

ECONOMICS (030)

Maximum Marks: 80

i.	<i>All the questions in both the sections are compulsory. Marks for questions are indicated against each question.</i>
ii.	<i>Question number 1 - 10 and 18 - 27 are very short-answer questions carrying 1 mark each. They are required to be answered in one word or one sentence each.</i>
iii.	<i>Question number 11 - 12 and 28 - 29 are short-answer questions caring 3 marks each. Answers to them should not normally exceed 60-80 words each.</i>
iv.	<i>Question number 13 - 15 and 30 - 32 are also short-answer questions carrying 4 marks each. Answers to them should not normally exceed 80-100 words each.</i>
v.	<i>Question number 16 - 17 and 33 - 34 are long answer questions carrying 6 marks each. Answers to them should not normally exceed 100-150 words each.</i>
vi.	<i>Answer should be brief and to the point and the above word limit be adhered to as far as possible.</i>

Q.No	QUESTION	Marks
1	Value of Money Multiplier(increases/decreases/remains unchanged) with an increase in Cash Reserve Ratio. (Fill up the blank with correct alternative)	1
2	Define an intermediate good.	1
3	Average Propensity to Consume can never be (choose the correct alternative) a) positive b) zero c) more than one d) less than one	1
4	Name any two quantitative tools to control credit creation in an economy. Or What are demand deposits?	1
5	The monetary policy generally targets to ensure..... (Choose the correct alternative) a) price stability in the economy b) employment generation in the country. c) stable foreign relations. d) greater tax collections for the government.	1
6	In an economy, break-even point and equilibrium point may lie at the same level of income, if ex-ante investments are (Fill up the blank with correct answer)	1
7	State whether the given statement is true or false: ‘Managed Floating Exchange Rate is decided by market forces but remains within a specific range as decided by central bank’.	1
8	The formula to calculate Primary deficit is (Fill up the blank with correct answer)	1

	<table><tr><td>S.no</td><td>Particulars</td><td>Amount (in ₹crores)</td></tr><tr><td>i.</td><td>Capital value of the asset</td><td>1,000</td></tr><tr><td>ii.</td><td>Estimated life of the asset</td><td>20 years</td></tr><tr><td>iii.</td><td>Scrap Value</td><td>Nil</td></tr></table>	S.no	Particulars	Amount (in ₹crores)	i.	Capital value of the asset	1,000	ii.	Estimated life of the asset	20 years	iii.	Scrap Value	Nil	2												
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	Or a) ‘Circular flow of income in a two sector economy is based on the axiom that one’s expenditure is other’s income’. Do you agree with the given statement? Support your answer with valid reasons. b) Calculate compensation of employees from the following data: <table><tr><td>S.no</td><td>Particulars</td><td>Amount (in ₹crores)</td></tr><tr><td>i.</td><td>Profits after tax</td><td>20</td></tr><tr><td>ii.</td><td>Interest</td><td>45</td></tr><tr><td>iii.</td><td>Gross Domestic Product at Market Price</td><td>200</td></tr><tr><td>iv.</td><td>Goods and Services Tax</td><td>10</td></tr><tr><td>v.</td><td>Consumption of Fixed Capital</td><td>50</td></tr><tr><td>vi.</td><td>Rent</td><td>25</td></tr><tr><td>vii.</td><td>Corporate Tax</td><td>5</td></tr></table>	S.no	Particulars	Amount (in ₹crores)	i.	Profits after tax	20	ii.	Interest	45	iii.	Gross Domestic Product at Market Price	200	iv.	Goods and Services Tax	10	v.	Consumption of Fixed Capital	50	vi.	Rent	25	vii.	Corporate Tax	5	3
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17	‘An economy is operating at under-employment level of income’. What is meant by the given statement? Discuss one fiscal measure and one monetary measure to tackle the situation.	6																								
	SECTION-B (Indian Economic Development)																									
18	Name any two taxes which were subsumed in Goods and Services Tax (GST).	1																								
19	State whether the following statement is true or false: ‘The latest demonetization of currency was undertaken by the Government of India on November 8, 2016’.	1																								
20	Identify the correct sequence of alternatives given in Column II by matching them with respective terms in Column I : <table><tr><th>Column – I</th><th>Column – II</th></tr><tr><td>A. Land Ceiling</td><td>i. Increase in production of food grain using high yielding variety seeds</td></tr><tr><td>B. Land reforms</td><td>ii. Portion of agricultural produce sold in the market</td></tr><tr><td>C. Green Revolution</td><td>iii. Fixing the maximum limit of land holding for an individual.</td></tr><tr><td>D. Marketed Surplus</td><td>iv. Change in the ownership of land (land to tillers)</td></tr></table>	Column – I	Column – II	A. Land Ceiling	i. Increase in production of food grain using high yielding variety seeds	B. Land reforms	ii. Portion of agricultural produce sold in the market	C. Green Revolution	iii. Fixing the maximum limit of land holding for an individual.	D. Marketed Surplus	iv. Change in the ownership of land (land to tillers)	1														
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21	Agriculture marketing does not comprise of (Choose the correct alternative) a) Transportation of the produce to the market place for sale.																									

	b) Grading of the produce according to the quality. c) Storage of the produce for sale in future. d) Credit taken to meet expenditure on agriculture.	1										
22	Undertype of unemployment, marginal product gained by employing one additional unit of labour is zero. (Fill up the blank with correct answer) Or an indicator which is used for analyzing the employment situation of a country. (Fill up the blank with correct answer)	1										
23	In 1955, Karve committee was constituted for aiming the..... (Fill up the blank with correct answer)	1										
24	Identify the correct sequence of alternatives given in Column II by matching them with respective terms in Column I <table><tr><th>Column – I</th><th>Column -II</th></tr><tr><td>A. Study Group formed by Planning Commission for Poverty</td><td>i. 2005</td></tr><tr><td>B. ‘Task Force on Projections of the Minimum Needs and Effective Consumption Demand’</td><td>ii. 1962</td></tr><tr><td>C. Mahatma Gandhi National Rural Employment Guarantee Act</td><td>iii. 2014</td></tr><tr><td>D. Jan DhanYojana</td><td>iv. 1979</td></tr></table> Choose the correct alternative: a) ii , iii , iv , i b) iii , ii , i, iv c) i , ii , iii , iv d) ii , iv , i, iii	Column – I	Column -II	A. Study Group formed by Planning Commission for Poverty	i. 2005	B. ‘Task Force on Projections of the Minimum Needs and Effective Consumption Demand’	ii. 1962	C. Mahatma Gandhi National Rural Employment Guarantee Act	iii. 2014	D. Jan DhanYojana	iv. 1979	1
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25	Solar energy can be converted into electricity with the help of (Photovoltaic cell/Lithium cells). (Fill up the blank with correct alternative)	1										
26	Arrange the following events of China in chronological order and choose the correct alternative: i. Great Proletarian Cultural Revolution ii. Great Leap Forward campaign iii. Introduction of Economic Reforms iv. First five year plan Choose the correct alternative: a) ii, iv, iii, i b) iv, ii, i, iii c) ii, iv, i, iii d) iv, i, ii, iii	1										
27	Introduction of Economic Reform in Pakistan took place in..... (Choose the correct alternative) a) 1978 b) 1980 c) 1988 d) 1991	1										

Growth of Employment and Gross Domestic Product, 1951-2012 (%)

