JB Academy, Ayodhya
Half-Yearly Paper (2025-26)
CLASS- XII, ECONOMICS(030)

TIME: 3 HOURS **M.M.–80**

GENERALINSTRUCTIONS:

(i) **All questions are compulsory.**
(ii) **Question No. 1-10 & 18-27 are very short-answer questions carrying 1 mark each. They are required to be answered in one sentence.**
(iii) **Question No. 11-12 & 28-29 are short-answer questions carrying 3 marks each. Answers to them should not normally exceed 80 words each.**
(iv) **Question No. 13-15 & 30-32 are short-answer questions carrying 4 marks each. Answers to them should not normally exceed 100 words each.**
(v) **Question No. 16-17 & 33-34 are long-answer questions carrying 6 marks each. Answers to them should not normally exceed 150 words each.**
(vi) **Word limit does not apply to numerical/ definition-based question.**

PART-A (MACRO ECONOMICS)

1. For a closed economy, which one of the following is correct? (1)

(a) GDP = GNP (c) GDP > GNP
(b) GDP < GNP (d) GDP + GNP = 0

2. The value of all goods and services can be expressed in monetary units. On the basis of the given statement, identify the function performed by money: (1)

(a) Medium of exchange (c) Unit of account
(b) Store of Value (d) Standard of deferred payments

3. If in an economy, the value of NIFA IS Rs.200 Cr. and the value of Factor income to abroad is Rs. 40 cr. identify the value of FIFA. (1)

(a) Rs.200 Cr. (c) Rs. 240 Cr.
(b) Rs.160 Cr. (d) Rs.180 Cr.

4. Present Governor of RBI .... (1)
5. From which date will the new GST Slabs be implemented in 2025? (1)
6. Government budget is an important Monetary Policy instrument. (True/ False with reason) (1)
7. Whose signature appears on the One Rupee note in India? (1)

INSTRUCTIONS FOR QUESTION NO. 8 TO 10

In the following Questions, Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative among those given below:

(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 and 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.

8. Assertion: Subsidy is a transfer Payment. (1)
Reason: Subsidy contributes to current flow of goods and services.
9. Assertion: Intermediate goods have direct demand. (1)
Reason: The demand for intermediate goods depends on demand for final goods.
10. Assertion: Real flow is also known as Nominal flow. (1)
Reason: Real flow involves flow of goods and services between firms and households.

11. Explain the Economic stability objective of Government Budget. (3)

12. Differentiate between Fiat and fiduciary money. (3)

OR

How is currency issued in India?

13. Explain the Standard of deferred payment function of money. How has it solved the related problem created by Barter system? (4)

14. (a) Do Disinvestment & loan proceeds from abroad constitute revenue receipts of the government? (2)

(b) Define the following terms- (i) Balanced budget (ii) Deficit Budget (2)

15. Define the following terms- (4)

(a) Micro-Macro Paradox

(b) Green GNP

(c) Domestic Territory

(d) Externalities

OR

National Income includes income earned by factor of productions, within the domestic territory only. Defend or refute the given statement with valid reasons. (4)

16. Calculate GDP at MP by Income method and National Income by Expenditure method. (6)

Particulars		**Rs. In crores**
(i)	Emoluments of employees	13,000
(ii)	Indirect Taxes	3700
(iii)	Gross fixed capital formation	8100
(iv)	Interest, rent and profit	5000
(v)	Government final consumption expenditure	3600
(vi)	Mixed income of self- employed	16,000
(vii)	Change in stock	1000
(viii)	Imports of goods and services	1800
(ix)	Exports of goods and services	1700
(x)	Private final consumption expenditure	27,000
(xi)	Subsidies	300
(xii)	Net Factor income from abroad	(-) 250
(xiii)	Consumption of fixed capital	2200

17. (a) Explain the meaning of operating surplus in National Income. State its various components in detail. (4)

(c) If the GDP at Current Year prices is ₹12,000 crore and GDP at Base Year prices is ₹10,000 crore, calculate the GDP Deflator. (2)

OR

Many goods and services which may contribute welfare, but are not included in estimation of Gross domestic product (GDP). Do you agree with the given statement? Give any four valid reasons in support of your answer. (6)

PART-B - (INDIAN ECONOMIC DEVELOPMENT)

18. Globalization is opposed by developed countries because: (1)

A. It causes unemployment in their own countries

B. It results in outflow of funds

C. It increases their foreign exchange reserves

D. Both A and B

19. When was the Planning Commission set up in India? (1)

20. Which organization succeeded GATT? (1)

21. From which year were quantitative restrictions on imports of manufactured consumer goods and agricultural products removed in India? (1)

22. Structural composition refers to: (1)

a). Number of people engaged in training
b). Number of people engaged in different sectors
c). Number of people engaged in territory sectors
d). Number of people facing unemployment

23. Who is considered the architect of Indian Economic Planning? (1)

OR

Who is the Chairman of NITI Ayog?

24. Arrange the following events in India before independence in chronological order: (1)

a) Opening of Suez Canal
b) Introduction of Railways
c) Second stage of demographic transition
d) Incorporation of Tata Iron and Steel Company

INSTRUCTIONS FOR QUESTION NO. 25 TO 27 (3)

In the following Questions, read the following statements: Assertion (A) and Reason (R).
Choose the correct alternative among those given below:

(a) Both Assertion (A) & Reason (R) are True & Reason (R) is the correct explanation of Assertion (A).
(b) Both Assertion (A) and Reason (R) are True and 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.

25. Assertion (A): Import substitution prevents the drain of foreign exchange reserves.
Reason (R): import substitution promotes the production of goods within the country.

26. Assertion (A): During the colonial rule, India's exports exceeded imports, which resulted in a surplus in the balance of trade.
Reason (R): Trade surplus was used for the development of Indian economy.

27. Assertion (A): Import substitution prevents the drain of foreign exchange reserves.
Reason (R): Import substitution promotes the production of goods within the country)

28. The economic crisis of 1991 compelled India to seek external financial assistance of about $7 billion. Identify the international institutions that provided this help and also mention the major condition they imposed on India. (3)

29. What is meant by privatization? Explain any two ways in which privatization can be done. (3)

OR

What are the two measures introduced under the New Economic Policy of July 1991?

30. British rule adversely affected the industrial sector of India. Do you agree with this view? Justify your answer with suitable reasons. (4)

OR

Discuss the adverse effects of the partition of India on the agricultural sector.

31. The objectives of growth, modernization and self-reliance may not improve the quality of life until and unless the fourth objective of Five-Year Plans is achieved. Identify and explain this fourth objective. (4)

32. The demographic conditions during the British rule exhibited all features of a backward Indian economy. Do you agree? Justify your answer with suitable reasons. (4)

33. The Green Revolution transformed India from a subsistence food grain economy to a food surplus economy. Justify this statement by giving suitable reasons in support of your answer. (6)

OR

Land reforms were considered a crucial step for strengthening the agricultural sector in India after Independence. Explain the major measures of land reforms and evaluate their effectiveness.

34. Case Study: Trade and Foreign Investment Reforms in India after 1991
Read the passage carefully and answer the following questions: (6)

In 1991, India faced a severe balance of payments crisis, with foreign exchange reserves barely enough to cover two weeks of imports. To overcome this, the Indian government introduced a series of economic reforms under the New Economic Policy. The reforms aimed at liberalization, privatization and globalization (LPG).

One major aspect was trade reforms. Quantitative restrictions on imports were removed, import duties were rationalized and export promotion schemes were introduced to encourage competitiveness. These measures integrated India more closely with the global economy.

Another significant change was the encouragement of foreign investment. Foreign Direct Investment (FDI) and Foreign Institutional Investment (FII) were allowed in several sectors, which brought in capital, modern technology and managerial expertise. Multinational corporations started investing in India, especially in sectors like automobiles, IT and pharmaceuticals.

These reforms not only increased India's foreign exchange reserves but also modernized its industrial and service sectors. However, challenges such as increased competition for domestic industries and dependence on foreign capital remained concerns.

a) What was the main reason behind India introducing trade and foreign investment reforms in 1991?
b) Mention any two trade reforms implemented in India after 1991 and explain their purpose.
c) How did foreign investment contribute to India's economic development after 1991?
d) State one positive and one negative impact of these reforms on domestic industries.

**Best Wishes **