

CBT Question paper with answers for the Month of November 2023

Subject: Economics

Class: XII

1 The Balance of Trade shows a deficit of Rs 300 crore. The value of exports is Rs 500 crore. What is the value of imports?

{a) 800 crores

A is correct because

Balance of Trade = -Rs 300 crore Value of exports = Rs 500 crore

Balance of trade (Deficit) = Value of Exports – Imports

Import = Exports – Balance of trade ((deficit)

Rs 500 crore – (– Rs 300 crore) = Rs 800 crore

2 Exports of COVID- 19 vaccines manufactured in India has led to _____

(c) Inflow of foreign currency and employment generation

c) is correct answer because

Export of any good or service led to inflow of foreign exchange and also generate the employment in the country.

3 Which of the following statement is not true?

(c) Buying Machinery from Japan is an accommodating transaction

(c) is correct because

Buying machinery from Japan is an autonomous transaction. Autonomous transaction refers to those balance of payment transactions which are undertaken for profit.

4. Identify which of the following is not an example of "invisible item" under current Account of Balance of Payment transactions.

d) Merchandise linked transactions

d) is correct answers because

all three a), b) and c) options are invisible items under current account of balance of payments transactions but merchandise linked transactions are the goods exported which is a part of visible items.

5. Read the following statements carefully and choose the correct alternative

Assertion (A): Acquisition of a domestic company by a foreign company will be recorded on the credit side of Balance of Payment Account.

Reason(R): It leads to the outflow of foreign exchange from the domestic economy.

c) Assertion (A) is true but Reason (R) is false

c) is correct options because

for example Any Indian company is acquired by foreign company then it will lead to inflow of foreign exchange in the domestic economy. Hence Assertion A is true but reason R is false.

6. With respect to the people's Republic of China referred to as.....

d) Great Leap Forward

d) is correct options because

The Great Leap Forward (GLF) campaign initiated by Mao in 1958 in China aimed to boosting China's economy.

7. Which of the following countries initiated its process of Economic Reforms in the year 1991?

b) India

b) is correct answers because

Economic reforms in India was initiated in 1991 by Prime minister P.V.Narasimha Rao and his finance Minister Dr. Manmohan Singh.

8. Arrange the following events in chronological order and choose the correct answer from the given alternatives.

(i) Establishment of People's Republic of China

(ii) Creation of Pakistan

(iii) First Five-Year Plan of China

(iv) First Five-Year Plan of India

Ans (c) (ii), (i), (iv), (iii)

c) is correct answer

i) in 1949 Creation of peoples republic of China, ii) Creation of Pakistan in 1947, iii) First five year plan of China started in 1953 and iv) first five year plan of India started in 1951

Ans: ii), i), iv) and iii)

9. Read the following statements – Assertion (A) & Reason (R) carefully and choose the correct alternative.

Assertion (A) India and Pakistan adopted the mixed economy model.

Reason(R) All the countries in the world were adopting a mixed economy model.

(c) Assertion (A) is true but Reason (R) is false.

c) is correct answers because

Countries like China and Russia adopted socialist economic model. Countries like USA, UK and France adopted the capitalist economic model.

10. Which of the following countries has the lowest density of population?

b) China

b) is correct answers because

China 153 per Km square

Pakistan 287 per Km square

India 324 per Km square