

Total number of printed pages : 2

2020/XII/ECO

**2020**  
**ECONOMICS**

Total marks : 90

Time : 3 hours

**General instructions:**

- i) Approximately 15 minutes is allotted to read the question paper and revise the answers.*
  - ii) The question paper consists of 31 questions.*
  - iii) Marks are indicated against each question.*
  - iv) Answers to questions carrying 1 mark should not exceed one sentence.*
  - v) Answers to questions carrying 2 marks should not exceed 50 words.*
  - vi) Answers to questions carrying 4 marks should not exceed 80 words.*
  - vii) Answers to questions carrying 6 marks should not exceed 120 words.*
  - viii) Answers to questions carrying 8 marks should not exceed 200 words.*
- N.B: Check that all pages of the question paper is complete as indicated on the top left side.***

1. Define macroeconomics. 1
2. What is meant by aggregate demand? 1
3. What is full employment? 1
4. Write the meaning of high powered money. 1
5. What is a Government budget? 1
6. Who regulates the monetary policy? 1
7. Define infrastructure. 1
8. Write the meaning of planning. 1
9. What is economic growth? 1
10. Define inflation. 1
11. Name four phases of business cycle. 2
12. Distinguish between final goods and intermediate goods. 2
13. Distinguish between factor income and transfer income. 2
14. Mention the four measures introduced in 1991 to reform the industrial sector in India. 2
15. State any four achievements of economic planning. 2

16. Explain the difference between national income at current prices and national income at constant prices. 4
17. Explain the types of transfer payments. 4
18. What is Average Propensity to Save? State any three features of Average Propensity to Save. 1+3= 4
19. State any four challenges faced by the Indian economy on the eve of Independence. 4
20. State the four importance of co-operative societies. 4
21. Explain any four features of economic planning. 1+3=4

Answer any **three** from questions 22 – 26. **3x6=18**

22. Explain the circular flow of income in a two sector economy with the help of a diagram.
23. Explain the steps involved in estimating national income by product/ value added method.
24. Explain any three functions of commercial banks.
25. Explain any three measures of contractionary fiscal policy.
26. Explain any three components of capital receipts.

Answer any **two** from questions 27 – 29. **2x6=12**

27. Explain any three merits and three demerits of liberalisation.
28. Make a comparison between India and China on the basis of FDI.
29. Compare India and China by population below poverty line.
30. **a.** How is equilibrium achieved through  $S = I$  approach. 8  
**Or**  
**b.** Explain consumption function. How is Consumption Curve derived from Saving Curve? (2+6)
31. **a.** Explain the causes of poverty in India. 8  
**Or**  
**b.** Explain the challenges in the formation of human capital in India.

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