

**BCM SCHOOL, BASANT AVENUE,
DUGRI ROAD, LUDHIANA**

XII ECONOMICS

DECEMBER ASSIGNMENT (2024-25)

Q.5 Read the following statements carefully and choose the correct alternative: (1 mark)

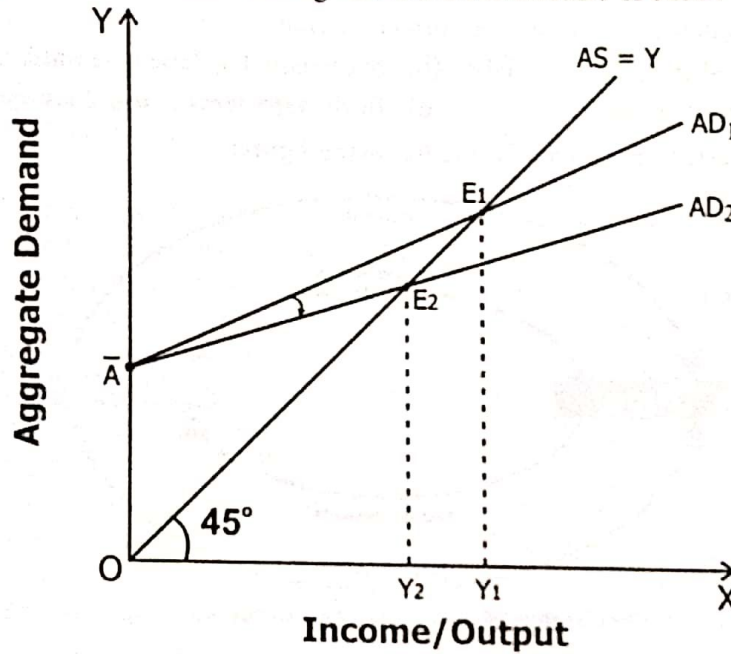
Statement I: Ex-ante aggregate supply is equal to ex-ante aggregate demand only when the final goods market, and hence the economy, is in equilibrium.

Statement II: Ex-post value of total output is always equal to the ex-post aggregate expenditure in the economy.

- (a) Both the statements are true. (b) Both the statements are false.
 (c) Statement I is true, Statement II is false. (d) Statement II is true, Statement I is false.

OR

What causes the Aggregate Demand Curve swing downwards from AD₁ to AD₂?



- (a) Increase in MPC (b) Decrease in MPC
 (c) Increase in MPS (d) Decrease in MPS

Q.6 Read the following statements carefully and choose the correct alternative : (1 mark)

Statement 1: Fiscal deficit is always greater than primary deficit.

Statement 2: Fiscal deficit indicates borrowing requirements of the government.

- (a) Both the statements are true.
 (b) Both the statements are false.
 (c) Statement 1 is false, but statement 2 is true.
 (d) Statement 2 is false, but statement 1 is true.

Q.7 The Government of India has decided to vaccinate the adult population of India (with Covaxin/Covishield), without any charge. This would be categorized as _____ (1 mark)

- (a) revenue nature income (b) capital nature expenditure
 (c) revenue nature expenditure (d) capital nature income

Q.8 Look at the following data of a given country. (1 mark)

No.	Items	Value (in Million US Dollars)
1.	Exports (of goods)	150
2.	Imports (of goods)	200
3.	Net Invisibles	20

Which of the following is INCORRECT?

- (a) Balance of trade is unfavourable for the country.
 (b) Balance of payment cannot be determined by the data.
 (c) There is a Current Account Deficit of 30 million US Dollars.
 (d) There is a Capital Account Surplus of 50 million US Dollars.

OR

In a hypothetical economy, the following data is given :

S. No.	Items	Amount (in ₹ crores)
(i)	Merchandise Exports	100
(ii)	Merchandise Imports	90
(iii)	Tourism	70
(iv)	Net Remittances from abroad	(-) 20

The value of Balance on Current Account would be _____ crores.

- (a) ₹100 (b) ₹70
(c) ₹80 (d) ₹60

Q.9 Identify which of the following is not an example of 'invisible item' under Current Account of the Balance of Payments transactions: (1 mark)

- (a) Air and sea transport
(b) Postal and courier services
(c) Education-related travel
(d) Merchandise linked transactions

Q.10 Two friends Mira and Sindhu were discussing the exchange rate systems. (1 mark)

'Under this system, the exchange rates are determined by the market forces of demand and supply. However, deliberate efforts are made by the competent authority to keep the exchange rates within a specific range'.

The above-mentioned statement was given by Sindhu, identify the type of exchange rate system was she talking about?

- (a) Fixed Exchange Rate
(b) Floating Exchange Rate
(c) Managed Floating Exchange Rate
(d) Managed Fixed Exchange Rate

Q.11 Discuss briefly the working process of investment multiplier (K), assuming that Change in Investment (DI) is ₹ 4,000 crore and Marginal Propensity to Consume (MPC) is 0.5. (3 marks)

OR

'Investment multiplier and Marginal Propensity to Save are indirectly related to each other.'

Explain with the help of numerical example.

Q.12 Read the following News Report and answer the following questions on the basis of the same: (3 marks)

India's trade deficit with China dips to \$48.66 billion in 2021-22. In 2020-21, Exports to China in the last financial year stood at \$ 18.9 billion, and the trade deficit stood at \$ 53.56 billion. Chinese FDI has dipped to \$163.78 million in 2021-22 from \$229 million in the previous fiscal.

- (i) "India's trade deficit with China dips to \$ 48.66 billion in 2021-22." What has caused this?
(ii) How much was the Imports of goods from China in 2020-21?
(iii) "Chinese FDI has dipped to \$163.78 million in 2021-22 from \$ 229 million in the previous fiscal. What will be its impact on BOP position of India?"

Q.13 (a) Distinguish between Voluntary unemployment and Involuntary unemployment. (2 marks)

(b) In a hypothetical economy, when savings are zero, it is given that:

- (i) the level of Income = ₹100 crore, and
(ii) autonomous Consumption (i) = ₹ 40 crore

Calculate the value of Marginal Propensity to Consume (MPC) in the economy. (2 marks)

Q.14 If planned savings and planned investments are not equal in an economy, explain the likely impact on output and employment. (4 marks)

Q.15 Given the following data estimate the values of (i) Revenue Deficit, and (ii) Fiscal Deficit:

(4 marks)

	Particulars	Amount (₹ in crore)
(i)	Tax Revenue	1,000
(ii)	Non-Tax Revenue	150
(iii)	Net Borrowings by Government	780
(iv)	Disinvestments Proceeds	50
(v)	Revenue Expenditure	1,500
(vi)	Capital Expenditure	480

OR

Explain 'Reallocation of resources' objective of Government Budget.

Q.16 Estimate the missing values (?), if the value of Gross Domestic Product at factor cost (GDP_{FC}) by Expenditure Method and Income Method is ₹ 370 crore:

(6 marks)

S.No.	Items	Amount (in ₹ crore)
(i)	Compensation of Employees	175
(ii)	Private Final Consumption Expenditure	210
(iii)	Employers' Contribution to Social Security Schemes	50
(iv)	Net Indirect Taxes	20
(v)	Net Exports	(-) 20
(vi)	Government Final Consumption Expenditure	?
(vii)	Operating Surplus	?
(viii)	Gross Domestic Fixed Capital Formation	70
(ix)	Mixed Income of Self-employed	40
(x)	Change in Stock	60
(xi)	Consumption of Fixed Capital	70

Q.17 Explain the following functions of money in the economy:

- (a) Medium of exchange (b) Unit of account (c) Store of value

(6 marks)

OR

What is Money Multiplier? Explain its role in determining credit creation power of banks with the help of a numerical example.

SECTION B – INDIAN ECONOMIC DEVELOPMENT

Q.18 Identify the correct statement from the following:

(1 mark)

- (a) 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.
- (b) Effective trade policies of commodity production, trade and tariff pursued by the colonial government favorably affected the structure, composition and volume of India's foreign trade.
- (c) Liberal policies of commodity production, trade and tariff pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade.
- (d) Restrictive policies of commodity production, trade and tariff pursued by the colonial government favorably affected the structure, composition and volume of India's foreign trade.

Q.19 Arrange the following event in the correct chronological order:

(1 mark)

- The year of great divide
- Establishment of Tata Iron and Steel Company (TISCO)
- Introduction of Railways in India by the British
- Opening of Suez Canal

Alternatives:

- (a) iv, ii, i, iii
 (b) i, iv, iii, ii
 (c) ii, iii, iv, i
 (d) iii, iv, ii, i

OR

Read the following statements carefully and choose the correct alternative:

Statement 1: The introduction of railways in India in 1850 fostered the commercialisation of India agriculture and the volume of India's exports expanded.

Statement 2: Along with the development of roads and railways, the colonial dispensation also took measures for developing the inland trade and sea lanes. And, these measures were highly satisfactory.

- (a) Both the statements are true. (b) Both the statements are false.
 (c) Statement 1 is true, but statement 2 is false. (d) Statement 2 is true, but statement 1 is false

Q.20 Select Indicators of Development in Education and Health Sectors

(1 mark)

Particulars		1951	1981	1991	2001	2016-17
Real Per Capita Income (in ₹)		7,651	12,174	15,748	23,095	77,659
Crude Death Rate (Per 1,000 Population)		25.1	12.5	9.8	8.1	6.3
Infant Mortality Rate		146	110	80	63	33
Life Expectancy at Birth (in Years)	Female	37.2	54.1	59.7	63.9	67
	Male	36.2	54.7	60.9	66.9	70
Literacy Rate (%)		16.67	43.57	52.21	65.20	76

On the basis of the above-mentioned information answer the following question:

The Real Per Capita Income of India (as per the given data) has increased by _____ (approximately) between 1951 and 2016-17.

- (a) 915 % (b) 1015 %
 (c) 815 % (d) 715 %

Q.21 Distribution of Outstanding Loan of Cultivator Households (Rural)%

(1 mark)

S.No.	Credit Agency	1971	2002
(i)	Government	7.1	1.7
(ii)	Co-operative Societies/Banks	22	30.2
(iii)	Commercial Banks	2.4	26.3
(iv)	Traders	8.4	2.6
(v)	Relatives and Friends	13.1	6.2

Sources: NSS 48th Round, Report No.420, NSS 59th Round, Report No.501

Which Institutional Agency (As given in the above table) has shown the maximum increase in the share of outstanding loan to cultivators?

- (a) Relatives & Friends
 (b) Commercial banks
 (c) Co-operative Banks
 (d) Traders

Q.22 Read the following statements-Assertion (A) and Reason (R), and select the correct alternative:

(1 mark)

Assertion (A): The yields from organic farming are more than modern agricultural farming.

Reason (R): The yields from organic farming are less than modern agricultural farming in the initial years.

- (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 but 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.

Q.23 Read the following statements carefully and choose the correct alternative:

Statement-I: In recent years, the growth of employment has decelerated.

Statement-II: Disguised unemployment is a common form of unemployment in rural India.

- (a) Both the statements are true. (b) Both the statements are false.
(c) Statement-I is true, Statement-II is false. (d) Statement-II is true, Statement-I is false.

Q.24 The CPCB (Central Pollution Control Board) has identified _____ categories of industries (large and medium scale) as significantly polluting. (1 mark)

- (a) 15 (b) 16
(c) 17 (d) 18

OR

The use of _____ as fuel in public transport system may reduce air pollution.

- (a) LPG (b) CNG
(c) Water (d) Electricity

Q.25 Read the following statements carefully and choose the correct alternative: (1 mark)

Statement-I: Renewable resources are those which can be used without the possibility of the resource becoming depleted or exhausted.

Statement-II: Carrying capacity means the ability of the environment to absorb degradation.

- (a) Both the statements are true. (b) Both the statements are false.
(c) Statement-I is true, Statement-II is false. (d) Statement-II is true, Statement-I is false.

Q.26 Which of the following countries adopted 'One Child Policy' as a measure to control population? (1 mark)

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

OR

Great Proletarian Cultural Revolution was introduced under the leadership of _____.

- (a) Mao Zedong (b) J. L. Nehru
(c) M.K. Gandhi (d) M.A. Jinnah

Q.27 Identify the correct pair by matching the respective events of China in Column I with the year of occurrence in Column II: (1 mark)

Column I	Column II
(A) Introduction of economic reforms in China	(i) 1949
(B) Establishment of People's Republic of China	(ii) 1953
(C) China announced its first five year plan	(iii) 1978
(D) Great Leap Forward campaign initiated in China	(iv) 1958

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

Q.28 Mention some obstacles that hinder the mechanism of agricultural marketing. (3 marks)

OR

Explain the role of micro-credit programmers in meeting the credit requirements of the poor.

Q.29 State and discuss any two environmental concerns faced by India in the present times. (3 marks)

Q.30 Discuss briefly, the rationale behind 'growth with equity' or 'equity with growth' as planning objectives for Indian Economy. (4 marks)

OR

Though public sector is very essential for industries, many public sector undertakings incur huge losses and are a drain on the economy's resources. Discuss the usefulness of public sector undertakings in the light of this fact.

Q.31 Explain the key features of The National Education Policy 2020. (4 marks)

Q.32 'In recent times the Indian Economy has experienced the problem of Casualisation of the workforce. This problem has only been aggravated by the outbreak of COVID-19.' Do you agree with the given statement? Discuss any two disadvantages of casualisation of the workforce in the light of the above statement. (4 marks)

- Q.33 (a) State and discuss any two reasons for the poor performance of industrial sector in the reforms period. (2 marks)
(b) Discuss briefly any two major step taken by Government of India on 'Financial Sector' front under the Economic Reforms of 1991. (2 marks)
(c) "India is often called as 'outsourcing hub' of the world." State and discuss the prime reasons for this name given to India. (2 marks)

OR

Why were economic reforms introduced in India in 1991? Explain (6 marks)

- Q.34 CASE STUDY: Read the following text carefully and answer the questions that follow:

SINO-PAK FRIENDSHIP CORRIDOR

The China-Pakistan Economic Corridor (CPEC) has deepened the decades-long strategic relationship between the two nations. But it has also sparked criticism for burdening Pakistan with mountains of debt and allowing China to use its debt decades debt-trap diplomacy to gain access to strategic assets of Pakistan.

The foundations of CPEC, part of China's Belt and Road Initiative, were laid in May 2013. At the time, Pakistan was reeling under weak economic growth. China committed to play an integral role in supporting Pakistan's economy.

Pakistan and China have a strategic relationship that goes back decades. Pakistan turned to China at a time when it needed a rapid increase in external financing to meet critical investments in hard infrastructure, particularly power plants and highways. CPEC's early harvest projects met this need, leading to a dramatic increase in Pakistan's power generation capacity, bringing an end to supply-side constraints that had made rolling blackouts a regular occurrence across the country.

Pakistan leaned into CPEC, leveraging Chinese financing and technical assistance in an attempt to end power shortages that had paralyzed its country's economy. Years later, China's influence in Pakistan has increased at an unimaginable pace.

China As Pakistan's Largest Bilateral Creditor: China's ability to exert influence on Pakistan's economy has grown substantially in recent years, mainly due to the fact that Beijing is now Islamabad's largest creditor. According to documents released by Pakistan's finance ministry, Pakistan's total public and publicly guaranteed external debt stood at \$44.35 billion in June 2013, just 9.3 percent of which was owed to China. By April 2021, this external debt had ballooned to \$90.12 billion, with Pakistan owing 27.4 percent — \$24.7 billion — of its total external debt to China, according to the International Monetary Fund (IMF).

Additionally, China provided financial and technical expertise to help Pakistan build its road infrastructure, expanding north-south connectivity to improve the efficiency of moving goods from Karachi all the way to Gilgit-Baltistan (POK).

These investments were critical in better integrating the country's ports, especially Karachi, with urban centers in Punjab and Khyber- Pakhtunkhwa provinces.

Despite power asymmetries between China and Pakistan, the latter still has tremendous agency in determining its own policies, even if such policies come at the expense of the long-term socio-economic welfare of Pakistani citizens.

(<https://www.usip.org/publications/2021/05/pakistans-growing-problem-its-china-economic-corridor> - Modified)

- (a) Outline and discuss any two economic advantages of China Pakistan Economic Corridor (CPEC) accruing to the economy of Pakistan. (3 marks)
(b) Analyse the implication of bilateral 'debt-trap' situation of Pakistan vis-à-vis the Chinese Economy. (3 marks)