

SECTION-A (MACRO ECONOMICS)

1. Identify the correct equation from the following :

$(GDP_{MP} = \text{Gross Domestic Product at market cost})$ ✗

$(NNP_{FC} = \text{Net National Product at factor cost})$

$(NDP_{FC} = \text{Net Domestic Product at factor cost})$

$(GNP_{MP} = \text{Gross National Product at market price})$

$(NDP_{MP} = \text{Net Domestic Product at market price})$

(a) $GDP_{MP} = NNP_{FC} + \text{Depreciation}$ ✗

(b) $NDP_{FC} = NNP_{FC} + \text{Net Indirect Tax}$ ✗

(c) $GNP_{MP} = GDP_{MP} + \text{Net Factor Income from Abroad}$ ✓

(d) $NNP_{FC} = NDP_{MP} + \text{Depreciation}$ ✗

9000

2. Identify the 'incorrect' feature of money supply (M_1) from the following :

(i) It is measured at a point of time

(ii) It does not include the currency reserves kept with government

(iii) It is always the money kept with the central bank of the country

Alternatives :

(a) (i) and (ii)

(b) (ii) and (iii)

(c) Only (ii)

(d) Only (iii)

25,000
- 5000

20,000

3. Identify the missing figures and choose the correct alternatives :

Round	Deposits	Loans (80%)	Reserve Ratio (20%)
I	5000	4000	100% (i)...
II	4000	3200 (ii)...	800
...
...
Total	25000 ... (iii)...	... (iv)...	5000

Alternatives :

(a) 1000, 800, 20000, 25000

(c) 1000, 3200, 25000, 20000

(b) 5000, 3200, 25000, 20000

(d) 1000, 800, 20000, 25000

4. Read the following statements carefully :

Statement 1 : Gross National Product can be more than Gross Domestic Product in a two sector economy.

Statement 2 : The Net Factor Income from abroad is always zero in a two sector economy.

Choose the correct alternatives :

(a) Statement 1 is true and statement 2 is false.

(b) Statement 1 is false and statement 2 is true.

(c) Both the statements 1 and 2 are true.

(d) Both the statements 1 and 2 are false.

5. "Mr. Malhotra sold his plot to buy a new house."

Identify the indicated function of money from the above statement :

(a) Medium of exchange

(b) Store of value

(c) Unit of account

(d) Standard for deferred payments

6. Identify the correct pair on the basis of statements given in Column I & Column II :

	Column I		Column II
(A)	Vegetables grown in personal garden	(i)	Non-marketed activity
(B)	Car used as a taxi	(ii)	Consumer good
(C)	Airconditioner (AC) used by a household	(iii)	Capital good
(D)	Scholarship given by government to students	(iv)	Factor income

Alternatives :

- (a) A-i
- (c) C-iii

~~(b)~~ B-ii
~~(d)~~ D-iv
 $2000 = 2000 - 2000$
 $2000 = 2000 - 2000$

7. Choose the correct alternatives to complete the following table :

Producer	Value of output	Intermediate consumption	Value added
Farmer of wheat	2000	--	2000
Baker	(i) 4000	2000	2000
Retailer	4400	(iii)	400
Total	(ii) 10400	6000	(iv)

2000
 4000
 4000
 10000
 10400

$2000 = 2000 - 2000$
 $2000 = 2000 - 2000$

Alternatives :

- (a) 4000, 10400, 4000, 4000
- (b) 4000, 10400, 4000, 4400
- (c) 2000, 6000, 6000, 4400
- (d) 4000, 10400, 6000, 4000

8. Real GDP (Gross Domestic Product) is the money value of all the final goods and services produced within the domestic territory of the country measured at _____ price. 1

- (a) Base year's
- (b) Current year's
- (c) Both (a) and (b)
- (d) Neither (a) nor (b)

9. In its 'Annual Budget 2022-23, the Government of India has targeted a disinvestment of Rs. 65000 crore.' This kind of receipts are classified as _____ receipts in the government budget as it causes _____ of the government. 1

- (a) Capital, decrease in assets
- (b) Revenue, increase in assets
- (c) Capital, increase in liabilities
- (d) Revenue, decrease in liabilities

10. Primary deficit in the government budget will be zero if :

- (a) Revenue deficit is zero.
- (b) Net interest payments are zero.
- (c) Fiscal deficit is zero.
- (d) Fiscal deficit equals the interest payments.

$400 = 4400 - 4000$
 $4400 - 400 = 4000$
 $4400 - 400 = 4000$

10400
 6000
 4400

10400
 10000
 400

11. Explain 'Non-monetary exchanges' as a limitation of GDP (Gross Domestic Product) as an index of welfare. 3

OR

- If the government imposes ban on consumption and production of Tobacco, explain briefly its likely impact on GDP and welfare. 3
12. 'There exists an inverse relationship between credit creation and reserve ratio.' Justify the statement using a hypothetical example. 3
13. What is meant by 'Progressive Taxation System'? The government uses this system to meet which of its objectives? Explain the identified objective. 4
14. Under the 'Production Linked Incentive' scheme, the Government of India offers various benefits like reduced import export duties, incentives to investors, tax rebates etc." In the light of above statement, identify and explain the budget objective and its likely consequences. 4

OR

"Under 'Zero defect Zero effect (ZED)' scheme, the government of India provides upto 80% subsidy to Micro, Small and Medium Enterprises (MSMEs)". Identify and explain the objective of Government budget highlighted in the above text. 4

15. Calculate 'Imports' on the basis of data given below: 4

	(Rs. in crores)
(i) Sales	3500
(ii) Exports	800
(iii) Net Fixed Capital Formation	150
(iv) Intermediate consumption	1650
(v) Value of capital assets with expected life of 10 years	1000
(vi) Increase in stocks	250
(vii) Private final consumption expenditure	550
(viii) Government final consumption expenditure	450
(ix) Net Indirect Tax	220

16. Read the following text carefully from 'The Economic Times' dated 08th June, 2023.

'The Reserve Bank of India's rate setting panel unanimously decided to keep the benchmark lending rate unchanged at 6.5%. The committee voted to remain focused on the withdrawal of Accommodating Monetary Policy'.

On the basis of given text and common understanding, answer the following questions :

- (a) Identify and discuss the economic issue indicated in the above text. 3
- (b) Discuss the likely consequence on money supply if the rate setting panel would be decreased the said rate. 3

OR

- (d) Explain the 'Banker's Bank' function of Central Bank. 3
- (b) Differentiate between Repo rate and Reverse Repo rate. How does a change in the two affects supply of money? Explain in detail. 3

17. (a) Briefly explain the concept of circular flow of income in a two-sector model. 3
- (b) "Real GDP is a better indicator of economic growth of an economy in comparison to monetary GDP". Do you agree with the given statement? Justify your answer through a hypothetical numerical example. 3

SECTION-B (INDIAN ECONOMIC DEVELOPMENT)

18. Read the following statements – Assertion (A) and Reason (R) and choose the correct alternative given below: 1

Assertion (A) : Under the colonial rule, basic infrastructure (like railways, post and telegraph etc.) was developed.

Reason (R) : The real motive behind the infrastructural development in India was to strengthen the British interests.

Alternatives :

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is correct explanation for Assertion (A).
 - (b) Both Assertion (A) and Reason (R) are true but Reason (R) is not correct explanation for Assertion (A).
 - (c) Assertion (A) is true but Reason (R) is false.
 - (d) Assertion (A) is false but Reason (R) is true.
19. Identify that which of the following alternatives shows the incorrect components of Agricultural Marketing System. 1

- (a) Assembling, storage, processing, packaging
- (b) Production, assembling, processing, grading
- (c) Assembling, processing, packaging, transportation
- (d) Processing, packaging, grading, distribution

20. From the following alternatives, identify the incorrect objectives of regulated agricultural markets. 1

- (i) To make the agricultural marketing system effective to ensure best prices to the farmers for their product.
- (ii) To discourage the improvement in agricultural marketing infrastructure for the farmers.
- (iii) To prevent farmer's exploitation.
- (iv) To discourage the farmers to improve the quantity and quality of their output.

Alternatives :

- (a) (i) and (ii)
- (b) (i) and (iii)
- (c) (iii) and (iv)
- (d) (ii) and (iv)

21. After independence, the rationale behind choosing "Modernisation" as planning objectives for Indian economy were :

- (i) To bring positive changes in social outlook
- (ii) Equitable distribution of income
- (iii) Technological upgradation
- (iv) Increase in Economic divide

Alternatives :

- (a) (i) and (ii)
- (b) (ii) and (iii)
- (c) (i) and (iii)
- (d) Only (iv)

22.



Identify the agriculture allied activity performed by rural households which is shown in picture given below:

Alternatives.:

- ~~(a) Animal Husbandary~~
- (b) Tourism
- (c) Bee-Keeping
- (d) Poultry

For Visually Impaired Students in Lieu of Question No.22

_____ farming is the system that is helpful in restoring, maintaining and enhancing ecological balance.

- (a) Multi-layered
- (b) Chemical
- ~~(c) Organic~~
- (d) Conventional

23. Read the following statements and choose the correct alternative :

Statement 1 : India couldn't develop a sound industrial base during the British rule.

Statement 2 : British followed restrictive trade policies which strengthened Indian handicraft industries.

Alternatives :

(a) Statement 1 is true and 2 is false.

(b) Statement 1 is false and 2 is true.

(c) Both statements are true.

(d) Both statements are false.

24. The scheme of Micro Finance is extended through _____ credit provisions.

(a) Self help groups

(b) Land Development Banks

(c) Regional Rural Banks

(d) NABARD

25. Read the following statements and choose the correct alternative :

Statement 1 : Casual workers are hired on a permanent basis and also get social security benefits.

Statement 2 : Workforce comprises both employed and unemployed people.

Alternatives :

(a) Statement 1 is true and 2 is false.

(b) Statement 2 is false and 2 is true.

(c) Both statements are true.

(d) Both statements are false.

26. On the basis of statements given in Column I and II, choose the incorrect pair. 1

	Column I		Column II
(A)	Opening of Suez Canal	(i)	1869 ✓
(B)	Establishment of TISCO	(ii)	1807 ✓
(C)	First Population Census in India	(iii)	1881
(D)	Introduction of Railways in India	(iv)	1850 ✓

Alternatives :

- (a) A-i (b) ~~B-ii~~
 (c) C-iii (d) D-iv

27. The main objective behind the import substitution policy was _____. 1

- (a) To produce high quality products.
~~(b) To protect domestic industries from foreign competition.~~
 (c) To promote imports.
 (d) To promote privatisation.

28. 'Opening of the Suez Canal helped in intensifying the foreign trade between Britain and India.' Justify the statement with valid arguments. 3

OR

'The development of Railways during the British Rule encouraged the colonial exploitation of Indian resources.' Justify the statement with valid arguments. 3

29. Differentiate between human capital and human development. 3

30. (a) Explain the term 'Disinvestment'. 1

(b) 'The Navratna policy of Indian Government has helped in improving the performance of Public Sector Undertakings.' Do you agree with the given statement? Justify your answer with valid arguments. 3

31. (a) 'National Education Policy, 2020 of India stresses a lot on in-service teachers 'training'. In light of given statement, state and explain any two advantages of such on the job trainings in upliftment of educational sector of any nation. 3
- (b) What is meant by 'Jobless Growth'? 1

OR 4

Evaluate the role of "Education in Human Capital Formation"?

32. Read the following text carefully :

Uttar Pradesh, Maharashtra, Punjab, Karnataka and Madhya Pradesh have announced farm loan waivers amounting to Rs. 99,600 crore in recent months, following public outcry over rising number of suicide by indebted farmers. But the move has met with skepticism by key policy-makers

The average share of non-institutional credit for the lowest five decile classes of asset holding is over 70 per cent of the outstanding credit for those decile classes, according to the 70th Round of the NSS Household Indebtedness Survey. Since institutional credit is skewed in favour of households with higher decile classes of asset holding, the latter's overlap with loan waiver beneficiaries is likely to be large.

The NSS survey shows that non-institutional channels of credit-professional moneylenders, landlords, friends and relatives and input suppliers among others-constituted nearly 44 per cent of outstanding rural credit in 2012.

Share of commercial and cooperative banks in total institutional credit is nearly 25 percent each which add up to 50 per cent of total rural credit.

On the basis of the above text and common understanding answer the following question:

- (i) What is meant by 'debt trap' for farmers? 2
- (ii) Discuss briefly the main limitations of rural banking system in India. 2
33. (a) 'It is imperative to generate employment opportunities in formal sector than informal sector.' Justify the statement given suitable reasons. 3
- (b) What is meant by 'causalisation of workforce'? What are its reasons in India? 3

34. (a) 'India has certain advantages which makes it a favourite outsourcing destination.' 3
What are these advantages?
- (b) Subsidies encourage the farmers to adopt new technology but put a lot of burden 3
on government's treasury.' Keeping this fact into consideration, discuss the utility
of subsidies.

OR

- (a) Is outsourcing beneficial for Indian economy? Why are the developed countries 3
opposing it?
- (b) Discuss the changes introduced in Indian industrial sector by Industrial Policy 3
Resolution, 1956.