

QUESTION BANK

Class XII

Subject: ECONOMICS

Session 2020-21

(SUBJECTIVE)

CHAPTER - 1

- Q1. Give any 2 features of Indian economy before the advent of British.**
- Q2. Explain any 2 major causes of backwardness of Indian agriculture sector during the British rule.**
- Q3. List 3 features of Indian agriculture on the eve of independence.**
- Q4. What was the two fold motive of the British?**
- Q5. What led to destruction of Indian Handicraft industry?**
- Q6. List any 3 features of India's Industrial sector on the eve of Independence?**
- Q7. India's demographic indicators on the eve of independence were not very encouraging. Comment**
- Q8. List 5 main features of Indian economy on the eve of independence.**
- Q9. Explain the four main goals of India's planning period. Also give one example of each.**
- Q10. List any two positive effects of introduction of Railways by the British.**

CHAPTER – 2

- Q1. What was Green revolution? What led to the Green Revolution?**
- Q2. List the major benefits of the Green Revolution.**
- Q3. 'Green Revolution had some major limitations' Comment.**
- Q4. What are subsidies? Subsidies in Agriculture are a must. Comment**
- Q5. Some economist believes that it's time to stop giving agricultural subsidies. Do you agree?**
- Q6. Write the main features of IPR 1956.**
- Q7. What was import substitution policy? Why was this policy adopted?**
- Q8. What are small scale industries? Give its importance.**
- Q9. Critically examine the industrial and trade policies of government from 1950-90.**
- Q10. List India's Industrial achievements during planning period.**

CHAPTER - 3

- Q1. What led to the introduction of reforms in India?**
- Q2. Explain stabilisation measures under New Economic Policy**
- Q3. Explain Structural reform measures under NEP.**
- Q4. Give example of regulatory mechanisms that were enforced in industrial sector before 1991.**
- Q5. Explain the following liberalisation Reforms**
- (a) Industrial Reforms**
 - (b) Financial sector reforms**
 - (c) Tax Reforms**
 - (d) Foreign Exchange Reforms**
 - (e) Foreign Trade and Investment policy reforms**
- Q6. Explain the concept of privatisation.**
- Q7. What is outsourcing? How has it benefited India?**
- Q8. List some limitations of Outsourcing.**
- Q9. Write the role of World Trade Organisation.**
- Q10. Write some positives of Globalisation.**

CHAPTER – 4

- Q1. Differentiate between relative and absolute poverty?**
- Q2. Explain any two ways in which poor are identified in India.**
- Q3. Explain any 6 causes of poverty in India.**
- Q4. Explain the Growth Oriented approach of the government to reduce poverty in India.**
- Q5. How has government used 'provision of basic amenities to the people' a step to reduce poverty in India?**
- Q6. Explain any 3 wage employment programmes initiated by the government.**
- Q7. Explain any 3 self employment generating programmes initiated by the government.**
- Q8. Write 6 major characteristics of a poor.**
- Q9. Why the three dimensional attack adopted by the government did not succeed in India?**
- Q10. 'Eradication of poverty in india is not as difficult as it seems' in the light of the given statement give suggestions to eradicate poverty in India.**

CHAPTER – 5

- Q1. Explain Rural Development and its key issues.**
- Q2. Explain need for rural development**

Q3. Explain the importance of Credit in Rural areas. Also explain sources of rural credit in India.

Q4. Explain features of Rural Banking System.

Q5. Explain problems of Agricultural Credit/Rural banking in India.

Q6. Define Agricultural marketing and explain problems of agricultural marketing.

Q7. Explain the measures taken by Govt. to improve the agricultural marketing.

Q8. Define cooperative and explain role of cooperative credit societies in India.

Q9. Explain role of cooperative marketing societies.

Q10. Explain Emerging Alternate Agricultural marketing channels.

CHAPTER – 6

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Q9. Critically examine the industrial and trade policies of government from 1950-90.

Q10. List India's Industrial achievements during planning period.

CHAPTER – 7

Q1. Why do people work?

Q2. Explain Benefits of studying about working people.

Q3. Who is a worker?

Q4. Explain nature of employment in India.

Q5. Define population and explain worker population ratio.

Q6. Why is there difference workers- population ratio in rural and urban areas?

Q7. Why more males are found to be working as compared to females?

Q8. Explain different categories/status of workers.

Q9. Explain distribution of Workforce by industry.

Q10. Explain growth and changing structure of employment.

CHAPTER – 8

- Q1. Explain meaning of infrastructure and give its classification.**
- Q2. Explain Relevance/Importance of Infrastructure.**
- Q3. Explain the state of infrastructure in India.**
- Q4. Infrastructure contributes to the economic development of a country. Do you Agree? Explain.**
- Q6. Give some ways to increase electricity supply.**
- Q7. Give some reforms undertaken by govt. to increase power supply.**
- Q8. Define health and explain health infrastructure of India.**
- Q9. Write a note on Private Sector Health Infrastructure.**
- Q10. Explain Indian Systems of Medicine (ISM).**

CHAPTER – 9

- Q1. Explain meaning of infrastructure and give its classification.**
- Q2. Explain Relevance/Importance of Infrastructure.**
- Q3. Explain the state of infrastructure in India.**
- Q4. Infrastructure contributes to the economic development of a country. Do you Agree? Explain.**
- Q5. Define health and explain health infrastructure of India.**
- Q6. Write a note on Private Sector Health Infrastructure.**
- Q7. Explain Indian Systems of Medicine (ISM).**
- Q8. Compare indicators of Health in India in comparison with other countries.**
- Q9. Explain Urban-Rural and Poor –Rich Divide in context of medical infrastructure.**
- Q10. Write a note on Women's health in India.**

CHAPTER – 10

- Q1. Explain similarities between India, Pakistan and China in their developmental strategies.**
- Q2. Explain historical path of developmental policies in China.**
- Q3. Explain historical path of developmental policies in Pakistan.**
- Q4. Compare Demographic indicators of India, China and Pakistan.**
- Q5. Compare Gross Domestic Product (GDP) and its growth in India, China and Pakistan.**
- Q6. Explain sector wise contribution to GDP and distribution of workforce in India, China and Pakistan.**

Q7. Compare human development indicators of India, China and Pakistan.

Q8. Write a note on Liberty indicators.

Q9. Explain structural reforms of China in 1978.

Q10. Explain structural reforms of Pakistan.

MACRO ECONOMICS

UNIT – 1

Q1. Differentiate between intermediate goods and final goods.

Q2. Explain the problem of double counting using example.

Q3. Differentiate between Stock and Flow.

Q4. What is Domestic territory? Write its scope.

Q5. Who is a normal resident?

Q6. Explain the flow of income in a two sector economy.

Q7. Write 5 precautions while calculating national income using income method.

Q8. Differentiate between Real Income (National Income at constant prices) and Nominal Income (National

Income at current prices).

Q9. Which is a better indicator of economic development of a nation? Real income or nominal income.

Explain using an example.

Q10. Explain any 4 limitations of using GNP as an indicator of economic welfare.

UNIT - 2

Q1. Define money supply?

Q2. Which of the following is not a part of M1 measure of money supply?

(a) Currency (b) Demand Deposits

(c) Time Deposits (d) Other deposits

Q3. Which of the following is not a function of Central Bank?

(a) Banker to Banks (b) Lender to the public

(c) Issuer of currency (d) Government's Bank

OR

What is the value of LRR if 100cr initial deposits create 400cr of total deposits?

Q4. How will lowering of margin requirements affect the availability of credit?

Q5. Read the given headlines and answer the questions that follow.

‘RBI announces rate cuts, industry cheers and market rises’.

(a) What rates are being referred to?

(b) Why is industry happy?

Q6. How will the following changes by the central bank affect the money supply in the economy?

(a) Rise in margin requirements from 20% to 30%.

(b) Buying of government bonds.

Q7. Money supply is controlled by central bank but created by commercial banks.

Q8. How does the Central Bank act as ‘Banker’s Bank’?

OR

How does the central Bank act as a ‘Governments Bank’?

Q9. Explain the process of money multiplier using initial deposits of 500cr and LRR as 10%.

Q10. State true or false (with reasons)

(a) Debit and Credit cards are almost identical.

(b) Bank Rate and Repo Rate are one and the same thing.

(c) Commercial banks serve as a conduit in the economy.

(d) Reverse Repo Rate is reduced during inflation.

(e) More the LRR, more the money supply.

(f) To reduce the flow of credit central bank purchases government securities

UNIT – 3

Q1. Write 4 components of Aggregate demand

Q2. Write the consumption function.

Q3. Write the saving function.

Q4. Write the formula of calculating APC and MPC.

Q5. Write the formula of calculating APS and MPS.

Q6. Write the relationship between APC and APS.

Q7. Write the relationship between MPC and MPS.

Q8. Write the saving function if $C = 100 + 0.8y$

Q9. Using the given equation answer the following questions:

$$C = 80 + 0.7y$$

a) Value of autonomous consumption b)

c) Value of MPS d) Value of Investment Multiplier

Q10. What is voluntary unemployment?

UNIT – 4

Q1. Define Government Budget.

Q2. Explain the following objectives of the Govt. Budget

- (a) Redistribution of income and wealth (b) Reallocation of Resources**
- (c) Economic stability (d) Economic Growth**

Q3. Differentiate between

- (a) Revenue Receipts and Capital Receipts**
- (b) Revenue Expenditure and Capital Expenditure**
- (c) Direct taxes and indirect taxes**

Q4. Give the meaning of Revenue Fiscal and Primary deficits.

Q5. Explain the Components of Capital receipts of government budget.

Q6. Explain the main components of Revenue Receipts of Govt. Budget.

Q7. Explain the main components of capital expenditure of the govt budget

Q8. State true or false with reasons.

- (a) Govt. budget is prepared for 2 years**
- (b) Through changes in its expenditure and revenue policy, Govt. can control excess and deficient demands.**
- (c) Earning profit is one of the main objective of Govt. Budget**
- (d) Disinvestment is a debt creating capital Receipts**
- (e) Interest received by Government on its investments is a capital receipt**
- (f) Fiscal Deficit is always Inflationary**
- (g) Countries like India must have a surplus budget.**
- (h) There can be no Capital Deficit without Revenue deficit.**

Q9. Classify the following as direct or indirect taxes (with reasons)

- (a) Central GST (b) Wealth Tax**
- (c) Sales Tax (d) Gift Tax**
- (e) Excise Duty (f) VAT**
- (g) Income Tax (h) Custom Duty**
- (i) Corporate Tax (j) Import Duty**

Q10. Classify the following as Revenue/Capital Receipts or Revenue/Capital Expenditure giving

reasons.

- (1) Proceeds from sale of shares of NTPC.
- (2) Borrowings from Asian Development Bank
- (3) Expenditure on construction of Sardar Sarovar Dam.
- (4) Subsidies
- (5) Corporate tax received

UNIT – 5

Q1. Classify the following as sources of demand or supply of Foreign Exchange.

- (a) Import of Chinese goods
- (b) Export of diamonds to Japan
- (c) Remittances to abroad
- (d) Investments abroad by HDFC bank
- (e) Tourists from Russia Visiting Goa
- (f) Indian Tourists going to Thailand

Q2. Will the following be recorded in credit side or debit side of Bop a/c. Also mention the type of

account in which they will be recorded?

- (a) Export of petroleum products to Vietnam.
- (b) Borrowing from UK government
- (c) Export of Banking Services to Sri Lanka
- (d) FDI by South Korean companies into India
- (e) Import of oil from Saudi Arabia
- (f) Remittances from abroad
- (g) Tourists from Europe
- (h) Sale of shares of an Indian firm to an MNC

Q3. State true or false with reasons

(a) Current Account deficit is seen when value of export of goods is less than value of imports of

goods

- (b) Autonomous items are known as 'below the line items'
- (c) Deficit in Current Account also means deficit in Capital Account
- (d) Export of garments to Germany will be recorded in the debit side of current A/c.
- (e) Accommodating items take place only in capital account

- (f) Depreciation is the term used under fixed exchange rate system.**
- (g) Demand for domestic goods and Domestic demand for goods are the same**
- (h) Loans to Nepal government is a part of Current A/c of Bop.**
- (i) An increase in the demand for Foreign goods leads to currency appreciation.**
- (j) Official reserve transactions are more relevant under fixed exchange rate system.**

Q4. How will depreciation of domestic currency affect

- (a) the exports of the country**
- (b) Imports of the country**
- (c) National Income of the country**
- (d) Investments to and from abroad**

Q5. Differentiate between

- (a) Depreciation and Appreciation of Currency**
- (b) Current A/c and Capital A/c of Bop**
- (c) Autonomous items and Accommodating items.**
- (d) Balance of Trade and Balance of Payment**

Q6. Explain the components of current A/c of BoP

Q7. Explain the components of Capital a/c of BoP

Q8. "Oil Prices reach all time high" Analyse the given headlines and bring out its impact on current

A/c of India's BoP A/c.

Q9. Using diagram show depreciation of domestic currency

Q10. Using diagram show appreciation of domestic currency