CBSE EXAMINATION PAPER-2022

ECONOMICS

(Solved)

Time allowed : 3 hours | Maximum Marks : 49

General Instructions :

Read the following instructions carefully and follow them :

i. This question paper contains **18 questions.** All questions are **compulsory.**

ii. This question paper is divided into **4 sections.**

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

iv. **Section B** – questions number **2 to 9** are short answer type i

v. **Section C** – questions number **10 to 15** are short answer type ii

vi. **Section D** – questions number **16 to 18** are long answer

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

viii. Use of calculator is NOT allowed.

Section A

Question 1.

Read the following text carefully. Answer questions on the basis of the given text and common understanding :

The NITI Aayog Index developed in collaboration with German cooperation, ranks 56 urban areas on 77 Sustainable Developmental Goals (SDGs) indicators. In its journey of localization of the Sustainable Development Goals (SDGs) and creating SDG's progress monitoring system at all levels, the NITI Aayog has developed the SDG Urban Index and Dashboard in 2021-22.

The index will strengthen SDG localization and institute monitoring at the various cities level. According to the NITI Aayog, this index highlights the strengths and gaps of data monitoring and reporting systems. The tools used in the index will contribute to the creation of an ecological system in which all stakeholders will be equipped to adopt and implement data-driven decision-making.

The NITI Aayog is of the view that this transformative change is quite essential, given the increasing prominence of our cities and urban areas in charting the future of development in India. Out of 56 urban areas ranked in the index, 44 are with population above one million.

As per the NITI Aayog, for each SDG the urban areas are ranked on the scale of 0-100. A score of 100 implies that the urban area has achieved the targets set for 2030. A zero score implies that it is the farthest from achieving the target among the selected urban areas. The areas with score between 0 and 49 have been ranked as aspirants, those with 50-64 are termed as performers, 6699 are called front-runners and ones with perfect score are called achievers.

(1)

"Urban areas are ranked on the scale of 0 100."

Elucidate the ranking system adopted by the NITI Aayog.

[3 Marks]

(2)

Outline any two steps involved by the NITI Aayog index in attaining sustainable development.

[2 Marks]

Section B

Question 2. Distinguish between Consumption goods and Capital goods.

[2 Marks]

Question 3.

Giving valid reasons, classify the following into stock and flow variables:

(i) Population of India as on 31st March, 2021

(ii) Domestic Income of Indian Economy during the fiscal year 2020-21.

[2 Marks]

Question 4.

You are given the consumption function of an imaginary economy,C = 100 + 0·8 Y, where C = Consumption and Y = Income.

Calculate :

(i) The value of Marginal Propensity to Save (MPS)

(ii) The level of income at Break-Even Point

[2 Marks]

Question 5.

S = 60 + 0·1 Y is the saving function, where S is Saving and Y is National Income.

Calculate the Equilibrium level of Income.

[2 Marks]

Question 6. If planned savings exceed planned investments in an economy, state its likely impact on output and employment.

[2 Marks]

Question 7.

"Workers working in formal sector earn more than those in the informal sector."

Defend or refute the given statement with valid arguments.

[2 Marks]

Question 8.

"Economic development in India has been accompanied by environmental concerns."

Do you agree with the given statement? Give valid reasons in support of your answer.

[2 Marks]

Question 9.

If planned savings fall short of planned investments in an economy, state its likely impact on output and employment.

[2 Marks]

Section C

Question 10. Discuss briefly any two similar development strategies followed by India and Pakistan.

[3 Marks]

Question 11.

Discuss briefly the working process of investment multiplier (K), assuming that Change in Investment (△I) is less than 4,000 crore and Marginal Propensity to Consume (MPC) is 0.5.

[3 Marks]

Question 12.

"In the late 1970s, China's population growth rate had sharply declined as compared to India."

Elucidate the reason and impact of this situation.

[3 Marks]

Question 13.

From the data given below, compare and analyse the status-wise distribution of workforce in India:

Question Preview

[3 Marks]

Trends in Employment Pattern (Status-wise) (in %)
1972 – 73 and 2011 – 12

Year / Status	1972 – 73	2011 – 12
Self-Employed	61·4	52
Regular Salaried Employees	15·4	18
Casual Wage Workers	23·2	30
Total	100	100

Question 14.

Briefly explain the different phases of circular flow of income.

[3 Marks]

Question 15.

In an economy, if the Real Gross Domestic Product (GDP) is 300 crore and Price Index (with base = 100) is 110, calculate the Nominal Gross Domestic Product.

[3 Marks]

Section D

Question 16. Explain the concept of deficient demand. How can government spending policy be helpful in correcting the situation of deficient demand?

[5 Marks]

Question 17.

From the following data, show that the National Income will be same from both Income Method and Expenditure Method :

[5 Marks]

S. No.	Items	Amount (in ₹ crore)
(i)	Net Exports	(–) 60
(ii)	Net Indirect Taxes	150
(iii)	Operating Surplus	740
(iv)	Compensation of Employees	1,400
(v)	Net Factor Income from Abroad	40
(vi)	Mixed Income of Self-Employed	1,000
(vii)	Net Domestic Fixed Capital Formation	500
(viii)	Change in Stock	(–) 100
(ix)	Depreciation	100
(x)	Private Final Consumption Expenditure	2,000
(xi)	Government Final Consumption Expenditure	1,000

Question 18.

(i) Calculate the operating surplus from the following data :

(ii) State and discuss briefly the three main components of Net Factor Income from Abroad.

[5 Marks]

Calculate the operating surplus from the following data :

S. No.	Items	Amount (in ₹ crore)
(i)	Compensation of Employees	300
(ii)	Indirect Taxes	200
(iii)	Consumption of Fixed Capital	100
(iv)	Subsidies	50
(v)	Gross Domestic Product at Factor Cost (GDP_{fc})	650