

SETHU BHASKARA MATRIC HR SEC SCHOOL, AMBATTUR, CHENNAI

QUARTERLY EXAMINATION – SEPTEMBER 2022

STD XII

ECONOMICS ANSWER KEY

MARKS 90

PART I

I CHOOSE THE CORRECT ANSWER: -

20X1=20

1. b) J.M. Keynes
2. b) Karl marx
3. c) four sector model
4. c) agriculture
5. c) monthly income
6. b) economic welfare
7. a) zero
8. d) $C+S+T+R_f$
9. a) 2
10. d) increase
11. b) supply of legal tender money
12. c) plastic money
13. a) monetary
14. d) March 1982
15. a) multiplication of loans and advances
16. c) ratio of price of export and imports
17. b) atomic energy
18. a) World Bank
19. c) Geneva
20. a) paper gold

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PART II

II Answer any 7 questions (q.no.30 is compulsory) 7X2=14

21. "Macro economics is very much about tying together facts and theories" (or)
 Macro Economics is the study of the economy as a whole .
 Macro Economics is also known as 'Income Theory'. 2 marks
22. GDP deflator is an index of price changes of goods and services included in GDP.
 GDP deflator = Nominal GDP / Real GDP X100. 2 marks
23. Keynes defines full employment as the absence of involuntary unemployment.
 Lerner defines full employment as "that level of employment at which any further increase in spending would result in an inflationary spiral of wages and prices".
 (Any one definition carries) 2 marks
24. The multiplier is defined as the ratio of the change in national income to change in investment.
 $K = \Delta Y / \Delta I$ 2 marks
25. Plastic money is an alternative to the cash or the standard "money". Plastic money is a term that is used predominantly in reference to the hard plastic cards used every day in place of actual bank notes.
 Eg. Cash cards, Credit cards, Debit cards, Pre-paid Cash cards etc. 2 marks
26. a) To maintain an expert staff to study all questions on agricultural credit;
 b) To provide expert advice to Central and State Government, State Co-operative Banks and other banking activities.
 c) To finance the rural sector through eligible institutions engaged in the business of agricultural credit and to co-ordinate their activities.
 (Any two function award 2 marks)
27. Trade is one of the powerful forces of economic integration.
 International trade helps a country to export its surplus goods to other countries and secure a better market for it. 2 marks
28. Special Drawing Rights (SDRs) which is otherwise called 'Paper Gold'.
 It is created by the IMF in 1969 to solve the problem of international liquidity.
 SDRs act both as an international unit of account and a means of payment.
 ...(Any two points award 2 marks)
29. The SAARC Secretariat was established in Kathmandu (Nepal) on 16th January 1987. 2 marks
30. (1) The prospective yield from a capital asset.
 (2) The supply price of a capital asset. 2 marks

PART III

III Answer any 7 questions. (Q.No. 40 is compulsory)

7x3=21

- 31. **Two sector circular flow of income.**
 Diagram 1 mark
 Explanation 1 mark
 Identity 1 mark
- 32. **Expenditure method.**
 Definition 1 mark
 Identity 1 mark
 Precautions 1 mark
- 33. **Implication of Say's law.**
 Any three implication award 3 marks.
- 34. **Aggregate supply.**
 Definition 1 mark
 Diagram 1 mark
 Explanation 1 mark
- 35. **Autonomous and Induced Investment.**
 Three differences...1 ½ marks
 Diagrams1 ½ marks
- 36. **Demand pull and cost push inflation.**
 Two difference in each inflation award 3 marks.
- 37. **Methods of credit controls**
 Quantitative 1 ½ marks
 Qualitative1 ½ marks
- 38. **Flexible Exchange rate**
 Three points each carries 1 mark ... 3 x1=3 marks.
- 39. **Functions of SAARC**
 Any three relevant points carries ... 3x1=3 marks.
- 40. **Functions of NABARD**
 Any three relevant points carries ... 3x1=3 marks.

PART IV

IV Answer all the questions:-

7x5=35

- 41 (a) **Compare the features of capitalism, socialism and mixedism**
 Any five difference carries 5x1=5 marks OR
- (b) **Difference between classical theory and Keynes theory.**
 Any ten difference between10x ½ = 5 marks.

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42. (a) Methods of estimating National income of a country.

Product Method 2 marks

Income Method 2 marks

Expenditure Method 1 mark

OR

(b) Difference between MEC and MEI.

Any five difference between 5x1=5 marks.

43. (a) Phases of Trade cycle.

Four phases with explanation 4x1=4 marks.

Definition 1 mark. OR

(b) Relationship between FDI and Economic development.

Any relevant five points award five marks. 5 marks.

44. (a) Objectives of monetary policy.

Any five objectives with explanation carries 5x1=5 marks. OR

(b) Objectives of IMF.

Any five objectives award five marks. 5x1=5 marks.

45. (a) Note on SAARC and BRICS

SAARC - Any five points 2 ½ marks.

BRICS - Any five points 2 ½ marks. OR

(b) Functions of RBI.

Any ten points with explanation 10x ½ =5marks.

46. (a) Difference between Internal and International trade.

Any five difference award five marks. 5x1=5marks. OR

(b) Types of unemployment.

Any five unemployment with explanation award five marks....5x1=5marks.

47. (a) Keynes psychological law of consumption function.

Explanation 1 mark Propositions 1 mark

Assumptions 1 mark table ... 1 mark Diagram 1 mark OR

(b) Fisher Quantity theory of money.

General Equation 1 mark

Revised Equation 1 mark

Diagram 1 mark

Explanation 2 mark

SUBJECT HANDLING TEACHERS.

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