



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

ECONOMICS (030) SAMPLE PAPER 1

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.

Qn. No	QUESTIONS	MARKS
1	Distinguish between Consumption goods and Capital Goods.	2
	Or	
	Distinguish between domestic income and national income.	2
2	Calculate equilibrium level of income for a hypothetical economy, for which it is given that: a. Autonomous Investments = ₹ 60 crores, and b. Consumption function, $C = 40 + 0.75Y$	2
	Or	
	Calculate Change in Income (ΔY) for a hypothetical economy. Given that: a) Marginal Propensity to Consume (MPC) = $2/3$, and b) Change in Investment (ΔI) = ₹300 crores	2
3	'Economists are generally concerned about the rising marginal propensity to save in an economy. Justify the given statement.	2
4	What are health indicators? State various health indicators that help in measuring the health status of the country?	2
	Or	

Analyse the trends in sectoral distribution of workforce (in%) in India on the basis of the following data:

Sector	1972-73	2011-12
Primary	74.3	48.9
Secondary	10.9	24.3
Service	14.8	26.8
Total	100.0	100.0

Source: NCERT,2020-21

5. State giving valid reasons, whether the following statement are true or false: 2
- Infrastructural facilities raises productivity in tertiary sector of the economy.
 - Decline in death rate is a pointer to the growth of social infrastructure in the economy.
6. Giving valid reasons explain which of the following will not be included in estimation of National Income of India? 3
- Salary received by an Indian employee working in the Japanese embassy in India.
 - Profits of a branch of SBI in England.
 - Rent received by a company called Satori in India which is owned by a non-resident.

Or

If the value of Nominal Gross Domestic Product for a hypothetical economy is Rs. 15000 crores and the value of real GDP is Rs. 12,000 crores, find the GDP deflator. 3

7. Table given below shows Public Health Infrastructure in India: 3

Item	1951	1981	2000	2017
Hospitals (Govt)	2,694	6,805	15,888	23,582
Beds (Govt)	1,17,000	5,04,538	7,19,861	7,10,761
Dispensaries	6,600	16,745	23,065	27,698
PHCs	725	9,115	22,842	25,650
Sub-centres	----	84,736	1,37,311	1,56,231
CHCs	----	761	3,043	5,624

(Source: National commission on Macroeconomics and Health , Ministry of Health and Family Welfare , Govt of India, New Delhi)

- Comment on the status of public sector achievements in developing health sector in India,
- What suggestions will you give for improving the role of public sector?

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

China and India are the two Asian giants who are gradually becoming major superpowers of the world economy. The success stories of both the countries are amazing considering the fact that their economic condition even 30 years ago was pitiable. They carried out noticeable structural and economic reforms to fast pace their growth. There are some astonishing similarities among the two countries. They are large countries by geographical measure and the two most populous countries in the world with almost 2.5 billion people. Both the countries possess strong socialist views. They still have lots of government controls, restrictions, rules and regulation for the outsiders to invest and operate business in various sectors of their economy. Corruption, income inequality and political influence are familiar terms for both the economies.

(Rezuanul Hasan, Suborna Barua, Comparative Analysis of the Economic Growth of China and India)

8. a. What is GLF? 3
 b. Define SEZs.
 c. Which model of growth did the Chinese economy adopt?
9. State whether the following statements are true or false with reasons: 3
 a. Commune system of farming in China refers to privatization of enterprise.
 b. GLF was launched in China with a view to achieving integrated rural development
10. GDP is considered as an index of welfare. In this context, what are its limitations with respect to 3
 i. Distribution of GDP
 ii. Rate of population growth.
11. ‘Fiscal measures offer a valid solution to the problem of deflationary gap in an economy’. 5
 State and discuss any two fiscal measures to justify the given statement.
12. a) From the following data calculate the value of 3
 i. National Income by income method
 ii. GDPfc by expenditure method

S. No.	ITEMS	Amount (in ₹ Crores)
i)	Private final consumption expenditure	85
ii)	Net Domestic fixed capital formation	25
iii)	Consumption of fixed capital	2
iv)	Closing stock	10
v)	Opening stock	5
vi)	Government final consumption expenditure	10
vii)	Net export	-(5)
viii)	Wages and salaries	80
ix)	Contribution to social security by employers	10
x)	Operating surplus	20
xi)	Net factor received from abroad	-(5)
xii)	Net Indirect Tax	10

- b) National Income exceeds domestic income only when exports are greater than imports. 2
Comment.

Or

- a) Calculate the value of change in stock. 3

S. No.	Particulars	Amount (in ₹ Crores)
i.	Sales	400
ii.	Net value added at factor cost	200
iii.	Subsidies	10
iv.	Change in Stock	?
v.	Depreciation	40
vi.	Intermediate Consumption	100

- b) Explain circular flow of income in a two-sector economy. 2

13. a. “If the rate of resource extraction exceeds the rate of regeneration, it leads to reduction in carrying capacity of the environment.” 2
Discuss the rationale of the given statement with valid reasons.

- b. “In India, there are about 473 million workers. Only about 6% of the workers are employed in the formal sector and rest 94% are in informal sector.”

- a. What are formal and informal sectors?
b. What does the high percentage of employment in informal sector reflects about the quality of employment in the country. Comment. 3