

# CBSE EXAMINATION PAPER-2025

## ECONOMICS

(Solved)

Time allowed : 3 hours

Maximum Marks : 93

### General Instructions :

Read the following instructions carefully and follow them :

- i. This question paper contains **39 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 21** are multiple choice questions
- v. **Section C** – questions number **22 to 27** are short answer type i
- vi. **Section D** – questions number **28 to 35** are short answer type ii
- vii. **Section E** – questions number **36 to 39** 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]

(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.**

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 7.**

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

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(Choose the correct option to fill in the blank)

[1 Marks]

(A) 9.0

(B) 0.9

(C) 10.0

(D) 0.09

**Question 8.**

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 9.**

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 10.**

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 11.**

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 12.**

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 13.**

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

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(Choose the correct option to fill in the blank)

[1 Marks]

(A) Farmer

(B) Labourer

(C) Consumer

(D) Trader

**Question 14.**

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 15.**

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 16.**

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 17.**

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 18.

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 19.

\_\_\_\_\_ 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 20.

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 21.**

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)

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**Section C**

**Question 22.**

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

[3 Marks]

**Question 23.**

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

[3 Marks]

**Question 24.**

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

[3 Marks]

**Question 25.**

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 26.**

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 27.**

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

[3 Marks]

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**Section D**

**Question 28.**

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

[4 Marks]

**Question 29.**

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 30.**

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

[4 Marks]

**Question 31.**

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

[4 Marks]

**Question 32.**

- (i) Distinguish between Balance of Payments and Balance of Trade.
- (ii) Define Current Account Surplus.

[4 Marks]

**Question 33.**

- (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 34.**

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

[4 Marks]

**Question 35.**

- (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]

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## Section E

**Question 36.**

- (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 37.**

(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 38.**

(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 39.**

(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]

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