CBSE EXAMINATION PAPER-2025

ECONOMICS

(Solved)

Time allowed : 3 hours | Maximum Marks : 94

General Instructions :

Read the following instructions carefully and follow them :

i. This question paper contains **40 questions.** All questions are **compulsory.**

ii. This question paper is divided into **5 sections.**

iii. **Section A** – questions number **1 to 2** are case based questions

iv. **Section B** – questions number **3 to 22** are multiple choice questions

v. **Section C** – questions number **23 to 28** are short answer type i

vi. **Section D** – questions number **29 to 36** are short answer type ii

vii. **Section E** – questions number **37 to 40** are long answer

viii. There is no overall choice given in the question paper. However, an internal choice has been provided in few questions.

ix. Use of calculator is NOT allowed.

Section A

Question 1.

Read the following text carefully :

The National-Level Multi-State Cooperative Society recently approved by the Union Cabinet for promoting organic production and exports, will help the farmers to increase their income manifold.

The arrangements for testing of land and selection of natural form of products will be set up in each district in the coming five years. Government has also decided to setup a cooperative society in all

Panchayats, which will ensure that the Central G reach the farmers. Wide use of urea has spoiled farm land, and lakhs of farmers have moved towards organic farming. To get better prices, there is a need for marketing and certification of such produce. Furthermore, steps must be taken to ensure that fake organic products do not hit the market.

On the basis of given text and common understanding, answer the following questions :

(1)

Define organic farming.

[1 Marks]

(2)

State any two benefits of organic farming.

[2 Marks]

(3)

Explain the steps taken by the government to promote organic product.

[3 Marks]

Question 2.

Read the following text carefully:

The Union Budget 2025-26 introduces a series of measures aimed at strengthening the Micro, Small and Medium Enterprises (MSME) sector. It recognises the role of MSMEs as one of the key engines in India's journey of development, along with agriculture, investment and exports.

As a vital contributor to India's industrial landscape, the MSME sector plays a crucial role in manufacturing sector, exports and employment generation.

The new budgetary provisions aim to build on this strong foundation by fostering innovation, enhancing competitiveness and ensuring better access to resources.

Furthermore, the Government's ongoing initiatives like Udyam registration portal, PM Vishwakarma, PMEGP, SFURTI, and the Public Procurement Policy continue to demonstrate a combined effort towards integrating and empowering MSMES.

On the basis of given text and common understanding, answer the following questions:

(1)

MSMEs play a pivotal role in the India's journey of development Do you agree with the given statement?" Give valid reason in support of your answer.

[3 Marks]

(2)

Explain key measures initiated by the Government for strengthening MSMEs.

[3 Marks]

Section B

Question 3.

Read the following statements carefully:

Statement 1: Keeping other things constant, there exists positive correlation between the price of foreign exchange and its demand.

Statement 2: The foreign exchange rate indicates a country's purchasing power in international markets.

In the light of the given statements, choose the correct option from the following :

[1 Marks]

(A) Both Statements 1 and 2 are true.

(B) Statement 1 is false and Statement 2 is true.

(C) Both Statements 1 and 2 are false.

(D) Statement 1 is true and Statement 2 is false.

Question 4.

Using the given information, complete the table:

(Choose the correct option)

[1 Marks]

	2014 – 2015	2016 – 2017
Nominal GDP	6·5	9
Real GDP	...(i)...	7·2
GDP deflator	100	...(ii)...

(A) 100, 6.5

(B) 6.5, 125

(C) 125, 100

(D) 125, 110

Question 5. _____ releases data of money supply in India.

[1 Marks]

(A) Corporation Bank

(B) Reserve Bank of India

(C) Commercial Banks

(D) State Bank of India

Question 6.

Read the following statements Assertion (A) and Reason (R) carefully.

Choose the correct option from those given below :

Assertion (A): Shipping service provided by an Indian company to foreign companies will be recorded in current account of Balance of Payments (BOP).

Reason (R): Current account of Balance of Payments (BOP) does not alter the status of the asset or liabilities of the residents of India.

[1 Marks]

(A) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(B) Assertion (A) is false, but Reason (R) is true.

(C) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

(D) Assertion (A) is true, but Reason (R) is false.

Question 7.

Commercial banks are regarded as money creators because:

(Choose the correct option)

[1 Marks]

(A) They purchase securities from the Central Bank.

(B) Loans provided by them create deposits.

(C) They regulate the lending rate in the economy.

(D) They act as a banker to the government.

Question 8.

Suppose, the consumption function is given as: C = 205 + 0.9 Y(where c= Total Consumption and Y = National Income) The value of Investment Multiplier (K) would be _____.

(Choose the correct option to fill in the blank)

[1 Marks]

(A) 9.0

(B) 0.9

(C) 10.0

(D) 0.09

Question 9.

Marginal Propensity to Consume (MPC) exhibits the slope of _____ function.

(Choose the correct option to fill in the blank)

[1 Marks]

(A) Saving

(B) Production

(C) Cost

(D) Consumption

Question 10.

Read the following statements carefully:

Statement 1: Open Market Operations refers to purchase/sale of Government Securities (G-Sec) by the Central Bank.

Statement 2: To decrease money supply, Central Bank will sell the Government Securities to commercial banks.

In the light of the given statements, choose the correct option from the following :

[1 Marks]

(A) Statement 1 is true and Statement 2 is false.

(B) Both Statements 1 and 2 are false.

(C) Both Statements 1 and 2 are true.

(D) Statement 1 is false and Statement 2 is true.

Question 11.

Aggregate expenditure in the economy during an accounting year is also known as _____.

(Choose the correct option to fill in the blank)

[1 Marks]

(A) Aggregate supply

(B) Aggregate demand

(C) Induced investment

(D) Autonomous investment

Question 12.

The 45° line in Keynesian economics indicates _____.

(Choose the correct option to fill in the blank)

[1 Marks]

(A) Income > Consumption

(B) Consumption > Income

(C) Savings > Investments

(D) Income = Consumption

Question 13.

Identify, which of the following is not a feature of physical capital. (Choose the correct option)

(i) Tangibility

(ii) Tradability

(iii) Immobility

[1 Marks]

(A) (i), (ii) and (iii)

(B) (i) and (iii)

(C) (i) and (ii)

(D) (ii) and (iii)

Question 14.

Prime beneficiary of the Minimum Support Price (MSP) fixed by the government is _____.

(Choose the correct option to fill in the blank)

[1 Marks]

(A) Farmer

(B) Labourer

(C) Consumer

(D) Trader

Question 15.

Identify, the incorrect feature associated with the formal sector of employment in any economy. (Choose the correct option)

[1 Marks]

(A) Irregular payments

(B) Social security benefits

(C) Fixed working hours

(D) Job security

Question 16.

Read the following statements carefully :

Statement 1 : In order to address the problem of water and air pollution in India, the Government of India had established the Central Pollution Control Board (CPCB).

Statement 2 : Deforestation leads to the permanent destruction of indigenous forests.

In the light of the given statements, choose the correct option from the following :

[1 Marks]

(A) Both Statements 1 and 2 are true.

(B) Statement 1 is false and Statement 2 is true.

(C) Both Statements 1 and 2 are false.

(D) Statement 1 is true and Statement 2 is false.

Question 17.

Modernization is an important economic planning objective that focuses on _____. (Choose the correct option to fill in the blank)

(i) Adoption of innovative technology

(ii) Bringing positive change in social outlook

(iii) Equal distribution of income and wealth

(iv) Abolition of intermediaries

[1 Marks]

(A) (i) and (iii)

(B) (i) and (iv)

(C) (i), (iii) and (iv)

(D) (i) and (ii)

Question 18.

Recently, India hosted and chaired the summit of _____ one of the regional and economic groupings.

(Choose the correct option to fill in the blank)

[1 Marks]

(A) G8

(B) SAARC

(C) ASEAN

(D) G20

Question 19.

Under _____ unemployment the marginal productivity of a worker is equal to zero.

(Choose the correct option to fill in the blank)

[1 Marks]

(A) Disguised

(B) Involuntary

(C) Seasonal

(D) Structural

Question 20.

_____ is one of the demographic indicators in which Pakistan is ahead of India and China.

(Choose the correct option to fill in the blank)

[1 Marks]

(A) Urbanisation

(B) Population density

(C) Fertility rate

(D) Sex ratio

Question 21.

Outsourcing from India has become more intensified in recent times due to the expansion of the _____ sector. (Choose the correct option to fill in the blank)

[1 Marks]

(A) Information Technology

(B) Construction

(C) Manufacturing

(D) Agriculture

Question 22.

Suppose the percentage of casual workers rises in an economy as compared to the regular workers. This situation may be known as _____ of workforce. (Choose the correct option to fill in the blank)

(i) Formalisation

(ii) Casualisation

(iii) Unemployment

[1 Marks]

(A) (i) and (ii)

(B) only (ii)

(C) only (i)

(D) (ii) and (iii)

Section C

Question 23.

Calculate the value of 'Sales' from the following data:

[3 Marks]

S. No.	Particulars	Amount (in ₹ lakh)
(i)	Subsidies	200
(ii)	Operating surplus	500
(iii)	Opening stock	100
(iv)	Closing stock	600
(v)	Intermediate consumption	3,000
(vi)	Consumption of fixed capital	700
(vii)	Profits	750
(viii)	Net Value Added at Factor Cost (NVA_{FC})	2,000

Question 24.

State and explain any two precautions that must be taken while estimating national income by income method .

[3 Marks]

Question 25.

Identify and explain any one function of Central Bank as indicated in the image given below :

[3 Marks]



Question 26.

Many economists believe that India paid a very heavy price for the British industrialisation, by becoming their feeder economy. Justify the given statement with any one valid argument.

[3 Marks]

Question 27.

Some economists argue that :

Post-1991 economic reforms, globalisation played a major role in poor performance of the industrial sector.

Present your arguments to justify the given statement.

[3 Marks]

Question 28.

Critically appraise, infrastructural development in India during the British rule.

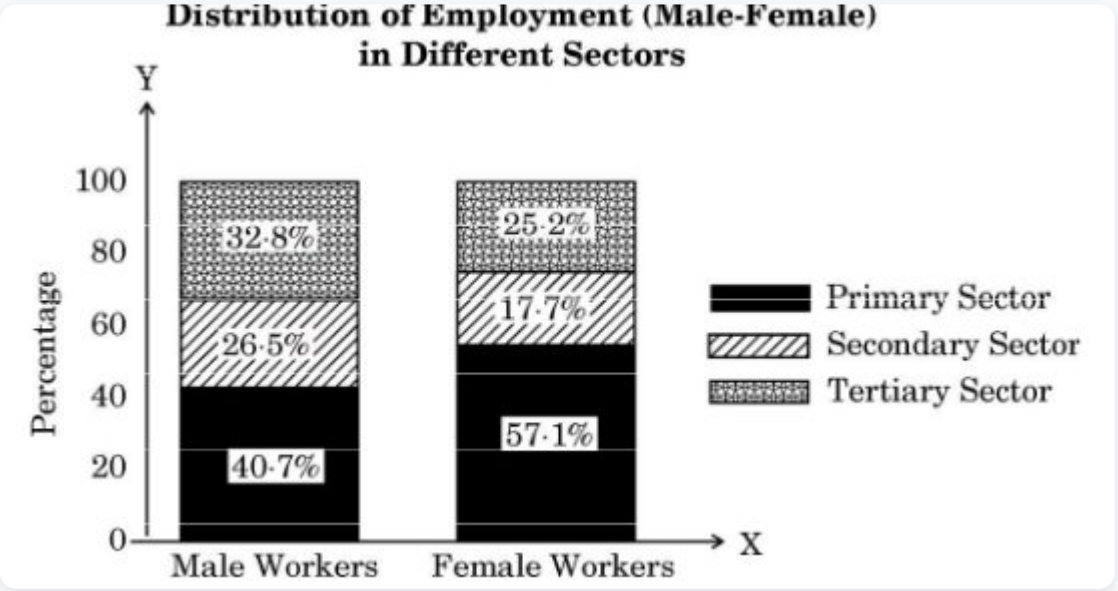
[3 Marks]

Section D

Question 29.

Compare and analyse the following information related to distribution of employment in India :

[4 Marks]



Question 30.

State and explain any two steps undertaken by the Government of India for the protection and promotion of Small-scale Industries between 1950 -1990.

[4 Marks]

Question 31.

Elaborate the role of land ceiling as an institutional reform in agricultural sector during the planning period of India.

[4 Marks]

Question 32.

Argue in favour of the need for different forms of government intervention in education and health sectors.

[4 Marks]

Question 33.

(i) Distinguish between Balance of Payments and Balance of Trade.

(ii) Define Current Account Surplus.

[4 Marks]

Question 34.

(i) Using suitable example, distinguish between Foreign Direct Investments (FDI) and Foreign Institutional Investments (FII).

(ii) State one example of External Assistance as a component of capital account.

[4 Marks]

Question 35.

Margin requirement are extrements are extremely helpful in correcting the situation of deflationary gap in an economy. Justify the given statement with valid arguments .

[4 Marks]

Question 36.

(i)'In an economy, ex-ante investment (I) exceeds ex-ante savings (S)'.

Explain the likely impact of the given situation on output, employment and income.

(ii) Define excess demand.

[4 Marks]

Section E

Question 37.

(i) China used the tool of Special Economic Zones for its economic development very effectively. Justify the given statement with valid explanation.

(ii) Mention and discuss any two indicators of human development, where China has performed well.

[6 Marks]

Question 38.

(i) Explain any two similar developmental strategies followed by India and Pakistan in post 1947 era.

(ii) State and discuss any two reasons for slow economic growth in Pakistan.

[6 Marks]

Question 39.

(i) Domestic income is always less than national income. Do you agree with the given statement ? Support your answer with valid arguments.

(ii) Distinguish between positive externalities and negative externalities with suitable examples.

[6 Marks]

Question 40.

(i) In a two-sector economy, consumption expenditure by households is always equal to aggregate expenditure on goods and services produced by the firm. Do you agree with the given statement ? Support your answer with valid explanation.

(ii) Problem of Double Counting leads to overestimation of output in an economy. Justify the given statement with the help of suitable example.

[6 Marks]