CENTRAL BOARD OF SECONDARY EDUCATION

CBSE 2026-27

Social Science – Economics

Subject Code: 087 | Class X

Question Bank – Set 3

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 data given below and answer the question.
State A: infant mortality rate 30 per 1,000 live births; literacy rate 82%
State B: infant mortality rate 7 per 1,000 live births; literacy rate 94%
As per the data given above, why does State B have a low infant mortality rate? **[1]**

(a) It has high per capita income.
(b) It has better infrastructure than State A.
(c) It has good teachers and schools.
(d) It has health care and education for all.

Q2. Choose the most appropriate option related to developmental goals of landless rural labourers.
I. More days of work
II. Better wages
III. Higher support prices for their crops
IV. End of social discrimination **[1]**

(a) Only I, II and III are correct.
(b) Only II, III and IV are correct.
(c) Only I, II and IV are correct.
(d) Only I, III and IV are correct.

Q3. Which one of the following is the correct meaning of 'Average Income'? **[1]**

(a) The total income of the country divided by its earning population.
(b) The total income of the country divided by its total population.
(c) The total income of all the residents of the country.
(d) The total income from the domestic and foreign sources.

Q4. Choose the correct option to fill in the blank. The total value of all final goods and services produced within a country in a particular year is called _____. **[1]**

(a) Per Capita Income
(b) Per Capita Production
(c) Gross National Income
(d) Gross Domestic Product

Q5. Which of the following reports compares countries using health, education and per capita income? **[1]**

(a) Human Development Report
(b) Global Trade Report
(c) World Development Report
(d) Economic Survey Report

Q6. Select the developmental goal for a girl from a rich family from the following options: **[1]**

(a) To get more days of work
(b) To get as much freedom as her brother gets
(c) To get electricity
(d) To get better wages

Assertion–Reason

Q7. **Assertion (A):** Per capita income is used to compare the development of different countries.
Reason (R): Countries with higher per capita income are always more developed than countries with lower per capita income. **[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. "Different persons can have different developmental goals." Support the statement with an example. **[2]**

Q9. Why is measuring development based on per capita income not sufficient? Explain. **[2]**

Short Answer (SA)

Q10. 'The issue of sustainability is important for development.' Examine the statement. **[3]**

Q11. "Two countries with the same average income can have very different levels of development." Justify the statement with the help of an example. **[3]**

Long Answer (LA)

Q12. Study the data for three states given below and answer the questions that follow.
State H: IMR 28 per 1,000 live births; literacy rate 82%; net attendance ratio 73%
State K: IMR 6; literacy rate 94%; net attendance ratio 94%
State B: IMR 27; literacy rate 62%; net attendance ratio 69%
Analyse how the development levels of these states differ, and suggest the inferences students can draw. What areas should each state focus on to improve their overall development? **[5]**

Case Study

Case Study: For comparing countries, their income is considered to be one of the most important attributes. Countries with higher income are more developed than others with less income. This is based on the understanding that more income means more of all things that human beings need. Now, what is the income of a country? Intuitively, the income of the country is the income of all the residents of the country. This gives us the total income of the country. However, for comparison between countries, total income is not such a useful measure. Since countries have different populations, comparing total income will not tell us what an average person is likely to earn. Hence, we compare the average income which is the total income of the country divided by its total population. The average income is also called per capita income. In World Development Reports, brought out by the World Bank, this criterion is used in classifying countries. Countries with per capita income of US$ 49,300 per annum and above in 2019, are called high income or rich countries and those with per capita income of US$ 2,500 or less are called low-income countries.

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

(i) Explain the significance of per capita income. [2]

(ii) What are the classifications of countries based on per capita income, and which entity is responsible for determining these classifications? [2]

2. Sectors of the Indian Economy

Multiple Choice Questions (MCQs)

Q1. Which one of the following enterprises belongs to the organized sector? **[1]**

(a) Independent Freelancers (b) Multinational Corporations
(c) Street Vendors (d) Cottage Industries

Q2. Identify the sector on the basis of the following characteristics and choose the correct option. The objective of this sector is to earn profit. This sector is owned by a person or company. Tata Iron and Steel is an example of this sector. **[1]**

(a) Cooperative Sector (b) Unorganised Sector (c) Public Sector (d) Private Sector

Q3. Identify the odd one out from the following options: **[1]**

(a) Agriculture, Fishing, Mining
(b) Forestry, Trading, Dairy
(c) Teachers, Doctors, Lawyers
(d) Making sugar, Cotton textile, Iron and Steel Industry

Q4. Choose the correct pair regarding the sectors of economy. **[1]**

(a) Primary - Mining (b) Secondary - Flower cultivation
(c) Tertiary - Fishing (d) Secondary - Bee-keeping

Q5. Which one the following is an example of Primary Sector activity? **[1]**

(a) Baking (b) Outsourcing (c) Farming (d) Banking

Q6. Choose the correct option that matches the example with its sector. **[1]**

(a) Courier - Tertiary Sector (b) Fisherman - Secondary Sector
(c) Carpenter - Primary Sector (d) Transporter - Secondary Sector

Assertion–Reason

Q7. **Assertion (A):** Not every good or service that is produced and sold needs to be counted to know the total production in each sector.
Reason (R): The value of final goods already includes the value of all the intermediate goods. **[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. Why does the primary sector still employ a large share of workers in India, even though its share in GDP is small? Give two reasons. **[2]**

Q9. State one difference between the objective of the public sector and that of the private sector. **[2]**

Short Answer (SA)

Q10. Examine the rising importance of the tertiary sector in India. **[3]**

Q11. Differentiate between Primary and Secondary sectors. **[3]**

Long Answer (LA)

Q12. Distinguish between public and private sector of economy with examples. **[5]**

Case Study

Case Study: Four workers were interviewed about their jobs. Their details are given in the table.

Details of four workers

Worker	Sector of work	Paid leave	Provident fund	Job security
Meena	Clerk in a registered bank	Yes	Yes	Yes
Ravi	Street vendor selling fruits	No	No	No
Asha	Worker in a registered garment factory	Yes	Yes	Yes
Iqbal	Daily wage labourer at a construction site	No	No	No

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

(i) (a) Classify each worker as belonging to the organised or unorganised sector. [1]

(ii) (b) Mention one feature of the unorganised sector shown in the table. [1]

(iii) (c) Explain why organised sector workers are better placed than unorganised sector workers. [2]

3. Money and Credit

Multiple Choice Questions (MCQs)

Q1. How is 'Demand Deposit' an essential feature of money? **[1]**
(a) It earns high interest for the depositor
(b) It can be withdrawn on demand and used to make payments by cheque, so it acts as a medium of exchange
(c) It is lent only to farmers
(d) It replaces currency notes completely

Q2. Why does it become difficult for farmers in rural areas to take loans from government banks? Read the following reasons and choose the most appropriate option:
I. Lack of collateral
II. Complicated procedure
III. Higher cost of borrowing
IV. Lack of awareness **[1]**
(a) Only I, II and III are correct.
(b) Only II, III and IV are correct.
(c) Only I, II and IV are correct.
(d) Only I, III and IV are correct.

Q3. Person Z tries to explain how the requirement of a double coincidence of wants in a barter system limits trade and exchange. Which of the following justifications will he/she use? **[1]**
(a) It makes trade more complicated, as each person must have what the other person wants, limiting the pool of potential trade partners.
(b) The barter system allows trade to be conducted more efficiently since both parties already know what they need from the transaction.
(c) It increases the number of exchanges because each person can trade for exactly what they want.
(d) The system creates value for goods by ensuring that both parties have a direct need for each other's goods.

Q4. Why do lenders often require collateral before lending loan? Choose the most suitable option: **[1]**
(a) To lower interest rates for borrowers
(b) To establish personal relations
(c) To increase their profit margins
(d) To mitigate the risk of loan default

Q5. Why is it not easy to get loans from the formal sector? Read the following reasons and choose the most appropriate option:
I. Availability of Banks
II. Availability of Collateral
III. Long and Complicated Loan Process
IV. Awareness of Borrower **[1]**
(a) Only I, II and III are correct.
(b) Only II, III and IV are correct.
(c) Only I, II and IV are correct.
(d) Only I, III and IV are correct.

Q6. Who among the following takes the decision regarding saving and loan activities in the Self Help Groups (SHGs)? **[1]**
(a) Manager of a Bank
(b) Members of Non-Governmental Organisation (NGO)
(c) Local Money Lenders
(d) Members of Self-Help Group (SHG)

Assertion–Reason

Q7. **Assertion (A):** Rupee is accepted as a medium of exchange in India.
Reason (R): The World Bank legalises the use of rupee as a medium of payment in India. **[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. Differentiate between formal and informal sources of loans. (any two points) **[2]**

Q9. State any two reasons why banks do not lend credit to certain borrowers. **[2]**

Short Answer (SA)

Q10. Explain how Self-Help Groups (SHGs) help banks to minimise risk when providing loans to poor women, who do not have any collateral. **[3]**

Q11. 'Self-Help Groups support has brought about a revolutionary change in the rural sector.' Explain with suitable examples. **[3]**

Long Answer (LA)

Q12. "Money by providing the crucial intermediate step eliminates the need for double coincidence of wants." Justify the statement highlighting the significance of the modern form of money in India. **[5]**

Case Study

Case Study: 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.

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

(i) From which sector of credit did Swapna initially borrow? [1]

(ii) Why did Swapna's debt keep increasing after the crop failure? [1]

(iii) Suggest which source of loan would be suitable for Swapna and justify your choice. [2]

4. Globalisation and the Indian Economy

Multiple Choice Questions (MCQs)

Q1. Which one of the following statements best describes the meaning of 'Globalisation'? **[1]**
(a) Removal of tax barriers on trade
(b) Providing higher standard of living
(c) Process of rapid integration between countries
(d) Taking special steps to attract foreign companies

Q2. Which one among the following is a far-reaching change in the Economic Policy of India in 1991? **[1]**
(a) Removing barriers on trade
(b) Putting barriers on foreign trade
(c) Restrictions on foreign competition
(d) Protection to domestic and foreign producers

Q3. Nanotech Labs, an Indian company, acquires a firm in Malaysia, imports chemicals from Germany, and sells its devices in Japan. Which feature of globalisation does this illustrate? **[1]**
(a) Interlinking of production and markets across countries
(b) Protection of small domestic producers
(c) Doubling of farm incomes
(d) Nationalisation of industries

Q4. Which is the most common route for investment by MNCs in countries around the world? **[1]**
(a) Setting up wholly owned factories near the market
(b) Buying up local companies and then expanding production
(c) Lending money to governments
(d) Exporting finished goods only

Assertion–Reason

Q5. **Assertion (A):** The removal of barriers on foreign trade and investment by the Indian government since 1991 has promoted globalisation.
Reason (R): Liberalisation makes it easier for foreign goods, services and investment to enter and move across 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)

Q6. How did the process of liberalisation initiated in India in the 1990s promote globalisation? Explain. **[2]**

Short Answer (SA)

Q7. Highlight the significant three factors that have contributed to the growth of globalisation. **[3]**

Long Answer (LA)

Q8. Analyse the role of liberalisation in globalisation. **[5]**

Case Study

Case Study: Till 1991, India had high import duties and quotas on several goods, and foreign investment was tightly restricted. A television sold in India was mostly made by a domestic firm with limited technology. After liberalisation, import duties fell, foreign companies could invest and sell, and Indian firms began exporting

and importing components freely. Today, a television in an Indian store may carry parts from half a dozen countries, and Indian brands sell across Asia and Africa.

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

(i) Name the policy change of 1991 described in the passage. [1]

(ii) What is a trade barrier? Give an example from the passage. [1]

(iii) Explain two effects of removing trade barriers on Indian producers and consumers. [2]

Answer Key (MCQs and Assertion–Reason)

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

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

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

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