



Series R4PSQ/4

SET~2

रोल नं. Roll No.							

प्रश्न-पत्र कोड
Q.P. Code **58/4/2**

परीक्षार्थी प्रश्न-पत्र कोड को उत्तर-पुस्तिका के मुख-पृष्ठ पर अवश्य लिखें।

Candidates must write the Q.P. Code on the title page of the answer-book.

नोट / NOTE :

- कृपया जाँच कर लें कि इस प्रश्न-पत्र में मुद्रित पृष्ठ 23 हैं।
Please check that this question paper contains 23 printed pages.
- कृपया जाँच कर लें कि इस प्रश्न-पत्र में 34 प्रश्न हैं।
Please check that this question paper contains 34 questions.
- प्रश्न-पत्र में दाहिने हाथ की ओर दिए गए प्रश्न-पत्र कोड को परीक्षार्थी उत्तर-पुस्तिका के मुख-पृष्ठ पर लिखें।
Q.P. Code given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- कृपया प्रश्न का उत्तर लिखना शुरू करने से पहले, उत्तर-पुस्तिका में प्रश्न का क्रमांक अवश्य लिखें।
Please write down the serial number of the question in the answer-book before attempting it.
- इस प्रश्न-पत्र को पढ़ने के लिए 15 मिनट का समय दिया गया है। प्रश्न-पत्र का वितरण पूर्वाह्न में 10.15 बजे किया जाएगा। 10.15 बजे से 10.30 बजे तक परीक्षार्थी केवल प्रश्न-पत्र को पढ़ेंगे और इस अवधि के दौरान वे उत्तर-पुस्तिका पर कोई उत्तर नहीं लिखेंगे।
15 minute time has been allotted to read this question paper. The question paper will be distributed at 10.15 a.m. From 10.15 a.m. to 10.30 a.m., the candidates will read the question paper only and will not write any answer on the answer-book during this period.



अर्थशास्त्र ECONOMICS



निर्धारित समय : 3 घण्टे

Time allowed : 3 hours

अधिकतम अंक : 80

Maximum Marks : 80

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P.T.O.



General Instructions :

Read the following instructions carefully and follow them :

- (i) This question paper contains **34** questions. All questions are **compulsory**.
- (ii) This question paper contains **two** sections :
Section – **A** : Macro Economics
Section – **B** : Indian Economic Development
- (iii) This paper contains **20** Multiple Choice Questions type questions. Each question carries **1** mark.
- (iv) This paper contains **4** Short Answer Questions Type-I questions. Each question carries **3** marks. Answer these questions in **60** to **80** words.
- (v) This paper contains **6** Short Answer Questions Type-II questions. Each question carries **4** marks. Answer these questions in **80** to **100** words.
- (vi) This paper contains **4** Long Answer Type Questions. Each question carries **6** marks. Answer these questions in **100** to **150** words.
- (vii) Attempt all parts of a question together.
- (viii) In addition to this, **NOTE** that a separate question has been provided for Visually Impaired candidates in lieu of questions having visual inputs, Map etc. Such questions are to be attempted by Visually Impaired candidates only.
- (ix) There is no overall choice in the question paper. However, an internal choice has been provided in few questions. Only one of the choices in such questions has to be attempted.

SECTION – A
(Macro Economics)

1. Identify the **incorrect** feature(s) of the Money Supply in an economy, from the following :

1

- (i) It is measured during a period of time.
- (ii) It includes stock of money held by the government of a nation.
- (iii) It always represents the currency held with Central Bank of the Nation.

Alternatives :

- (A) (i) only
- (B) (ii) and (iii)
- (C) (i) and (ii)
- (D) (i), (ii) and (iii)



2. Read the following statements – Assertion (A) and Reason (R). Choose one of the correct alternatives given below : 1

Assertion (A) : Real Gross Domestic Product is a better indicator of economic growth of a nation as compared to Nominal Gross Domestic Product.

Reason (R) : Real Gross Domestic Product measures the value of goods and services at current year prices.

Alternatives :

- (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 and 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.
3. From the given table, identify that level of income, where Average Propensity to Save (APS) becomes Zero. 1

(Choose the correct alternative.)

Income (₹ crore)	0	50	100	200	300	400
Consumption (₹ crore)	50	75	100	150	200	250

Alternatives :

- (A) 50 (B) 100
(C) 200 (D) 0
4. Read the following statements carefully : 1
- Statement 1 :** Consumption and Savings are the components of National output of an economy.
- Statement 2 :** Higher level of Income often leads to lower savings.
- In the light of the given statements, choose the correct alternative from the following :
- (A) Statement 1 is true and Statement 2 is false.
(B) Statement 1 is false and Statement 2 is true.
(C) Both Statements 1 and 2 are true.
(D) Both Statements 1 and 2 are false.



5. Arrange the following in the correct sequential order, if the government of a nation is trying to curtail the situation of inflationary gap : 1

- (i) Decrease in disposable income
- (ii) Increase in taxes
- (iii) Decrease in Aggregate Demand

Alternatives :

- (A) (i), (ii), (iii) (B) (iii), (ii), (i)
- (C) (ii), (iii), (i) (D) (ii), (i), (iii)

6. Read the following statements – Assertion (A) and Reason (R). Choose one of the correct alternatives given below : 1

Assertion (A) : Ceteris Paribus, Devaluation of domestic currency leads to an increase in National Income of a nation.

Reason (R) : Devaluation of domestic currency refers to reduction in the value of domestic currency with respect to foreign currency, under the fixed exchange rate system.

Alternatives :

- (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 and 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.

7. The Central Bank can reduce the Money Supply in the economy by _____ the _____. (Fill up the blanks with correct alternative.) 1

- (A) increasing, bank rate (B) decreasing, cash reserve ratio
- (C) decreasing, bank rate (D) buying, government securities



8. Identify, which of the following is **not** a source of demand for foreign exchange for Indian economy ? (Choose the correct alternative.) 1
- (A) Import of goods and services
(B) Remittances by foreigners living in India to their families abroad
(C) Indian tourists visiting foreign countries
(D) Loans from Rest of the World (ROW)
9. If a straight line consumption function makes a positive intercept at the Y-axis, it implies that the Marginal Propensity to Consume _____ and Average Propensity to Consume _____ as the level of income rises. 1
- (Fill up the blanks with correct alternative.)
- (A) remains constant, rises (B) falls, falls
(C) rises, rises (D) remains constant, falls
10. Under the _____ Exchange Rate System, the Central Bank can control the rise / fall of foreign exchange rate in a range bound manners. 1
- (Fill up the blank with correct alternative.)
- (A) fixed (B) flexible
(C) managed floating (D) gold standard
11. State the meaning of Autonomous and Accommodating items, under Balance of Payments of India, with the help of an example. 3
- 12 (a) "Disposition Phase of circular flow of Income involves flow of factor Income, which comprises of rent, wages, interest and profits from firms to households." 3
- Defend or refute the statement, giving valid reasons in support of your answer.

OR



- (b) Estimate the value of Net Domestic Product of Factor Cost (NDP_{FC}), using the following information :

3

S. No.	Items	Amount (in ₹ crores)
(i)	Household Consumption Expenditure	1,200
(ii)	Business Fixed Investment Expenditure	800
(iii)	Government Final Consumption Expenditure	500
(iv)	Excess of Imports over Exports	100
(v)	Net Indirect Taxes	150
(vi)	Change in Inventory	(-) 50
(vii)	Consumption of fixed capital	200
(viii)	Net factor Income from Abroad	80
(ix)	Public fixed investment	70

13. Elaborate the 'Banker's Bank and Supervisor' function of the Reserve Bank of India.

4

14. Suppose, the Indian Government decides to boost public investments with a defence project of ₹ 40,000 crore.

4

Explain the likely impacts of the given situation on the Income, Employment and Output of the economy, assuming all other factors constant.

15. (a) Suppose, an economy is in equilibrium. From the following data, calculate Investment Expenditure in the economy :

4

- (i) National Income = ₹ 10,000 crore
(ii) Marginal Propensity to Save(MPS) = 0.2
(iii) Autonomous Consumption ($\bar{C}$) = ₹ 200 crore

OR

- (b) "With the objective to correct deflation, Reserve Bank of India may decrease Repo-rate."

4

Discuss the rationale behind the step taken by the Reserve Bank of India (RBI).



16. (a) (i) 'Government Budget can be a useful instrument in reducing inequalities in the distribution of income and wealth in an economy.' 4
Do you agree with the given statement ? Present valid arguments in favour of your answer.
(ii) State the meaning and formula of Primary deficit. 2

OR

- (b) With valid reasons, classify the following into Capital receipts or Revenue receipts of the government : 6
(i) Dividend received by the government from a Maharatana company.
(ii) Receipts of the government from sale of shares of a Public Sector Undertaking (PSU) in open market.
(iii) Debt cleared by Sri Lanka Government to the Indian Government.
17. (a) State the steps pertaining to the estimation of National Income by Income Method. 3
(b) "In the past few decades, Indian economy has been fairly benefitted by positive externalities created by rapid rise in infrastructure." 3
Justify the given statement with valid arguments.

SECTION - B

(Indian Economic Development)

18. Identify, which of the following alternative indicates towards incorrect components combination 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



19. Read the following statements – Assertion (A) and Reason (R). Choose one of the correct alternatives given below :

1

Assertion (A) : License Permit Raj was a major obstacle for growth of private sector.

Reason (R) : Private sector wasted huge amount in obtaining licences, rather than on improving the product, quality and international competitiveness.

Alternatives :

- (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 and 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.

20. Read the following statements – Assertion (A) and Reason (R). Choose one of the correct alternatives given below :

1

Assertion (A) : The developmental experiences of India and Pakistan have a lot of similarities.

Reason (R) : Both India and Pakistan laid emphasis on creating a large private sector.

Alternatives :

- (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 and 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.

21. _____ farming is the system that restores, maintains and enhances the ecological balance. (Fill up the blanks with correct alternative.)

1

- (A) Conventional
- (B) Chemical
- (C) Organic
- (D) Multi-layered



22. Economic reforms were introduced in the year _____ in India and in the year _____ in Pakistan. (Fill up the blanks with correct alternative.) 1
(A) 1978, 1988 (B) 1988, 1978
(C) 1978, 1991 (D) 1991, 1988
23. Under the British Rule, commercialization of agriculture resulted in shifting of agricultural production from _____ crops to _____ crops. 1
(Fill up the blanks with correct alternative.)
(A) Cash, Food (B) Cotton, Jute
(C) Food, Cash (D) Jute, Food
24. Read the following statements carefully : 1
Statement 1 : China has used the market mechanism to create additional social and economic opportunities for its citizens.
Statement 2 : In China Social Infrastructure created by the government brought positive results in human development indicators.
In the light of the given statements, choose the correct alternative from the following :
(A) Statement 1 is true and Statement 2 is false.
(B) Statement 1 is false and Statement 2 is true.
(C) Both Statement 1 and 2 are true.
(D) Both Statement 1 and 2 are false.
25. Read the following statements carefully : 1
Statement 1 : As per National Sample Survey Organisation (NSSO), unemployment is a situation in which all those who, owing to lack of work, are not working, but seeking work from prospective employers, expressed their willingness to work under the prevailing condition of work and remuneration.
Statement 2 : Disguised unemployment is generally a massive problem in the highly populated country like India.
In the light of the given statements, choose the correct alternative from the following :
(A) Statement 1 is true and Statement 2 is false.
(B) Statement 1 is false and Statement 2 is true.
(C) Both Statement 1 and 2 are true.
(D) Both Statement 1 and 2 are false.



26. In the decade of 1970's, Pakistan nationalised its _____ industry. 1

(Fill up the blanks with correct alternative.)

- (A) Medical infrastructure (B) Consumer goods
(C) Capital goods (D) Foreign trade

27. Identify, which of the following is **not** a correct function of environment ? 1

- (i) Exclusion of waste
(ii) Sustainance of life
(iii) Provide aesthetic services

Alternatives :

- (A) (i) only (B) (ii) only
(C) (ii) & (iii) (D) (i) & (ii)

28. (a) Discuss briefly the rationale behind adopting 'modernization' as a planning objective for the Indian Economy. 3

OR

(b) "Farm subsidies put a huge burden on the government finances, but are necessary for the poor and marginal farmers." 3

Justify the given statement.

29. Goals of Equity was fully served by 'abolition of the intermediaries' in agriculture in the post-independence period of India. 3

Do you agree with given statement ? Support your answer with valid arguments.

30. (a) (i) Define Worker – Population Ratio. 1

(ii) "National Education Policy 2020 of India stresses a lot on in-service teachers' training." 3

In the light of given statement, state and explain any two advantages of such on-the-job trainings in upliftment of education sector of any nation.

OR

(b) (i) Distinguish between 'Green Revolution' and 'Golden Revolution'. 3

(ii) Define Casual Wage Labourer. 1



31. Elaborate how the economic reforms process of India impacted the following : 4
- (a) Agriculture sector
- (b) Industrial sector
32. (a) "Scholars find son preference as a common phenomenon in India, Pakistan and China." 2
- Justify the given statement in the light of skewed sex-ratio.
- (b) State any two liberty indicators. 2
33. "We are One-Earth, One Family and we share One Future." is the opening sentence of the G-20 New Delhi Leader's Declaration Statement.
- In this statement the leaders pledged to "resolve to fully and effectively implement the 2030 Agenda and the Sustainable Developmental Goals (SDG's)". The leader's commitments contained in the Declaration statement reflect, "the philosophy of living in harmony with our surrounding ecosystem".
- The Declaration recognises the "Cascading challenges and crisis that have reversed gains" on the 2030 Agenda of SDG's.
- The leaders "affirm that no country should have to choose between fighting poverty and fighting for our planet".
- The leaders resolved to act
- accelerate strong, sustainable, balanced and inclusive growth;
 - accelerate the full & effective implementation of 2030 Agenda
 - pursue low-carbon and environmentally sustainable development pathways;
 - Pursue reforms for better, comprehensive and more effective finance avenues.
- The leaders commit to "taking collective actions for effective and timely implementation of the G-20 2023 Action Plan to accelerate progress on the SDG's; including through actions on eliminating hunger and malnutrition, strengthening global health and implementation of One Health approach, and delivering quality education."
- (a) State and discuss the importance of collective fight in achieving SDG's. 3
- (b) Discuss briefly the action plan of G-20 leaders in promoting 'One Health' approach. 3



34. (a) (i) Elaborate the importance of credit in rural development. 3
- (ii) 'India can transform itself knowledge-based economy by using information technology.' Justify the given statement. 3

OR

- (b) (i) "It is necessary to generate employment in the formal sector rather than the informal sector." 3
- Justify the given statement with valid arguments.
- (ii) Discuss any two measures initiated by the government to improve Agricultural marketing in India. 3