

2018
ECONOMICS

Full Marks : 100

Pass Marks : 33

Time : Three hours

All the questions are compulsory.

The figures in the right margin indicate full marks for the questions.

In each of the Question Nos. 1 to 6 there are four answers marked A, B, C and D. Only one of them is correct or the best. Choose the correct or the best answer by writing the corresponding letter with the serial number of the question.

1. "Supply creates its own demand" Who expressed this statement? 1
 - (A) Adam Smith
 - (B) David Ricardo
 - (C) Karl Marx
 - (D) J.B. Say

2. Identify which one of the following is **NOT** a function of the Central Bank? 1
 - (A) It accepts deposits from the public
 - (B) It is banker's bank
 - (C) It is banker to the government
 - (D) It is the lender of the last resort

3. Which one of the following is considered as one of most important contributions of the British in India ? 1
- (A) Railways
 - (B) Ports
 - (C) Water transport
 - (D) Post and telegraph
4. Which one of the following is indirect tax ? 1
- (A) Income tax
 - (B) Corporate tax
 - (C) Service tax
 - (D) Wealth tax
5. The first seven five-year plans gave importance to 1
- (A) Industrialisation
 - (B) Self-reliance
 - (C) Increase in exports
 - (D) Import of foreign goods
6. Students and professionals were sent to work and learn from the countryside under the 1
- (A) Great Proletarian Cultural Revolution
 - (B) Great Leap Forward
 - (C) Commune System
 - (D) Structural Reforms in 1978

Answers to Question Nos. 7 to 12 should be limited to a few words or a sentence each.

7. Identify the main danger of excessive increase in money supply. 1
8. Why is credit card called plastic money ? 1
9. Suggest one important objective of Government Budget. 1
10. Identify one of the main causes of stagnation in agricultural sector during the colonial rule. 1
11. Why do the producers adopt new technology ? 1
12. Why is equity considered as one of the goals of five-year plans in India ? 1

Answers to Question Nos. 13 to 20 should be limited to about 50 words each.

13. Distinguish between Microeconomics and Macro-economics. 4
14. Draw a diagram showing circular flow of income in a simple economy. 4
15. Draw a diagram showing shift in consumption function. 4
16. What is meant by standard of deferred payments in the function of money ? 4
17. Analyse the situation which led the Government of India to introduce economic reforms in 1991. 4
18. Identify the areas which were needed initiatives for development in rural India. Give *four* points. 4
19. What is meant by self-reliance as one of the goals of Indian planning ? 4
20. Explain the situation which led to introduce structural reforms in China in 1978. 4

Answers to Question Nos. 21 to 28 should be limited to about 40 words each.

21. Explain briefly aggregate demand. 3

22. Why are paper notes accepted by the public as standard money ? Give *three* points. 3
23. Distinguish between fiscal policy and monetary policy. 3
24. Examine price stability as an objective of government budget giving *three* reasons ? 3
25. Explain the distribution of workforce among different sectors in the economy of India during the colonial period. 3
26. Analyse Mahatma Gandhi National Rural Employment Guarantee Act as a scheme of wage employment in rural areas. Give *three* points. 3
27. Explain Gross Domestic Product as an indicator of economic growth. Give *three* points. 3
28. Mention the growth trend of GDP in China after the reforms in 1978. 3

Answers to Question Nos. 29 to 32 should be limited to about 300 words each.

29. What is meant by double counting ? Write two methods of avoiding double counting in estimating national income. $2+3 \times 2 = 8$
30. Explain the concept of Investment Multiplier. 8
31. Make an assessment of the performance of Indian economy during the reform periods since 1991. Give *four* points. $2 \times 4 = 8$
32. Write *four* causes of poverty in India ? $2 \times 4 = 8$