CENTRAL BOARD OF SECONDARY EDUCATION

CBSE 2026-27

Social Science – Economics

Subject Code: 087 | Class X

Question Bank – Set 1

Questions in this Booklet

Ch.	Chapter	MCQs	A-R	VSA	SA	LA	CS	All
1	Development	6	1	2	2	1	1	**13**
2	Sectors of the Indian Economy	6	1	2	2	1	1	**13**
3	Money and Credit	6	1	2	2	1	1	**13**
4	Globalisation and the Indian Economy	4	1	1	1	1	1	**9**
	Total	**22**	**4**	**7**	**7**	**4**	**4**	**48**

MCQs = Multiple Choice; A-R = Assertion–Reason; VSA = Very Short Answer; SA = Short Answer; LA = Long Answer; CS = Case Study / Source-based.

Board exam Section D: Economics Q29–38, 20 marks. Chapters as per NCERT *Understanding Economic Development*, limited to the 2026-27 board syllabus (Ch 4: What is Globalisation + Factors enabling Globalisation; Consumer Rights excluded). Questions tagged [SQP/Board year] are from CBSE papers; untagged questions are new CBSE-style questions aligned to the 2026-27 curriculum.

Contents

1. Development **3**
Multiple Choice Questions (MCQs) . . . 3
Assertion–Reason . . . 3
Very Short Answer (VSA) . . . 3
Short Answer (SA) . . . 4
Long Answer (LA) . . . 4
Case Study . . . 4

2. Sectors of the Indian Economy **5**
Multiple Choice Questions (MCQs) . . . 5
Assertion–Reason . . . 5
Very Short Answer (VSA) . . . 5
Short Answer (SA) . . . 5
Long Answer (LA) . . . 5
Case Study . . . 6

3. Money and Credit **7**
Multiple Choice Questions (MCQs) . . . 7
Assertion–Reason . . . 7
Very Short Answer (VSA) . . . 7
Short Answer (SA) . . . 8
Long Answer (LA) . . . 8
Case Study . . . 8

4. Globalisation and the Indian Economy **9**
Multiple Choice Questions (MCQs) . . . 9
Assertion–Reason . . . 9
Very Short Answer (VSA) . . . 9
Short Answer (SA) . . . 9
Long Answer (LA) . . . 9
Case Study . . . 10

Answer Key (MCQs and Assertion–Reason) **11**

1. Development

Multiple Choice Questions (MCQs)

Q1. Why is measuring development based on per capita income not sufficient? Explain by choosing the most appropriate option. **[1]**
(a) Per capita income ignores the size of the population.
(b) Money cannot buy all the goods and services needed to live well; income says nothing about education, health or equality.
(c) Per capita income is difficult to calculate for most countries.
(d) Per capita income counts only industrial earnings and leaves out services.

Q2. Read the given data and find out which country has the most equitable distribution of income. Monthly income of citizens in four countries in 2018 (in Rs):
Country A: 10,500, 11,200, 10,800, 11,000, 10,700
Country B: 600, 5,000, 600, 600, 600
Country C: 550, 10,500, 400, 7,500, 2,000
Country D: 800, 4,800, 700, 5,000, 750 **[1]**
(a) Country A (b) Country B (c) Country C (d) Country D

Q3. Study the given data carefully and answer the question that follows.
Monthly income of citizens of Country A in Rs: 9,500, 10,500, 9,800, 1,000 and 10,200. Identify the average monthly income of citizens in Country A. **[1]**
(a) 8,200 (b) 9,000 (c) 1,000 (d) 10,500

Q4. Study the table related to 'World Human Development Index' and answer the question that follows.
India: HDI rank 130; Myanmar: HDI rank 148; Nepal: HDI rank 149; Pakistan: HDI rank 150. Which one of the following countries has the lowest rank in 'Human Development Index'? **[1]**
(a) India (b) Myanmar (c) Nepal (d) Pakistan

Q5. Assume there are four families in a locality. If the monthly income of each family is Rs 10,000, Rs 20,000, Rs 30,000 and Rs 40,000, then what is the average income of the locality? Choose the correct option. **[1]**
(a) Rs 25,000 (b) Rs 30,000 (c) Rs 20,000 (d) Rs 10,000

Q6. Which of the following statements defines Sustainable Development? **[1]**
(a) Sustainable use of natural resources without considering the need of the future generation.
(b) Present generation fulfils its needs while considering the needs of the future generation as well.
(c) It means utilisation of natural resources by the past, present and forthcoming future generations.
(d) To meet the needs of the future generations even if the needs of the present generation go unmet.

Assertion–Reason

Q7. **Assertion (A):** Different people have different development goals.
Reason (R): People want freedom, equality, security and respect. **[1]**
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct 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.

Very Short Answer (VSA)

Q8. How does the United Nations Development Programme's (UNDP's) developmental criterion differ from the World Bank? Explain. **[2]**

Q9. Evaluate the utility of public services in contributing to the overall well-being of individuals and society. **[2]**

Short Answer (SA)

Q10. Analyse the development of Punjab, Kerala and Bihar states on the basis of literacy. **[3]**

Q11. Analyse the issues that necessitate sustainable development for the future. **[3]**

Long Answer (LA)

Q12. Study the data for three states: State H (IMR 28, literacy 82%, net attendance 73%), State K (IMR 6, literacy 94%, net attendance 94%) and State B (IMR 27, literacy 62%, net attendance 69%). Which of the three states is likely to have a better human development standard than the others? Justify with any two reasons. Why is it important to pay attention to indicators like Infant Mortality Rate, Literacy Rate and Net Attendance Ratio to bring about overall development of any state? **[5]**

Case Study

Case Study: Recent evidence suggests that the groundwater is under serious threat of overuse in many parts of the country. About 300 districts have reported a water level decline of over 4 metres during the past 20 years. Nearly one-third of the country is overusing their groundwater reserves. In another 25 years, 60 per cent of the country would be doing the same if the present way of using this resource continues. Groundwater overuse is particularly found in the agriculturally prosperous regions of Punjab and Western U.P., hard rock plateau areas of central and south India, some coastal areas and the rapidly growing urban settlements.

Q13. Answer the following questions based on the case above: **[4]**

(i) Explain the meaning of sustainability of development. [1]

(ii) Describe the serious threat caused by overuse of underground water. [1]

(iii) Mention any two suggestions for the farmers to reduce the overuse of the groundwater in agriculture. [2]

2. Sectors of the Indian Economy

Multiple Choice Questions (MCQs)

Q1. The work of which of the following comes in the secondary sector of the economy? **[1]**

(a) Bee-keeper (b) Moneylender (c) Basket weaver (d) Fisherman

Q2. Which one of the following is a feature of the unorganized sector? **[1]**

(a) Terms of employment are regular.
(b) People have assured work.
(c) They have some formal processes and procedures.
(d) There are rules and regulations but not followed.

Q3. Which one of the following sectors has the highest share in employment in India? **[1]**

(a) Primary (b) Secondary (c) Tertiary (d) Quaternary

Q4. Which one of the following sectors contribute highest in the GDP of India? **[1]**

(a) Primary (b) Secondary (c) Tertiary (d) Quaternary

Q5. Choose the appropriate option to fill in the blank. **[1]**

Sector	Criteria Used
i. Organized and Unorganized	(blank)
ii. Primary, Secondary and Tertiary	Nature of production activities

(a) Nature of employment activities (b) Nature of social activities
(c) Nature of political activities (d) Nature of economic activities

Q6. A woman works at a sweet shop in her village on a contract basis and gets meagre salary after working the entire day. She doesn't get any holidays or paid leave, rather her employer deducts her salary whenever she is absent from work. Find out in which of the following sectors she is working? **[1]**

(a) Primary Sector (b) Service Sector (c) Organized Sector (d) Unorganised Sector

Assertion–Reason

Q7. **Assertion (A):** Agriculture and industry move hand in hand.
Reason (R): Industrial development is a precondition for eradication of unemployment and poverty from the country. **[1]**

(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct 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.

Very Short Answer (VSA)

Q8. Suggest any two ways to create more employment in the rural sector. **[2]**

Q9. Explain with one example how the tertiary sector supports the primary sector. **[2]**

Short Answer (SA)

Q10. Explain the difference between public and private sector of Indian economy with example. **[3]**

Q11. Examine the benefits that are enjoyed by the people working in the organised sector. **[3]**

Long Answer (LA)

Q12. Suppose you are the Sarpanch of your village. What suggestions will you give for creating additional employment in the village, so that the problem of unemployment of the residents of rural areas can be reduced? **[5]**

Case Study

Case Study: Kanta works in the organised sector. Organised sector covers those enterprises or places of work where the terms of employment are regular and therefore, people have assured work. They are registered by the government and have to follow its rules and regulations which are given in various laws such as the Factories Act, Minimum Wages Act, Payment of Gratuity Act, Shops and Establishments Act, etc. It is called Organised Sector because it has some formal processes and procedures. Some of these people may not be employed by anyone but may work on their own, but they too have to register themselves with the government and follow the rules and regulations.

Q13. Answer the following questions based on the case above: **[4]**

(i) (36.1) Mention any one feature of the working conditions of organised sector. [1]

(ii) (36.2) Explain any one benefit provided by the employers to the organised sector employees. [1]

(iii) (36.3) Why is it necessary for all self-employed people to register with the government? [2]

3. Money and Credit

Multiple Choice Questions (MCQs)

Q1. Megha has taken a loan of Rs. 5 lakhs from bank to purchase a house. The annual rate on the loan is 12 per cent and the loan is to be repaid in 10 years in monthly instalments. Megha had to submit to the bank documents showing her employment records and salary before the bank agreed to give her the loan. The bank retained as collateral the papers of the new house, which will be returned to Megha only when she repays the entire loan with interest.

The 12% interest charged by the bank to Megha is related to which of the following? **[1]**

(a) Collateral (b) Cost of Credit (c) Duration of Loan (d) Documentation

Q2. Swapna, a small farmer, grows groundnut on her three acres of land. She takes a loan from the moneylender to meet the expenses of cultivation, but midway due to a flood the crop fails and her debt increases. Again she has to take a loan to manage the crops.

Suggest Swapna which of the following sources of loan would be suitable for her: **[1]**

(a) Friends (b) Relatives (c) Moneylenders (d) Banks

Q3. Which one of the following issues currency notes in India? **[1]**

(a) Finance Ministry (b) Reserve Bank of India
(c) State Bank of India (d) Central Bank of India

Q4. Why is money described as a medium of exchange? **[1]**

(a) It is used to compare the value of different goods.
(b) People accept it in return for goods and services, making trade easier.
(c) Money helps individuals save their wealth safely for the future.
(d) It enables record-keeping of every transaction made in the economy.

Q5. Which of the following factors is NOT included in the terms of credit? **[1]**

(a) Interest rate (b) Mode of repayment (c) Collateral (d) Inflation rate

Q6. Most of the agricultural labourers like Mohan depend upon loans from the informal sector. Which of the following statements about this sector is correct? **[1]**

(a) There are govt. bodies to supervise the informal sector
(b) Money lenders ask for a reasonable rate of interest
(c) Cost of informal loans to the borrower is quite high
(d) Money lenders use fair means to get their money back

Assertion–Reason

Q7. **Assertion (A):** Rural poor families are still dependent on informal sources of credit.
Reason (R): For obtaining a loan from banks, collateral and special documents are required. **[1]**

(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct 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.

Very Short Answer (VSA)

Q8. Answer both:
(i) Why is money called a medium of exchange?
(ii) Why do banks ask for collateral while giving loans? **[2]**

Q9. What is a 'debt trap'? How does a high interest rate push a borrower into it? **[2]**

Short Answer (SA)

Q10. Explain the functions of ”Self Help Group”. **[3]**

Q11. ”Reserve Bank of India plays a crucial role in regulating the Indian banks.” Justify the statement. **[3]**

Long Answer (LA)

Q12. Examine the composition and working of ’Self-Help Groups (SHGs)’. **[5]**

Case Study

Case Study: A House Loan

Megha has taken a loan of Rs. 5 lakhs from the bank to purchase a house. The annual interest rate on the loan is 12 per cent and the loan is to be repaid in 10 years in monthly instalments. Megha had to submit to the bank, documents showing her employment records and salary before the bank agreed to give her the loan. The bank retained as collateral the papers of the new house, which will be returned to Megha only when she repays the entire loan with interest.

Q13. Answer the following questions based on the case above: **[4]**

(i) From which source of credit has Megha taken the loan? [1]

(ii) Explain the terms of credit given in the source. [1]

(iii) How do these terms protect the bank? Explain. [2]

4. Globalisation and the Indian Economy

Multiple Choice Questions (MCQs)

Q1. Which of the following factors significantly contribute to the process of globalisation? Select the correct options.
1. Expansion of Multinational Corporations (MNCs)
2. Advancements in information and communication technology
3. Nationalisation and trade barriers
4. Cross-border movement of people for jobs and education **[1]**

(a) Statements 1 and 2 are appropriate. (b) Statements 1, 2 and 3 are appropriate.
(c) Statements 2, 3 and 4 are appropriate. (d) Only statement 3 is appropriate.

Q2. Which of the following is NOT a feature of a Multinational Company? **[1]**
(a) It controls production in more than one nation.
(b) It sets up factories where it is close to the market.
(c) It organises production in complex ways.
(d) It employs labour only from its own country.

Q3. The process of integration between different countries is called ____. Choose the correct option: **[1]**
(a) Privatisation (b) Globalisation (c) Liberalisation (d) Competition

Q4. Which one of the following is included in 'liberalisation'? **[1]**
(a) Promoting trade barriers
(b) Removing trade barriers
(c) Controlling the other country through trade
(d) Increasing import, export duty on goods

Assertion–Reason

Q5. **Assertion (A):** Rapid improvement in technology has been one major factor that has stimulated the globalisation process.
Reason (R): Improvements in transport and information technology allow goods and information to move quickly and cheaply across the world. **[1]**
(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct 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.

Very Short Answer (VSA)

Q6. 'Globalisation is the process of rapid integration and interconnection between countries.' Explain the statement with examples. **[2]**

Short Answer (SA)

Q7. 'Advancement in technology has stimulated the globalisation process.' Justify the statement with suitable arguments. **[3]**

Long Answer (LA)

Q8. 'Foreign trade and foreign investment policies are the aspects of liberalisation and globalisation.' Explain the statement with suitable examples. **[5]**

Case Study

Case Study: Two decades ago, a garment exporter in India spent weeks receiving orders by post from foreign buyers, and shipping took months. Today, the same exporter receives orders from buyers in Europe and North America within minutes over video calls, tracks cotton prices worldwide online, and ships consignments by container ships that reach foreign ports in weeks at a fraction of the earlier cost. Banks process international payments digitally. The government, since 1991, has removed several earlier restrictions on foreign trade and investment.

Q9. Answer the following questions based on the case above: **[4]**

(i) Which factor of globalisation does the instant receipt of orders over video calls illustrate? [1]

(ii) How have improvements in transport technology helped the exporter? [1]

(iii) What does the removal of restrictions on foreign trade and investment since 1991 refer to, and how does it promote globalisation? [2]

Answer Key (MCQs and Assertion–Reason)

Ch. 1: Q1-(b), Q2-(a), Q3-(a), Q4-(d), Q5-(a), Q6-(b), Q7-(a)

Ch. 2: Q1-(c), Q2-(d), Q3-(a), Q4-(c), Q5-(a), Q6-(d), Q7-(b)

Ch. 3: Q1-(b), Q2-(d), Q3-(b), Q4-(b), Q5-(d), Q6-(c), Q7-(a)

Ch. 4: Q1-(a), Q2-(d), Q3-(b), Q4-(b), Q5-(a)