

INTERNATIONAL INDIAN SCHOOL BURAIDAH

CLASS XII ECONOMICS WORKSHEET 1

Macroeconomics L-6, Indian Economic Development L-1

I. Choose the correct answer

1. In order to encourage investment in the economy, the Central Bank may
 - (A) Reduce Cash Reserve Ratio
 - (B) Increase Cash Reserve Ratio
 - (C) Sell Government securities in the open market
 - (D) Increase Bank Rate
2. Giving permission to withdraw money by an amount more than deposited to is known as
 - (A) Advance
 - (B) Overdraft
 - (C) Loan
 - (D) None of these
3. Which of the following is the apex bank of India?
 - (A) RBI
 - (B) SBI
 - (C) SBP
 - (D) PNB
4. The function of money is:
 - (A) Medium of Exchange
 - (B) Measure of Value
 - (C) Store of Value
 - (D) All of These
5. What is another name for the service sector?
 - (A) Tertiary
 - (B) Primary
 - (C) Secondary
 - (D) Agriculture
6. Which of the following activities is included in the primary sector?
 - (A) Agriculture
 - (B) Services
 - (C) Industries
 - (D) All of these
7. Which of the following was the main reason for decline in the handicrafts sector during the British rule in India?
 - (A) New patterns of the demand for handicrafts

(B) The tariff policy followed by the British

(C) The competition in the sector due to man-made machines

(D) All of the above

8. Where was the first iron and steel company established?

(A) Kolkata (B) Jamshedpur (C) Patna (D) Ranchi

II. Very Short Answer Questions

Q1. Define foreign trade.

Q2. What is meant by primary sector?

Q3. Define money.

Q4. What is cash reserve ratio (CRR)?

III. Short Answer Questions

Q1. Describe two main functions of commercial bank.

Q2. Discuss the economic features of Indian economy prior to the advent of the British rule.

Q3. Explain the role of the Reserve Bank of India as the “lender of last resort”.

Q4. Discuss the features of the zamindari system implemented by British in India.

IV. Long Answer Questions

Q1. Explain the credit creation role of commercial banks with the help of a numerical example.

Q2. Distinguish between a commercial bank and a central bank.

Q3. Discuss the main functions of commercial banks.

Q4. State the features of Indian economy at the time of independence.

Q5. What was the condition of industrial sector on the eve of independence?