

Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below: 1

1. Assertion (A): Increased lending to abroad is recorded on the debit side of the capital account.

Reason (R): Lending affects the assets and liabilities of the economy and involves the outflow of income.

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.

Show Answer

Ans – a)

The lending to abroad results outflow of foreign currency that also increases the financial assets of a country. Those foreign transactions that affects the countries financial assets comes in capital account

2. Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below: 1

Assertion (A): When there is a trade deficit and current account deficit, there will always be a BoP deficit.

Reason (R): When there is a trade deficit and current account deficit but a capital account surplus (i.e., a net capital inflow), there may be Balanced BoP or BoP Surplus.

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.

Show Answer

Ans – d)

Explanation:- BoP Deficit, surplus and Balance BoP is the result of final balance of current and capital account both. If current account is deficit but capital account is in enough surplus to cover the deficit of current account. The BoP may be in surplus or a Balance BoP.

3. Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below: 1

Assertion (A): The government budget is an important monetary policy instrument.

Reason (R): Government budget is a financial statement of budgetary receipts and budgetary expenditure of the government during a fiscal year.

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.

Show Answer

Ans – d)

Explanation:- Govt. Budget is the fiscal policy instrument not the monetary.

4. Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below: 1

Assertion (A): The impact and incidence of indirect tax lie on different persons

Reason (R): Indirect Taxes can be avoided by not entering into those transactions, which call for such taxes.

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.

Show Answer

Ans – b)

Explanation:- Both Assertion and Reason are true but Reason does not explain, how impact and incidence of indirect tax lie on different person.. What is meant by investment multiplier? State the relationship between marginal propensity to consume and investment multiplier. 3

Investment multiplier refers to the ratio between change in income and change investment
Relationship between MPC and investment multiplier

There is a direct relationship between the value of MPC and the size of multiplier K this means that as the value of MPC increases the size of multiplier also increase and vice versa

Ans 5

6. . Distinguish between induced and autonomous investment 3

7. . If the value of multiplier is 4 what will be the MPC and MPS? 3

Ans 0.75

8.. In an economy the autonomous consumption is Rs 200 and marginal propensity to consume is 0.6. If the equilibrium level of income is Rs 1000, then the autonomous investment is Rs 300 is it correct? justify your answer. 3

Ans 200

9. . Explain the difference between ex-ante measures and ex-post measures. 3

Ans Ex ante measures- these measures of planned or desired measure . Ex ante measures are generally classified as its

Ex ante savings

Ex ante investments

Ex post measures- these measures have actually have realised ensure ex post measures are generally classified as ex post saving ex post investment

10. Explain 'Economic growth' as an objective of government budget. 3

Objective of government budget according to the subject in government through budgetary policies give importance to both the sectors namely public sector private sector government makes policy and provisions in such a manner that increase private sector to make investment in the economy for government provides tax rebate and this subsidies to the private sector also government spends money for the development of education health housing infrastructure etc in the economy because of this level of productivity and production increase in the economy this elicits a government to achieve higher growth through public sector as well as private sector

11. Distinguish between Revenue receipts and Capital receipts 3

Revenue Receipt- those receipts which neither create any government nor reduce any asset of the government. They are regular and recurring nature there is no future obligation to return the amount tax saving you like Income Tax GST and non taxable like interest fees etc.

Capital Receipt - those receipts which either create a liability or reduce an asset after government they are irregular and non recurring in nature in case of certain capital receipts like a borrowing directly to government to return the principal amount along with interest for a long investments of loans and advance.

12. . After reading following Report/Case study give answers from question no. (18-21) 4

India's trade deficit with China dips to \$48.66 billion in 2019-20. In 2018-19, Exports to China in the last financial year stood at \$18.9 billion, and the trade deficit stood at \$53.56 billion. Chinese FDI has dipped to \$163.78 million in 2019-20 from \$229 million in the previous fiscal.

13.. "What does "Trade Deficit" mean?

The value of exports of goods and services is more than the value of imports of goods and services.
The value of imports of merchandise is more than the value of exports of merchandise.
Negative balance on account of trade in goods, services and transfers.
Foreign exchange payments on account of invisible items are in excess over the receipts of invisible items.

Ans : B

14. .“India’s trade deficit with China dips to \$48.66 billion in 2019-20.” in imports from China has caused this.
Increase
Decrease
No change
None of the above

Ans : B

3. How much was the Imports of goods from China in 2018-19?

\$53.56 billion
\$34.66 billion
\$48.66 billion
\$72.46 billion

ans. d

15. . "Chinese FDI has dipped to \$ 163.78 million in 2019-20 from \$229 million in the previous fiscal "What will be its impact on BOP position of India.
a. favourable BOP position b. Adverse BOP position c. BOP equilibrium d. None of these

ans.a

16. From the following statements given in column I and column II choose the correct pair of statements: 2

Column I.

Column II

- A. Depreciation of currency 1. Positively related to exchange rate
B. Appreciation of currency 2. Inversely related to exchange rate
1C. Demand for foreign currency 3. Rise in exports, fall in imports
D. Supply for foreign currency 4. Fall in exports, rise in imports

ABC	D		
a. 3	4	2	1
b. 4.	3.	2.	1
c. 1.	2	3	4
d. 2.	3.	4.	1

ans. A

Section-B. Indian Economic Development

Choose the correct alternative.

17. Which of the following is not a merit of human capital formation? 1
(A) Improves technical knowledge
(B) Enlarges the size of business
(C) Increases cost of production
(D) Changes social outlooks

Answer

Answer: (C) Increases cost of production

18. Match and choose the correct combination. 2

- (i) Preventive medicine (A) medical intervention during illness
- (ii) Curative medicine (B) vaccination
- (iii) Social medicine (C) the spread of health literacy
- (A) (i) – (B); (ii) – (A); (iii) – (C)
- (B) (i) – (A); (ii) – (B); (iii) – (C)
- (C) (i) – (C); (ii) – (B); (iii) – (A)
- (D) (i) – (B); (ii) – (C); (iii) – (A)

Answer

Answer: (A) (i) – (B); (ii) – (A); (iii) – (C)

19. Which of the following is not an indicator of education level? 1

- (A) Years of schooling
- (B) Life expectancy
- (C) Teacher-pupil ratio
- (D) Enrollment rate

Answer

Answer: (B) Life expectancy

20. Which of the following institutes comes under the health sector? 1

- (A) NCERT
- (B) UGC
- (C) AICTE
- (D) ICMR

Answer

Answer: (D) ICMR

21. Which level of education takes a major share of total education expenditure in India? 1

- (A) Elementary
- (B) Secondary
- (C) Higher
- (D) Tertiary

Answer

Answer: (A) Elementary

22. Which of the following statements is correct about achieving sustainable development? 1

- Sustainable development can be achieved by restricting the usage of renewable resources
- Sustainable development can be achieved by controlling the growth rate of world's population
- Sustainable development can be achieved by controlling the menace of pollution
- All of the above

Answer: d

23. Which of the following statements is true about global warming? 1

- Global warming has led to large scale deforestation
- Global warming has led to a rise in the sea levels
- Global warming has led to a rapid increase in the population across several countries
- Global warming has led to a huge amount of waste generation

Answer: b

30. Which of the following was the main purpose behind setting up the Central Pollution Control Board (CPCB)? 1

- The main purpose of the Central Pollution Control Board was to regulate air pollution
- The main purpose of the Central Pollution Control Board was to regulate water pollution
- The main purpose of the Central Pollution Control Board was to regulate noise pollution
- The main purpose of the Central Pollution Control Board was to regulate deforestation

Answer: a

31. Which of the following statements is correct? 1

- Tides are a conventional source of energy
- Sun is a conventional source of energy
- Wind is a conventional source of energy
- Dried dung is a conventional source of energy

Answer: d.

32. What do you mean by Organised and Unorganised sectors? 2

Aur Nahin Sakta Aur Main sector is that sector which includes all establishments in the public sector and all establishment of the private sector employing 10 or more workers unorganised sectors is that sector which includes all establishment employing less than 10 workers

33. Explain the causes of unemployment in India. 3

1. Slow economic growth

2. population explosion

3. joint family system

4. low saving and investment

5. Limited mobility of labour

6. agricultural seasonal occupation.

34. Explain the Great Leap Forward campaign of China as initiated in 1958

Or2

Explain briefly the problems faced by Great Leap Forward Campaign

The Great Leap Forward campaign was started in 1958 the main aim of it was of course industrialising the country on a massive scale people are encouraged to set up industries in their backyards in the areas for the agriculture production communist system was adopted under the communist system people collectively cultivated plants in 1958. there were 26000 communes covering almost all the farm population in China

35. What is organic farming? What are the advantages and disadvantages of organic farming? Why organic farming is good for India? 3

Organic farming:

What is government Budget? Explain its major components? 4

Ans Budgetary receipt. Capital receipt. Revenue receipt Budgetary expenditure revenue expenditure and capital expenditure

Explain the development strategies adopted by Pakistan since 1947. 4

Ans Mixed economy. Green revolution. development policies. Role of private sector. Financial support

Is environmental crisis a recent phenomenon? If so why? 4

Yes it is recent phenomenon in the early days when human session just began and before phenomenon increase in population organisation and industrialisation demand for environment resources was less than the supply in other words rate of resources extraction was less than the rate of regeneration of

Resources hence environmental problems did not arise but with population explosion and with advent of Industrial Revolution and increasing urbanization demand of resources is more than the supply shortage of supply is because of over use and misuse of resources in other words extraction of environment resources is more than their supply shortage of supply is because of over use and misuse of resources in other words extraction of environmental resources is more than their regeneration it is a reversal of supply demand ship hence the results environment are degradation pollution problem of waste generation all this lead to environmental crisis

How will you know whether a worker is working in the informal sector? 2

He works in a private Enterprises which employ less than 10 workers for example former agriculture labourers owners of small Enterprises etc how does not get regular income and does not have any protection or regulation from the government He at a risk of being dismissed without any compensation.

Explain the Human capital formation? 4

Expenditure on education expenditure health on the job training migration

Write the key issues in Rural development? 3

Development of the production resources of each locality development of human resources by providing opportunities for adult literacy female literacy education skill development of human resources by providing health facilities addressing both sanitation and Public Health honest implementation of Land Reforms.

What are the major initiatives taken by government to improve agricultural marketing system? 4

Regulated markets warehousing facilities minimum support price Cooperative agriculture marketing society subsidy transport support of information.