

OPEN STUDENT FOUNDATION

Chapters : 10

Std-12 Economics Practice Sheet Day 10

Date : 24/02/24

Section A

- Choose correct answer from the given options. [Each carries 1 Mark] [17]
- Where the import-export values of tangible-intangible goods and services are recorded? (March-2018)
(A) Balance of trade (B) Budget (C) balance of payments (D) Capital account
 - What is the order of India in total export in the world in 2014? (July-2018)
(A) 29 (B) 19 (C) 39 (D) 15
 - The systematic account of import export for tangible-intangible goods of a country is known as _____ (March-2019)
(A) Balance of trade (B) exchange (C) balance of payments (D) trade size
 - Balance of trade means balance of _____ (July-2019, July-2022)
(A) Current account (B) Capital account (C) tangible trade (D) service trade
 - Which tool has more mobility in the foreign trade in present days? (Aug-2020, March-2022)
(A) Capital (B) Labour (C) entrepreneurship (D) land
 - In which year, economic reforms were done? (July-2019)
(A) 1990 (B) 1991 (C) 1999 (D) 2008
 - How many accounts are in balance of payments? (March-2022)
(A) 2 (B) 3 (C) 4 (D) 5
 - Which region of the world has the most percentage share in import-export with India in the 2014-15 financial year? (March-2023)
(A) Asia (B) African and Asian countries
(C) North America (D) Europe
 - What happens by trade? (July-2022)
(A) Mobility of tools decreases (B) Number of industries decrease
(C) Production process decreases (D) Varieties in production
 - How many types of industries are based on the size of capital investment? (July-2022)
(A) Two (B) Three (C) Four (D) Five
 - From which year, Special Economic Zones were started in India? (July-2022, March-2023)
(A) 1947 (B) 1991 (C) 2000 (D) 2011
 - In which industries has the limitation of investment up to 25 lac? (March-2022)
(A) Small industries (B) Small scale industries
(C) Medium scale industries (D) Large scale industries
 - Railway is an example of which type of industry? (March-2022)
(A) Public Corporation (B) Departmental
(C) Medium scale industries (D) Large Scale
 - What is meant by the Public Sector? (May-2021)
(A) Sector run by government (B) Coordination oriented sector
(C) International Sector (D) Sector run by People
 - What is a degree of employment at Industries in 2011-12? (March-2020)
(A) 49% (B) 27% (C) 24.3% (D) 10%
 - What is the investment limit required for tiny industries? (March-2020)
(A) 10 lac (B) 15 lac (C) 20 lac (D) 25 lac

17. How much investment was needed to be done to large scale industries? (March-2018)
(A) 5 to 10 crore (B) More than 10 crore (C) 25 lac to 5 crore (D) Less than 25 lac

Section B

- Write the answer of the following questions. [Each carries 2 Marks] [6]
18. Explain the importance of the Special Economic Zone. (March-2018)
19. State types of industries based on the capital investment. (March-2020, Aug-2020)
20. How does industries are helpful to modernize agriculture ? (July-2018, March-2023)

Section C

- Write the answer of the following questions. [Each carries 3 Marks] [9]
21. Explain any three measures taken by the government to develop industries. (March-2023)
22. Explain the type of industries based on the size of capital investment. (May-2021)
23. Write a short note on Special Economic Zone (SEZ) (July-2018)



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Section A

- Choose correct answer from the given options. [Each carries 1 Mark] [17]
- Where the import-export values of tangible-intangible goods and services are recorded? (March-2018)
(A) Balance of trade (B) Budget (C) balance of payments (D) Capital account
⇒ Ans : (C)
 - What is the order of India in total export in the world in 2014? (July-2018)
(A) 29 (B) 19 (C) 39 (D) 15
⇒ Ans : (B)
 - The systematic account of import export for tangible-intangible goods of a country is known as _____ (March-2019)
(A) Balance of trade (B) exchange (C) balance of payments (D) trade size
⇒ Ans : (C)
 - Balance of trade means balance of ____ (July-2019, July-2022)
(A) Current account (B) Capital account (C) tangible trade (D) service trade
⇒ Ans : (C)
 - Which tool has more mobility in the foreign trade in present days? (Aug-2020, March-2022)
(A) Capital (B) Labour (C) entrepreneurship (D) land
⇒ Ans : (C)
 - In which year, economic reforms were done? (July-2019)
(A) 1990 (B) 1991 (C) 1999 (D) 2008
⇒ Ans : (B)
 - How many accounts are in balance of payments? (March-2022)
(A) 2 (B) 3 (C) 4 (D) 5
⇒ Ans : (A)
 - Which region of the world has the most percentage share in import-export with India in the 2014-15 financial year? (March-2023)
(A) Asia (B) African and Asian countries
(C) North America (D) Europe
⇒ Ans : (A)
 - What happens by trade? (July-2022)
(A) Mobility of tools decreases (B) Number of industries decrease
(C) Production process decreases (D) Varieties in production
⇒ Ans : (D)
 - How many types of industries are based on the size of capital investment? (July-2022)
(A) Two (B) Three (C) Four (D) Five
⇒ Ans : (D)
 - From which year, Special Economic Zones were started in India? (July-2022, March-2023)

(A) 1947

(B) 1991

(C) 2000

(D) 2011

⇒ Ans : (C)

12. In which industries has the limitation of investment up to 25 lac? (March-2022)

(A) Small industries

(B) Small scale industries

(C) Medium scale industries

(D) Large scale industries

⇒ Ans : (A)

13. Railway is an example of which type of industry? (March-2022)

(A) Public Corporation

(B) Departmental

(C) Medium scale industries

(D) Large Scale

⇒ Ans : (B)

14. What is meant by the Public Sector? (May-2021)

(A) Sector run by government

(B) Coordination oriented sector

(C) International Sector

(D) Sector run by People

⇒ Ans : (A)

15. What is a degree of employment at Industries in 2011-12? (March-2020)

(A) 49%

(B) 27%

(C) 24.3%

(D) 10%

⇒ Ans : (C)

16. What is the investment limit required for tiny industries? (March-2020)

(A) 10 lac

(B) 15 lac

(C) 20 lac

(D) 25 lac

⇒ Ans : (D)

17. How much investment was needed to be done to large scale industries? (March-2018)

(A) 5 to 10 crore

(B) More than 10 crore

(C) 25 lac to 5 crore

(D) Less than 25 lac

⇒ Ans : (B)

Section B

● Write the answer of the following questions. [Each carries 2 Marks]

[6]

18. Explain the importance of the Special Economic Zone. (March-2018)

⇒ Special Economic Zones known as SEZ were introduced from 1st April 2000. Its main purpose is to attract foreign investment and to develop a control free environment for exports. To make Indian producing sectors as equivalent to those of the world.

⇒ Tax incentives granted by law for special economic zones to attract foreign investors. These special economic zones are developed from the model of special economic zones of China which are very helpful to develop the export oriented producing sector with foreign direct investment.

⇒ Tax free zones are being created by special economic zones. In other words, it can be said that within the nation SEZ are that types geographical area, where economic laws remain different. China, India, Jordan, Poland, Philippines, Russia and North Korea have used special economic zones.

⇒ India has set up Eight Special Economic Zones:

⇒ Santacruz (Maharashtra), Kochi (Kerala), Kandala and Surat (Gujarat), Chennai (TamilNadu), Visakhapattanam (Andhra Pradesh), Falta (West Bengal) and Noida (UttarPradesh). In addition, new eighteen special economic zones are proposed.

⇒ Any private person, government, joint sector, state government or their representative bodies may start a special economic zone. Even foreign institutes can also start special economic zones. All these types of special economic zones may be controlled by the government.

19. State types of industries based on the capital investment. (March-2020, Aug-2020)

➡ **There are five types of industries based on the capital investment :**

- (1) Cottage Industries
- (2) Tiny Industries
- (3) Small Scale Industries
- (4) Medium Scale Industries
- (5) Large Scale Industries

20. **How does industries are helpful to modernize agriculture ? (July-2018, March-2023)**

- ➡ Modernization of agriculture is needed to increase development of the agriculture sector and to increase land and labour productivity. Industries can provide technology to help the agriculture sector. Tractor, Thresher, Submersible pumps, equipment to spray pesticides, etc. and such other modern instruments can be provided by the industry.
- ➡ Even chemical based fertilisers, pesticides etc. are also produced by industries. Finally, it can be said that by using the modern technology of manufacturing industries, development of agriculture could be made possible.

Section C

● **Write the answer of the following questions. [Each carries 3 Marks]**

[9]

21. **Explain any three measures taken by the government to develop industries. (March-2023)**

➡ Government takes supportive steps for the industrial sectors to have overall development of the economy as they are also as needed as other sectors. These steps are:

- (1) State Owned Enterprises
- (2) Encouragement to (Promotion of) Private Sector Industries
- (3) Import Tariff
- (4) Technical Skills and Training
- (5) Economic Support
- (6) Infrastructural Facilities/Services
- (7) Setting up Various Institutes and Policies

(1) State Owned Enterprises

⇒ Government set up basic and key industries. These sectors require heavy investment and which are risky. Therefore the private sector is not ready to make investment. Produce of these industries are very useful to other industries. Therefore the government runs such industries which contain high risk and at the same time very important for development of industries.

(2) Encouragement to (Promotion of) Private Sector Industries

⇒ Government provides various types of help to start and to run private sector industries. These help are land at concessional rates, electricity, water and even tax breaks, cheap and enough finance by the government, etc. In these ways, the government tries to make them competitive so people can have quality produce.

⇒ Government also gives private sector entry into the reserved sectors to have enough opportunities to grow.

(3) Import Tariff

⇒ Import tariff means tax on imports. To protect local industries in international competitions, the government relies on import tariffs, due to which foreign products (because of taxes) become expensive and become as costlier as cost of production and cost of sales of our domestic products. This way domestic products may become competitive to foreign products and they get protection.

(4) Technical Skills and Training

⇒ Government provides technical and professional training to domestic industries to sustain in competition especially in the period of liberalisation and globalisation. They are trained about new technologies prevailing in the world, new types of goods, selling techniques, administration, etc. It tries to cultivate qualities of management and as many values as possible through training. The purpose is to make them as strong as possible.

(5) Economic Support

⇒ Government provides financial support easily to small and private sectors. So they can start production at low cost and so people can also get products at reasonable prices.

⇒ Government may provide economic help by giving land at a concessional rate. Water, electricity, telephone and even transportation, finance to make them efficient.

(6) Infrastructural Facilities/Services

⇒ To develop industries basic facilities like roads, water, electricity, banks, insurance, sewage and many more are provided by the government. Due to that industries may keep their costs under control. Here, it is noticeable that, by availing infrastructural facilities, industries can save their money, time and efforts to attain least cost levels and become competent. So, they may get encouragement to run industries, to provide good quality products.

(7) Setting up Various Institutes and Policies

⇒ Government makes various industrial policies and makes necessary changes in them as per the requirement so as to help industries. It creates a system so that its import policy, export policy, monetary policy, fiscal policy, tax policy, etc. remains favourable to industry.

⇒ Even the government tries to prevent unfair competition by drafting different laws like industrial act, company act, competition act. etc.

⇒ It has also created institutes like IDBI, SIDBI, ICICI, IFCI, LIC, GIC etc. to provide financial help to industries. It also tries to attract foreign investment. Thus, the government provides help and protection from all aspects to create a suitable environment for development.

22. Explain the type of industries based on the size of capital investment. (May-2021)

⇒ Industrial structure on ground of investment are:

(1) Cottage Industries

(2) Tiny Industries

(3) Small Scale Industries

(4) Medium Scale Industries

(5) Large Scale Industries

(1) Cottage Industries

⇒ Industries mainly run by family members and with simple equipments and with negligible use of electricity, machines and investment is known as cottage industry. E.g., Khadi, Papad, Khakhra, incense stick industries, etc.

(2) Tiny Industries

⇒ Industries run on labour intensive production technique along with the investment limit upto 25 lakhs are known as tiny industries. E.g., Industries of Artistic products made from metal, leather, clay, etc.

(3) Small Scale Industries

⇒ Industries which have investment of more than 25 lakhs and less than 5 crores and utilises labour intensive production techniques and ancillary industries to big industries are known as small scale industries. E.g., units producing tools and simple consumer goods, auto repair units, etc.

(4) Medium Scale Industries

⇒ Industries which have investment limit of more than 5 crores and less than 10 crores, utilise labour intensive or capital intensive production techniques are known as medium scale industries. E.g., Industries of machinery, chemicals, electronic equipment, etc.

(5) Large Scale Industries

⇒ Industries which have investment of more than 10 crores and utilise capital intensive production techniques known as large scale industries. E.g., Industries related to railway, big vehicles, iron, etc.

23. Write a short note on Special Economic Zone (SEZ) (July-2018)

- ⇒ Special Economic Zones known as SEZ were introduced from 1st April 2000. Its main purpose is to attract foreign investment and to develop a control free environment for exports. To make Indian producing sectors as equivalent to those of the world.
- ⇒ Tax incentives granted by law for special economic zones to attract foreign investors. These special economic zones are developed from the model of special economic zones of China which are very helpful to develop the export oriented producing sector with foreign direct investment.
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