

UNIT TEST - 4

Class XII

ECONOMICS

Time : 1½ hrs

SET A

Marks : 40

1. Read the following statements carefully and choose the correct option.
Statement 1 : Fiscal deficit is the difference between primary deficit and interest payment.
Statement 2 : Fiscal deficit is the sum total of primary deficit and interest payment. 1
 - a) Statement 1 is true and statement 2 is false.
 - b) Statement 1 is false and statement 2 is true.
 - c) Both statements 1 and 2 are true.
 - d) Both statements 1 and 2 are false

2. Which of the following is a correct measure of primary deficit? 1
 - a) Fiscal deficit minus Revenue deficit
 - b) Revenue deficit minus Interest payments.
 - c) Fiscal deficit minus interest payments
 - d) Capital expenditure minus Revenue expenditure

3. Borrowing is Government budget is 1
 - a) Revenue deficit
 - b) Fiscal deficit
 - c) Primary deficit
 - d) Deficit in taxes

4. Read the following statements carefully and choose the correct option.
Assertion (A) : Fiscal deficit is measured in terms of borrowings.
Reason(R) : External borrowings increases the Fiscal deficit. 1
 - a) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of the Assertion (A).
 - b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the Assertion (A).
 - c) Assertion (A) is true, but Reason (R) is false.
 - d) Assertion (A) is false, but Reason (R) is true.

5. Statement 1 : International prices of crude oil are continuously falling. 1
Statement 2 : India subsidises domestic consumers of petroleum products.
 - a) Statement 1 is true and statement 2 is false.
 - b) Statement 1 is false and statement 2 is true.
 - c) Both statements 1 and 2 are true.
 - d) Both statements 1 and 2 are false

6. State, giving reasons whether the following are Revenue Receipts or Capital Receipts. **3**
- Money earned with selling shares of a Public Sector Enterprise.
 - Money earned through taxes
 - Receipts from the fine imposed on traffic rule breakers
 - Receipts from the fine imposed on traffic rule breakers
7. i) How are tax receipts different from non-tax receipts? Discuss briefly.
 ii) State any two items of revenue expenditure in a Government budget. **4**
8. Explain the following objectives of government budget.
- Allocation of resources.
 - Reducing income inequalities. **4**

OR

Elaborate the objective of allocation of resources in the Government.

9. Classify the following taxes into Direct and Indirect tax. Give reasons for your answer. **6**
- | | |
|--------------------|-----------------------|
| i) Corporation tax | ii) Entertainment tax |
| iii) Excise duty | iv) Income tax |

OR

Explain the budgetary measures for achieving following objectives.

- Setting up of production units in backward regions.
- Reduce inequalities of income and wealth.

SECTION B

10. Which of the following is not true about the causes of unemployment in India? **1**
- | | |
|---------------------------------|--|
| a) Rapid increase in population | b) High rate of economic development |
| c) Inadequate economic planning | d) The nature of agriculture is seasonal |
11. Physical environment includes **1**
- | | | | |
|---------|----------|--------|---------------------|
| a) Land | b) Water | c) Air | d) All of the above |
|---------|----------|--------|---------------------|

OR

The government setup Central Pollution Control Board (CPCB) in

- | | | | |
|---------|---------|---------|---------|
| a) 1997 | b) 1974 | c) 1984 | d) 1990 |
|---------|---------|---------|---------|

12. In the following questions, A statement of assertion (A) is followed by a statement of Reason (R). Mark the correct choice. 1

- a) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of the Assertion (A).
- b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the Assertion (A).
- c) Assertion (A) is true, but Reason (R) is false.
- d) Assertion (A) is false, But Reason (R) is true.

Assertion (A): Sustainable development is the only way that will allow economy to have a proper development.

Reason (R) : Sustainable development is the development in which the economy is developed considering the needs of the future generation.

13. Identify the correctly matched pair from the items in Column A by matching them to the items in column B. 1

Column A	Column B
i) Environment Degradation	a) Soil Erosion
ii) Pollution	b) Green House Gases
iii) Sustainable Development	c) Leads to Poverty
iv) Air Pollution	d) Future Use

- a) i - a b) ii - b c) iii - c d) iv - d

14 Read the following statements carefully and choose the correct option. 1

Statement 1 : Indian economy is marching ahead towards progress.

Statement 2 : The contribution of agriculture in national income is declining but the contribution of industries and service sector is increasing continuously. It is an indicator of economic development of Indian Economy.

- a) Statement 1 is true and statement 2 is false.
- b) Statement 1 is false and statement 2 is true.
- c) Both statements 1 and 2 are true.
- d) Both statements 1 and 2 are false

15. Has the economic growth in India helped in the generation of employment since the last 70 years? Explain. 3

OR

Describe the need for on-the-job-training for an employee.

16. How has population explosion and the advent of industrial revolution resulted in environmental crisis? 4

OR

Explain the supply-demand reversal environmental resources.

17. i) Why are less women found in regular salaried employment?

ii) Analyse the recent trends in sectoral distribution of workforce in India.

6

Trends in Employment Pattern (Sector wise), 1993-2012 (in %)			
Sector	1993 - 94	1999 - 2000	2011 - 2012
Primary	64	60.4	24.3
Secondary	16	15.8	24.3
Services	20	23.8	26.8

OR

What role does the government play in generating employment opportunities?

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Class XII

ECONOMICS

Time : 1½ hrs

SET B

Marks : 40

SECTION - A

1. Read the following statements carefully and choose the correct option. 1
Statement 1 : Borrowing from the general public leads to decrease in revenue deficit.
Statement 2 : Borrowing from the general public increases the revenue of the government.
a) Statement 1 is true and statement 2 is false.
b) Statement 1 is false and statement 2 is true.
c) Both statements 1 and 2 are true. d) Both statements 1 and 2 are false
2. Fiscal deficit equals: 1
a) Primary deficit minus interest payments.
b) Primary deficit plus interest payments
c) Total budget expenditure minus total budget receipts.
d) None of the above.
3. Direct tax is called direct because it is collected directly from 1
a) The producers on goods produced. b) The sellers on goods sold.
c) The buyers of goods. d) The income earners.
4. Assertion (A) : Revenue deficit is met only through borrowings by government.
Reason(R) : The Revenue deficit is met through (i) borrowings by the government, and (ii) disinvestment. 1
a) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of the Assertion (A).
b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the Assertion (A).
c) Assertion (A) is true, but Reason (R) is false.
d) Assertion (A) is false, but Reason (R) is true.
5. Statement 1 : Continuation of covid-19 pandemic will affect union budget.
Statement 2 : The revenue expenditure of government increases. 1
a) Statement 1 is true and statement 2 is false.
b) Statement 1 is false and statement 2 is true.

- c) Labour supply refers to the amount of labour that are unwilling to offer corresponding to a particular wage rate.
- d) An arrangement in which a worker uses his own resources to make a living is known as casual workers.

11. To check water pollution following methods can be adopted 1
- a) Commerce b) Better engine for cars
 - c) Re-use of Industrial waste d) Use of non-polluting source for energy

OR

Which of the following one is non-renewable source ?

- a) Forest b) Water c) Sun rays d) Coal

12. In the following questions, A statement of assertion (A) is followed by a statement of Reason (R). Mark the correct choice. 1

- a) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of the Assertion (A).
- b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the Assertion (A).
- c) Assertion (A) is true, but Reason (R) is false.
- d) Assertion (A) is false, But Reason (R) is true.

Assertion (A): Indian government is investing a lot in solar Energy.

Reason (R) : Solar energy is a clean form of energy and thus does very minimum harm to the environment.

13. Identify the correctly matched pair from the items in Column A by matching them to the items in column B. 1

Column A	Column B
i) Use of Coal	a) Less pollution
ii) Use of LPG	b) Global warming
iii) Use of CNG	c) Increases pollution
iv) Use of Air Conditioners	d) Ozone layer depletion

- a) i - a b) ii - b c) iii - c d) iv - d

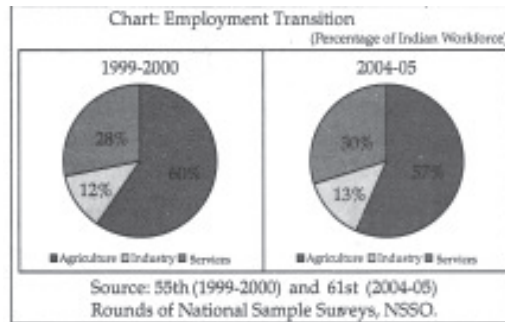
14. **Read the following statements carefully.** 1

Statement 1 : Less women are found in regular salaried employment.

Statement 2 : Women workers accord highest-priority to self-employment because of mobility of female labour work force both in urban as well as in rural areas.

- a) Statement 1 is true and statement 2 is false.
- b) Statement 1 is false and statement 2 is true.
- c) Both statements 1 and 2 are true.
- d) Both statements 1 and 2 are false

15. Study the following pie charts showing employment transition and analyse the trend. **3**



OR

How is unemployment an economic as well as a social problem?

16. Explain the relationship between environment and the economic development. **4**

OR

“There are some urgent environmental problems faced by India currently”. Justify the statement.

17. a) Define worker-population ratio. What does it signify? **6**

b) Analyse the trends in sectoral distribution of work force in India on the basis of data.

Trends in Employment Pattern (Sector wise), 1993-2012 (in %)					
Sector	1972-73	1983	1993-94	1999-2000	2011-2012
Primary	74.3	68.6	64	60.4	48.9
Secondary	10.9	11.5	16	15.8	24.3
Services	14.8	16.9	20	23.8	26.8
Total	100.0	100.0	100.0	100.0	100.0

OR

What should be the main elements of employment policy in India in the present context?