



# Brain International School

Vikas Puri, New Delhi

## REVISION SHEET

**SUBJECT: ECONOMICS**

**CLASS-XII**

**TERM 1**

### INDIAN ECONOMIC DEVELOPMENT

#### Unit : Indian Economy

Q1. During India's first seven five-year plans, the Government of India adopted..... policy to protect domestic industries.

Q2. First Industrial policy resolution of Independent India was announced in the year \_\_\_\_.

- a) 1947
- b) 1948
- c) 1951
- d) 1956

Q3. State any one positive contribution made by the British in India.

Q4. Indicate the solution and direction of foreign goods of India at the time of Independence.

Q5. Which of the following is not the feature of economic policies pursued under economic planning of India till 1991?

- a) Import substitution.
- b) Self Reliance
- c) Unrestricted flow of foreign capital.
- d) Land reforms

Q6. "Despite being the main occupation of about 85% of the country's population during British rule, agricultural sector continued to experience stagnation".

Briefly explain any two reasons responsible for the backwardness of Indian agriculture and the eve of independence.

Q7. Distinguish between 'Green revolution and Golden revolution'. Read the following statements:

Assertion (A) and reason (R) choose the correct alternatives given below:

Assertion (A): The excessive regulation of permit Raj prevented certain private firms from becoming fairly competitive.

Reason (R): Private sector wasted huge amount in obtaining licences rather than on improving the product quality and international competitiveness.

Alternatives:

(A) Both Assertion (A) and Reason (R) are true and Reason is the correct explanation of

Assertion (A)

(B) Both Assertion (A) and Reason(R) are true but Reason 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 trueQ8. Elaborate the reasons owing to which the private sector was regulated under the Industrial Policy Resolution 1956.

Q9. State the importance of growth with equity as object of Indian economic planning.

### Unit: Economic Reforms

Q1. .... And.....currency notes of old Mahatma Gandhi series were band as legal tender money on 8thNovember, 2016.

- (a) Rs. 50 and Rs. 100 (b) Rs. 500 and Rs. 1000  
(c) Rs. 500 and Rs. 2000 (d) Rs. 500 and Rs. 200

Q2. India has become a preferred outsourcing destination because of .....

- (i) Availability of unskilled labour  
(ii) Quality of IT services  
(iii) Availability of skilled labour alternatives:  
(a) only (i). (b) (i) and (ii).  
(c) only (ii) (d). (ii) and (iii)

Q3. ....was the predecessor organisation to World Trade organisation (WTO).

- (a)International Bank for reconstruction and development (IBRD)  
(b) International monetary fund ( IMF)  
(c) Reserve Bank of India (RBI)  
(d) General agreement on tariff and trade (GATT)

Q4. Read the following statements: Assertion (A) and Reason (R), Choose the correct alternative given below:

Assertion (A): Goods and Services Tax (GST) was implemented by the Government of India on 8th November, 2016.

Reason (R): GST was introduced to implement a unified indirect tax system in India.

Alternatives:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of the Assertion (A).  
(b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the Assertion (A).  
(c) Assertion (A) is true, but Reason (R) is false.  
(d) Assertion (A) is false, but Reason (R) is true.

Q5. Choose appropriate word and fill in the blank:

1. ....is one of the taxes eliminated after implementation of Goods and Services Tax (GST).  
2. World Trade Organisation (WTO) was established in 1995, as a successor organization to.....

Q6. Read the following statements carefully. Write True or False with a reason .

1. World Bank is also known as International Bank for Registration and Delimitation (IBRD).  
2. GATT was established in 1923 with 48 member countries.

Q7. Case -Study based Questions



Read the following text carefully and answer the given questions on the basis of the same and common understanding:

The stabilisation and structural adjustment measures, initiated under the 1991 “Economic Reforms” mark a watershed moment in India’s economic policies. For almost three decades since independence, India’s development strategy and economic policies were guided by the objectives of accelerating the growth of output and employment with social justice and equity.

Ever since the 1970's, it was realised that many of the regulations on economic activities have outlived their usefulness and were in fact hampering economic growth and development. In response to this, the government initiated some milder liberalisation reforms for almost a decade since the early 1980's.

However, the Indian economy soon had to face the Gulf crisis and consequently:

- (i) The uncertainties about the oil prices;
- (ii) The external payment problems;
- (iii) The serious inflationary pressures;
- (iv) The scarcities of essential commodities;
- (v) The deterioration of fiscal discipline, etc.

These led to the Indian economy on the verge of economic crisis. In response to this emerging crisis, the government initiated a set of stabilisation and structural reforms like:

- (i) Reduction in fiscal deficit;
- (ii) Containment of growth in money supply;
- (iii) An exchange rate adjustment system, etc.

The key objective of stabilisation policy was to bring the growth of aggregate demand in line with long-term growth path of the economy.

In conjunction, the structural adjustment measures like; (i) industrial delicensing (ii) liberalisation of policy regime measuring international trade (iii) deregulation of financial sector

Were taken to improve the supply side of the economy. This shifted the long-term growth path of the economy itself completely. (Adapted and modified)

1. Briefly outline any two reasons for the initiation of economic reforms in 1991.
2. Government introduced a set of stabilisations and structural reforms to solve the economic crisis. State the key initiatives and objectives of these policies adopted by the Government of India.

Q8. ‘Agriculture sector has been adversely affected by the economic reform process.’ Comment

### **Chapter: Human Capital formation**

Q1. The stock of skill and expertise of a nation at a point of time is called:

- (a) Human development (b) Human capital (c) Financial Capital (d) Human resource

Q2. The Right to Education Act makes education accessible to which of the following age groups?

- (a) 6-10 years (b) 0-14 years (c) 6-14 years (d) 10-14 years

Q3. Identify the correct statement in context of human capital.

- (a) A human capital is intangible in nature
- (b) human capital is perfectly mobile
- (c) human capital is inseparable from its owner
- (d) human capital cannot be sold like a commodity in the market

Q4. Ms. Raman Preet has started a new business venture. She intends to spend huge amount towards on-the-job

training of her workers before putting them to work. It exhibits the right step in the direction of human capital formation. Spot which of the following does not directly contribute to the process of human capital formation by MS Raman Preet?

(a) Ads skill and expertise (b) improves efficiency (c) ensure gender equality (d)increases output productivity

Q5. In India which of the following institutions regulate the health sector?

(a) NCERT (UGC ) (c) ICMR (d) AIIMS

Q6. Benefits of physical capital accrues only to private entities where as human capital provides private as well as.....benefits.

(a) Profitable (b)Social (c) fiscal (d)Monitory

Q7.Statement 1: On-the-job training helps to bridge a gap between theoretical concepts and practical experiences.

Statement 2: On-the-job training updates the employees, with the latest changes in their work field.

In the light of the given statements, choose the correct alternative:

- (a) Statement 1 is true and statement 2 is false
- (b) Statement 1 is false and statement 2 is true
- (c) Both statements 1 and 2 are true
- (d) Both statements 1 and 2 are false

Q8.Examine the role of education in the economic development of a nation. (OR) "Education plays a significant role in economic development'. Discuss.

Q9. Bring out the need for on-the-job-training for an Employee quiring good education and attaining good health.

### **Chapter: Rural Development**

Q1. Which of the following is not an objective of Regulated Agricultural Market ?

- (i) To discourage improvement of marketing infrastructure for farmers
- (ii) To make marketing systems efficient and effective for farmers to get best price their products
- (iii) To discourage farmers to improve the quality and quantity of their produce

Q2. Production of varied forms of crops against one specialised crop is called diversification of ..... (Choose correct option)

- (i) Sectoral occupation
- (ii) Employment structure
- (iii) Crops
- (iv) Industrial production

Q3. Micro Credit programmes play a vital role in ensuring an overall development of the rural economy as they

..... (Choose the correct alternative)

- (i) Provide financial support
- (ii) Lead to women empowerment
- (iii) Enhance the reach of formal credit system
- (iv) All the above



Q4. .... revolution was the harbinger of major changes in the credit system as it led to diversification of the portfolio of rural credit towards production oriented lending. (choose the correct alternative)

(i) White , (ii) Silver , (iii) Blue , (iv) Green

Q5. .... a process which includes all the activities from sowing till the sale of the final product in the market (Choose the correct alternative)

(i) Rural Development , (ii) Agricultural diversification,  
(iii) Organic farming, (iv) Agricultural Marketing

Q6. .... have emerged as an important micro finance system and led to women empowerment. (choose the correct alternative)

(i) NABARD ,(ii) Self help group ,  
(ii) Commercial Banks , (iv) Land development Banks

Q7. Mention any one advantage of Organic farming.

Q8. Critically evaluate the role of rural banking system in the process of rural development in India.

Q9. “Recently GOI has taken numerous steps towards increasing farmer’s income through agricultural diversification “ . In the light of above statement, explain any two advantages of diversification in agriculture.

Q10. “The Prime Minister urged to increase the rural income by increasing non-farm activities.”

Q11. Explain how non-farm activities can lead to rise in income of people in rural sector.

## **Chapter: Employment**

Q1. “Google in India has hired 4000 graduate students.” The given statement deals with formal sector/informal sector employment.

Q2. In which of the following type of unemployment, is the marginal productivity of the worker zero? (Choose the correct alternative)

(A) Structural unemployment  
(B) Involuntary unemployment  
(C) Seasonal unemployment  
(D) Disguised unemployment

Q3. State the meaning of ‘Worker Population Ratio’.

Q4. “Skill India” programme launched by the Government is not an attempt to increase \_\_\_\_\_ in India. (Choose the correct alternative to fill up the blank:

(a) human capital formation  
(b) efficient utilisation of inputs  
(c) increase in GDP growth  
(d) inadequate spread of vocational education

Q5. Workers who are on the permanent pay-roll of their employer are called \_\_\_\_\_ workers.  
(Choose the correct alternative to fill up the blank)

- (a) self-employed
- (b) casual
- (c) regular
- (d) hired

## **INTRODUCTORY MACRO ECONOMICS**

### **Unit: Basic concepts of macro economics**

Q1. Give any two examples of flow concept.

Q2. Define the problem of double counting in the computation of national income.

Q3. “Gross Domestic Product (GDP) does not give us a clear indication of economic Welfare of a country.”  
Defend or refute the given statement with valid reason.

Q4. State whether the following statement is true or false:  
“Expected obsolescence is included in depreciation.”

Q5. The difference between National Income at market price and National Income at factor cost is \_\_\_\_\_.  
(Choose the correct alternative to fill up the blank)

- (a) Net indirect taxes
- (b) Net factor income from abroad
- (c) Consumption of fixed capital
- (d) Market price

Q6. Read the following statements carefully:

Statement 1: Economic territory and political frontier of a nation is one and the same thing.

Statement 2: American Embassy in India is a part of the economic territory of India.

In the light of the given statements, choose the correct alternative from the following:

- (A) Statement 1 is true and statement 2 is false.
- (B) Statement 1 is false and statement 2 is true.
- (C) Both statements 1 and 2 are true.
- (D) Both statements 1 and 2 are false.

Q7. (a) On the basis of the given data, estimate the value of National Income:

S.No.	Items	Amount (in crore)
(i)	Government Final Consumption Expenditure	110
(ii)	Private Final Consumption Expenditure	200
(iii)	Gross Domestic Fixed Capital Formation	30
(iv)	Net Exports	(-)40
(v)	Increase in Stock	20
(vi)	Consumption of Fixed Capital	15



(vii) Indirect Taxes	60
(viii) Subsidies	15
(ix) Net Factor Income from Abroad	(-) 40

Q8. From the following data, calculate Net Value Added at factor Cost:

S.no.	Contents	Rs. (in crore)
i	Net factor income from abroad	30
ii	Sales	3500
iii	Purchase of intermediate goods	2000
iv	Consumption of fixed capital	500
v	Exports	400
vi	Indirect taxes	350
vii	Change in stock	50

Q9. Calculate from the following data, Net National Product at Market Price by (a) Income Method and (b) Expenditure Method

S.No. Particulars Rs. in crore

- (i) Compensation of Employees 1180
- (ii) Mixed income of self employed 820
- (iii) Gross fixed capital formation 400
- (iv) Consumption of fixed capital 20
- (v) Employers' contribution to social security scheme 110
- (vi) Operating surplus 9500
- (vii) Net capital formation 420
- (viii) Exports 20
- (ix) Imports 50
- (x) Indirect taxes 150
- (xi) Subsidies 30
- (xii) Private final consumption expenditure 2,200
- (xiii) Government final consumption expenditure 610
- (xiv) Purchase by non-residential households in the domestic market 60
- (xv) Net factor income to abroad 100.

Q10. Briefly explain the precautions to be taken while calculating national income by expenditure method. Explain the ways through which double counting can be avoided in calculation of National Income?

### Unit: Money and Banking

Q1.State any two components of M1measure of money supply.

Q2.Elaborate any two instruments of Credit Control, as exercised by the Reserve Bank of India.

Q3.In order to control the money supply in the economy, the Central Bank may \_\_\_\_\_.

(Choose the correct alternative)

- (A) Buy securities in the open market
- (B) Sell securities in the open market
- (C) Reduce cash reserve ratio
- (D) Reduce repo rate

Q4. Using a hypothetical numerical example explain the credit creation process by commercial Bank

Q5. Read the following statements carefully:

Statement 1: Primary deposits are the cash deposits by general public with commercial banks.

Statement 2: Secondary deposits are those deposits which arise on account of credit provided by the commercial banks to the people.

In light of the given statements, choose the correct alternative from the Following:

- (a) Statement 1 is true and Statement 2 is false.
- (b) Statement 1 is false and Statement 2 is true.
- (c) Both Statements 1 and 2 are true.
- (d) Both Statements 1 and 2 are false.

Q6. The rate at which commercial banks borrow from the Reserve Bank of India to meet their long term requirements is known as \_\_\_\_\_. (Choose the correct alternative to fill up the blank)

- (a) Margin requirement
- (b) Bank rate
- (c) Repo rate
- (d) Reverse repo rate

### **Unit: Income determination and employment**

Q1. According to the theory of Keynesian Economics, the value of Average Propensity to Consume can never be \_\_\_\_\_. (Choose the correct alternative)

- (A) zero
- (B) unity (1)
- (C) more than one
- (D) less than one

Q2. State whether the following statement is true or false:

“As per Keynesian theory in an economy, full employment can never exist.”

Q3. Justify the following statement, with valid reason.

“Ex-ante Aggregate Demand is always equal to Ex-ante Aggregate Supply.”

Q4. In an economy, if initial investments are increased by < 100 crores, discuss the working of investment multiplier presuming marginal propensity to consume is 0.8.

Q5. State; whether the following statement is true or false:

“Involuntary unemployment was the outcome of lockdown in India.”

Q6 Private consumption expenditure is directly related to \_\_\_\_\_ (income/savings) of the households.

(Fill in the blank by choosing the correct alternative)

Q7. In an economy, investment increases by < 1,000 crore and marginal propensity to save is 0.25. Calculate:

- (i) Investment multiplier (K)
- (ii) Total increase in income (Y)

Q8. Define: (a) Autonomous Consumption Expenditure

(b) Average Propensity to Consume

Q9. Calculate equilibrium level of income for a hypothetical economy for which it is given that

- i) Autonomous investment= rupees 2500 crore
- ii) Consumption function  $C=1000 + 0.8 Y$



Q10. Using a hypothetical example, elaborate the working of investment multiplier in an economy.

Q11. 'India has been dealing with the problem of deficient demand since the imposition of lock down in March 2020.'

Q12. State and discuss any two monetary policy measures to combat the situation of deficient demand in India.

Q13.. Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative given below:

Assertion (A) : Before reaching the Break-Even level of income, the value of Average Propensity to Consume (APC) is greater than one.

Reason (R): The Average Propensity to Consume (APC) is the ratio of the total consumption and total income.

Alternatives:

(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 and Reason (R) is false.

(d) Assertion (A) is false and Reason (R) is true.

Q14. "With the objective to correct deflation reserve Bank of India may decrease Repo rate. Discuss the rationale behind the steps taken by the reserve Bank of India (RBI).