CBSE · CLASS 12 · ECONOMICS

CBSE Class 12 Economics Guess Paper 2027

Time: 3 hours · Maximum marks: 80 · 34 questions

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Section A

Macro Economics (40 marks). 10 one-mark objective questions (MCQ / assertion-reason / statement / fill-in-the-blank), 2 Short Answer Type-I of 3 marks, 3 Short Answer Type-II of 4 marks, and 2 of 6 marks (one Long Answer and one case/data-based).

Q1. In a two sector economy, the flow of factor payments moves from _____ to _____. (A) firms, households (B) firms, government (C) banks, households (D) households, firms — 1 mark

Q2. If a country exports goods worth of `600 crores and imports goods worth of `450 crores, the value of Balance of Trade of the country would be _____ of `_____ crores. (A) deficit, 150 (B) surplus, 150 (C) deficit, 1,050 (D) surplus, 1,050 — 1 mark

Q3. "In the Indian Banking System, the Statutory Liquidity Ratio (SLR) plays a vital role in controlling the credit creation capacity of the Commercial Banks, as it _____." (A) ensures that all the deposits are converted into liquid assets. (B) requires banks to maintain a percentage of deposits in the form of liquid assets. (C) sets the maximum interest rate which the banks can charge on loans. (D) promote banks from lending beyond a specific proportion of their total reserves. — 1 mark

Q4. "As per the National Stock Exchange (NSE) data, dated 9th June 2023, there was a net selling off worth `309 crore by Foreign Institutional Investors (FIIs) over the period of one month i.e., 9th May 2023 - 9th June 2023." The above mentioned transactions will be recorded on _____ side of _____ account of Balance of Payments of India. (A) Debit, Current (B) Credit, Capital (C) Credit, Current (D) Debit, Capital — 1 mark

Q5. Read the following statements: Assertion (A): Money is of perishable nature and is generally accepted by all at any point of time. Reason (R): Money serves as a store of value, facilitating individuals to transfer purchasing power from the present to the future. Choose the correct option: (A) Both A and R are true, and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true. — 1 mark

Q6. Read the following statements carefully. Statement 1: Depreciation of currency is an economic action undertaken by the government of a nation under the fixed exchange rate system. Statement 2: Under the floating exchange Rate system, authorities actively intervene in the foreign exchange market by way of maintaining foreign exchange reserves. In the light of the given statements, choose the correct option: (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. — 1 mark

Q7. In an economy, when _____ is insufficient to achieve the level of output corresponding to the full employment, the difference is termed a deflationary gap. (A) ex-ante Aggregate Demand (B) ex-post Aggregate Demand (C) ex-ante Aggregate Supply (D) ex-post Aggregate Supply — 1 mark

Q8. Identify, which of the following is true at the Break Even level of Income. (A) Slope of Consumption Curve = Slope of Saving Curve (B) Average Propensity to Consume (APC) = Average Propensity to Save (APS) (C) Slope of Saving Curve = Unity (1) (D) Average Propensity to Consume (APC) = Unity (1) — 1 mark

Q9. Read the following statements carefully. Statement 1: Final goods are those goods which normally lose their identity in the production process. Statement 2: Final goods may get transformed during the consumption process by a consumer. Choose the correct option: (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. — 1 mark

Q10. In an economy, the currency held by the public, Net Demand Deposits with Commercial Banks and Net Time Deposits with Commercial Banks stand at `1,42,000 crore, `22,000 crore and `86,000 crore respectively. The value of Money Supply (M1) would be `_____ crore. (A) 2,50,000 (B) 86,000 (C) 1,64,000 (D) 1,42,000 — 1 mark

Q11. Suppose in an economy, the Marginal Propensity to Consume (MPC) is 0.8. The government introduced an investment project of `1,000 crore which led to a manifold increase in National Income (Y) and Consumption Expenditure (C). Estimate: (a) Value of Investment Multiplier (k). (b) Missing Values of (i) and (ii). Table (Rounds, ΔI, ΔY, ΔC, ΔS): Round I: ΔI 1,000, ΔY 1,000, ΔC 800, ΔS 200; Round II: ΔY 800, ΔC 640, ΔS 160; ...; Total: ΔY ..(i).., ΔC ..(ii).., ΔS 1,000. — 3 marks

Q12. For a hypothetical economy, assuming there are only two firms (A and B) with equal Gross Value Added (GVA). On the basis of the following data, estimate the value of Domestic Sales of Firm A: (i) Value of Output of Firm B 1,000, (ii) Purchases by Firm A from Firm B 300, (iii) Exports by Firm A 200, (iv) Purchases by Firm B from Firm A 250, (v) Additions to stock of Firm A 150. (Amounts in `crore) — 3 marks

Q13. From the information given in the diagram, categorize the items into revenue receipts and capital receipts, stating valid reasons. (WHERE INDIA GETS ITS MONEY FROM? For every `1 that the Govt. earns: Corporation tax 21 paise, Recovery of loan 3 paise, Non-tax revenue 9 paise, GST and other taxes 19 paise, Income tax 16 paise, Excise duties 8 paise, Customs 4 paise, Borrowings and other liabilities 20 paise) — 4 marks

Q14. "Under the Ayushmaan Bharat Scheme, the government provides free medical treatment to the poorer section of the society." Identify and explain the nature of budget expenditure and its objective, indicated in the given statement. — 4 marks

Q15. [Question for Visually Impaired Candidates only, in lieu of Q. No. 16 b(i)] Explain the stabilisation function of the Government Budget. — 4 marks

Q16. "Under the provisions stated in the Section 20 and Section 21 of the Reserve Bank of India (RBI) Act, 1934, the RBI is mandated to handle the banking operations of the Government of India." In the light of the given statement, elaborate the indicated function of the Reserve Bank of India. 6 marks

Q17. [Question for Visually Impaired Candidates only, in lieu of Q. No. 15] State and explain any two measures that can be taken by the Central Bank to control the situation of deficient demand. 6 marks

Section B

Indian Economic Development (40 marks). 10 one-mark objective questions (MCQ / assertion-reason / statement / fill-in-the-blank), 2 Short Answer Type-I of 3 marks, 3 Short Answer Type-II of 4 marks, and 2 of 6 marks (one Long Answer and one case/data-based).

Q18. Read the following statements carefully. Statement-1: Hired workers may be regular salaried workers or casual workers. Statement-2: Regular salaried employment is a major source of employment in rural areas in India. In the light of the given statements, choose the correct option: (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. 1 mark

Q19. Read the following statements carefully. Statement 1: During the British rule in India, the export surplus was utilised to import of invisible items from Britain. Statement 2: Indians paid for the expenses incurred by an office set up by the colonial government in Britain. In the light of above statements, choose the correct option: (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. 1 mark

Q20. Read the following statements: Assertion (A): The Government of India adopted the measure of regulation of markets to improve marketing conditions for agricultural products. Reason (R): Regulation of market ensured transparent pricing, fair trade practices, and protection for farmers against exploitation in agricultural marketing. Choose the correct option: (A) Both A and R are true, and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true. 1 mark

Q21. China's demographic problem of 4-2-1, resulted in a higher proportion of elderly individuals compared to the younger population. This was primarily due to the implementation of _____. A. Great Leap Forward Campaign B. Great Proletarian Cultural Revolution C. One Child Norm D. Special Economic Zones 1 mark

Q22. Study the following image carefully (a cartoon showing GOVT. tilting a see-saw so domestic EXPORTS outweigh IMPORTS). Identify, the trade practice that has successfully replaced foreign goods with domestic production. (A) Export Promotion (B) Export Substitution (C) Import Proliferation (D) Import Substitution 1 mark

Q23. "It is short-term unemployment occurring, as people transit between jobs." On the basis of given definition, identify the type of unemployment indicated. (A) Disguised Unemployment (B) Seasonal Unemployment (C) Open Unemployment (D) Frictional Unemployment 1 mark

Q24. Read the following text: "In the recent times, the Government of India, has introduced several measures to encourage greater public participation in the capital market, including both primary and secondary stock markets." Under which sector have the above mentioned reforms been introduced? (A) Industrial (B) Financial (C) Taxation (D) Foreign Trade — 1 mark

Q25. "Sustainable development refers to the development that meets the need of the present generation without compromising the ability of the future generations, to meet their own needs." The above mentioned definition has been given by _____. (A) United Nations Conference on Environment and Development (B) United Nations Committee on Environment and Development (C) United Nations Committee on Protection of Environment (D) United Nations Conference on Protection of Environment — 1 mark

Q26. The population explosion and advent of Industrial Revolution led to the _____. A. reversal of supply-demand relationship of environmental resources B. decrease in demand for environmental resources C. decrease in the average temperature of the earth's lower atmosphere D. increase in the environmental quality — 1 mark

Q27. [Question for visually impaired candidates only, in lieu of Q. No. 19] Identify, which of the following is NOT one of the strategies for Sustainable Development. (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 — 1 mark

Q28. Trace the relationship between Human capital and Economic growth. — 3 marks

Q29. Elaborate the reasons owing to which the private sector was regulated under the Industrial Policy Resolution, 1956. — 3 marks

Q30. [Question for Visually Impaired Candidates only, in lieu of Q.32] Explain any one advantage and disadvantage of a whole system of farming that restores, maintains and enhances the ecological balance over conventional farming. — 4 marks

Q31. State and elaborate whether the following statement is true or false, with valid arguments: "Indian economy has showed satisfactory progress towards formalization of workforce in the recent past." — 4 marks

Q32. Explain valid reasons for the slow growth and re-emergence of poverty in Pakistan. — 4 marks

Q33. Interpret the given picture based on the Saansad Adarsh Gram Yojana (SAGY) initiated by the Government of India (picture depicting a Member of Parliament, villagers, and Health and Education facilities in a village). — 6 marks

Q34. (Based on the digital banking / NITI Aayog text above) State and discuss any two main advantages of digital banking. — 6 marks

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