



ROLL NO.

ST. VIVEKANAND MILLENNIUM SCHOOL
HMT Township, Pinjore
Half Yearly Examination, 2025

Subject: ECONOMICS (030)

LEVEL II

Class: XII

General Instructions:

- I. This question paper contains 34 questions. All questions are compulsory.**
- II. This question paper contains two sections:
Section A – Macro Economics
Section B - Statistics**
- III. This paper contains 20 Multiple Choice Type Questions of 1 mark each.**
- IV. This paper contains 4 Short Answer Type Questions of 3 marks each to be answered in 60 to 80 words.**
- V. This paper contains 6 Short Answer Type Questions of 4 marks each to be answered in 80 to 100 words.**
- VI. This paper contains 4 Long Answer Type Questions of 6 marks each to be answered in 100 to 150 words.**

1. Flexible Exchange Rate is also Known as:

1

- a) Pegged Exchange rate
- b) Britain Wood system
- c) Dirty Floating
- d) Floating Exchange Rate

2. From the following information calculate GNP_{MP} . $GDP_{FC} = Rs$ 3000: Net factor income to Abroad = Rs 200. Indirect taxes = Rs 420, subsidies = Rs 240. 1

- a) Rs 3380
- b) Rs 2980
- c) Rs 3020
- d) Rs 2620

3. If net domestic product (NDP) at factor cost is ₹50,000 crore and depreciation is ₹5,000 crore, then GDP at factor cost is: 1

- A) ₹45,000 crore
- B) ₹50,000 crore
- C) ₹55,000 crore
- D) ₹60,000 crore

4. Assertion: Managed Floating Exchange Rate system is an amalgamation of fixed Exchange Rate and Flexible Exchange Rate. 1
Reason: Central Bank can manipulate the flexible exchange rate system.
- (a) Assertion and Reason are True and Reason is the correct explanation of Assertion.
(b) Both Assertion and Reason are True and Reason is not the correct explanation of Assertion.
(c) Assertion is True and Reason is False.
(d) Assertion is False but Reason is True.
5. A growing country is one with: 1
- a) Rising GNP at constant Prices
b) Constant GNP at constant Prices
c) Rising GNP at current Prices
d) None of these
6. If the value of Export of merchandise is Rs 1500 crores and Imports of goods are 20 % more than Exports. The value of Import Deficit and Trade Deficit will be Rs _____ and Rs _____. 1
- a) 1800,3300
b) 1800,300
c) 1200, 300
d) 1200,3300

7. Gross Domestic Product at Market Price is equal to: 1
- a) Compensation of employees + Operating surplus + Mixed Income of Self Employed
 - b) Compensation of employees - Operating surplus + Mixed Income of Self Employed
 - c) Compensation of Employees + Net current Transfers from Abroad
 - d) Compensation of employees + Net Factor Income from abroad
8. The Term GDP welfare refers to: 1
- a) Increase in Production of goods and services
 - b) Sense of feeling proud for the Nation
 - c) Sense of Material Wellbeing among the People
 - d) None of these
9. Statement I: Domestic Income can be more than National Product. 1
- Statement II: Net Indirect Taxes is added to Domestic Income to obtain National Income.
- a) Both the statements are True.
 - b) Both the Statement are False
 - c) Statement I is true and statement II is False.
 - d) Statement II is True and Statement I is False.
10. Addition to the capital stock of an economy is termed as: 1
- a) Investment
 - b) Capital Gain
 - c) Consumption of Fixed Capital
 - d) All of the Above
11. Explain the impact of home currency depreciation on the exports of a nation. 3

12. Give the meanings of Balance of Trade and Balance on Current Account of Balance of Payments. 3

OR

Given the following data calculate NNP_{FC} .

GDP _{MP}	1000 crores
Consumption of fixed capital	20 crores
Factor income from abroad	100 crores
Indirect taxes	25 crores
Factor income to abroad	75 crores
Subsidy	12 crores

13. Distinguish between 4
- (a) Final goods and intermediate goods
 - (b) Stock and flow variables
14. What is foreign exchange rate? Describe any three sources of demand for foreign exchange. 4

OR

Distinguish between autonomous and accommodating transaction of balance of payment?

15. Difference between: 4
- a) Domestic income and National Income
 - b) Stock Variables and Flow Variables

16. Case Study: National Income Calculation in India

National income is a key indicator of a country's economic performance. It measures the total value of all final goods and services produced within a nation during a financial year. In India, the Central Statistics Office (CSO), now part of the National Statistical Office (NSO), is responsible for estimating national income through three main approaches — Value Added Method (Production Method), Income Method, and Expenditure Method.

For the year 2024–25, India's Gross Domestic Product (GDP) at constant (2011–12) prices was estimated at around ₹171 lakh crore, showing a real growth of about 6.9% compared to the previous year. The agriculture sector contributed around 18%, industry 30%, and services nearly 52% of the total GDP. The service sector, particularly trade, communication, and financial services, remained the main growth driver. The Gross National Income (GNI) was slightly higher than GDP due to positive net factor income from abroad (NFIA).

When measured by the expenditure method, private final consumption expenditure (PFCE) formed about 58% of GDP, government expenditure about 11%, and gross capital formation (investment) around 30%. On the other hand, net exports (exports minus imports) contributed negatively due to a persistent trade deficit. Despite these challenges, India's national income data indicated steady growth, supported by domestic demand and rising service exports.

Answer the following questions:

1. Which organization is responsible for estimating national income in India? 1
2. What was India's GDP growth rate at constant prices in 2024–25. 2

3. Mention the three methods used to calculate national income.
4. Explain why Gross National Income (GNI) is usually higher than Gross Domestic Product (GDP) in India.
17. a) “A country deliberately keeps the value of its currency low under the managed Floating system.” Discuss briefly how it will affect the exports of the country. 3
- b) Why is Real GDP considered a better measure of economic performance than Nominal GDP? 3

OR

- i) Give the difference between Appreciation and Depreciation of Domestic Currency. 3
- ii) What is GDP Deflator? Calculate value of Price Index, If Real GDP is Rs 300 and Nominal GDP is Rs 330. 3

SECTION B

INDIAN ECONOMY

18. Statement1: Commercialization of agriculture under the British rule was responsible for frequent famines between 1875 and 1900. 1
- Statement II: During British rule, India began to export food grains.
- a) Both the statements are True.
- b) Both the statements are False.
- c) Statement 1 is True and Statement 2 is False.
- d) Statement 2 is False and Statement 1 is True.
19. Statement I Special economic zones policy has led to huge foreign direct investment flow to China 1

Statement II China's rapid industrial growth was the result of its economic reforms in 1991.

- a) Statement I is true and Statement II is false
- b) Statement I is false and Statement II is true
- c) Both Statements are true
- d) Both Statements are false

20. India entered the _____ stage of demographic transition after the year 1921: 1

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

21. _____ refers to taxes levied on imported goods. 1

- a) Quotas
- b) Value added Tax
- c) Tariff
- d) Lagaan

22. During colonial period, estimates of _____ on national income and per capita income were considered very significant: 1

- a) Dada Bhai Naoroji
- b) Findlay Shiras
- c) RC Desai
- d) V.K.R.V Rao

23. In China, commune system is related to _____: 1

- a) Agriculture
- b) Industry
- c) Service
- d) Informal

24. The policy of _____ is another name for Inward looking Approach: 1
- a) Import Promotion
 - b) Import substitution
 - c) Import stabilization
 - d) None of these
25. _____ is the portion of agricultural produce which is sold in the market by the farmers, after meeting their self-consumption. 1
- a) Marketable Surplus
 - b) Trade surplus
 - c) Consumer surplus
 - d) Producer Surplus
26. 'GLF' with respect to the People's Republic of China referred to as _____ 1
- a) Giant leap Forward
 - b) Great Leap Forward
 - c) Great Lead Forum
 - d) Giant Lead Forum
27. Statement 1: According to Industrial Policy Resolution, 1956 the industries were classified in to two categories. 1
- Statement II: Schedule A comprised of Industries which would be exclusively owned by Private sector.
- a) Statement I is True and Statement II is False.
 - b) Statement I is False and Statement II is True.
 - c) Both the Statements are True
 - d) Both the statements are False.
28. What do you understand by Drain of Wealth during British Rule? 3
29. Explain the Financial sector reforms done in 1991. 3

OR

Government took various steps to protect small scale industries from big firms. Defend or refute.

30. Categories the following features pertaining to the economies of India, Pakistan and China. 4

- i) Special Economic zone
- ii) One Child Policy
- iii) Highest Maternal Mortality Rate
- iv) Mixed Economy
- v) High Degree of Urbanization
- vi) Lowest Infant Mortality Rate
- vii) Growth Due to Manufacturing Sector
- viii) Lowest Fertility Rate

31. Do you think outsourcing is good for India? Why are developed countries opposing it? 4

OR

What do you understand by Demonetization? What was the impact of demonetization done in 2016 on Indian economy?

32. a) Indicate the volume and direction of foreign trade of India at the time of independence. 2

b) What were the two main causes behind infrastructural development by British rule? 2

33. Case Study: The Role of WTO in Global Trade

The World Trade Organization (WTO), established in 1995, replaced the General Agreement on Tariffs and Trade (GATT). It aims to promote free and fair international trade by reducing trade barriers, ensuring transparency, and resolving trade disputes among member nations.

India, a founding member of the WTO, has benefitted through increased market access and growth in exports, especially in sectors like IT, textiles, and pharmaceuticals. However, challenges remain. Developed nations often push for liberalization in areas such as intellectual property rights and agriculture, while continuing to subsidize their own farmers, which disadvantages developing countries like India.

For instance, during the Doha Round negotiations, developing nations demanded reduction of agricultural subsidies in developed countries and greater flexibility in protecting their own food security. India has consistently emphasized the importance of the Special Safeguard Mechanism (SSM) to protect its farmers from price fluctuations and import surges.

While WTO has successfully expanded trade volumes globally, critics argue that it often serves the interests of developed countries more than those of developing ones. The balance between free trade and national interests continues to be a major challenge in the WTO framework.

1. How has WTO benefitted India's trade sector, particularly in services and exports? 2
2. Explain one major issue of contention between developed and developing countries in WTO negotiations. 2
3. What is the Special Safeguard Mechanism (SSM) and why is it significant for developing nations like India? 2

OR 2

- a) Why were economic reforms introduced in India? 3
- b) Explain the demographic conditions of Indian economy on the eve of independence. 3

34. a) What was the important Implication of 'One child policy in China'. 3
- b) Evaluate the various factors that led to the rapid growth in economic development in China. 3

