

Time Allowed: 3 Hours]

[Maximum Marks: 100]

**General Instructions:**

- (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 of 1 mark each.
- (iv) This paper contains 4 Short Answer Questions type-I questions of 3 marks each to be answered in 60 to 80 words.
- (v) This paper contains 6 Short Answer Questions type-II questions of 4 marks each to be answered in 80 to 100 words.
- (vi) This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.
- (vii) Attempt all parts of a question together.

**Section - A**  
**Macroeconomics**

1. "Considering the depreciation of Indian Currency (₹) in the international market, the Reserve Bank of India (RBI) has decided to purchase Indian currency (₹) in the open market."  
This represents \_\_\_\_\_ exchange rate system. (Fill up the blank with correct alternative) 1  
(a) fixed (b) flexible  
(c) managed floating (d) manipulated
2. "Money is an asset which can be stored for use in future." In the light of given statement, identify the function of money. (Choose the correct alternative) 1  
(a) A measure of value (b) A standard of deferred payment  
(c) A store of value (d) A medium of exchange
3. (A) From the statements given in Column I and Column II, choose the correct pair. 1

Column I	Column II
A. Vegetables grown in the personal garden	(i) Non-marketing activity
B. A car used as a taxi	(ii) Consumer good
C. An air-conditioner used by household	(iii) Capital good
D. Scholarship given to students by government	(iv) Factor income

Alternatives:

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

(B) Complete the table:

Or

Producer	Value of output	Intermediate Consumption	Value Added
Farmer	2,000		
Baker	----- (i) -----	-	2,000
Retail Seller	4,400	2,000	2,000
Total	----- (ii) -----	----- (iii) -----	400
		6,000	----- (iv) -----

Alternatives:

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

- (b) 4000, 10400, 4000, 4400  
 (d) 4000, 10400, 6000, 4000

4. Read the following statements carefully:

1

**Statement 1:** In a two sector economy, consumption expenditure and investment expenditure are the two components of Aggregate Demand.

**Statement 2:** Aggregate demand curve always start from point of origin with positive slope.

- In the light of 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. 'Deficit' in Balance of Payment (BOP) refers to the excess of \_\_\_\_\_.

1

- (Choose the correct alternative)  
 (a) Current account payments over Current account receipts  
 (b) Capital account payments over Capital account receipts  
 (c) Autonomous payments over Autonomous receipts  
 (d) Accommodating payments over Accommodating receipts

6. (A) Suppose, the price of one UK Pound (£) has increased from ₹ 70 to ₹ 80, owing to market forces.

This means that value of Indian Currency (₹) has \_\_\_\_\_.

- (Choose the correct alternative) 1  
 (a) appreciated (b) depreciated  
 (c) revalued (d) devalued

Or

(B) Suppose, Country X, has more inflation than Country Y. Which of the following is most likely situation to happen in such a case, assuming other factors being constant? (Choose the correct alternative)

- 1  
 (a) A surplus trade balance in Country X  
 (b) A deficit trade balance for Country X  
 (c) A rise in exports from Country X to Country Y  
 (d) A deficit trade balance for Country Y

7. (A) If in an economy, the Investment Multiplier is 4 and Autonomous Consumption is ₹ 30 crore, the relevant consumption function would be \_\_\_\_\_.

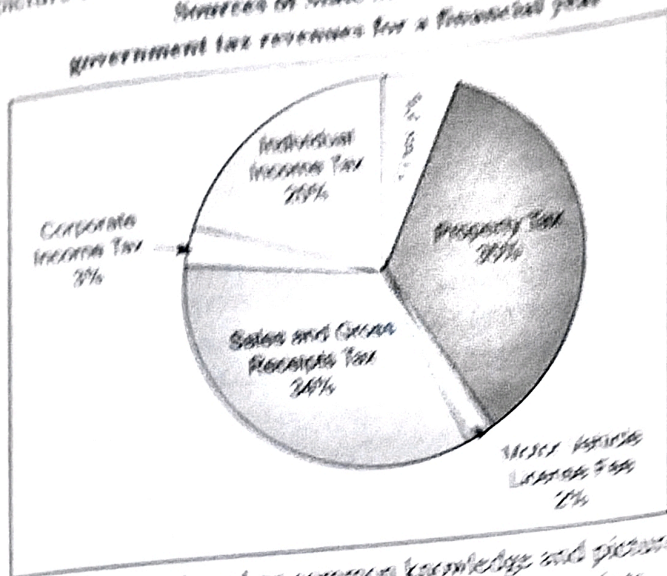
- (Fill up the blank with correct alternative) 1  
 (a)  $C = 30 + 0.75 Y$  (b)  $C = (-) 30 + 0.25 Y$   
 (c)  $C = 30 + 0.25 Y$  (d)  $C = (-) 30 - 0.25 Y$

Or

- (B) If increase in National Income is equal to increase in Savings, the value of Marginal Propensity to Consume would be \_\_\_\_\_. (Fill up the blank with correct alternative)
- (a) equal to unity (b) greater than one  
(c) less than one (d) equal to zero
8. In an economy, the value of Marginal Propensity to Save (MPS) is 0.25, what will be the value of increase in income, if investments increased by ₹ 200 crores?
- (a) ₹ 200 crores (b) ₹ 150 crores  
(c) ₹ 1,000 crores (d) ₹ 800 crores
9. Read the following statements carefully:  
**Statement 1:** Money supply ( $M_1$ ) in India does not include 'demand deposits' with commercial banks.  
**Statement 2:** Money supply ( $M_1$ ) refers to, assets available with the Commercial Banks during a particular period of time.  
In the light of the given statements, choose the correct alternative
- (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
10. Read the following statements – Assertion (A) and Reason (R). Choose one of the correct alternatives given below:  
**Assertion (A):** Full employment refers to absence of involuntary unemployment.  
**Reason (R):** Under full employment situation, all willing and able bodied people get employment at prevailing wage rate.  
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 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
11. (a) Giving valid reasons, state whether the following statements are true or false:
- (i) Dividend received from investment abroad is recorded on the credit side of the capital account.  
(ii) Depreciation of the Indian Currency will lead to promotion of Indian exports.
- Or
- (b) Distinguish between Autonomous transactions and Accommodating transactions.
12. Suppose only one Good 'X' is produced in the country. Output of 'Good X' during 2018 and 2019 were 100 units and 120 units respectively. The market price of the product during the two years was ₹ 50 and ₹ 60 per unit respectively. Calculate the percentage change in Real Gross Domestic Product (GDP) in year 2019, using 2018 as the base year.
13. (a) Explain the role of Central Bank as Governments' agent and advisor.
- Or
- (b) Define Reverse Repo Rate. Discuss briefly, how this instrument helps in controlling credit creation by commercial banks.
14. If planned savings exceeds planned investments in an economy, explain its likely impact on income, output and employment.
15. As per the following news published in 'The Hindu' on 6th August, 2022:  
The Monetary Policy Committee (MPC) of the Reserve Bank of India raised the Repo Rate by 50 basis points.' Identify and explain the likely cause and consequences behind this type of action taken by the Reserve Bank of India.

16. Study the given picture carefully:

Sources of State and Local Government tax revenues for a financial year



- Answer the following questions based on common knowledge and picture:
- (a) Categorise the given items in the picture into tax/non-tax receipts. 3
- (b) "Government has started spending more on providing free services like education and health to the poor." In the light of above statement, explain how the government can use the budgetary policy in reducing "inequalities of income". 3
17. (a) (i) "While estimating Gross Domestic Product (GDP) by expenditure method, entire focus is on expenditure incurred by the residents of the country." Do you agree with the given statement? Give valid reason in support of your answer. 3
- (ii) Calculate the value of National Income from the following data: 3

S. No.	Particulars	Amount in (₹ crores)
		1,500
(i)	Rent and Royalties	200
(ii)	Net Indirect Taxes	1,700
(iii)	Wages and Salaries (in cash and in kind)	400
(iv)	Corporate Tax	400
(v)	Depreciation	300
(vi)	Retained Earnings	400
(vii)	Dividends	
(viii)	Net Factor Income from Abroad	(-) 120
(ix)	Mixed Income of Self Employed	1,400
(x)	Change in Stock	(-) 200

Or

- (b) (i) How should the following be treated in estimating National Income of a country? Give valid reasons. 3
- (i) Profits earned by Foreign Banks in India
- (ii) Expenditure on upgradation of fixed asset by a firm
- (ii) Suppose in a financial year, the Gross Domestic Product (GDP) at market price of a country was ₹ 1,100 crore. Net factor income from Abroad was ₹ 100 crore, the net indirect taxes was ₹ 150 crore and National income was ₹ 850 crore. Calculate the value of depreciation, on the basis of above information. 3

**Section - B**  
**Indian Economic Development**

18. Identify, which of the following is an incorrect function of environment?
- (a) Supplies resources (b) Assimilates waste  
(c) Land degradation (d) Provides aesthetic services

19. (A) Read the following statements carefully:

**Statement 1:** Great Proletarian Cultural Revolution was introduced in China in 1950s.  
**Statement 2:** China's growth is mainly contributed by the manufacturing sector.

In the light of 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

**Or**

- (B) Identify the incorrect statement from the following: (Choose the correct alternative)

- (a) China's Economic growth rate is better than that of Pakistan.  
(b) Pakistan is behind India in HDI ranking.  
(c) One Child Policy norm was adopted in Pakistan.  
(d) In 1991, India adopted New Economic Reforms.

20. (A) In the first phase of Green Revolution, output was restricted mainly to \_\_\_\_\_ (Choose the correct alternative)
- (a) Cereals and Pulses (b) Wheat and Rice  
(c) Cotton and Jute (d) Jowar and Bajra

**Or**

- (B) \_\_\_\_\_ is known as the architect of Indian Planning.

- (a) Jawaharlal Nehru (b) PC Mahalanobis  
(c) Dr Manmohan Singh (d) Dr Rajendra Prasad

21. During the British rule in India, Indian agricultural output witnessed stagnation due to \_\_\_\_\_ (Choose the correct alternative)
- (a) Decline in handicrafts (b) Drain of Indian wealth  
(c) Land settlement (d) Introduction of railways

22. Identify, which of the following are associated with the problem of human capital formation in India?
- (i) Brain drain (ii) Low academic standards  
(iii) Rising population (iv) Changes in social outlook
- Alternatives:
- (a) (i) and (ii) (b) (ii) and (iii)  
(c) (i), (ii) and (iii) (d) (i) and (iv)

23. Read the following statements carefully:

**Statement 1:** Special Economic Zones (SEZs) policy has led to huge Foreign Direct Investment (FDI) flow to China.  
**Statement 2:** China's rapid industrial growth was the result of its economic reform in 1981.

In the light of the given statements, choose the correct alternative:

- (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

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

Assertion (A): During 1980s, economic growth rate of Pakistan was more than that of India.

Reason (R): Pakistan followed the path of mixed economic structure with equal participation of the public and the 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 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

25. \_\_\_\_\_ is the apex institution which plans and evaluates policies related to rural credit needs. 1

- (a) Cooperative Credit Societies (b) Regional Rural Banks
- (c) Self Help Groups (d) NABARD

26. Read the following statements carefully: 1

Statement 1: First Five Year Plan of China commenced in the year 1956.

Statement 2: Both India and China adopted Socialist Economy model, following USSR.

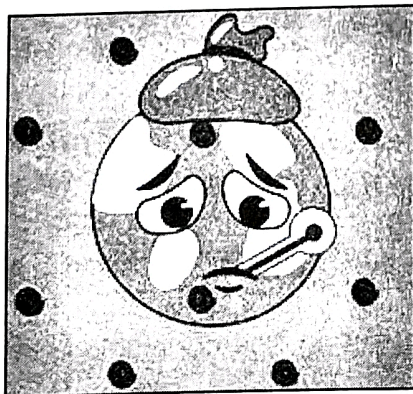
In the light of the given statements, choose the correct alternative:

- (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

27. Identify, which of the following is the correct formula for calculating 'Worker-Population Ratio'? (Choose the correct alternative) 1

- (a)  $\frac{\text{Total Labour Force}}{\text{Total Population}} \times 100$  (b)  $\frac{\text{Total Workers}}{\text{Total Population}} \times 100$
- (c)  $\frac{\text{Total Population}}{\text{Total Labour Force}} \times 100$  (d)  $\frac{\text{Total Population}}{\text{Total Workers}} \times 100$

28. Interpret the situation of earth as depicted in the given picture, with reference to current environmental challenges. 3



29. (a) State with valid reason whether the following statement is true or false: 'Self employed workers are different from hired workers.' 3

Or

- (b) Explain the importance of credit availability to farmers in rural development. 3

- ✓ set-1
30. (a) (i) State the meaning of 'Privatisation'.  
 (ii) 'Agriculture sector has been adversely affected by the Economic reform process.' Comment.

Or

- (b) State and explain any two main causes behind infrastructural development by British rule.
31. State with valid reasons whether, the following statements are true or false:  
 (a) Rising population is not the cause for quality of human capital formation.  
 (b) Higher productivity and production are the outcome of investment in human resources.
32. Compare and analyse the following information related to Annual Growth of Gross Domestic Product (GDP) of India and China:

**Annual Growth of Gross Domestic Product**

Country	1980-90	2015-17
India	5.7	7.3
China	10.3	6.8

**Source:** Asian Development Bank, Philippines, World Development indicator - 2018

33. Read the following text carefully and answer the given questions on the basis of the same and common understanding:

India urged the World Trade Organisation (WTO) to relax rules to allow the country to export food grains from its public stocks to the nations facing food crises. India can help, reduce food insecurity but there is hesitation on the part of the WTO, in relaxing its rules. India's Finance Minister said food, fuel and fertilizers are global public goods and ensuring access of these for developing and emerging economies is critical. She also shared India's experiences, including robust gains in agriculture production, citizen centric food security programmes and innovative delivery mechanisms such as the 'One Nation One Ration Card' Scheme.

**Source:** The Economic Times; July 16, 2022

- (a) State and discuss any two objectives of World Trade Organisation.  
 (b) Name any two steps taken by India to strengthen the food security.
34. (a) (i) Define Agricultural diversification.  
 (ii) State the meaning of organic farming. Discuss how does it help in promoting sustainable development.

Or

- (b) (i) Discuss the need for promoting women's education in India.  
 (ii) Explain absorptive capacity of environment with example.

(10)