

QUESTION BANK
Class XII
Subject: ECONOMICS
(session 2020-21)

(OBJECTIVE)

CHAPTER 1

- Q1. When was railways introduced in India?
(a) 1840 (b) 1940 (c) 1853 (d) 1947
- Q2. In India British rule lasted for about ____ years.
(a) 100 years (b) 150 years (c) 250 years (d) 200 years
- Q3. Who among the following was not a popular economist before independence?
(a) V.K.R.V. Rao (b) Manmohan Singh
(c) William digby (d) R.C Desai
- Q4. 1931-32 per capita income was close to
(a) Rs.2000 (b) Rs.60
(c) Rs.1500 (d) Rs.20, 000
- Q5. Identify the correct statement
(a) Almost 60% people lived in villages on the eve of independence
(b) On the eve of independence India was self dependant in food grain production.
(c) TISCO was established in 1907
(d) India was the major exporter of finished goods before independence
- Q6. _____ Industry was affected the most due to partition of India.
(a) Steel (b) Cotton
(c) Automobile (d) Jute
- Q7. Which of the following was not the main cause of decay of Indian Handicraft Industry?
(a) Introduction of discriminatory tariff policy
(b) Low priced machine made goods.
(c) Decline in state patronage
(d) Ill health of Indian Artisans
- Q8. Life expectancy during British rule was around
(a) 65
(b) 48
(c) 39 (d) 32
- Q9. Female Literacy Rate during the British rule was around
(a) 10% (b) 7%
(c) 20% (d) 50%
- Q10. _____ is described as year of great divide.
(a) 1931 (b) 1947
(c) 1921 (d) 1911

CHAPTER 2

- Q1. Fill in the blanks

- (1) In 1991, India agreed to the conditionalities of ____ and ____ and announced the New Economic Policy.
- (2) ____ refers to relaxation of Government restrictions.
- (3) ____ means integrating domestic economy with the world economy.
- (4) ____ is transfer of ownership from Public sector to private sector.
- (5) Tax ____ is paying less tax or no tax where you are legally obliged to.
- (6) ____ is one of the Non tariff barriers.
- (7) ____ is the tax imposed on the profits of a company.
- (8) A requirement of ____ billion\$ arose in 1991, to manage economic crisis.
- (9) New Economic policy had to take two measures ____ and ____.
- (10) ____ was the main cause of 1991 crisis.

CHAPTER 3

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CHAPTER 4

Q1. Fill in the blanks

- (a) ____ and ____ are the examples of poor people in rural areas
- (b) ____ and ____ are the examples of poor people in urban areas.
- (c) ____ and ____ are the examples of chronic poor.
- (d) ____ and ____ are the types of Transient poor
- (e) A person is considered poor in rural area if he is not able to meet a daily requirement of ____ calories.
- (f) A person is considered poor in Urban area if he is not able to meet a daily requirement of ____ calories.
- (g) Based on 2011-12, a person with monthly per capita expenditure of ____ in rural areas is considered to be above poverty line.
- (h) Based on 2011-12, a person with monthly per capital Expenditure of ____ in urban areas is considered to be above poverty line.
- (i) according to 2011-12 data ____ million people in India still lie below poverty line.
- (j) according to 2011-12 data ____% of Indians lie below poverty line.
- (k) ____ and ____ are examples of poor states in India.
- (l) In 1970s, the government launched ____ to reduce poverty levels.
- (m) ____ refer to total number of people below poverty line.
- (n) ____ scheme aimed at improving food and nutritional level of poor.
- (o) In 2013-14 around ____ households have been provided employment under MGNREGA.

CHAPTER 5

Q1. Fill in the blanks

- (1) The share of agriculture sector in the GDP is on a _____.
- (2) During the 11th five year plan the agricultural output grew at _____%.
- (3) According to purpose, rural credit can be classified as _____ or _____.
- (4) _____ is the apex body that coordinates the activities of all institutions involved in Rural Finance.
- (5) _____ have been advancing informal credit in the rural areas for years.
- (6) In _____ nationalisation of commercial banks took place.
- (7) SHGs are a part of _____.
- (8) _____ have been set up in Backward districts to provide credit facilities to small and marginal farmers.
- (9) In India almost _____% of produce is wasted due to lack of storage.
- (10) Buffer stocks are maintained by _____.
- (11) Direct Marketing channel in Punjab and Rajasthan is called _____.
- (12) Direct marketing channel in Pune is called. _____.
- (13) Direct marketing channel in Tamilnadu is called _____.
- (14) _____ are the direct selling markets for vegetables and fruits in Andhra Pradesh.
- (15) Two aspects of diversification in agriculture are _____ and _____.
- (16) _____ is a project initiated in Tamilnadu to train women in latest agriculture techniques.
- (17) _____ has set an example for other states in the efficient implementation of milk cooperatives.
- (18) The period of _____ is known as 'Golden Revolution' period.
- (19) _____ farming helps maintain ecological balance.
- (20) Operation flood is linked to the production of _____.

CHAPTER 6

Q1. Fill in the blanks

- (1) Spending on education is an _____.
- (2) _____ and _____ are the major sources of Human capital.
- (3) Human Capital helps in development of _____ capital.
- (4) Vaccination is a _____ medicine.
- (5) According to World Bank per capita of India will reach US\$ _____ by 2020.
- (6) _____ refers to stock of skills, knowledge and efficiency of workers.
- (7) Development of abilities and skills of human capital is called _____.
- (8) Education increases the _____ of the people.
- (9) During 1952-2014, education expenditure as percentage of total government expenditure increased from _____ to _____.
- (10) _____ education takes a major share of total education expenditure and the share of _____ education is the least.
- (11) According to 2014-15 data _____ is the state with highest per capital expenditure on education and _____ with the least.
- (12) Government of India levy _____% education cess on all union taxes.
- (13) According to 2014-15 report Adult male literacy rate stands at _____% and female literacy rate at _____.
- (14) Significance of Human capital was recognised in the _____ five year plan.
- (15) Government Organisations regulating education sector are _____ and _____.
- (16) In India, as per NSSO data in the year 2011-12 the rate of unemployment of males that are graduate and above in rural areas is _____ and urban area is _____.
- (17) The desired expenditure on education should be _____% where as Indian government spends nearly _____% on it.
- (18) Right to education was passed in the year _____.

CHAPTER 7

Q1. Fill in the blanks

- (1) All the people who are engaged in economic activities are termed as _____.
- (2) There are two types of workers _____ and _____.
- (3) Hired workers can be _____ or _____.
- (4) _____ includes all those who are working or seeking work.
- (5) _____ includes all those who are employed at a particular point of time.
- (6) Labour Force = _____ + _____.
- (7) During 2011-12 India had a strong workforce of _____ million people.
- (8) _____ is a major source of livelihood in both rural and urban areas.
- (9) _____ sector is the major source of employment in India.
- (10) Producing more goods and services without generating employment is termed as _____.
- (11) Workers working in formal sector are entitled to security benefits such as _____ and _____.
- (12) Just _____% of total workforce in India works in formal sector.
- (13) _____ ratio is used to measure the participation of people in employment.
- (14) Unemployment measures _____ idleness of individuals.

CHAPTER 8

Q1. Fill in the blanks

- (1) _____ infrastructure supports the production process directly.
- (2) _____ infrastructure supports the production process indirectly.
- (3) _____ and _____ are two examples of Economic Infrastructure.
- (4) _____ and _____ are two important examples of social infrastructure.
- (5) _____ infrastructure helps in improving human capital stock.
- (6) India invests only _____ of its GDP on infrastructure.
- (7) More than _____% of Indian households depend on traditional sources of energy for meeting their regular cooking and heating needs.
- (8) _____ and _____ are commercial sources of energy.
- (9) _____ and _____ are non commercial sources of energy.
- (10) Non Conventional source have high _____ but low _____.
- (11) India is the _____ largest producer of wind energy in the world.
- (12) In 2014-15 Industry's share was _____% of the total commercial energy consumption.
- (13) The _____ sector was the largest consumer of commercial in 1953-1954.
- (14) In 2016 thermal sources accounted for almost _____% of India's total power generation capacity.
- (15) In 2016 hydroelectric power accounted for nearly _____ of India's total power generation capacity.
- (16) _____ and _____ are examples of radioactive elements.
- (17) Global Average share of atomic energy in the power generation capacity stands at _____ but in India its

share stands at _____.

(18) Identification, Prevention and control of diseases is a part of _____.

(19) Hospitals come under _____.

(20) In India more than 50% of Indian women in the age group of 15-49 years have _____.

CHAPTER 9

Q1. Fill in the blanks

(a) Environment supplies us with both _____ and _____ resources.

(b) _____ and _____ are examples of renewable resources.

(c) _____ and _____ are examples of non-renewable degradation.

(d) _____ means the ability of the environment to absorb degradation.

(e) _____ and _____ are the major effects of global warming.

(f) Ozone layer helps us against _____.

(g) The _____ is designed to protect the ozone layer by stressing ban on the use of ozone depleting chemicals.

(h) _____ and _____ are the most polluting gases.

(i) At present forests occupy less than _____ of the total land area in India which is less than required _____.

(j) _____ refers to a decline in the fertility of land and quality of soil.

(k) In India about _____% of land is suffering from the problem of land degradation.

(l) _____ development does not compromise with the needs of future generations.

(m) _____ is caused by high levels of chlorine and Bromine compounds in the atmosphere.

(n) CPCB was set up in the year _____.

(o) _____ and _____ naturally help in pest control.

CHAPTER 10

Q1. Fill in the blanks

(1) People's Republic of China was established in the year _____.

(2) Pakistan announced its first five year plan in _____.

(3) Till the _____ India, China and Pakistan had similar growth and per capita incomes.

(4) Under the _____ system, people collectively cultivated land.

(5) In 1958, the whole Chinese agricultural land was converted into _____ communes.

(6) In 1965 _____ introduced the Great Proletarian Cultural Revolution.

(7) In order to attract foreign investors _____ were set up in China.

(8) Nationalisation of capital industry took place in Pakistan in _____.

(9) Economic reforms were initiated in Pakistan in the year _____.

(10) One child policy was introduced in _____.

MACRO ECONOMICS

UNIT – 1

Q1. Multiple Choice Questions

(i) National Income at constant prices can be more than national income at current prices if

(a) Prices in the current year are less than base year.

(b) Output in the current year is less than base year.

(c) Both (a) and (b)

(d) None

(ii) Which of the following is not a normal resident of India?

- (a) Indian going abroad for Medical treatment.
- (b) Indian working in UNO office in India.
- (c) Australian working in citi bank's branch in Indi for 3 years.
- (d) Korean working in Korean Embassy in India.

(iii) Pick the odd one out

- (a) Old age pension (b) Retirement Pension
- (c) Scholarship (d) Gift

(iv) Which of the following is included in National Income?

- (a) Sale of second hand goods (b) Wind fall gain
- (c) Production of goods (d) Transfers

(v) Profit of the company is a

- (a) Stock variable (b) Flow Variable
- (c) Both (d) None

Q2. Fill in the blanks.

- (a) _____ are also called single use producer goods.
- (b) Producer goods are of two types _____ and _____.
- (c) Two reasons of charging depreciation are _____ and _____.
- (d) _____ are withdrawals of money from circular flow of income.
- (e) _____ are additions of money to the circular flow of income.
- (f) _____ and _____ are examples of stock variables.
- (g) _____ and _____ are examples of flow variables.
- (h) Flow of goods and services in the economy is termed as _____.
- (i) Flow of money in the economy is termed as _____.
- (j) _____ and _____ are factor incomes.
- (k) _____ and _____ are transfer incomes.
- (l) Depreciation is also termed as _____ capital.
- (m) _____ is a better measure of welfare of people.
- (n) Domestic Territory is also called _____.

UNIT 2

Q1. Multiple choice questions

(i) _____ issues Rs.1 notes and coins in the economy.

- (a) RBI (b) Commercial Banks
- (c) Ministry of Finance (d) None

(ii) Which of the following is a component of money supply?

- (a) Current Account (b) Recurring Account
- (c) Term Deposit Account (d) All of the Above

(iii) If an economy is to control recession which of the following can be appropriate.

- (a) Rise in Reverse Repo (b) Fall in Margin Requirements
- (c) Rise in SLR (d) Selling of government bonds

(iv) Which of the following is not a function of Central Bank?

- (a) Controller of money supply (b) Banker's Bank
- (c) Issue of currency (d) none

(v) Which of the following statement is true?

- (a) During excess demand Repo rate is reduced.

- (b) During deficient demand buying of government bonds by RBI takes place.
- (c) Commercial banks are controllers of money supply.
- (d) Central Bank is creator of credit.

Q2. Fill in the blanks

- (a) Money was introduced due to failure of _____.
- (b) Deposits which are withdrawn on demand are called _____.
- (c) _____ account deposits qualify the condition of being demand deposits.
- (d) _____ banks are called financial intermediaries.
- (e) Total deposits of a bank are of two types _____ and _____.
- (f) Formula for calculating money multiplier is _____.
- (g) RBI prints and puts into circulation all currency denominations except _____.
- (h) During inflation RBI _____ the Reverse Repo Rate.
- (i) Buying and selling of government bonds or securities is termed as _____.
- (j) To reduce the volume of credit Legal Reserve Ratio is _____.

UNIT 3

Q1. Calculate the consumption level, if income = Rs.100crore and the consumption function is $C = 80 + 0.5Y$.

Q2. MPC is the slope of

- (a) Saving Function (b) Consumption function
- (c) Cost function (d) All of these

Q3. MPC is zero when:

- (a) $\Delta C < \Delta Y$ (b) $\Delta S = \Delta Y$
- (c) $\Delta S < \Delta Y$ (d) None of these

Q4. Find multiplier if (a) 50% of additional income is saved. (b) $MPC = 0.25$

Q5. Equilibrium level of income can be determined at

- (a) Full employment (b) Under full employment
- (c) Over full employment (d) All of these

Q6. If planned savings are greater than planned investments, what will be its effect on inventories?

Q7. What is investment multiplier? Explain its working using a suitable numerical example.

Q8. Checking government spending is a part of

- (a) Monetary Policy (b) Fiscal Policy
- (c) Foreign Trade policy (d) none of these

Q9. When does a situation of excess demand in Macroeconomics arise?

Q10. The impact of imposition of new taxes is that it reduces _____ to correct inflationary pressure.

UNIT 4

Q1. Taxation leads to

- (a) Increase in Govt. spending (b) Decrease in Govt. Spending
- (c) Decrease in PDI (d) Increase in PDI

Q2. Direct taxes are usually

- (a) Progressive (b) Regressive

(c) Both (d) none

Q3. If fiscal deficit is worth Rs.30, 000crore and interest payment amounts to Rs.8,000crores, the primary deficit will amount to:

- (a) 38, 000 (b) 22, 000
(c) 30, 000 (d) 46, 000

Q4. Profit of PSUs is a

- (a) Tax Receipt (b) Non Tax Revenue Receipt (c) Capital receipt (d) None

Q5. The tax whose incidence can't be shifted

- (a) Direct Tax (b) Indirect Tax (c) Repressive tax (d) None

Q6. Developing economies like India must have

- (a) Surplus budget (b) Deficit budget (c) Balanced budget (d) Any of the above

Q7. If Govt's expenditure on infrastructure rises, National income is

- (a) Likely to fall (b) Likely to rise (c) Remain constant (d) May rise or fall

Q8. Fiscal deficit is equal to

- (a) Interest payments (b) Primary deficit (c) budgetary deficit (d) Borrowings

Q9. Loans to state govt. by Central Govt. is _____ for the central Govt.

- (a) Revenue Expenditure (b) Capital Expenditure (c) Revenue Receipt (d) Capital Receipt

Q10. Increase in income tax will

- (a) Decrease the aggregate supply (b) Increase the aggregate supply
(c) Does not affect AD (d) Decrease the aggregate demand

UNIT 5

Q1. Borrowing from IMF is a part of

- (a) Current account (b) Capital account (c) Both (a) and (b) (d) None

Q2. Disequilibrium in BOP can be due to

- (a) Political instability (b) Economic instability (c) Social preferences (d) All of the above

Q3. Fall in the value of 'Yuan' will

- (a) Decrease India's imports (b) Decreases India's exports (c) Increases India's exports (d) None

Q4. Unilateral transfers are a part of

- (a) BOT (b) Capital Account of BOP (c) Current account of BOP (d) None

Q5. BOP A/C deficit can be due to

- (a) Current account (b) Capital Account (c) Both (a) and (b) (d) None

Q6. _____ is the short form of Export Import.

- (a) EI (b) EXI (c) EXIM (d) EIM

Q7. Foreign exchange rate is determined by _____ of the currency.

- (a) Demand (b) Supply (c) Demand and Supply (d) None of the above

Q8. The market converting the currency of a country into the currency of other country is known as _____

- (a) Factor market (b) Commodity market (c) Share market (d) Foreign exchange market

Q9. Foreign exchange market performs _____

- (a) Transfer (b) Credit (c) Hedging (d) All of the above

Q10. _____ is/are the types of exchange rate regime.

- (a) Fixed rate system (b) Wider bands (c) Crawling pegs (d) All of the above