

SAMPLE QUESTION PAPER
ECONOMICS (030)
Class XII (TERM II) 2021-22

MM: 40

Time: 2 Hours

General Instructions:

- This is a Subjective Question Paper containing 13 questions.
- This paper contains 5 questions of 2 marks each, 5 questions of 3 marks each and 3 questions of 5 marks each.
- 2 marks questions are Short Answer Type Questions and are to be answered in 30-50 words.
- 3 marks questions are Short Answer Type Questions and are to be answered in 50-80 words.
- 5 marks questions are Long Answer Type Questions and are to be answered in 80-120 words.
- This question paper contains Case/Source Based Questions.

Q.No.	QUESTIONS	MARKS
1	Distinguish between Final Goods and Intermediate Goods. <div style="text-align: center;">Or</div> Distinguish between positive externalities and negative externalities.	2 2
2	Calculate equilibrium level of income for a hypothetical economy, for which it is given that: a) Autonomous Investments = ₹ 500 crores, and b) Consumption function, $C = 100 + 0.80Y$ <div style="text-align: center;">Or</div> Calculate Change in Income (ΔY) for a hypothetical economy. Given that: a) Marginal Propensity to Consume (MPC) = 0.8, and b) Change in Investment (ΔI) = ₹1,000 crores	2 2
3	‘As the income increases, people tend to save more’. Justify the given statement.	2
4	State and discuss any two indicators that help in measuring the health status of a country. <div style="text-align: center;">Or</div> Compare and analyze the ‘Women Worker Population Ratio’ in Rural and Urban areas based on following information:	2

**Worker-Population Ratio in India,
2017-2018**

Sex	Worker-Population Ratio		
	Total	Rural	Urban
Men	52.1	51.7	53.0
Women	16.5	17.5	14.2
Total	34.7	35.0	33.9

- | | | |
|---|--|---|
| 5 | ‘Investment in infrastructure contributes to the economic development of a country.’
Justify the given statement with a valid argument. | 2 |
|---|--|---|

6 Giving valid reasons explain which of the following will not be included in estimation of National Income of India?

- a) Purchase of shares of X. Ltd. by an investor in the National Stock Exchange.
- b) Salaries paid by the French Embassy, New Delhi to the local workers of the housekeeping department.
- c) Compensation paid by the Government of India to the victims of floods.

3

Or

Estimate the value of Nominal Gross Domestic Product for a hypothetical economy, the value of Real Gross Domestic Product and Price Index are given as ₹500 crores and 125 respectively.

3

7 Study the following information and compare the Economies of India and Singapore on the grounds of ‘Investment in infrastructure as a percentage of GDP’

Some Infrastructure in India and other Countries, 2018

Country	Investment* in Infrastructure as a % GDP	Percentage of people using safely managed		Mobile Subscribers/100 People	Consumption of energy (ml. tonnes of oil equivalent)
		Drinking Water Sources	Sanitation Services		
China	44	96	72	115	3274
Hong Kong	22	100	92	259	31
India	30	94	40	87	809
South Korea	31	98	100	130	301
Pakistan	16	35	64	73	85
Singapore	28	100	100	146	88
Indonesia	34	87	61	120	186

Sources: World Development Indicators 2019, World Bank website: www.worldbank.org.; BP Statistical Review of World Energy 2019, 69th Edition.

Note: (*) refers to Gross Capital Formation.

3

Read the following text carefully and answer question number 8 and 9 given below:

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-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 socioeconomic welfare of Pakistani citizens.

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

- | | | |
|-----------|---|----------|
| 8 | Outline and discuss any two economic advantages of China Pakistan Economic Corridor (CPEC) accruing to the economy of Pakistan. | 3 |
| 9 | Analyse the implication of bilateral ‘debt-trap’ situation of Pakistan vis-à-vis the Chinese Economy. | 3 |
| 10 | Explain how ‘Non-Monetary Exchanges’ impact the use of Gross Domestic Product as an index of economic welfare. | 3 |

11 'Monetary measures offer a valid solution to the problem of Inflationary gap in an economy'. 5
State and discuss any two monetary measures to justify the given statement.

12 a) From the following data calculate the value of Domestic Income: 3

S.No.	ITEMS	Amount (in ₹ Crores)
i)	Compensation of Employees	2,000
ii)	Rent and Interest	800
iii)	Indirect Taxes	120
iv)	Corporate Tax	460
v)	Consumption of Fixed Capital	100
vi)	Subsidies	20
vii)	Dividend	940
viii)	Undistributed Profits	300
ix)	Net Factor Income from Abroad	150
x)	Mixed Income of Self Employed	200

b) Distinguish between 'Value of Output' and 'Value Added'. 2

Or

a) Given the following data, find Net Value Added at Factor Cost by Sambhav (a farmer) producing Wheat:

	Items	(₹ in crore)
i)	Sale of wheat by the farmer in the local market	6800
ii)	Purchase of Tractor	5000
iii)	Procurement of wheat by the Government from the farmer	200
iv)	Consumption of wheat by the farming family during the Year	50
v)	Expenditure on the maintenance of existing capital stock	100
vi)	Subsidy	20

b) State any two components of 'Net Factor Income from Abroad'.

13 a) 'Pesticides are chemical compounds designed to kill pests. Many pesticides can also pose health risks to people even if exposed to nominal quantities.' 2

In the light of the above statement, suggest any two traditional methods for replacement of the chemical pesticides.

b) '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.' 3

Do you agree with the given statement? Discuss any two disadvantages of casualisation of the workforce in the light of the above statement.