Brain International School
Vikas Puri, New Delhi

ASSIGNMENT NO. 4

SUBJECT: ECONOMICS **CLASS-XII** **OCTOBER,2025**

MACROECONOMICS

CH GOVERNMENT BUDGET

1. Explain the concept of fiscal deficit. How is it calculated?
2. Differentiate between direct taxes and indirect taxes with examples.
3. What are the three main objectives of a government budget?
4. What is the difference between revenue deficit and fiscal deficit?
5. State two measures to reduce the fiscal deficit in India.
6. Why is public expenditure on education and health considered a social investment?
7. What is the significance of the primary deficit? How is it different from fiscal deficit?
8. Explain the concept of a balanced, surplus, and deficit budget. Which one is better for a developing country like India and why?

CH FOREIGN EXCHANGE

1. Differentiate between fixed exchange rate and flexible exchange rate.
2. What are the main sources of demand for foreign exchange?
3. What are the main sources of supply of foreign exchange?
4. How does an increase in imports affect the demand for foreign exchange?
5. What is the effect of depreciation of the domestic currency on exports?
6. What is managed floating exchange rate system? How is it different from pure floating?
7. Explain how foreign exchange rate is determined under a flexible exchange rate system. Use a diagram.
8. What is meant by appreciation of domestic currency? What may cause it?

CH BOP

1. Distinguish between current account and capital account of BOP. Give two examples of each.
2. Is import of machinery recorded in the current account or capital account? Why?
3. What does a deficit in the current account of BOP indicate?
4. What is the impact of a rise in foreign investment in India on the capital account of BOP?
5. What is meant by autonomous items in BOP? Why are they called autonomous?

6. Define accommodating transactions in the context of BOP. How do they differ from autonomous transactions?
7. When is the BOP said to be in equilibrium?

CH COMPARATIVE DEVELOPMENT EXPERIENCES

1. Mention one economic strength and one economic challenge for China.
2. Compare India and Pakistan in terms of literacy rate and infant mortality rate.
3. What do you understand by the 'One Child Policy' of China? What was its impact on economic development?
4. Which country started economic reforms first: India, China, or Pakistan? Mention the year of reform.
5. Why is human development considered better in China compared to India and Pakistan?
6. State any two lessons India can learn from the development experiences of China.

CH SUSTAINABLE DEVELOPMENT

1. Explain the difference between economic development and sustainable development.
2. What are renewable and non-renewable resources? Give two examples of each.
3. Why is it important to conserve natural resources?
4. What role does education play in promoting sustainable development?
5. Explain how poverty is linked to environmental degradation.
6. What is meant by ‘carbon footprint’? How can it be reduced?
7. Discuss any two government initiatives aimed at promoting sustainable development in India.
8. How can individuals contribute to sustainable development? Mention any three actions.