

INDIAN SCHOOL SOHAR UNIT TEST 1 (2023 – 2024) ECONOMICS (030) [SET1]

STD: - XII MAX MARKS: - 20 Date: - 24/05/ 2023 TIME: 45 Min

General Instructions: -

1. All questions are compulsory.

2. There is no overall choice in the question paper. However, an internal choice has been provided in one question of 3 marks, and one question of 6 marks.

1. Read the following statements and choose the correct alternative from those given below:

[1]

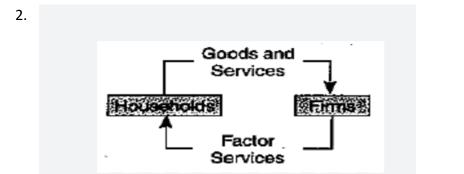
[1]

ASSERTION (A): Money supply includes money held by all the financial institutions.

REASONING (R): Money supply held by the government does not come into circulation.

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, and Reason (R) 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 true.



Based on the above diagram, choose the correct alternative to be filled in the given blank.

A. Money flow

B. Real flow

C. Both A and B

None of the above

3. Read the following statements dialogue between Parul and Mito.

[1]

Parul: I wish to move to Singapore. What do I do with my house?

Mito: I can give you ten antique pieces for it.

Parul: But I do not need antique pieces.

Mito: Then let the house remain where it is.

Which of the following problem is faced by Parul and Mito in their exchange process?

A. Lack of store of value.

B. Lack of medium of exchange

C. Lack of transfer of value.

- D. Lack of standard of deferred payment
- 4. Write the correct sequence of options in Column II by matching then with options of Column I

Column I		Column II		
a.	Gross Domestic Product	I. It is the market value of final goods and service produced		
	at Market Price (GDP_{MP}).	within the domestic territory of a country during a year		
		exclusive of depreciation.		
b.	New factor Income From	II. It is the market value of the final goods and services		
	abroad (NFIA).	produced within the domestic territory of a country during a		
		year inclusive of depreciation.		
c.	Net direct Taxes (NIT)	III. It is defined as the difference between factor income		
		received from abroad and the factor income paid to abroad		
d.	Net Domestic Product at	IV. It is equal to the difference between indirect taxes and		
	market Price (NDP_{MP})	subsidy.		

A. a.(i), b.(ii), c.(iii), d.(iv)

B. a.(ii), b.(iii), c.(iv), d.(i)

C. a.(iii), b.(iv), c.(ii), d.(i)

- D. a.(iii), b.(iv), c.(i), d.(ii)
- 5. Explain the secondary functions of money.

OR

Briefly explain the steps involved in the estimation of national income with the help of value-added method.

- 6. Will the following factor incomes be included in domestic factor income of India? Give reasons for your answer.
 - A. Profits earned by a branch of state bank of India in England.
 - B. Salary of Indian residents working in Russian Embassy in India.
 - C. Compensation of employees to the residents of Japan working in Indian Embassy
- 7. A. Differentiate between national income at constant prices and national income at current prices.
 - B. Explain how 'distributions of gross domestic product' and 'non-monetary exchanges' are limitations as a measure of economic welfare.
- 8. From the following data, calculate Gross National Product at Market price using Income method and Expenditure method.

S.No.	Particulars	In ₹ crores
1.	Government final consumption expenditure	250
2.	Change in stock	65
3.	Net domestic capital formation	150

[3]

[3]

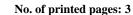
[4]

4.	Interest	90
5.	Profit	210
6.	Corporation tax	50
7.	Rent	100
8.	Factor income from abroad	20
9.	Indirect taxes	55
10.	Factor income to abroad	40
11.	Exports	60
12.	Subsidies	25
13.	Imports	80
14.	Consumption of fixed capital	20
15.	Private final consumption expenditure	500
16.	Compensation of employees	450
17.	Value of rent for free accommodation	40

OR

From the following data, calculate value of output, intermediate consumption and net value added at factor cost.

S.No.	Particulars	In ₹ crores
1.	Purchases of raw material from domestic market	400
2.	Increase in unsold stock	60
3.	Import of raw material	120
4.	Domestic sales	1200
5.	Replacement of fixed capital	50
6.	Power charges	20
7.	Exports	200
8.	Import of machinery	40
9.	Goods and services tax	10
10.	Subsidies	30
11.	Goods used for self-consumption	10





INDIAN SCHOOL SOHAR UNIT TEST 1 (2023 – 2024) ECONOMICS (030) [SET2]

STD: - XII MAX MARKS: - 20 DATE: - 24/05/ 2023 TIME: 45 Min

General Instructions: -

1. All questions are compulsory.

Column I

a. High power money

b. Full bodied money

c. Fiduciary money

d. Bank money

2. There is no overall choice in the question paper. However, an internal choice has been provided in one question of 3 marks, and one question of 6 marks

i. Money which is created through credit creation

ii. Money which is accepted because of mutual trust

iii. Money whose money value and commodity value are equal

1. Write the correct sequence of options in Column II by matching then with options of Column I.

[1]

A. a.(i), b.(ii), c.(iii), d.(iv)

B. a.(ii), b.(iii), c.(iv), d.(i)

Column II

iv. Notes and coins held by the people sand cash reserves of commercial banks

C. a.(iv), b.(iii), c.(ii), d.(i)

D. a.(iii), b.(iv), c.(i), d.(ii)



[1]

Based on the above diagram, choose the correct alternative to be filled in the given blank.

A. Money flow

B. Real flow

C. Both a and b

- D. none of the above
- 3. Suppose in an imaginary economy GDP at Market Price in a particular fiscal year was ₹ 4,000 crores, [1] National Income was ₹ 2,500 crores, Net Factor Income paid by the economy to Rest of the World was ₹ 400 crores and the value of Net Indirect Taxes is ₹ 450 Crores. Estimate the value of consumption of fixed capital for the economy from the given data.
 - A. ₹650 Cr.

B. ₹886 Cr.

C. ₹750 Cr.

D. ₹659 Cr.

- 4. Nisha purchased a house. While valuing her house, her grandmother valued it in terms of buffaloes and [1] carts. What is the problem faced by Nisha in the valuation process?
 - A. Lack of double coincidence of wants
- B. Lack of deferred payment.

C. Lack of store of value.

- D. Lack of common unit of value.
- 5. State any three precautions that must be taken into consideration while estimating National income by value added method.

OR

Define money. Explain the primary functions of money.

- 6. Giving reasons explain how the following are treated in the estimation of national income.
- [3]

[6]

[3]

- A. Expenditure on maintenance of an office building.
- B. Earnings of the shareholders from the sale of shares.
- C. Services rendered by family members to each other
- 7. Define the term double counting. Explain the two ways that can be used to avoid the problem of double [4] counting
- 8. Calculate national income using Income method and Expenditure method.

S.No.	Particulars	In ₹ Crores
1.	Salaries and wages in cash	1997
2.	Transfer payment by government	25
3.	Rent	132
4.	Indirect taxes	200
5.	Subsidies	89
6.	Compensation of workers in kind	95
7.	Depreciation	81
8.	Net increase in factor income from the rest of the world	52
9.	Interest	92
10.	Government expenditure in goods and services	574
11.	Personal expenditure on goods and services	1805
12.	Undistributed profit	10
13.	Mixed income	264
14.	Corporate taxes	26
15.	Dividend	201
16.	Export of goods and services	900
17.	Addition to stock	7

18.	Social security contribution by employer	54
19.	Import of goods	323
20.	Gross fixed capital	100

OR

From the following data, calculate the value of Government final consumption expenditure and mixed income of the self-employed.

S.No.	Particulars	In ₹ Crores
1.	National income	71000
2.	Gross Domestic capital formation	10000
3.	Government final consumption expenditure	X
4.	Mixed income of the self employed	Х
5.	Net factor income from abroad	1000
6.	Net indirect taxes	2000
7.	Profits	1200
8.	Wages and salaries	15000
9.	Net exports	5000
10.	Private final consumption expenditure	40000
11.	Consumption of fixed capital	3000
12.	Operating surplus	30000