

**2022**

**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 4, 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. Macroeconomics has deep roots in Microeconomics because – 1
- (A) it has to study the aggregate effects of the forces of demand and supply in the market.
  - (B) it has to study economic issues and problems at the level of the economy as a whole.
  - (C) it has to determine the aggregate output and general price level in the economy as a whole.
  - (D) All of the above.

P.T.O.

2. A Government Budget is – 1
- (A) a statement of revenue and expenditure of the Government for a year.
- (B) a statement of Tax Revenue.
- (C) a statement of Non- Tax Revenue.
- (D) a statement of residual of Revenue and Expenditure.
3. Which of the following is the fundamental function of a Commercial Bank ? 1
- (A) Accepting deposits from the public.
- (B) Ordering cheques.
- (C) Helping in filling a tax revenue.
- (D) Discounting of Bills of Exchange.
4. Which Five Years Plan of India focuses on the plan objective of faster, broad-based and inclusive growth ? 1
- (A) Eighth Five-Year Plan
- (B) Ninth Five-Year Plan
- (C) Tenth Five-Year Plan
- (D) Eleventh Five-Year Plan

*Answers to Question Nos. 5 to 12 should be limited to a few words or a sentence each.*

5. Mention one of the most important contribution which was made by the Colonial regime in India to improve infrastructural facilities. 1

6. Define Globalization. 1
7. Point out how will you measure rate of unemployment of an economy. 1
8. Give a reason why the Central Bank enjoys a special status in the banking structure of a country ? 1
9. Identify which budgetary policy may be the most effective means of increasing the total volume of savings and investments in an economy where the propensity to consume is normally high ? 1
10. Which major external sector reforms were undertaken during the economic reform policies in and after 1991 ? 1
11. Identify which technology is eco-friendly and essential for sustainable development ? 1
12. Why did the Government of India introduce Import Substitution Policy for protecting the domestic industries from foreign competition ? 1

*Answers to Question Nos. 13 to 24 should be limited to about 40 words each.*

13. Mention the two basic principles of Circular Flow of Income.  $1 \times 2 = 2$
14. State any two components of Aggregate Supply of goods in an economy.  $1 \times 2 = 2$
15. What are the two main objectives of New Economic Policy, 1991 ?  $1 \times 2 = 2$
16. Define the term Liberty Indicator. Give some examples. 2
17. Distinguish between Voluntary Unemployment and Full Unemployment. 2

18. Explain any two limiting cases of Keynes's Investment Multiplier.  $1 \times 2 = 2$
19. Explain the implications of large fiscal deficit in India. Give two points.  $1 \times 2 = 2$
20. Do you think outsourcing is good for India ? Give reasons why are developed countries opposing it ?  $1 \times 2 = 2$
21. Identify the similarities in the development path between India and China. Give two points.  $1 \times 2 = 2$
22. Calculate the Operating Surplus from the data given below : 2
- |                                       |   |        |
|---------------------------------------|---|--------|
| (i) Gross Value Added at Market Price | – | 15,000 |
| (ii) Wages and salaries               | – | 5,000  |
| (iii) Net Indirect taxes              | – | 750    |
| (iv) Consumption of Fixed Capital     | – | 250    |
23. Show how the industrial sector in India performed poorly during the post-reform period due to globalization. Give two points ?  $1 \times 2 = 2$
24. Suggest any two measures to tackle the problem of poverty in India.  $1 \times 2 = 2$

*Answers to Question Nos. 25 to 32 should be limited to about 60 words each.*

25. What are the main problems of human capital formation in India ? Give four points.  $1 \times 4 = 4$
26. Explain how J.M. Keynes brought about a revolution in our thinking about the working of a free market economies ? 4

**OR**

“Supply creates its own demand.” Justify the statement. 4

27. Explain any four functions of money. 1×4=4

**OR**

Explain any four functions of Central Bank. 1×4=4

28. Explain the main characteristics of India's foreign trade throughout the colonial regime. 4

**OR**

Underscore some of India's most crucial challenges at the time of Independence. 4

29. Analyse the inconveniences faced by the barter system. Give four points. 4

**OR**

Analyse the purpose of adopting Selective Credit Control by the Reserve Bank of India. Give four points. 1×4=4

30. Show how Fiscal Policy differs from Monetary Policy to deal with problems of deficient and excess demand ? 4

**OR**

Analyse the increasing role of Government expenditure in developing economies. Give four points. 4

31. Make an appraisal of the performance of the Indian economy during reform period with regard to the growth of Gross Domestic Product (GDP). 4

**OR**

Analyse the situation which led to introduce economic reforms by the Government of India. Give four points. 4

32. Explain the process of reforms introduced in China in 1978 by giving four points.

1×4=4

**OR**

Compare the Gross Domestic Product (GDP) growth rate trend witnessed in India and China.

4

*Answers to Question Nos. 33 to 36 should be limited to about 300 words each.*

33. What is Keynes' Psychological Law of Consumption? Illustrate diagrammatically the shift in consumption function.

4+4=8

34. Explain any four strategies for sustainable development.

2×4=8

**OR**

Explain the importance of Fisheries and Horticulture as a source of agricultural diversification.

4×2=8

35. Enumerate the four common goals of India's Five - Year Plans.

2×4=8

**OR**

Explain the benefits of Green Revolution to the Indian farmers by giving two points.

4×2=8

36. There are three enterprises X, Y and Z in the economy. Enterprise Z sold its product at Rs. 2000 for private consumption and purchased raw materials and fuel worth Rs. 400 from X and of Rs. 600 from Y. Enterprise Y had purchased goods worth Rs. 500 from X, enterprise Y had sold its goods for private consumption for Rs. 1000. Find the value added by the three enterprises X, Y and Z and also Gross Value Added.

8

*OR*

Find out the Intermediate Consumption Expenditure and Final Consumption Expenditure of general Government from the following data : 8

(Rs. in crores)

(i) Compensation of Employees	– 2,25,000
(ii) Purchase of goods at services by the Government	– 1,19,050
(iii) Sales of goods and services by the Government	– 45,050
(iv) Consumption of fixed capital in the general Government sectors	– 65,010

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