

BOARD-PATTERN PRACTICE PAPER · CBSE CLASS 12**Determination of Income and Employment**

Macroeconomics · Chapter 4 · Matches current CBSE blueprint · Each question PYQ-sourced where indicated

DATE	TOTAL MARKS	DURATION	MARKING	TARGET
_____	25	50 min	As per board	≥ 20/25

GENERAL INSTRUCTIONS

- All compulsory.
- Show full working in every numerical.
- Use Keynesian vocabulary (AD, AS, MPC, MPS, multiplier, ex-ante, full-employment AS).

Section A — VSA (1 mark × 4)

4 MARKS · 8 MIN

- Q1.** State the equilibrium condition in the two-sector model. [PYQ 2020 Delhi] **[1 mark]**
- Q2.** Write the formula of the investment multiplier. [PYQ 2018 All India] **[1 mark]**
- Q3.** If $MPC = 0.8$, find MPS . [PYQ 2019 Delhi] **[1 mark]**
- Q4.** Define involuntary unemployment. [PYQ 2024 All India] **[1 mark]**

Section B — SA-I (3 marks × 2)

6 MARKS · 12 MIN

- Q5.** Distinguish between Average Propensity to Consume (APC) and Marginal Propensity to Consume (MPC). [PYQ 2022 Delhi] **[3 marks]**
- Q6.** If $MPC = 0.75$ and the increase in investment is ₹200 crore, calculate the increase in equilibrium income. [PYQ 2024 All India] **[3 marks]**

Section C — SA-II (5 marks × 3)

15 MARKS · 30 MIN

- Q7.** Derive the investment multiplier $k = 1/(1 - MPC)$ and explain it with a numerical illustration using $MPC = 0.8$ and $\Delta I = ₹100$ crore. [PYQ 2020 Delhi] **[5 marks]**
- Q8.** Explain the meaning of a DEFLATIONARY gap and discuss any two fiscal and any two monetary measures to correct it. [PYQ 2023 All India] **[5 marks]**
- Q9.** Given $C = 40 + 0.8Y$ and autonomous investment $I = ₹60$ crore, find the equilibrium level of income. Verify using the saving-investment equality. [PYQ 2021 Delhi] **[5 marks]**

Marking scheme & model answers — see companion Answer Key PDF · all PYQs traceable to actual CBSE papers ·
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