CENTRAL BOARD OF SECONDARY EDUCATION

CBSE 2026-27

Social Science – Economics

Subject Code: 087 | Class X

Question Bank – Set 2

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.

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

1. Development

Multiple Choice Questions (MCQs)

Q1. Read the given data and find out children of which state have attained maximum elementary school education.
Haryana: per capita income Rs 2,36,147; IMR 30; literacy 82%; net attendance 61
Kerala: per capita income Rs 2,04,105; IMR 7; literacy 94%; net attendance 83
Bihar: per capita income Rs 40,982; IMR 32; literacy 62%; net attendance 43 **[1]**

(a) Haryana (b) Bihar
(c) Haryana and Kerala both (d) Kerala

Q2. 'Per capita income' is the criterion for development of which one of the following? **[1]**

(a) United Nations Development Programme (b) World Health Organisation
(c) World Trade Organisation (d) World Bank

Q3. Which one of the following is a correct explanation of average income? **[1]**

(a) The total income of a population
(b) The income earned by the highest earners in a population
(c) The income earned by the lowest earners in a population
(d) The total income divided by the number of individuals in a population

Q4. By which organisation is the Human Development Report published? **[1]**

(a) World Trade Organisation (b) Amnesty International
(c) United Nations Development Programme (d) World Health Organisation

Q5. What can be inferred about the limitations of using per capita income (average income) to compare well-being across countries? Choose the correct option. **[1]**

(a) It shows how equally or unequally income is distributed among the people in a country.
(b) The only measure needed to understand a country's development is per capita income.
(c) It gives a basic idea of economic well-being but hides the income inequality.
(d) It only reflects the industrial growth of a country and does not consider other important factors.

Q6. Choose the correct option to fill in the blank. Infant Mortality Rate indicates the number of children that die before the age of _____ year(s) per 1,000 live births in that particular year. **[1]**

(a) One (b) Two (c) Three (d) Four

Assertion–Reason

Q7. **Assertion (A):** Human Development mentions how much socio-economic development has happened in a country.
Reason (R): Comparison of national income of two countries explains Human Development Index. **[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. Explain the significance of per capita income. **[2]**

Q9. What does the net attendance ratio of a state indicate about its development? Explain with an example. **[2]**

Short Answer (SA)

Q10. "Different persons can have different developmental goals." Explain the statement with examples. **[3]**

Q11. How is the Body Mass Index (BMI) calculated, and what does it indicate about the nutrition status of a population? Explain with an example. **[3]**

Long Answer (LA)

Q12. Analyse the social and economic goals of development. **[5]**

Case Study

Case Study: Once it is realised that even though the level of income is important, yet it is an inadequate measure of the level of development, we begin to think of other criteria. There could be a long list of such criteria but then it would not be so useful. What we need is a small number of the most important things. Health and education indicators, such as the ones we used in comparison of Kerala and Punjab, are among them. Over the past decade or so, health and education indicators have come to be widely used along with income as a measure of development. For instance, the Human Development Report published by UNDP compares countries based on the educational levels of the people, their health status and per capita income. It would be interesting to look at certain relevant data regarding India and its neighbours from the Human Development Report.

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

(i) On what basis does the UNDP compare countries on Human Development? [1]

(ii) Explain human development briefly. [2]

(iii) Mention other aspects that should be considered in measuring human development. [1]

2. Sectors of the Indian Economy

Multiple Choice Questions (MCQs)

Q1. 'A' is a worker in a garment export industry of Jaipur. He gets facilities like health insurance, provident fund, medical leave, etc. In which one of the following sectors is 'A' working? **[1]**

(a) Primary sector (b) Non-Governmental sector
(c) Organized sector (d) Unorganized sector

Q2. Natural products being changed into other forms is known as: **[1]**

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

Q3. 'X' lives in a town. He cultivates flowers along with animal husbandry. The work of 'X' will fall under which sector of the economy? **[1]**

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

Q4. Kamalkant is a shopkeeper who pays his taxes on time, however none of the workers in his shop get any paid leave in the year. On the basis of the given situation, find out the correct option. **[1]**

(a) Workers are employed in the organised sector.
(b) Workers are engaged in the unorganised sector.
(c) Workers are employed in the joint sector.
(d) Workers are employed in the public sector.

Q5. Which of the following profession belongs to the Tertiary Sector of economy? **[1]**

(a) Fisherman (b) Farmer (c) Factory worker (d) Teacher

Q6. If there is a disruption by transporters and lorries refuse to transport vegetables, milk, etc. from rural areas to urban areas, food will become scarce in urban areas, whereas farmers will be unable to sell their products. Which of the following sectors will be affected due to this situation stated above? **[1]**

(a) Primary and Secondary (b) Secondary and Tertiary
(c) Tertiary, Primary and Secondary (d) Tertiary and Primary

Assertion–Reason

Q7. **Assertion (A):** Agricultural production related activities are included in the tertiary sector.
Reason (R): Tertiary sector is called as service sector. **[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. 'Agriculture and industry move hand in hand.' Support the statement with examples. **[2]**

Q9. Name any two social security benefits that workers in the organised sector receive. **[2]**

Short Answer (SA)

Q10. Compare the employment conditions prevailing in the organized and unorganized sector. **[3]**

Q11. Compare Tables A and B and answer the question given below. A remarkable fact about India is that while there has been a change in the share of the three sectors in GDP, a similar shift has not taken place in employment. Why didn't a similar shift out of primary sector happen in case of employment? Substantiate your answer. **[3]**

Share of sectors in GDP and in employment (%): combined from the two tables in the source

Sector	GDP share 1973-74	GDP share 2013-14	Employment share 1977-78	Employment share 2017-18
Primary	40	11	71	44
Secondary	10	21	11	25
Tertiary	50	68	18	31

Long Answer (LA)

Q12. 'Agriculture and industries complement each other.' Justify the statement. **[5]**

Case Study

Case Study: In one district, two enterprises are described. Dakshin Power Corporation is owned by the State Government and aims to provide electricity to all villages at affordable rates. Shree Textiles Pvt. Ltd. is owned by a family and aims to maximise its profit from selling cloth.

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

(i) (a) Identify the sector to which (i) Dakshin Power Corporation and (ii) Shree Textiles Pvt. Ltd. belong, on the basis of ownership. [1]

(ii) (b) State the main objective of each enterprise. [1]

(iii) (c) Give two differences between the two enterprises in terms of employment conditions or accountability. [2]

3. Money and Credit

Multiple Choice Questions (MCQs)

Q1. Read the following situation regarding credit and identify the positive impact of credit.

Salim obtains credit to meet the working capital needs of production. The credit helps him to meet the ongoing expenses and complete production on time. **[1]**

(a) The burden of credit will increase on Salim.
(b) Salim's income will increase.
(c) The production will decrease.
(d) Salim may get stuck in a debt trap.

Q2. Why is the Rupee accepted as a medium of exchange in India? Choose the most appropriate option: **[1]**

(a) It is authorised by the World Bank.
(b) It is authorised by the World Trade Organisation.
(c) It is authorised by the State Governments.
(d) It is authorised by the Government of India.

Q3. Which one of the following banks in India controls the issuance of currency and regulates the credit system in the country? **[1]**

(a) Punjab National Bank (b) Indian Bank
(c) Reserve Bank of India (d) State Bank of India

Q4. Rahul has a sack of cotton but he is in need of wheat and Anush has a sack of wheat and is in need of cotton; under this situation both will be able to exchange their goods. In case of absence of such coincidence of wants, they may not exchange their goods. Which one of the following would be the best option that describes the mutual exchange of goods and eliminates the need for such a coincidence? **[1]**

(a) Double coincidence of wants — exchanging commodity for commodity
(b) Double coincidence of wants — credit on commodity
(c) Double coincidence of wants — loan on commodity
(d) Money as the medium of exchange

Q5. Which one of the following is a formal source of credit? **[1]**

(a) Relative (b) Trader (c) Money lender (d) Cooperative Society

Q6. Mohan is an agricultural labourer. There are several months in a year when he has no work and needs credit to meet his daily expenses. He depends upon his employer, the landowner for credit who charges an interest rate of 5 per cent per month. Mohan repays the money by working physically for the landowner on his farmland.

Over the years his debt will: **[1]**

(a) Increase — because of increasing interest and non-payment of monthly amount
(b) Remain constant — as he is working for the employer but is repaying less
(c) Reduce — as amount equivalent to his salary is being counted as monthly repayment
(d) Be totally repaid — as he is repaying the debt in the form of physical labour

Assertion–Reason

Q7. **Assertion (A):** Banks are not ready to lend money to certain borrowers.
Reason (R): Some people do not have collateral. **[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 is 'Demand Deposit' an essential feature of money? **[2]**

Q9. How do double coincidence of wants arise? **[2]**

Short Answer (SA)

Q10. Why are poor households still dependent on informal sources of loans ? Explain. **[3]**

Q11. Why do we need to expand formal sources of credit in India? Explain. **[3]**

Long Answer (LA)

Q12. Justify the role of 'Self-Help Groups' in the rural economy. **[5]**

Case Study

Case Study: Besides banks, the other major source of cheap credit in rural areas are the cooperative societies (or cooperatives). Members of a cooperative pool their resources for cooperation in certain areas. There are several types of cooperatives possible, such as farmers' cooperatives, weavers' cooperatives and industrial workers' cooperatives, etc. Krishak Cooperative functions in a village not very far away from Sonpur. It has 2300 farmers as members. It accepts deposits from its members. With these deposits as collateral, the Cooperative has obtained a large loan from the bank. These funds are used to provide loans to members. Once these loans are repaid, another round of lending can take place. Krishak Cooperative provides loans for the purchase of agricultural implements, loans for cultivation and agricultural trade, fishery loans, loans for construction of houses and for a variety of other expenses.

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

(i) 'Cooperative society' is an example of which source of credit? [1]

(ii) How do Krishak Cooperatives secure funds for providing loans to their members? [1]

(iii) Explain the role of cooperative societies in increasing the income of farmers. (any two points) [2]

4. Globalisation and the Indian Economy

Multiple Choice Questions (MCQs)

Q1. There are advancements in transportation. Which of the following is the impact of it on globalisation? **[1]**
(a) Faster delivery of goods across long distances at lower costs
(b) Local producers face no competition
(c) Increased cost of goods in the world market
(d) Reduced movement of people between countries

Q2. The removal of barriers on foreign trade and investment by the Indian government has been called: **[1]**
(a) Industrialisation (b) Nationalisation (c) Privatisation (d) Liberalisation

Q3. Which of the following is the main purpose of a trade barrier in global trade? Choose the correct option: **[1]**
(a) To promote the growth of foreign companies in a country
(b) To control the production of domestic industries
(c) To regulate foreign trade into the country
(d) To stop foreign trade between countries

Q4. Match the following aspects of globalisation with their descriptions and choose the correct option:
Column A: 1. Technological Advancement 2. Liberalisation of Trade 3. Cultural Exchange 4. Multinational Corporations
Column B: (i) Interaction of ideas, values and traditions (ii) Companies operating in many countries (iii) Innovation in manufacturing, communication and information (iv) The removal of restriction on trade **[1]**
(a) 1-(iii), 2-(iv), 3-(i), 4-(ii) (b) 1-(iii), 2-(iv), 3-(ii), 4-(i)
(c) 1-(ii), 2-(i), 3-(iii), 4-(iv) (d) 1-(iv), 2-(iii), 3-(i), 4-(ii)

Assertion–Reason

Q5. **Assertion (A):** Information and communication technology stimulates the process of globalisation.
Reason (R): Telecommunication facilities (telephone, mobile phones, fax, internet) are used to contact one another around the world and access information instantly. **[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. How is technology an important factor of globalisation? Explain with examples. **[2]**

Short Answer (SA)

Q7. How did the policy of liberalisation adopted by India in the 1990s promote globalisation? Explain with examples. **[3]**

Long Answer (LA)

Q8. 'Rapid improvement in technology has been one major factor that has stimulated the globalisation process.' Explain the statement with suitable examples. **[5]**

Case Study

Case Study: Wellmart Inc., a large MNC, designs its products in its home country, sources components from suppliers in three other countries, and assembles the final goods at a plant in a country where labour costs are low. To expand quickly in the Indian market, its most common route has been to buy up an established local

company and expand production. Its Indian plant now supplies goods both to Indian stores and to its stores in other countries.

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

(i) State any one feature of an MNC visible in the passage. [1]

(ii) Which route of MNC investment does the company's entry into India show? [1]

(iii) How does the case illustrate interlinking of production across countries? [2]

Answer Key (MCQs and Assertion–Reason)

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

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

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

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