



# B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS  
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

PERIODIC TEST - I 2025-26  
ECONOMICS

Class: XII  
Date: 01.07.25  
Admission no:

Time: 1hr  
Max Marks: 25  
Roll no:

**General Instructions: All questions are compulsory.**

**Q1.** On the eve of independence, India's demographic condition was characterized by 1)  
(a) Low level of literacy, low mortality rates and high life expectancy  
(b) High level of literacy, high mortality rate and low life expectancy  
(c) Low level of literacy, high mortality rate and high life expectancy  
(d) Low level of literacy, high mortality rate and low life expectancy

**Q2.** The colonial government made no sincere attempts to estimate India's national and per capita income, but most studies found that India's national income growth in the pre-Independence era was \_\_\_\_\_ and per capita income growth was \_\_\_\_\_. 1)  
Choose the correct option that can fill in the blanks.  
(a) close to 5 per cent, more than 2 per cent  
(b) less than 3 per cent, more than 1 per cent  
(c) close to half per cent, almost 0 per cent  
(d) less than 2 per cent, close to half per cent

**Q3. Statement 1:** Inward looking trade strategy protects and promote the foreign companies in India 1)  
**Statement 2:** Inward looking trade strategy protects the domestic industries.

**Alternatives:**

- a) Statement 1 is true and statement 2 is false
- b) Statement 1 is false and statement 2 is true
- c) Both the statements are false
- d) Both the statements are true

**Q4.** Read the following statements – Assertion (A) and Reason (R). 1)  
Choose the correct alternative given below.

**Assertion(A):** Subsidy is important for adoption of new technology in agricultural sector

**Reason (R):** Subsidy lays a huge burden on the government exchequer.

**Alternatives:**

- a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct correction explanation of Assertion (A)
- b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A)
- c) Assertion (A) is true but Reason (R) is false
- d) Assertion (A) is false but Reason (R) is true

**Q5.** Self – reliance does not relate to the following: 1)  
a) to avoid imports of those goods which could be produced in India.  
b) to reduce dependence on foreign countries, particularly for defence items.  
c) to avoid the foreign governments interference in Indian economic policies.  
d) to reduce dependence of Indian economy on foreign countries, especially for food grains.

**Q6.** What was the condition of foreign trade under the British rule? 3)

**Q7.** Critically appraise some of the shortfalls of the industrial policy pursued by the British colonial administration. 3)

**Q8.** What objectives did the British intend to achieve through their policies of infrastructure development in India? 4)

**Q9.** Explain how import substitution can protect domestic industry. (4)

**Q10.** Read the following hypothetical case study carefully and answer the questions on the basis of the same:

India's Micro, Small and Medium Enterprises (MSME) sector is poised for a mega transformation in 2020, with the launch of an Alibaba-like e-marketplace, trendy yet affordable khadi products to appeal to the masses and digital data-based credit ratings to help entrepreneurs avail loans. However, the MSME sector, often considered the bulwark of the economy as it contributes around 29% to the GDP and 48% to the Indian exports. There is an urgent need of major reforms and policy interventions towards ensuring timely availability of low-cost credit, improving ease of doing business and technological upgradation, to take on the formidable challenge of creating millions of jobs, ensure equitable distribution of national income and achieving large-scale import substitution. The World Bank has recently approved loan worth \$ 750 million to address the immediate liquidity and credit needs of India's MSME sector that has been severely impacted by the COVID-19 crisis. This will give a push to the Aatmanirbhar Bharat vision of the government.

Source: CBSE Data Bank

(a) Justify the direct participation of the state in industrial development of the country after independence. 3)

(b) Aatmanirbhar Bharat had been at the roots of Indian planning process in the form of Self-Reliance as an objective of the planning process. Do you agree with the given statement? Justify the rationale of the given statement. 3)

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