

**CBSE**  
**Class XII Economics**  
**Sample Paper - 3 (Updated 2019-20)**

**Time: 3 hrs**

**Max. Marks: 80**

**General Instructions:**

- i. **All** questions in both sections are **compulsory**.
- ii. Marks for questions are indicated against each question.
- iii. Question Nos. **1–10** and **18–27** are objective-type questions/MCQ carrying **1** mark each. They are required to be answered in one word or one sentence.
- v. Question Nos. **11–12** and **28–29** are short answer questions carrying **3** marks each. Answers to them should normally not exceed **60–80** words each.
- vi. Question Nos. **13–15** and **30–32** are also short answer questions carrying **4** marks each. Answers to them should normally not exceed **80–100** words each.
- vii. Question Nos. **16–17** and **33–34** are long answer questions carrying **6** marks each. Answers to them should normally not exceed **100–150** words each.
- viii. Answers should be brief and to the point, and the above word limits should be adhered to as far as possible.

**Section A (Macroeconomics)**

Q. No.	Question	Marks
1	Which of the following is true in the context of circular flow of a simple economy? (Choose the correct alternative) a) Goods and services bought and sold in the product market. b) Goods and services bought and sold in the factor market. c) Goods and services bought and sold in the money market. d) Goods and services bought and sold in the foreign exchange market.  OR Define flow variable. State an example.	1
2	Define Bank Rate.	1
3	_____ refers to that portion of total deposits of a commercial bank which it has to keep with itself in the form of liquid assets. (Fill in the blank with the correct answer)	1
4	State the two sources of revenue receipts.	1
5	Depreciation of domestic currency leads to a rise in _____. (Fill in the blank with the correct answer)	1
6	Which of the following deficits in government budget indicates the total borrowing requirements of the government: (Choose the correct alternative) a. Revenue deficit b. Fiscal deficit	1

	c. Primary deficit d. None of these																					
7	<b>State whether the following statement is True or False.</b> Export of machinery is recorded on the credit side of the capital account.	1																				
8	When planned saving is less than planned investment, <b>(Choose the correct alternative)</b> a) National income is likely to fall b) There will be no change in national income c) National income is likely to rise d) None of these	1																				
9	Why can the value of APC never be zero?	1																				
10	In an economy, the break-even point and the equilibrium point may lie at the same level of income, if ex-ante investments are _____. <b>(Fill in the blank with the correct answer)</b>	1																				
11	Calculate the value of national income from the following information: Autonomous consumption = Rs 150 crore Marginal propensity to consume = 0.80 Investment = Rs 60 crore	3																				
12	Elaborate on any two components of aggregate demand.  <b>OR</b> Give the difference between average propensity to consume and marginal propensity to consume with a numerical example.	3																				
13	What is meant by government budget? Explain how the government budget helps in bringing economic stability and growth.  <b>OR</b> Explain the following: a) Revenue deficit b) Fiscal deficit	4																				
14	Explain the 'Banker to the government' function of the central bank.	4																				
15	Briefly discuss the transactions recorded in the current account of the Balance of Payments.	4																				
16	Calculate national income from the following information: <table><tr><th>Particulars</th><th>In Rs crore</th></tr><tr><td>i. Gross domestic fixed capital formation</td><td>100</td></tr><tr><td>ii. Net domestic fixed capital formation</td><td>50</td></tr><tr><td>iii. Net indirect taxes</td><td>10</td></tr><tr><td>iv. Net imports</td><td>-10</td></tr><tr><td>v. Change in stock</td><td>20</td></tr><tr><td>vi. Private final consumption expenditure</td><td>500</td></tr><tr><td>vii. Net factor income from abroad</td><td>15</td></tr><tr><td>viii. Government final consumption expenditure</td><td>300</td></tr><tr><td>ix. Net current transfers from abroad</td><td>10</td></tr></table>	Particulars	In Rs crore	i. Gross domestic fixed capital formation	100	ii. Net domestic fixed capital formation	50	iii. Net indirect taxes	10	iv. Net imports	-10	v. Change in stock	20	vi. Private final consumption expenditure	500	vii. Net factor income from abroad	15	viii. Government final consumption expenditure	300	ix. Net current transfers from abroad	10	6
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17	<p>Explain national income equilibrium through the aggregate demand and aggregate supply approach by using a diagram.</p> <p style="text-align: center;"><b>OR</b></p> <p>Explain the deficient demand which takes place in an economy when AD and AS is not in equilibrium.</p>	6												
	<b>Section B (Indian Economic Development)</b>													
18	<p>Which of the following two countries adopted the Mixed Economic System? <b>(Choose the correct alternative)</b></p> <p>a) India and China b) China and Pakistan c) India and Pakistan d) None of these</p>	1												
19	<p>State any two functions performed by the environment.</p> <p style="text-align: center;"><b>OR</b></p> <p>The government set up the Central Pollution Control Board to control <b>(Choose the correct alternative)</b></p> <p>a) Water pollution b) Air pollution c) Deforestation d) Noise</p>	1												
20	<p><b>State whether the following statement is true or false.</b></p> <p>Unemployment which occurs in certain seasons of the year is known as disguised unemployment.</p>	1												
21	<p>In terms of sectoral contribution to GDP (2016) in Pakistan and India, the major contribution is from the _____ sector.</p> <p>a) Primary b) Secondary c) Tertiary d) Secondary and tertiary</p>	1												
22	<p>What do the differences in male and female literacy rates indicate?</p>	1												
23	<p><b>From the given statements given in Column I and Column II, match the correct pair of statements.</b></p> <table><tr><th>Column I</th><th>Column II</th></tr><tr><td>a) Transient poor</td><td>1) Pradhan Mantri Jan-Dhan Yojana</td></tr><tr><td>b) 2004</td><td>2) Public Distribution System</td></tr><tr><td>c) Organisation collects data on poverty</td><td>3) Churning poor</td></tr><tr><td>d) A programme to improve food and nutritional level of the poor</td><td>4) NSSO</td></tr><tr><td>e) 2014</td><td>5) NFWP was launched</td></tr></table>	Column I	Column II	a) Transient poor	1) Pradhan Mantri Jan-Dhan Yojana	b) 2004	2) Public Distribution System	c) Organisation collects data on poverty	3) Churning poor	d) A programme to improve food and nutritional level of the poor	4) NSSO	e) 2014	5) NFWP was launched	1
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24	In _____, the Karve Committee noted the possibility of using small-scale industries for promoting rural development. <b>(Choose the correct alternative)</b> a) 1944 b) 1951 c) 1955 d) 1953	1												
25	Define the following: a) Outsourcing b) Import substitution	1												
26	Under the capitalist economy, activities are controlled and operated by <b>(Choose the correct alternative)</b> a) Public sector b) Private sector c) Both (a) and (b) d) Neither (a) nor (b)	1												
27	<b>From the statements given in Column I and Column II, match the correct pair of statements.</b> <table><tr><th>Column I</th><th>Column II</th></tr><tr><td>a) 1853</td><td>1) Start of the first Five Year Plan</td></tr><tr><td>b) 1921</td><td>2) New Economic Policy</td></tr><tr><td>c) 1881</td><td>3) First official census</td></tr><tr><td>d) 1951</td><td>4) Second stage of demographic transition</td></tr><tr><td>e) 1991</td><td>5) Railway first operated</td></tr></table>	Column I	Column II	a) 1853	1) Start of the first Five Year Plan	b) 1921	2) New Economic Policy	c) 1881	3) First official census	d) 1951	4) Second stage of demographic transition	e) 1991	5) Railway first operated	1
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28	In accordance with the definition of sustainable development, discuss the role of the present generation in promoting development without putting risks on the future generation. <b>OR</b> Extraction is greater than the rate of regeneration of environmental resources leading to supply-demand reversal. Justify.	3												
29	Explain the role of micro credit in meeting the credit requirement of the poor.	3												
30	Explain the main causes of India's agricultural stagnation during the colonial period.	4												
31	Explain the performance of India, China and Pakistan in areas of human development using relevant data/figures.	4												
32	Explain in brief the basic goals of India's development which serve as guiding principles of Indian planning. <b>OR</b> Which year was considered the defining year to mark the demographic transition from the first to the second decisive stage? Give reason.	4												

33	<p>'Health is an important component of social infrastructure'. State the effects of infrastructure on health.</p> <p style="text-align: center;"><b>OR</b></p> <p>Discuss the state of infrastructure in India and its future prospects.</p>	6
34	<p>Answer the following questions:</p> <p>a) What are the ways to reduce transmission and distribution losses? b) Discuss in brief the 'Case of Delhi' in power distribution.</p>	6