



DAV NANDRAJ PUBLIC SCHOOL

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FREQUENTLY ASK QUESTIONS IN BOARD EXAMINATION (XII)

SUBJECT: ECONOMICS

Chapter – Balance of Payments

1. Explain the distinction between autonomous and accommodating transactions in Balance of Payments.
2. Distinguish between current account and capital account of balance of payment account. Is import of machinery recorded in current account or capital account?
3. Which transactions determine the balance of trade? When is balance of trade in surplus?
4. Explain the meaning of deficit in a balance of payments account?
5. State the components of capital account of balance of payments?

Chapter – Foreign Exchange Rate

6. What is meant by foreign exchange rate? Give three reasons why people desire to have foreign exchange?
7. When foreign exchange rate in a country is on the rise what impact is it likely to have on imports and how?
8. Why does rise in foreign exchange rate cause a rise in its supply?
9. Explain by giving examples the distinction between depreciation and devaluation of domestic currency?
10. Devaluation and Depreciation of currency is one and the same thing. Do you agree? How do they affect the exports of a country?
11. Write the merits and demerits of fixed exchange rate system?

Chapter – Government Budget and the Economy

12. Explain the objectives of resource allocation and income distribution in a government budget.
13. Explain the concept of a fiscal deficit in a government budget. What does it indicate?
14. From the given table, Find the following:
 - (a) Fiscal deficit
 - (b) Primary deficit

Particulars	(₹ in crores)

Revenue expenditure	70,000
Borrowings	15,000
Revenue receipt	50,000
Interest payment	25% of revenue deficit

15. Explain the objectives of resource allocation and income distribution in a government budget. Distinguish between the following. Also give an example of each.
- Direct tax and indirect tax
 - Revenue expenditure and capital expenditure.
16. Reduction in income inequalities raises welfare of the people. How can government help through government budget, in this regard? Explain.

Chapter – Comparative Development Experiences of India and it's Neighbours

17. Write briefly about the following: -
- Great Leap forward
 - Commune Systems
 - Great Proletarian Cultural Revolution (1966–76)
18. Mention the salient demographic indicators of China, Pakistan and India?
19. Describe the path of developmental initiatives taken by Pakistan for its economic development?
20. Comment on the growth rate trends witnessed in China and India in the last two decades?
21. Give reasons for the slow growth and re-emergence of poverty in Pakistan?

Chapter – Environment and Sustainable Development

22. How do the following factors contribute to the environmental crisis in India? What problem do they pose for the government? Discuss briefly.
- Rising population
 - Water contamination
 - Industrialisation
 - Urbanisation
23. What are the functions of the environment?
24. Explain how the opportunity costs of negative environmental impact are high.
25. Outline the steps involved in attaining sustainable development in India.
26. Highlight any two serious adverse environmental consequences of development in India. India's environmental problems pose a dichotomy — they are poverty induced and, at the same time, due to affluence in living standards—is this true?