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MELACAUVERY, KUMBAKONAM. (2025-26)

THANJAVUR - DISTRICT

Half Yearly Examination – Dec – 2025**Class : 12****ECONOMICS**

MARKS : 90

Time : 3.00 Hrs

PART – A**I. Choose the correct answer to all the questions.**

20x1=20

1. The Circular Flow Model that represents an open Economy.
a) Two Sector Model b) Three Sector Model c) Four Sector Model d) All the above
2. $GNP = \dots\dots\dots + \text{Net factor income from abroad.}$
(a) NNP (b) NDP (c) GDP (d) Personal income.
3. Expenditure method is used to estimate national income in
(a) Construction sector (b) Agricultural Sector (c) Service sector (d) Banking sector.
4. When net factor income from abroad is deducted from NNP, the net value is
(a) Gross National Product (b) Disposable Income
(c) Net Domestic Product (d) Personal Income
5. Income method is measured by summing up of all forms of
(a) Revenue (b) Taxes (c) expenditure (d) Income
6. As increase in consumption at any given level of income is likely to lead.
a) Higher aggregate demand b) An increase in exports
c) A fall in taxation revenue d) A decrease in import spending
7. In an open economy import _____ the value of the multiplier
a) Reduces b) increase c) does not change d) changes.
8. The basic distinction between M1 and M2 is with regard to.
(a) post office total deposits
(b) saving deposits with post office savings bank (c) Terms deposits of banks (d) currency
9. _____ inflation results in a serious depreciation of the value of money.
(a) Creeping (b) Walking (c) running (d) Hyper.
10. Central bank is _____ authority of any country.
a) Monetary b) Fiscal c) Wage d) National Income
11. The State Financial Corporation Act was passed by
a) Government of India b) Government of Tamilnadu
c) Government of Union Territories d) Local Government.
12. Terms of Trade of a country show
a) Ratio of goods exported and imported b) Ratio of import duties
c) Ratio of prices of exports and imports d) Both (a) and (c)
13. Cyclical disequilibrium in BOP occurs because of
a) Different paths of business cycle.
b) The income elasticity of demand or price elasticity of demand is different.
c) long-run changes in an economy d) Both (a) and (b).
14. IBRD is otherwise called
a) IMF b) World Bank c) ASEAN d) International Finance Corporation.
15. Incentives for hard work is encouraged under
a. capitalism b. socialism c. mixed economy d. none of the above.
16. Which of the following canons of taxation was not listed by Adam smith?
a) Canon of equality b) Canon of certainty
c) Canon of convenience d) Canon of simplicity.
17. Which one of the following deficits does not consider borrowing as a receipt?
a) Revenue deficit b) Budgetary deficit c) Fiscal deficit d) Primary deficit
18. Primary cause of Soil pollution is
a. Pest control measures b. Land reclamation
c. Agricultural runoff d. Chemical fertilizer.

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19. Planning Commission was set up in the year -----
 a) 1950 b) 1951 c) 1947 d) 1948
20. Who stated that statistics as a science of estimates and probabilities.
 (a) Horace Secrist. (b) R.A Fisher. (c) Ya-Lun-Chou (d) Boddington.

PART – B

II. Answer any seven questions, question no.30 is compulsory.

7x2=14

21. Define Macro Economics.
 22. Write the formula for calculating GNP.
 23. What are the components of aggregate supply ?
 24. What is consumption function?
 25. What is gold standard?
 26. Describe the subject matter of International Economics.
 27. Mention any two objectives of ASEAN.
 28. What do you mean by public debt?
 29. Define Global warming.
 30. What is rationing of credit?

PART – C

III. Answer any seven questions, question no.40 is compulsory.

7x3=21

31. State the importance of Macro Economics.
 32. Write a short note on per capita income.
 33. Write short note on the implications of Say's law.
 34. State the concept of super multiplier.
 35. What is money supply?
 36. Write the mechanism of credit creation by commercial banks.
 37. Write a brief note on flexible exchange rate.
 38. State briefly the functions of SAARC.
 39. Trace the evolution of economic planning in India.
 40. Differentiate the economic model with econometric model.

PART – D

IV. Answer all the questions.

7x5=35

41. (A) Illustrate the functioning of an economy based on its activities. (OR)
 (B) Bring out the arguments against planning.
42. (A) Discuss the importance of social accounting in economic analysis. (OR)
 (B) Explain the concepts of externality and its classification.
43. (A) What are the differences between MEC and MEI. (OR)
 (B) Explain the methods of debt redemption.
44. (A) Discuss the various methods of estimating the national income of a country. (OR)
 (B) Bring out the components of balance of payments account.
45. (A) Describe the types of unemployment. (OR)
 (B) Describe the phases of Trade cycle.
46. (A) Describe the functions of Reserve Bank of India.
 (OR)
 (B) Explain the objectives of IMF.
47. (A) Compare the feature among Capitalism, Secularism and Mixedism. (OR)
 (B) Calculate the Karl Pearson Correlation Co-efficient for the following data

X	23	27	28	29	30	31	33	35	36	39
Y	18	22	23	24	25	26	28	29	30	32