



विद्या सर्वार्थ साधिका

ANANDALAYA
PERIODIC TEST – 1
Class : XII

Subject : Economics
Date : 15-07-2022

M.M: 40
Time: 2 Hours

General Instructions:

1. Please check that this question paper contains 16 questions.
2. All the questions are compulsory.
3. Marks for questions are indicated against each question.
4. One mark questions are required to be answered in one sentence each.
5. Three marks questions should be answered in about 60 words each.
6. Four marks questions should be answered in about 70 words each.
7. Six marks questions should be answered in about 100 words each.

1. Ms. Deepika, an economics teacher, was explaining the concept of 'minimum percentage of the total deposits to be kept by any commercial bank with the Central Bank of the country, as per norms prevailing in the country'.
From the following, choose the correct alternative which specifies towards the concept explained by her?
(A) Cash Reserve Ratio (B) Repo Rate
(C) Bank Rate (D) Statutory Liquidity Ratio
2. Prior to India's independence, the stagnation in the agricultural sector was mainly caused by _____. (1)
(A) investment in technology (B) investment in agriculture facilities
(C) advanced infrastructural facilities (D) Zamindari system
3. Supply of money refers to _____. (1)
(A) currency held by the commercial banks
(B) currency held by Reserve Bank of India (RBI)
(C) currency held by the public and demand deposits with commercial banks
(D) currency held in the government account
4. Before the advent of Green Revolution in 1960's, India was primarily dependent on _____ for the supply of food grains. (1)
(A) Britain (United Kingdom) (B) United States of America (USA)
(C) Mexico (D) Union of Soviet Socialist Republics (USSR)
5. Identify which of the following bank does not interact directly with the general public? (1)
(A) Bank of India (B) State Bank of India
(C) Central Bank of India (D) Reserve Bank of India
6. Demand Deposits include _____ and _____. (1)
i. Saving account deposits ii. Fixed deposits
iii. Current Account Deposits iv. Post Office Savings
(A) i and ii (B) ii and iii (C) i and iii (D) i and iv
7. If Legal Reserve Ratio is 20%, the value of money multiplier would be _____. (1)
(A) 2 (B) 3 (C) 4 (D) 5

8. Read the following statements - Assertion and Reason. Choose one of the correct alternatives given below: (1)
- Assertion:** India became an exporter of primary products and an importer of finished consumer and capital goods produced in Britain.
- Reason:** Restrictive policies of commodity production, trade and tariff pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade.
- Alternatives:
- (A) Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
(B) Both Assertion and Reason are true and Reason is not the correct explanation of Assertion.
(C) Assertion is true but Reason is false.
(D) Assertion is false but Reason is true.
9. "Central Bank acts as the banker to the government." Elaborate the given statement. (3)
10. Define the following terms: (3)
- (A) Land Ceiling (B) Import Substitution (C) Quotas
11. Explain the 'store of value' function of money. How has it solved the related problem created by barter system? (3)
12. "There was huge 'Drain of wealth' during the British Rule." Comment. (3)
13. Discuss briefly the rationale behind choosing 'Self-reliance' as a planning objective for the Indian Economy. (4)
14. Comment upon the two salient features of occupational structure of India on the Eve of Independence. (4)
15. (A) "Subsidies put a huge burden on the government's finances, but they are necessary for marginal farmers." In the light of the above statement mention any two arguments in favour of subsidies. (2)
- (B) 'While the nation had immensely benefited from the Green Revolution, the technology involved was not free from risks.' Briefly discuss the risks involved under green revolution. Also state any two steps taken by the government to overcome these risks. (4)
16. Elaborate any two instruments by which Reserve Bank of India can regulate money supply. (6)