



SUB:ECONOMICS


General Instructions:

1. Question paper is divided into two sections. Both are compulsory.
2. Questions carrying 1 mark may be answered in one word or in one sentence.
3. Questions carrying 3 marks may be answered in 60 words.
4. Questions carrying 4 marks may be answered in 70 words.
5. Questions carrying 6 marks may be answered in 100-120 words.
6. Word limit does not apply to numerical questions.

SECTION-A

1.	<p>Read the following statements Assertion(A) and Reason(R). Choose one of the correct alternatives given below:</p> <p>Assertion (A):Open market operations refer to purchase and sale of government securities in the open market by RBI to control money supply.</p> <p>Reason(R):By purchasing the government securities, RBI injects additional purchasing power to contract credit and reduce money supply.</p> <p>Alternatives:</p> <p>a. Both Assertion (A) and Reason (R) are true and Reason(R) is the correct explanation of Assertion(A).</p> <p>b. Both Assertion (A) and Reason (R) are true and Reason(R) is not the correct explanation of Assertion(A).</p> <p>c. Assertion (A) is truebutReason (R)is false.</p> <p>d. Assertion (A) is falsebut Reason(R) is true.</p>	1															
2.	<p>Based on the following data, calculate the value of revenue deficit.</p> <table><tr><th>Sr. no</th><th>Items</th><th>₹ in Cr.</th></tr><tr><td>1.</td><td>Tax receipts</td><td>1542</td></tr><tr><td>2.</td><td>Revenue expenditure</td><td>1927</td></tr><tr><td>3.</td><td>Direct taxes</td><td>670</td></tr><tr><td>4.</td><td>Non tax receipts</td><td>303</td></tr></table> <p>a. ₹1845crs                      b. ₹82crs                      c. ₹100crs                      d. ₹588crs</p>	Sr. no	Items	₹ in Cr.	1.	Tax receipts	1542	2.	Revenue expenditure	1927	3.	Direct taxes	670	4.	Non tax receipts	303	1
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3.	<p>Identify the correct alternative in column II by matching them withrespective items in column I</p> <table><tr><th>Column I</th><th>Column II</th></tr><tr><td>A. LRR 10%</td><td>i. Central bank</td></tr><tr><td>B. LRR 20%</td><td>ii. Bank rate</td></tr><tr><td>C. Credit creation</td><td>iii. Money multiplier 10</td></tr><tr><td>D. Quantitative measure</td><td>iv. Commercial bank</td></tr></table> <p>Alternatives:</p> <p>a. A-iii                                      c. C- ii</p> <p>b. B- i                                      d. D - iv</p>	Column I	Column II	A. LRR 10%	i. Central bank	B. LRR 20%	ii. Bank rate	C. Credit creation	iii. Money multiplier 10	D. Quantitative measure	iv. Commercial bank	1					
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4.	<p>Read the statements carefully and choose the correct alternative among those given below:</p> <p>Statement-1: Govt budget is an accounting statement showing actual receipt and expenditure of the government during a fiscal year.</p>	1															

	<p>Statement-2: Two main components of government budget are revenue budget and capital budget.</p> <p>Alternatives:</p> <ol style="list-style-type: none"> <li>Statement-1 is true and statement-2 is false.</li> <li>Statement-2 is true and statement-1 is false.</li> <li>Both the statements are true.</li> <li>Both the statements are false.</li> </ol>	
5.	<p>A. Which of the following is a capital receipts in the Government Budget?</p> <ol style="list-style-type: none"> <li>Income tax</li> <li>Interest receipts</li> <li>Sale of shares of PSUs</li> <li>Dividends from a public sector undertaking (PSU)</li> </ol> <p>OR</p> <p>B. The government has increased the rate of income tax. The objective of government is to:</p> <ol style="list-style-type: none"> <li>maintain balanced regional development</li> <li>redistribute income &amp; wealth</li> <li>reallocate resources</li> <li>ensure economic stability</li> </ol>	1
6.	<p>Distinguish between Capital receipts and Revenue receipts.</p> <p>OR</p> <p>Distinguish between Primary deficit and fiscal deficit.</p>	3
7.	Briefly explain different functions of money.	3
8.	<p>State whether the following statements are True / False. Give reasons.</p> <ol style="list-style-type: none"> <li>M1 includes net demand deposits.</li> <li>Demand deposits are same as time deposits.</li> </ol>	4
9.	<p>A. Discuss 'Reallocation of resources' as an objective of Government budget with related examples.</p> <p>OR</p> <p>B. Identify the following as revenue expenditure and capital expenditure. Give reasons</p> <ol style="list-style-type: none"> <li>Salary paid to government employees.</li> <li>Purchase of machinery from South Korea.</li> <li>Social security benefits paid to retired government employees.</li> <li>Interest paid to national debt.</li> </ol>	4
10.	<p>A. Explain the following monetary measures can be used for controlling inflation?</p> <ol style="list-style-type: none"> <li>Bank rate</li> <li>Open market operations</li> <li>Margin requirement</li> </ol> <p>OR</p> <p>B. Explain the credit creation function of commercial bank with a hypothetical example.</p>	6 6
	SECTION-B	
11.	<p>Under the British system of land settlement, the Zamindar's dues to the state were fixed. What did this mean for the cultivators?</p> <ol style="list-style-type: none"> <li>They received investment support to increase production</li> <li>They were exploited and forced to pay rent, regardless of the produce</li> <li>They had the support of the landlords against the oppressive policies of the British</li> <li>They were forced to shift from food crops to commercial crops, leading to food scarcity</li> </ol>	1
12.	<p>Land ceiling refers to,</p> <ol style="list-style-type: none"> <li>Fix rural landholdings at the existing level.</li> <li>Fix land area for irrigation purposes</li> <li>Fix urban landholdings at the existing level</li> </ol>	1

	d. Fix quantum of land held by an individual											
13.	<p>Identify the correct sequence of alternatives given in column II by matching them with their representative terms in column I</p> <table><tr><th>Column I</th><th>Column II</th></tr><tr><td>a. Demonetisation</td><td>i. An event of 2016</td></tr><tr><td>b. Privatisation</td><td>ii. Outright sale of private enterprise</td></tr><tr><td>c. Trade and investment policy reforms</td><td>iii. Increase in tariff rates</td></tr><tr><td>d. Financial sector reforms</td><td>iv. Freedom to import capital goods</td></tr></table> <p>Alternatives: A. a – iC. c - iii B. b– iiD d- iv</p>	Column I	Column II	a. Demonetisation	i. An event of 2016	b. Privatisation	ii. Outright sale of private enterprise	c. Trade and investment policy reforms	iii. Increase in tariff rates	d. Financial sector reforms	iv. Freedom to import capital goods	1
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14.	<p>Read the statements carefully and choose the correct alternative among those given below:</p> <p>Statement-1: Indian planners gave more importance to public sector during the period of 1950 to 1990</p> <p>Statement-2: Under Industrial Policy Resolution1956 the public sector was given leading role in the Industrial Development.</p> <p>Alternatives:</p> <p>a. Statement-1 is true and statement-2 is false. b. Statement-2 is true and statement-1 is false. c. Both the statements are true. d. Both the statements are false.</p>	1										
15.	<p>A. Identify which of the following statement is correct:</p> <p>(a) British colonial rule made India net importer of raw material. (b) The real motive behind infrastructure development by Britishers was to serve the people of India. (c) India generated large export surplus during the British rule. (d) Indian handicraft industry enjoyed world-wide reputation under the British rule.</p> <p>OR</p> <p>B. From the following, identify the incorrect statement in the light of India's pre-independence occupational structure.</p> <p>(a) Agricultural sector accounted for the largest share of workforce. (b) Industrial and Service sectors grew at a faster rate than the agriculture sector. (c) Agriculture sector was marked with disguised unemployment. (d) Unbalanced growth was created due to unequal distribution of workforce.</p>	1										
16.	Why did RBI have to change its role from controller to facilitator of financial sector in India?	3										
17.	<p>A.During the colonial period, a number of socio-economic indicators were in a dilapidated state.” List any three such indicators that led to the worsening of India’s demographic profile.</p> <p>OR</p> <p>B.“The pre-independent India’s occupational structure experienced growing regional variation.” Justify the above statement with valid explanation</p>	3										
18.	<p>Answer the following questions on the basis of the given picture:</p>  <p><b>Outsourcing: a new employment opportunity in big cities</b></p>	4										

	<p>(i) As a form of economic activity, outsourcing has intensified, in recent times. Justify the statement.</p> <p>(ii) What factors have made India a destination for global outsourcing in the post-reform period?</p>	
19.	<p>A) "Green revolution transformed India from a subsistent food grain economy to a food surplus economy." Justify the statement, giving reasons in support of your answer.</p> <p>(B) 'Benefits of Green Revolution were restricted to few states'. Defend or refute.</p> <p style="text-align: center;">OR</p> <p>(A) "In India, after 1947 land reforms were introduced on a large scale." Discuss any one such land reform.</p> <p>(B) "In the post-reform period, the Government of India decided to retain profit-making Public Sector Undertakings (PSUs). It provided a special status to PSUs to enable them to expand in the global market." Do you agree with the given statement? Give valid reasons in support of your answer.</p>	4
20.	<p>a. Explain growth with equity as a planning objective.</p> <p>b. Why did India opt for planning?</p> <p style="text-align: center;">OR</p> <p>a. State the meaning of subsidy and justify that it's a huge burden on government finances.</p> <p>b. Differentiate between Strategic and Minority sale.</p>	6

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