



**INDIAN SCHOOL AL WADI AL KABIR  
DEPARTMENT OF COMMERCE  
TERM II SAMPLE PAPER 2021-22**

**ECONOMICS (030) SAMPLE PAPER 2**

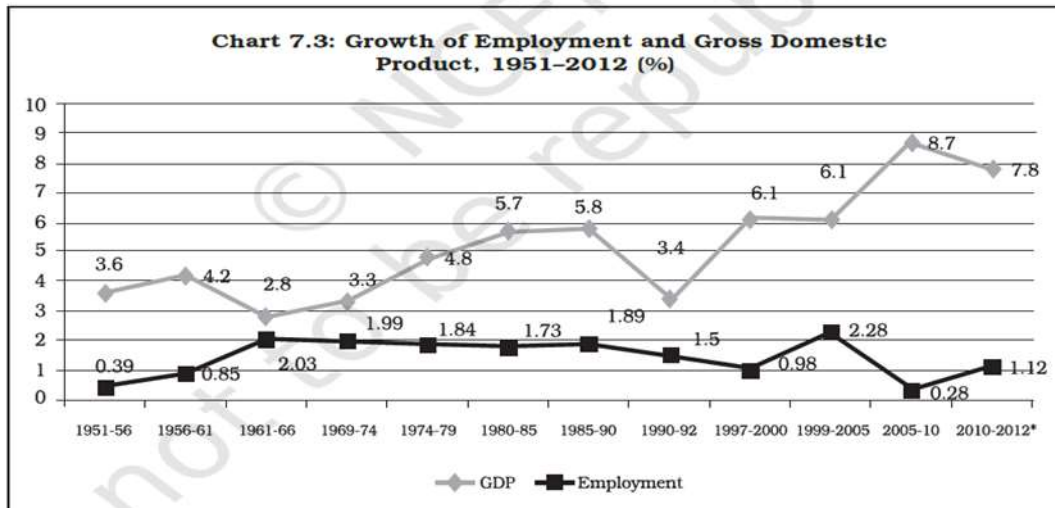
**MM: 40**

**Time: 2 Hours**

**General Instructions:**

- This is a Subjective Question Paper containing 13 questions.
- This paper contains 5 questions of 2 marks each, 5 questions of 3 marks each and 3 questions of 5 marks each.
- 2 marks questions are Short Answer Type Questions and are to be answered in 30-50 words.
- 3 marks questions are Short Answer Type Questions and are to be answered in 50-80 words.
- 5 marks questions are Long Answer Type Questions and are to be answered in 80-120 words.
- This question paper contains Case/Source Based Questions.

Q.No.	QUESTIONS	MARKS
1	Distinguish between Factor income and Transfer Income.	2
	<b>Or</b>	
	Distinguish between depreciation and capital loss.	2
2	Calculate level of income for a hypothetical economy, i. for which Saving will be zero  ii. for which saving is equal to investment. a) Autonomous Investments = ₹ 100 crores, and b) Saving function, $S = -500 + 0.20Y$	2
	<b>Or</b>	
	Calculate Change in Investment ( $\Delta I$ ) and multiplier for a hypothetical economy. Given that: a) Marginal Propensity to Consume (MPC) = 0.9, and b) Change in Income ( $\Delta Y$ ) = ₹5,000 crores	2
3	‘Higher value of the MPC implies higher value of the multiplier.’ Justify the given statement.	2
4	Define infrastructure? How are economic and social infrastructure complementary to each other?	2
	<b>Or</b>	



- a. In the Indian economy, without generating employment, we have been able to produce more goods and services. What do scholars refer to the phenomenon?
- b. what is the process of moving from self-employment and regular salaried employment to casual wage work called?

5. 'A study points out that India has about 17% of the world's population but it bears a frightening 20% of the Global burden of diseases. Comment. 2

6. Giving valid reasons explain which of the following will not be included in estimation of National Income of India? 3

- a) Imputed rent on owner-occupied houses.
- b) Goods produced but retained for self-use.
- c) Free dress provided to nurse by the hospital.

Or

Estimate the value of Nominal Gross Domestic Product for a hypothetical economy, the value of Real Gross Domestic Product and Price Index are given as ₹240 crores and 120 respectively. 3

7. a. Describe the meaning of public health. Discuss the major public health measures undertaken by the state in recent years to control diseases.
- b. How has women's health become a matter of great concern. 3

**Read the following text carefully and answer question number 8 and 9 given below:**

## SECTOR WISE GDP OF INDIA AND CHINA:

### INDIA:

Gross Value Added at current prices for the service sector is estimated at 96.54 lakh crore INR in 2020-21. The service sector accounts for 53.89% of total India's GVA of 179.15 lakh crore Indian rupees. With GVA of Rs 46.44 lakh crore, the Industry sector contributes 25.92%, While Agriculture and allied sector share 20.19%. At 2011-12 prices, the agriculture and allied, industry and service sectors composition are 16.3%, 29.34%, and 54.27%, respectively.

### CHINA:

In 2020-21, the agricultural sector had contributed around 7.7% to the GDP of China, whereas 37.8% of the economic value added had originated from the industry and 54.5% from the service sector, respectively.

#### Trends in Output Growth in Different Sectors, 1980-2015

Country	1980-90			2014-15		
	Agriculture	Industry	Service	Agriculture	Industry	Service
India	3.1	7.4	6.9	3.1	6.9	7.6
China	5.9	10.8	13.5	3.1	5.3	7.1

8. Compare and Contrast India and China's sectoral contribution towards GVA/GDP in 2020-21, what does it indicate? 3
9. Analyse the trends in output growth in different sectors between 1980-2015.
10. GDP has two measures: real and nominal. In your opinion which measure is better? Justify your answer. 3
11. 'Situation of excess demand generates inflationary situation in an economy. Explain the Situation of excess demand and inflationary gap with a diagram. Also explain why such a situation is undesirable in an economy. What will be its effect on output, employment and price level? 5
12. a) From the following data calculate
  - i. Net Value added at market price
  - ii. Show that the net value added at factor cost is equal to the sum of factor incomes. 3

S.No.	ITEMS	Amount (in ₹ Crores)
i)	Purchase of raw materials and other inputs from domestic market	600
ii)	Increase in stocks	200
iii)	Domestic sales	1800
iv)	Import of raw materials	100
v)	Exports	200
vi)	Depreciation	75
vii)	Salaries and wages	600
viii)	Interest	450
ix)	Rent	75
x)	Dividend	150
xi)	Undistributed profits	80
xii)	Corporate profit tax	20
xiii)	Indirect taxes	50

b) Cash transfer of subsidy on LPG raises annual income of the households. Does it mean a rise in domestic income? Justify your answer. 2

**Or**

2

a. Given the following data, find rent.

	Items	Rs in Crores
i	Gross Domestic product at market price	18,000
ii	Mixed income of self employed	7,000
iii.	Subsidies	250
iv.	Interest	800
v	Rent	?
vi.	Profit	975
vii.	Compensation of employees	6000
vii.	Consumption of fixed capital	1000
ix.	Indirect Tax	2000

b. 'Net Factor Income from Abroad can never be negative. Defend or refute the statement with argument. 3

13. a. "HYV is a familiar concept to you. It causes a revolutionary change in agricultural productivity. But, at the same time, it has silently been contributing to the degradation of soil, implying environmental degradation. Give a thought to this paradox and write your suggestion to address it. 2

b. a. There is a mismatch between "GDP growth" and 'employment growth' in India. How do you justify this statement?

b. How do you evaluate "Start-ups" in India as a solution to the problem of unemployment? Write two observations 3