



Series : PQS3R



SET~1

रोल नं.
Roll No.



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प्रश्न-पत्र कोड
Q.P. Code **58/3/1**

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.



अर्थशास्त्र

ECONOMICS

निर्धारित समय : 3 घण्टे



अधिकतम अंक : 80

Time allowed : 3 hours

Maximum Marks : 80

नोट

- (I) कृपया जाँच कर लें कि इस प्रश्न-पत्र में मुद्रित पृष्ठ (I) 27 हैं।
- (II) प्रश्न-पत्र में दाहिने हाथ की ओर दिए गए प्रश्न-पत्र (II) कोड को परीक्षार्थी उत्तर-पुस्तिका के मुख-पृष्ठ पर लिखें।
- (III) कृपया जाँच कर लें कि इस प्रश्न-पत्र में 34 प्रश्न (III) हैं।
- (IV) कृपया प्रश्न का उत्तर लिखना शुरू करने से (IV) पहले, उत्तर-पुस्तिका में यथा स्थान पर प्रश्न का क्रमांक अवश्य लिखें।
- (V) इस प्रश्न-पत्र को पढ़ने के लिए 15 मिनट का समय (V) 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। []

NOTE

- Please check that this question paper contains 27 printed pages.
- 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.
- Please check that this question paper contains 34 questions.
- Please write down the Serial Number of the question in the answer-book at the given place before attempting it.
- 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.





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 question paper contains **20** Multiple Choice type questions. Each question carries **1** mark.
- (iv) This question paper contains **4** Short Answer Type-I questions. Each question carries **3** marks. Answer these questions in 60 to 80 words.
- (v) This question paper contains **6** Short Answer Type-II questions. Each question carries **4** marks. Answer these questions in 80 to 100 words.
- (vi) This question 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. Read the following statements : Assertion (A) and Reason (R). Choose the correct option from those given below : 1
Assertion (A) : Borrowing requirements of the government include interest obligations on debt as well.
Reason (R) : The goal of measuring primary deficit is to correct the prevailing fiscal imbalances.
Options :
 - (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.



2. Identify the variable(s) which may add to the future productive capacity of an economy :

1

- I. Raw material
- II. Fixed investment
- III. Inventories with producers

(Choose the correct option)

Options :

- (A) Only I
- (B) Only II
- (C) II and III
- (D) I, II and III

3. On the basis of the given table, estimate the value added by the Baker.
(Amount in ₹ crore)

1

	Farmer	Baker
Total Production	100	200
Intermediate Consumption	0	50
Value Added	100	...(i)...

(Choose the correct option)

Options :

- (A) 200
- (B) 250
- (C) 100
- (D) 150

4. Identify, the factor which influences the demand for foreign exchange in a country.

1

(Choose the correct option)

Options :

- (A) Investments made by Indians in Japan
- (B) Indian producers exporting fabrics to United States of America (USA)
- (C) Remittances by Indian workers from Gulf countries
- (D) An Indian software company providing services to clients abroad



5. Select the correct formula to calculate the value of Marginal Propensity to Save (MPS) :

1

- I. $\frac{\text{Change in Savings } (\Delta S)}{\text{Change in Consumption } (\Delta C)}$
- II. $\frac{\text{Change in Savings } (\Delta S)}{\text{Change in Income } (\Delta Y)}$
- III. $1 - \text{Marginal Propensity to Consume (MPC)}$
- IV. $\frac{\text{Change in Income } (\Delta Y)}{\text{Change in Savings } (\Delta S)}$

Options :

- (A) I, II, III and IV
- (B) II and III
- (C) Only III
- (D) Only II

6. Read the following statements carefully :

1

Statement I : Trade in services includes both factor income and non-factor income transactions.

Statement II : Current Account includes transactions related to goods, services and unilateral transfers.

In the light of the given statements, choose the correct option from the following :

- (A) Statement I is true and Statement II is false.
- (B) Statement I is false and Statement II is true.
- (C) Both Statements I and II are true.
- (D) Both Statements I and II are false.



7. Suppose in a hypothetical economy, $Y = 50 + 0.8Y + 100$, where Y = National Income. 1

The value of Investment Multiplier (K) would be _____.

(Choose the correct option to fill in the blank)

Options :

- | | |
|--------|---------|
| (A) 5 | (B) 0.2 |
| (C) 50 | (D) 0.8 |

8. "Consumption of a good by a person does not reduce the amount available for consumption by others. Consumers consuming such goods are known as free-riders."

Identify the type of goods indicated in the above text. 1

Options :

- (A) Public goods
- (B) Private goods
- (C) Joint venture goods
- (D) Self-consumption goods

9. Read the following statements carefully : 1

Statement I : At the break-even level of income, the value of slope of the consumption curve is zero.

Statement II : Marginal Propensity to Consume (MPC) refers to the change in consumption per unit change in income.

In the light of the given statements, choose the correct option from the following :

- (A) Statement I is true and Statement II is false.
- (B) Statement I is false and Statement II is true.
- (C) Both Statements I and II are true.
- (D) Both Statements I and II are false.

10. Under the fixed exchange rate system, if the government decreases the value of domestic currency with respect to a foreign currency, it is known as _____ of currency.

(Choose the correct option to fill in the blank) 1

Options :

- | | |
|------------------|------------------|
| (A) Devaluation | (B) Depreciation |
| (C) Appreciation | (D) Revaluation |



11. (a) State the meaning and any two components of Gross Domestic Capital formation. 3

OR

- (b) “It is not the nature of a good, rather the economic nature of its use, which determines whether it is a final good or not.”
Justify the given statement with valid arguments. 3

12. “US administration has recently imposed tariff to the magnitude of 50%.”
In the light of given statement, explain the likely impact of this step on the exports of India. 3

13. (a) Distinguish between Revenue Expenditure and Capital Expenditure with the help of suitable examples. 4

OR

- (b) Using suitable examples, distinguish between Revenue Receipts and Capital Receipts. 4

14. Estimate the value of incremental investment if, equilibrium level of income increases by ₹ 50,000 crore and half of additional income is always saved in the economy. 4

15. “The Reserve Bank of India (RBI) has decided to increase the loan amount to 90% of the security value, from the prior rate of 80%.”
In the light of above statement, identify the type of monetary measure exercised by the Reserve Bank of India (RBI) and its likely impacts on the Aggregate Demand of the economy. 4



16. (a) Calculate the values of Operating Surplus and Gross Domestic Product at Market Price (GDP_{MP}) from the following data : 3+3

<i>S. No.</i>	<i>Particulars</i>	<i>Amount (in ₹ crore)</i>
(i)	Rent	120
(ii)	Profits	200
(iii)	Domestic Income	720
(iv)	Mixed Income	70
(v)	Wages and Salaries	300
(vi)	Indirect Taxes	150
(vii)	Subsidies	50
(viii)	Consumption of fixed capital	200
(ix)	Interest	30
(x)	Dividend	120
(xi)	Net factor income from abroad	20

OR

- (b) (i) Distinguish between Real Gross Domestic Product and Nominal Gross Domestic Product using a numerical example. 4

- (ii) Define the concept of 'Externalities'. 2



17. Read the following passage carefully :

Any institution which accepts deposits from the public and advances loans is a bank. Banks are broadly categorised into :

- Commercial Banks, and
- Central Bank.

Commercial banks accept deposits from public and use these deposits for giving loans. Banks keep a fraction of deposits as reserves. Generally, all depositors do not demand their money at the same time. The Central Bank of a country is responsible for controlling credit creation. The Reserve Bank of India (RBI) regulates the money supply in India through its monetary policy.

On the basis of the above passage and common understanding, answer the following questions :

- (i) State the meaning of a Bank. 1
- (ii) Mention any two traits that distinguish Central Bank from Commercial Banks. 2
- (iii) “Open market operation is the tool used by Reserve Bank of India (RBI) to regulate money supply in the economy.”

Justify the given statement with valid arguments. 3



SECTION B
Indian Economic Development

18. Read the following statements carefully : 1

Statement I : Inland waterways proved to be uneconomical as in the case of Coast Canal on the Orissa coast.

Statement II : British government followed an effective and efficient administrative set-up leaving a legacy of effective work culture.

In the light of the given statements, choose the correct option from the following :

- (A) Statement I is true and Statement II is false.
- (B) Statement I is false and Statement II is true.
- (C) Both Statements I and II are true.
- (D) Both Statements I and II are false.

19. Arrange the following events of Pakistan in correct chronological order : 1

- I. Nationalisation of capital goods industries
- II. Establishment of Pakistan
- III. Introduction of economic reforms
- IV. Announcement of First Five Year Plan

(Choose the correct option)

Options :

- (A) III, IV, I, II
- (B) III, II, I, IV
- (C) IV, III, II, I
- (D) II, IV, I, III



20. Read the following statements : Assertion (A) and Reason (R). Choose the correct option from those given below :

Read them carefully and select the correct option :

1

Assertion (A) : The unemployment problem in India is multifaceted.

Reason (R) : Some individuals work round the year, while others work only a few months in a year.

Options :

- (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.
21. Minimum Support Price is fixed by the Government to safeguard the interests of the _____. 1

(Choose the correct option to fill in the blank)

Options :

- (A) Consumers (B) Farmers
(C) Wholesalers (D) Middlemen
22. The primary outcome of the efforts initiated by the Indian Government (Liberalisation and Privatisation) under the New Economic Policy of 1991 was _____. 1

(Choose the correct option to fill in the blank)

Options :

- (A) Fiscal policy reforms (B) Globalization
(C) Monetary policy reforms (D) Reservation of products
23. Read the following text carefully : 1
“Between 1966 – 67, Mao introduced this movement under which professionals and students were asked to work and learn from the countryside of China.”

Identify the correct option with reference to the aforesaid text.

- (A) Commune System
(B) Great Leap Forward
(C) Open Door Policy
(D) Great Proletarian Cultural Revolution



24. Read the following statements carefully :

1

Statement I : Livestock provides alternative livelihood options to small and marginal farmers.

Statement II : In rural areas, animal husbandry provides stable employment opportunities throughout the year.

In the light of the given statements, choose the correct option from the following :

- (A) Statement I is true and Statement II is false.
- (B) Statement I is false and Statement II is true.
- (C) Both Statements I and II are true.
- (D) Both Statements I and II are false.

25. Nations worldwide typically establish Regional and Global economic groups in order to _____.

1

(Choose the correct option to fill in the blank)

Options :

- (A) Strengthen their economies
- (B) Ensure liberty
- (C) Promote judicial independence
- (D) Gain control over other countries

26. The steep Indian education pyramid indicates _____.

(Choose the correct option to fill in the blank)

1

Options :

- (A) Equal distribution of students across all levels
- (B) Increase in number of people reaching higher education
- (C) Low unemployment among educated youth
- (D) Few/less number of people reaching higher education



27. Identify, which of the following is an income indicator. 1

(Choose the correct option)

Options :

- (A) Mortality rate
- (B) Malnourishment
- (C) GDP per capita
- (D) Morbidity rate

28. (a) Describe the role which India has played as an important member of World Trade Organisation (WTO). 3

OR

(b) Critically appraise the Industrial Licensing policy initiated by the government during the planning period of India. 3

29. “Some economists argue that once a technology proves to be profitable and becomes widely adopted, subsidies should be gradually withdrawn.”
Defend or refute the given statement with valid arguments. 3

30. On the basis of the given data, comment on trends of output growth in different sectors (1980 – 2018), between India and Pakistan. 4

Country	1980 – 90			2014 – 18		
	Agriculture	Industry	Services	Agriculture	Industry	Services
India	3·1	7·4	6·9	3·1	6·9	7·6
Pakistan	4	7·7	6·8	1·7	4·8	5·0

31. (a) Describe the role of government in improving the efficiency of human capital formation in India. 4

OR

(b) “Traditional knowledge and practices are still applicable in ensuring sustainable development.”
Do you agree with the given statement ? Support your answer with valid reasons. 4



32. Study the given image carefully and answer the questions that follow.



- (i) Identify the artificial waterway during colonial rule that served as a highway between India and Britain. 1
- (ii) In which year was this artificial maritime route officially opened for international navigation ? 1
- (iii) Describe the economic significance of artificial waterways between the Mediterranean and the Red Sea. 2

Note : The following question is for the **Visually Impaired Candidates** only in lieu of Q. No. 32.

“The real motive behind infrastructural development under the British rule was not to provide basic amenities to the people of India, but to subserve various colonial interests.”

Do you agree with the given statement ? Give valid reasons in support of your answer. 4

33. (a) (i) “Information Technology plays a very significant role in achieving sustainable development and food security.” 4
Justify the given statement with valid arguments.
- (ii) State the meaning of ‘self-employed worker’ with suitable example. 2

OR

- (b) (i) Distinguish between formal and informal sector with suitable examples. 3
- (ii) Define worker population ratio with its significance. 3



34. Read the following passage carefully :

In the present times, green investment and sustainability are priorities in public policy. India has emerged as a global leader at the front of the climate change.

India has pledged to seek solutions for the future. The government has contributed to maintain economic growth by implementing various policies and measures relating to sustainable development. Pradhan Mantri Ujjwala Scheme has actively contributed to cleaner air. The Jal Jeevan Mission was launched with the objective of achieving water security.

The greenhouse effect is a natural process that warms the Earth's surface, where certain atmospheric gases, known as greenhouse gases, trap heat from the sun and re-emit it, keeping the planet warm enough to support life. In the present times, the issue of greenhouse gases and rising temperature of the Earth are a global concern.

On basis of the above passage and common understanding, answer the following questions :

- | | |
|--|---|
| (a) Discuss any two steps involved in attaining sustainable development in India. | 3 |
| (b) Mention any two factors which challenged the carrying capacity of the environment. | 2 |
| (c) Define Greenhouse effect. | 1 |