for discarding the loss incurring Public Sector Enterprises (PSEs).

- (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.

1

**22. From the set of events/systems given in column I and corresponding relevant fact given in column II, about China, choose the correct pair of statement:**

	Column I		Column II
A	Great Leap Forward	(i)	Cultivating land collectively
B	Commune System	(ii)	Opening of the Industries in their homes
C	Proletarian Cultural Revolution	(iii)	Students were sent to work and learn from the countryside
D	Economic Reforms in China	(iv)	1988

- (a) A - i
- (b) B - ii
- (c) C - iii
- (d) D - iv

1

**23. .... adopted 'One Child Policy' as a measure to control population.**  
(Choose the correct alternative)

- (a) India
- (b) China
- (c) Pakistan
- (d) Russia

1

**Read, the following hypothetical case study carefully and answer the question numbers 24 - 27 on the base of the same.**

Since ages, farmers in India have taken recourse to debt. In the earlier times the same was from informal sources. Since independence with the efforts of the government, formal sector has actively come into picture. Farmers borrow not only to meet their investment needs but also to satisfy their personal needs. Uncertainty of income caused by factors likes crop failure caused by irregular rainfall, reduction in ground water table, locust/other pest attack etc. These reasons push them into the clutches of the private money lenders, who charge exorbitant rates of interest which add to their miseries. Various governments in India, at different times for different reasons, introduced debt relief/waiver schemes. These schemes are used by governments as a quick means to extricate farmers from their indebtedness, helping to restore their capacity to invest and produce, in short to lessen the miseries of the farmers across India. The costs and benefits of such debt relief schemes are, however, a widely debated topic among economists. Some economists argue that such schemes are extremely beneficial to the poor and marginalised farmers while others argue that these schemes add to the fiscal burden of the government, others believe that these schemes may develop the expectation of repeated bailouts among farmers which may spoil the credit culture among farmers.



24. Uncertainty of income for farmers in India is majorly caused by ..... .  
(irregular rainfall/unavailability of loans). 1
25. Some economists argue that debt waiver schemes are extremely beneficial to the poor and marginalised farmers, as these schemes reduce the burden of ..... .  
(indebtedness/personal expenditures) 1
26. The rural banking structure in India consists of a set of multi-agency institutions. ....  
(Regional Rural Banks / Small Industries Development Bank of India) is expected to dispense credit at cheaper rates for agricultural purposes to farmers. 1
27. .... (Regional Rural Banks/ Land Development Banks) is the most prominent body responsible for providing loans for long term land development. 1
28. 'India has emerged as a hotspot for medical tourism'. Defend the statement with valid arguments.

OR

Discuss any two steps taken by the government in the direction of improving agricultural marketing system in India, since independence. 3

29. Discuss briefly the concept of 'informalisation of workforce', in the context of Indian economy. 3
30. 'Agriculture sector appears to be adversely affected by the economic reform process.' Explain the given statement. 4
31. 'Atamnirbhar Bharat' had been at the roots of the Indian planning process in the form of 'self reliance' as an objective of the planning process. Do you agree with the given statement? Justify the rationale of the given statement.

OR

Discuss briefly any two major steps taken by the Government of India on 'Financial Sector' front under the Economic Reforms of 1991. 4

32. Compare and analyse the given data of India and China with valid arguments.

Annual Growth of Gross Domestic Product (%), 1980-2017

Country	1980-90	2015-2017
India	5.7	7.3
China	10.3	6.8

Source: Key Indicators for Asia and Pacific 2016, Asian Development Bank, Philippines; World Development Indicators 2018. 4

33. (a) 'If the rate of resource extraction exceeds the rate of regeneration, it leads to reduction in carrying capacity of the environment.'  
Discuss the rationale of the given statement with valid reasons.
- (b) 'Calorie-based norm is not an adequate measure to identify the poor. Establish the rationale of the given statement with valid reasons.'

OR

- (a) Why are less women found in regular salaried employment?
- (b) Analyse the recent trends in sectoral distribution of workforce in India:

Trends in Employment Pattern (Sector wise), 1993-2012 (in %)

Sector	1993-94	1999-2000	2011-2012
Primary	64	60.4	24.3
Secondary	16	15.8	24.3
Services	20	23.8	26.8

4



**34.** State, giving valid reasons whether the following statements are true or false.

(a) Since independence, the benefits of the increase in economic growth in India have trickled down to the people at the bottom of population pyramid. 2

(b) Human Capital Formation gives birth to innovation, invention and technological improvements. 2

(c) There exists an inverse correlation between infrastructural growth and national income. 2

