

Roll No.

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

- Please check that this question paper contains printed pages.
- Code number 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 containsquestions.
- **Please write down the Serial Number of the question before attempting it.**
- 15 minute time has been allotted to read this question paper. The question paper will be distributed at 07.10 a.m. From 07:15 a.m. to 07.30 a.m., the students will read the question paper only and will not write any answer on the answer book during this period.

ECONOMICS

Time allowed: 3 hours

Maximum Marks: 80

Instructions:

- All questions are compulsory within each section.*
- Marks for questions are indicated each.*
- All parts of a question should be answered at one place.*

<u>GENERAL INSTRUCTIONS</u>	
1	This question paper contains two parts: Part A - Macro Economics (40 marks) Part B - Indian Economic Development (40 marks).
2	Marks for questions are indicated against each question.
3	Question No. 1-10 and Question No. 18 – 27 (including two Case Based Questions) are 1 mark questions and are to be answered in one word/sentence.
4	Case Based Questions (CBQ's) are Question No. 7-10 and Question No. 25-27.
5	Question No. 11-12 and Question No. 28 – 29 are 3 marks questions and are to be answered in 60 - 80 words each.
6	Question No. 13-15 and Question No. 30 – 32 are 4 marks questions and are to be answered in 80- 100 words each.
7	Question No. 16-17 and Question No. 33 – 34 are 6 marks questions and are to be answered in 100-150 words each.
8	Answers should be brief and to the point and the above word limit be adhered to as far as possible.

Q. No	QUESTIONS	MARKS
PART A - MACRO ECONOMICS		
1	<p>Losses is a _____ concept whereas capital is a _____ concept. (Fill up the blank with the correct alternative)</p> <p>a. Stock, flow b. Flow, stock c. Stock, stock d. Flow, flow</p> <p>OR</p> <p>Given Factor Income from Abroad = Rs 250, Factor Income to Abroad = Rs 620 Calculate NFIfA = Rs _____.</p> <p>a. 370 b. – 370</p>	1

	<p>c. 300</p> <p>d. 703</p>																					
2	<p>In the current pandemic situation many economists are fearing that the Indian economy may plunge into a depression because of the lockdown and lack of business. Sale of government securities in the open market is an appropriate measure to check depression. True or False? Give reason.</p>	1																				
3	<p>Which of the following is the bank money?</p> <p>a. Coins</p> <p>b. Currency</p> <p>c. Cash reserves of banks</p> <p>d. Demand deposits in banks</p>	1																				
4	<p>Identify the correct pair of formula from the following column I and II:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 40%;">Column I</th> <th style="width: 10%;"></th> <th style="width: 40%;">Column II</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Surplus BOT</td> <td>i.</td> <td>Import is greater than export</td> </tr> <tr> <td>B</td> <td>Deficit BOT</td> <td>ii.</td> <td>Import is less than export</td> </tr> <tr> <td>C</td> <td>BOT Surplus</td> <td>iii.</td> <td>Export is greater than import</td> </tr> <tr> <td>D</td> <td>Balanced BOT</td> <td>iv.</td> <td>Export \neq Import</td> </tr> </tbody> </table> <p>a) A - i b) B - ii c) C - iii d) D - iv</p>		Column I		Column II	A	Surplus BOT	i.	Import is greater than export	B	Deficit BOT	ii.	Import is less than export	C	BOT Surplus	iii.	Export is greater than import	D	Balanced BOT	iv.	Export \neq Import	1
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5	<p>A change from Rs 140 = 2 £ to Rs 60 = 1£ Identify which currency is appreciating and which one is depreciating? (Choose the correct alternative):</p> <p>a. £ is appreciating, Rs is depreciating</p> <p>b. £ is appreciating, no change in Rs.</p> <p>c. £ is depreciating, Rs is appreciating.</p> <p>d. £ has no change, Rs is appreciating.</p>	1																				
6	<p>Indian Government repays loan taken from IMF. This transaction would be recorded on _____ side of the _____ account.</p> <p>a. Debit, capital</p> <p>b. Debit, current</p> <p>c. Credit, Capital</p> <p>d. Credit, current</p>	1																				
	<p>Read the following news report and answer questions 7-10 below:</p> <p>The central bank of a country XYZ decreased the CRR maintained by the commercial</p>	1																				

	banks for the first time in last 5 years. It reduced the Repo Rate to 5.4%, the lowest in last 10 years. CRR for all banks was cut by 100 basis points to release 2.5 lakh crores across the banking system. Economists predicted that a worldwide recession was on the card and said India will also face such a situation. They further say that it will be interesting to see hat how India responds to this challenge. Aggregate demand may contract and ease core inflation.	
7	a. Reduction in Repo Rate by the central bank may _____ (increase/decrease) the Aggregate Demand. (Choose the correct alternative).	1
8	Fall in CRR will result in _____. (Choose the correct alternative). a. No change in aggregate demand. b. Increase in aggregate demand c. Decrease in aggregate demand d. Increase in general price level	1
9	The difference by which actual aggregate demand falls short of the aggregate demand required to establish full employment equilibrium is known as _____. (inflationary/ deflationary) gap. (Choose the correct alternative)	1
10	The impact of excess demand under Keynesian theory of income and employment in the economy are: (Choose the correct alternative). a. Increase in income, output, employment and, general price level. b. Decrease in nominal income, but no change in real output. c. Output and employment remain unchanged, but a rise in general price level. d. Decrease in output, income, employment, general price level.	1
11	a. Distinguish between Value of Output and Value Added. b. Are all producer's goods capital goods? Justify your answer.	3
12	a. Differentiate between balance of trade and current account. b. What are official reserve transactions. Explain their importance in BOP. OR a. What will be the effect of 'Make in India' on the BOP of the country? b. 'Deficit or disequilibrium in BOP may occur due to autonomous transactions or due to accommodating transactions. Defend or refute.	3
13.	a. Define credit multiplier. b. Assuming initial deposit to be Rs 2000 and LRR = 10%, show the calculations to explain the working of the multiplier. c. What will the effect of this multiplier on the national income of the country?	4

14	<p>If saving function for an economy is: $S = -50 + 0.2Y$ and investment expenditure is Rs 100 crores, then</p> <p>a. Determine the level of income when saving will become zero.</p> <p>b. Level of income when saving = investment.</p> <p style="text-align: center;">OR</p> <p>Define:</p> <p>a. Ex-poste saving</p> <p>b. Under-employment equilibrium</p>	4
15	<p>The COVID 19 Virus has hit the Indian economy very hard and its impact is observed in all sectors of the Indian economy. Asian Development Bank says that India's GDP is going to contract by 9% in 2020-21. Because of the lockdown, there is a situation of deficient demand.</p> <p>Explain any <u>two</u> measures which may be adopted by the Government of India to rectify this unwanted situation of the Indian economy.</p>	4
16	<p>Identify whether the following two items will be included in Domestic income or National income of a country. Give reasons.</p> <p>a. Profits of a branch of State Bank of India in England.</p> <p>b. Profits earned by a branch of HSBC (foreign bank) in Delhi.</p> <p style="text-align: center;">OR</p> <p>The value of nominal GNP of an economy was Rs 2500 crs in 2018. The value of GNP of that country during the same year, evaluated at the price of 2016 as base year was Rs 3000 crores.</p> <p>a. Calculate the value of the GNP deflator of the year in percentage terms.</p> <p>b. Has the price level increased between the base year 2016 and 2018?</p> <p>c. Write down <u>two</u> limitations of using GDP as an index of welfare of the country.</p>	3 3 2 2 2
17	<p>Government of a country needs to reduce inequalities of income and wealth.</p> <p>a. Do you agree? Give reasons.</p> <p>b. Explain any two budgetary measures by which this can bbe done,.</p> <p>c. Fiscal deficit is necessarily inflationary in nature. Do you agree? Give reasons in support of your answer.</p>	2 2 2
	<u>PART B: INDIAN ECONOMIC DEVELOPMENT</u>	
18	<p>What was the importance of Suez Canal during British India?</p> <p style="text-align: center;">OR</p>	1

	Primary motive of de-industrialisation by the British rule was to promote India's economy. True or False, Give reason.	
19	What was the focus points of first and second five-year plan?	1
20	Industrial growth in Indian has recorded a slow down in the period of economic reforms. What are the reasons for this? a. Decreasing demand of domestic industrial products b. Globalisation c. India does not have access to different markets because of high non-tariff barriers d. All the above	1
21	Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below: A. The trade policy reforms aimed at dismantling of quantitative restrictions on imports and exports R. Export duties have been removed to increase the competitive position of Indian goods in the international markets. 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.	1
22	Write two instruments to safeguard the interests of farmers by the government.	1
23	Which of the following is false regarding SHG's? a. Small and informal associations of poor persons. b. Provide rural credit by mobilizing their own resources. c. Introduced in 1982. d. Improve rural poor access to formal credit system.	1
24	Read the following case study, carefully answer the question number 24-25 on the base of the same. Poverty in India is caused by a number of factors. India was already in a weak state after	1

	<p>becoming independent from Britain. However, overpopulation tends to be the leading reason. As there are poor employment opportunities in villages, people moved to cities, leading to crowded streets and unhealthy living conditions. Also, the belief of inferiority of women brought about the penury that Indians suffer from. If females were viewed as equals to men, they would be able to obtain a successful job, make money, and provide for the family; however, this is not the case. Those living in rural areas depend on agriculture, which is dependent on rain patterns and the monsoon season. If there happens to be inadequate rain or monsoon failure, crops cease to grow, leading to a number of starving people. In addition, Indian families are generally made up of many members; thus, it is very difficult to provide for everyone. The caste system also plays a role in poverty-those in the lower classes are deprived of various opportunities. Because of this, more than 40% of India's population is illiterate. Just as the rest of the impoverished world, they are misinformed about diseases and sanitation. Consequently, Indians suffer from diseases such as polio and yellow fever. Also, many women are giving live birth without any medical assistance.</p> <p>What is the difference between Relative and Absolute poverty?</p>	
25	Illustrate the difference between rural and urban poverty. Is it correct to say that poverty has shifted from rural to urban areas?	1
26	What benefits goes to domestic industries of reduction in tariff?	1
27	How can the productivity of human resources be increased?	1
28	<p>'As physical capital is essential for economic development so is human capital'. Explain.</p> <p style="text-align: center;">OR</p> <p>Indian government has been taking steps for human capital formation, yet human capital formation is facing problems. Explain such problems of human capital formation.</p>	3
29	Why antipoverty measures are not as successful as they meant to be.	3
30	<p>a. "Process of globalisation has produced only positive results for India and other countries," True or False. Comment.</p> <p>b. Economic reforms were widely criticized because it neglected agriculture sector. Do you agree?</p>	4
31	<p>a. Government established the institutional sources of credit with certain objectives. Mention the objectives.</p> <p>b. Discuss the institutional source of credit which is regarded as the Apex bank?</p> <p style="text-align: center;">OR</p> <p>Define agricultural marketing. Explain the different policy instruments initiated by the government to improve agricultural marketing.</p>	4
32	"Poverty alleviation programmes initiated by the government were highly acclaimed." Defend or Refute.	4

33	<p>a. Define outsourcing. Outsourcing has created lot of employment opportunities in India. Give arguments in favour of this statement.</p> <p>b. 'Education contributes to economic growth'. Do you agree?</p> <p>c. What are stabilisation measures and structural measures under the new economic policy.</p>	2+2+2
34	<p>a. Elaborate how do the following factors contribute to environment crisis:</p> <ol style="list-style-type: none"> i. Global warming. ii. Water contamination iii. Urbanization <p>b. What is meant by sustainable development? How can nations today achieve sustainable development?</p> <p style="text-align: center;">OR</p> <p>a. What are the biggest challenges world is facing today in terms of environment.</p> <p>b. The following news item was printed in The Hindu: 'Delhi's air quality turns hazardous'. What possible steps can be taken to control the air pollution?</p>	3+3