

2025

## 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 8, 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. Flow of goods and services across different sectors of the economy is called – 1
- (A) Circular flow
  - (B) Money flow
  - (C) Real flow
  - (D) Capital flow

2. Who among the following prominent political figures of India is the first Chairperson of National Institution for Transforming India Aayog? 1
- (A) Dr. Manmohan Singh
- (B) Narendra Modi
- (C) Pranab Mukherjee
- (D) Smt. Nirmala Sitharaman
3. If increase in National Income is equal to increase in consumption, identify the value of marginal propensity to save(MPS) – 1
- (A)  $MPS = 0$
- (B)  $MPS > 1$
- (C)  $MPS < 1$
- (D)  $MPS = 1$
4. Which of the following factors contributed to the worsening profile of India's population during the colonial period? 1
- (A) Partition of Bengal
- (B) Land revenue system
- (C) Decay of handicraft industries
- (D) Extensive poverty



5. Which of the following pair types of unemployment constitutes the “Natural Rate of Unemployment”?

1

- (A) Frictional and seasonal unemployment
- (B) Disguised and involuntary unemployment
- (C) Structural and frictional unemployment
- (D) Cyclical and educated unemployment

6. Which of the following statements is not an argument in favour of continuation of the agricultural subsidies in India?

1

- (A) Subsidies encourage farmers to adopt new technologies
- (B) Subsidies mainly benefit the fertilizer industry and big farmers
- (C) Subsidies aim to reduce the inequalities between rich and poor farmers
- (D) Subsidies help farmers to face the uncertainties of future

7. Money can be used to transfer purchasing power from the present to the future. Which specific function of money is being highlighted here?

1

- (A) Medium of exchange
- (B) Common measure of value
- (C) Store of value
- (D) Standard of deferred payment

8. Identify which of the following steps was taken by the government of India to improve the efficiency of public sector undertakings? 1

(A) Financial autonomy

(B) Operational autonomy

(C) Managerial autonomy

(D) All of these

*Answer to question Nos. 9 to 16 should be limited to a few words or a sentence each.*

9. What is gross domestic capital formation? 1

10. What did GLF initiated in China in 1958 aim at? 1

11. When does national income become equal to domestic income? 1

12. Why is Prof. P.C. Mahalanobis known as the architect of Indian planning? 1

13. Suggest one step to be undertaken by the government to achieve objectives of both economic growth and price stability in the economy. 1

14. Why is it necessary to become a member of World Trade Organisation(WTO)? 1

15. Find the increase in income when increase in investment is Rs. 10 crores and the value of multiplier is 2.5. 1

16. Analyze the term "On - the - job - training". 1



**Answer to Question Nos. 17 to 26 should be limited to about 40 words each.**

17. State Say's Law of Market. 2
18. What objectives did the British intend to achieve through their policies of infrastructure specially road development in India? Give two points.  $1 \times 2 = 2$
19. Give two determinants of investment demand.  $1 \times 2 = 2$
20. Mention any two external sector reforms through liberalisation.  $1 \times 2 = 2$
21. "All goods are not capital goods". Comment. 2
22. Explain the term "Operation Flood". 2
23. "Two things must be noted in regard to the meaning of national income". Identify the two things.  $1 \times 2 = 2$
24. Why did the Reserve Bank of India have to reduce its role from regulator to facilitator of financial sector in India? 2
25. Derive  $S=I$  approach from  $AD=AS$  approach. 2
26. Analyse in short ill-effects of the systematic de-industrialisation policy of the British government by giving two points.  $1 \times 2 = 2$

**Answer to Question Nos. 27 to 34 should be limited to about 60 words each.**

27. What possible fiscal measures can be taken with respect to expenditure and taxation to correct deficient demand in the economy? Give in detail.  $2 \times 2 = 4$
28. Write a brief note on Tourism Sector in Manipur. 4

29. Draw a diagram showing an increase in aggregate demand leads more to increase in aggregate output than to rise in price level. 4

30. Comment on the growth rate trends witnessed in India and China during 1980-2013. 4

31. "Large fiscal deficit has bad consequences". Explain them.  $2 \times 2 = 4$

OR

Explain the following objectives of government budget :  $2 \times 2 = 4$

(a) Economic growth

(b) Reduction of poverty and unemployment

32. Prepare an imaginary table and show average propensity to consume (APC) and marginal propensity to consume (MPC) are equal at different levels of income and consumption. 4

OR

Show how the value of multiplier depends on the marginal propensity to consume (MPC) and marginal propensity to save (MPS). 4

33. Why is human development considered a broader term as compared to human capital ? Explain. 4

OR

"India has abundant natural resources". Elaborate the statement. 4



34. Assess the performance of Indian economy with respect to foreign direct investment and foreign exchange reserves during reform period.  $2 \times 2 = 4$

**OR**

“India has certain advantages which make it a favourite outsourcing destination”. Justify. 4

*Answer to Question Nos. 35 to 38 should be limited to about 300 words each.*

35. Why is state intervention become necessary to regulate the activities of private traders in the rural agricultural sector? Suggest any two steps taken by the government to improve agricultural marketing system.  $4 + (2 \times 2) = 8$

**OR**

Identify any two types of unemployment which are commonly found in rural areas of India. Suggest two special measures undertaken by the government of India to solve the problem of such types of unemployment.  $2 \times 4 = 8$

36. Illustrate the process of credit creation by commercial banks with the help of a numerical example. 8

**OR**

Explain the following functions of the Central bank :  $4 \times 2 = 8$

(a) Bankers' bank

(b) Currency issuing authority

37. “While the nation had immensely benefited from the green revolution, the technology involved was not free from risks”. Analyse the statement. 8

**OR**

Analyse the different categories of industries according to the Industrial Policy Resolution 1956. 8

38. Assess the activities and transactions which are excluded while calculating gross national product by giving at least four points.  $2 \times 4 = 8$

**OR**

Using an appropriate method calculate from the following data :

(a) Gross domestic product at market price ( $GDP_{MP}$ )

(b) Net national product at factor cost ( $NNP_{FC}$ ) :

$2 \times 4 = 8$

Items	Rs. in Crore
(i) Gross domestic capital formation	110
(ii) Net factor income from abroad	(-15)
(iii) Consumption of fixed capital	55
(iv) Net export	(-17)
(v) Government's final consumption expenditure	60
(vi) Net indirect taxes	57
(vii) private final consumption expenditure	275