

**PREMIUM MOCK TEST 01**

**ECONOMICS (030)**

**CLASS XII BOARD EXAM 2026**

**MM – 80**

**TIME: 3 HOURS**

**General instructions:**

- (i) This question paper contains two sections:  
Section A- Macro Economics  
Section B- Indian Economic Development
- (ii) This paper contains 20 Multiple Choice Question type questions of 1 Marks each
- (iii) This paper contains 4 Shorts Answer Question type questions of 3 Marks each to be answered in 60 to 80 words.
- (iv) This paper contains 6 Short Answer Question type question of 4 Marks each to be answered in 80 to 100 words.
- (v) This paper contains 4 Long Answer Question types question of 6 Marks each to be answered in 100 to 150 words.

**SECTION A – MACRO ECONOMICS**

**Q.1) Balance of Payments deficit is the excess of:** (1)

- a) Current account payments over current account receipts
- b) Capital account payments over capital account receipts
- c) Autonomous payments over autonomous receipts
- d) Accommodating payments over accommodating receipts.

**Q.2) An Indian company located in India invests in a company located abroad. This transaction is entered in India's balance of payments account on:** (1)

- a) Credit side of Current Account
- b) Debit side of Current Account
- c) Credit side of Capital Account
- d) Debit side of Capital Account

**Q.3) When Nominal Gross Domestic Product (GDP) is 840 crores and price index is 120, then the Real Gross Domestic Product (GDP) will be \_\_\_\_\_.** (1)

- a) 700 crores
- b) 900 crores
- c) 800 crores
- d) 500 crores

**Q.4) Money supply in India may increase if, \_\_\_\_\_(Choose the correct alternative)**

- 1. Reserve Bank of India (RBI) injects more money in circulation
- 2. the commercial banks expand their credit operation
- 3. tax rates are reduced by the Central Government
- 4. Reserve Bank of India increases the Bank Rate

Alternatives:

- a) 1,2 and 3 are correct
- b) 2,3 and 4 are correct
- c) 1,3 and 4 are correct
- d) 1,2 and 4 are correct

**Q.5) "Money is non-perishable and is acceptable to anyone at any point of time."**  
Identify, the function of money indicated in the aforesaid statement and choose the correct option. (1)

- a) Store of Value
- b) Medium of Exchange
- c) Unit of Account
- d) Standard of Deferred Payments

**Q.6)** Read the following statement: Assertion (A) and Reason (R). Choose one of the correct alternatives given below: (1)

Assertion (A): At Break even point, consumption is equal to national income

Reason (R): APC falls continuously with increase in income as proportion of income spent on consumption keeps on decreasing.

Alternative:

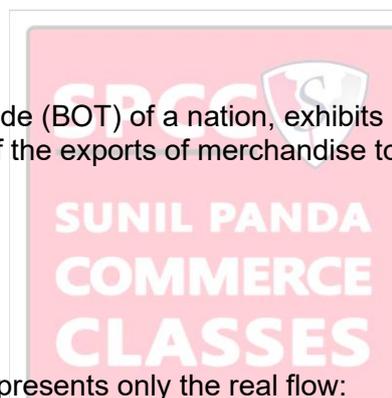
- a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
- c) Assertion (A) is true but Reason (R) is false
- d) Assertion (A) is false but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

**Q.7)** Suppose in a hypothetical economy, the income rises from 5,000 crores to 6,000 crores. As a result, the consumption expenditure rises from 4,000 crores to 4,600 crores. Marginal propensity to consume in such a case would be \_\_\_\_\_ . (1)

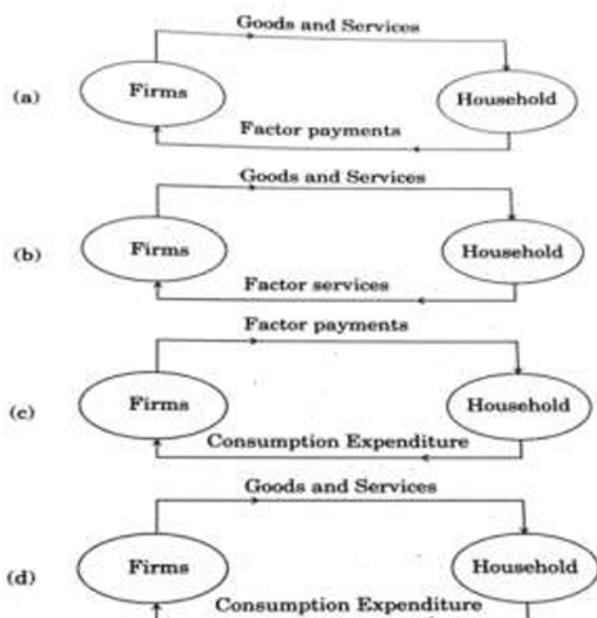
- a) 0.8
- b) 0.4
- c) 0.2
- d) 0.6

**Q.8)** Suppose that the Balance of Trade (BOT) of a nation, exhibits a surplus of 20,000 crores. The import of merchandise of the nation is half of the exports of merchandise to the rest of the world. The value of exports would be \_\_\_\_\_ crores (1)

- a) 30,000
- b) 40,000
- c) 24,000
- d) 35,000



**Q.9)** Identify which of the following represents only the real flow: (1)



- Q.10)** If investment falls zero, national does not fall to zero because of: (1)
- Autonomous Consumption
  - Induced Investment
  - Autonomous Investment
  - Multiplier

**Q.11)** (I) 'Foreign Portfolio Investment (FPI) witnessed a sharp turnaround during 2023-24 with net FPI inflows of US\$ 32.4 billion.' In which sub-account and on which side of the Balance of Payments account the above transaction will be recorded? Give reasons in support of your answer.

(II) State the meaning of 'Balance of Payments Deficit'. (3)

**OR**

Define Depreciation of domestic currency and its impact on National Income

**Q.12)** On the basis of the given data, Calculate Net National Product at Factor Cost (3)

S. No.	Items	(₹ in crore)
i.	Government final consumption expenditure	500
ii.	Mixed income	1,500
iii.	Net indirect taxes	100
iv.	Net exports	60
v.	Change in stock	(-) 50
vi.	Net factor income to abroad	70
vii.	Net domestic fixed capital formation	250
viii.	Private final consumption expenditure	2,000
ix.	Consumption of fixed capital	30

**Q.13)** a) Find national income from the following: (2)

Autonomous consumption 100  
Marginal propensity to consume 0.80  
Investment 50

b) As a result of increase in investment by ₹125 crores, national income increase by ₹500 crores. Calculate marginal propensity to consume. (2)

**Q.14)** Outline the steps taken in deriving saving curve from the consumption curve. use diagram (4)

**Q.15)** Read the following text carefully, discuss briefly the relevant function of the Central Bank, indicated: Recently, Reserve Bank of India (RBI) conducted a statutory inspection for supervisory evaluation against a Commercial Bank. The commercial bank was imposed with stringent penalties, owing to deficiencies in regulatory compliances. As per the Central Bank, the inspection revealed non-compliances vis-à-vis different directions issued by RBI, on the following fronts:

- ATM Card frauds
- Ensuring integrity and quality of data
- Loans to small borrowers

**OR**

a) Define money supply and its M1 component. (2)

b) Explain standard of Deferred payment as function of money (2)



Choose the correct alternative:

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

**Q.21)** Identify the correct sequences of alternative given in Column II by matching them with respective items in Column I: (1)

Column I	Column II
A. Great Proletarian Cultural Revolution	(i) India
B. Show level of growth and development of a country	(ii) China
C. Sixth most populous country in the world	(iii) Human Development Index
D. To transform Agrarian Economy into Modern Economy.	(iv) Pakistan
E. Highest Density of Population	(v) Great Leap Forward Campaign

Alternatives:

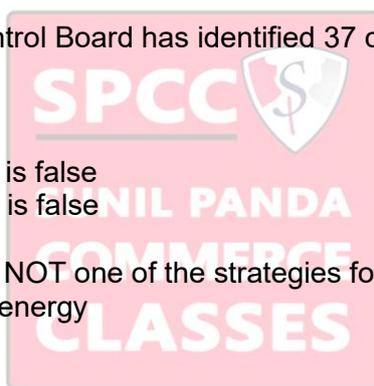
- (a) A-(ii), B-(iii), C-(iv), D-(v), E (i)
- (b) A-(iv), B-(ii), C-(i), D-(iii), E (v)
- (c) A-(iv), B-(i), C-(ii), D-(iii), E (v)
- (d) A-(ii), B-(iv), C-(i), D-(iii), E (v)

**Q.22)** Read the following carefully and choose the correct alternative from the following: (1)

Statement 1: To address noise pollution in India, the government set up the Central Pollution Control Board in 1974

Statement 2: The Central Pollution Control Board has identified 37 categories of industries as significantly polluting.

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



**Q.23)** Identify, which of the following is NOT one of the strategies for Sustainable Development. (1)

- a) Use of non-conventional sources of energy
- b) Use of fossil fuel for transportation
- c) Use of traditional knowledge
- d) Use of organic compost manure

**Q.24)** Identify the correct sequence of alternative given in Column II by matching them with respectively term in Column I (1)

Column I	Column II
A. Establishment of General Agreement on trade and tariff	(i) 2017
B. Foundation of world trade organisation	(ii) 2016
C. Demonetisation by Indian Government	(iii) 1948
D. Goods and service tax act came into effect	(iv) 1995

Choose the correct alternative:

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

**Q.25)** Read the following statements: Assertion (A) and Reason (R) carefully. Choose the correct alternative from those given below: (1)

Assertion (A): India and Pakistan adopted many similar strategies for their respective economic developmental paths.

Reason (R): In late 1970s, India and Pakistan came up with the policy of denationalisation of capital goods industries.

- 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, but 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.

**Q.26)** Rohan, the owner of a land, grows only two crops in a year. He works for 8-9 months and for the rest of the year he remains unemployed. In the remaining part of the year, Rohan faces \_\_\_\_\_ unemployment.

(Choose the correct alternative to fill up the blank)

- a) Disguised  
 b) Seasonal  
 c) Frictional  
 d) Cyclical

(1)

**Q.27)** In the year \_\_\_\_\_, the Indian Government made education free and compulsory for all children between 6-14 years.

- a) 2001  
 b) 2009  
 c) 2003  
 d) 2007

(1)

**Q.28)** (I) Interpret the Given Picture as Non-Farm Area of Employment and Explain the same.

(2)



(II) State any two examples of other allied activities.

(1)

**Q.29)** (i) "In India, National Education Policy 2020 has stressed a lot on in-service training of the teachers." Identify the source of Human Capital Formation (HCF) indicated in the aforesaid statement.

(ii) Elaborate the likely impacts of this source on the economic development of India.

(3)

OR

Write any 3 Positive contributions made by British Government in India.

**Q.30)** On the basis of the data given below, outline and discuss the shift in employment and output for India and China.

(4)

**Sectoral Share of Employment and GVA (%) in 2018 –2019**

Sector	Contribution to GVA			Distribution of workforce		
	India	China	Pakistan	India	China	Pakistan
Agriculture	16	7	24	43	26	41
Industry	30	41	19	25	28	24
Services	54	52	57	32	46	35
Total	100	100	100	100	100	100

**Q.31)** Explain the following

- a) Casualisation of workforce  
 b) Informalisation of workforce

(2)

(2)

**Q.32)** Distinguish between:

- a) Tariff and Non-Tariff Barriers  
 b) Bilateral and Multilateral trade

(2)

(2)

**OR**

What is Green Revolution? Why was it implemented and how did it benefit the farmers? Explain in brief. **(4)**

**Q.33)** Read the following text carefully:

In order to address two major environmental concerns in India, viz. water and air pollution, the government set up the Central Pollution Control Board (CPCB) in 1974. This was followed by states establishing their own state level boards to address all the environmental concerns. They investigate, collect and disseminate information relating to water, air and land pollution, lay down standards for sewage/trade effluent and emissions. These boards provide technical assistance to governments in promoting cleanliness of streams and wells by prevention, control and abatement of water pollution, and improve the quality of air and to prevent, control or abate air pollution in the country.

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They assess the air quality through regulation of industries. In fact, state boards, through their district level officials, periodically inspect every industry under their jurisdiction to assess the adequacy of treatment measures provided to treat the effluent and gaseous emissions. It also provides background air quality data needed for industrial siting and town planning.

The pollution control boards collect, collate and disseminate technical and statistical data relating to water pollution. They monitor the quality of water in 125 rivers (including the tributaries), wells, lakes, creeks, ponds, tanks, drains and canals.

On the basis of the given text and common understanding, answer the following questions: **(2)**

(a) State any two concerns owing to which the Central Pollution Control Board (CPCB) was established. **(2)**

(b) Explain any two functions performed by the Central Pollution Control Board (CPCB). **(2)**

(c) Elaborate any two strategies to ensure sustainable development as adopted by India. **(2)**

**Q.34)** a) 'The reform process implemented in the late 1970s, commonly known as China's open door policy, encompassed a wide range of reforms across sectors like agriculture, investment, industry etc. These reforms played a pivotal role in driving the rapid growth of the Chinese economy over subsequent decades.'

In the light of the given text, discuss any two reforms responsible for the rapid economic growth of China. **(3)**

b) What are the classification of industries as per industrial policy resolution 1956 **(3)**

**OR**

What similar development strategies have India, China and Pakistan followed for their respective development paths. **(6)**