

- a) 5, ₹10,000 b) 4, ₹8,000 c) 6, ₹2,000 d) 4, ₹ 10,000

7. If $C = 100 + 0.75Y$, then Saving Function will be expressed as: 1
 a) $S = 100 + 0.25Y$ b) $S = (-)100 + 0.75Y$
 c) $S = (-)100 + 0.25Y$ d) $S = 75 + 0.25Y$
8. Suppose that the balance of Trade (BOT) of a nation, exhibits a surplus of ₹20,000 crores. The import of merchandise of the nation is half of the exports of merchandise to the rest of the world. The value of exports would be ₹_____ crores. 1
 a) 30,000 b) 40,000 c) 24,000 d) 35,000
9. Which of the following is not the reason for excess demand? 1
 a) Fall in the propensity to consume
 b) Reduction in taxes
 c) Increase in investments
 d) Deficit Financing
10. Read the following statement -Assertion (A) and Reason (R). 1
 Choose one of the correct alternatives given below:
Assertion (A): Consumption curve makes an intercept on the Y-axis, some point above the origin.
Reason (R): People need certain basic goods & services even if income is zero.
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
 c) Assertion (A) is true but Reason (R) is false.
 d) Assertion (A) is false but Reason (R) is true.
11. "Trade Deficit must exist if a country is facing a situation of Current Account Deficit." Justify the given statement. 3
12. Calculate Net National Product at Market Price. 3

Items	₹ in crore
Consumption of Fixed Capital	40
Change in stock	(-) 10
Net imports	20
Gross domestic fixed capital formation	100
Private final consumption expenditure	800
Net current transfer to rest of the world	5
Government final consumption expenditure	250
Net factor income to abroad	40
Net direct tax	130

OR

The vegetables grown in kitchen gardening are final goods, yet their value is not considered in estimating national income. Why? 3

13. If National income is ₹ 50 crore and saving ₹ 5 crore, find out average propensity to consume. When income rises to ₹ 60 crore and saving to ₹ 9 crore, what will be the average propensity to consume and the marginal propensity to save? 4

14. “Monetary measures offer a valid solution to the problem of inflationary gap in an economy “. State and discuss any two monetary measures to justify the given statement. 4

OR

State whether the following statements are true or false. 4

- a) Autonomous consumption increases with level of income.
- b) Savings are negative at low level of income
- c) At break-even point, APC is equal to unity.
- d) MPC represents the slope of the Consumption Function.

15. “Growth of Indian Economy requires investment.’ In this context, How Reserve Bank of India can use the instruments of Cash reserve Ratio (CRR)? 4

16. (A) From the following data about the government Budget, determine: (a) non-debt creating capital receipts, (b) Fiscal Deficit and (c) Primary Deficit: 3

Particulars	(₹ in crore)
Total Receipt Excluding Borrowings	20,000
Revenue Deficit	8,000
Capital Expenditure	22,000
Revenue Expenditure	15,000
Interest Payments	30% of Revenue Deficit

(B) The Government, under Ujjwala Yojana, is providing free LPG kitchen gas connections to the families ‘below the poverty line’. What objective the government is trying to fulfill through the government budget and how? Explain. 3

OR

(A) Distinguish between revenue expenditure and capital expenditure of the government, with suitable examples. 3

(B) Distinguish between Direct taxes and Indirect taxes, with suitable examples. 3

17. (A) Giving Reason explain how should the following be treated in estimating gross domestic product at market price? 3

- (i) Fees to a mechanic paid by a firm
- (ii) Interest paid by an individual on a car loan taken from a bank.
- (iii) Expenditure on purchasing a car for use by a firm.

(B) “Increase in domestic Income always leads to an increase in National Income.” Do you agree with the given Statement? Support your answer with valid example. 3

SECTION B – INDIAN ECONOMIC DEVELOPMENT

18. Which of the following statement is incorrect in the context of Industrial sector during British rule in India? 1

- a) There was a decline in handicraft industries.
- b) Capital goods industries were encouraged by the Britishers.
- c) public sector played a significant role.
- d) Contribution of industries to GDP was low.

19. Read the following statements carefully: 1

Statement 1: SAARC stands for South Asian Association for Regional Cooperation.

Statement 2: ASEAN stands for Association of South-East Asian Nations.

In the light of the given statements, choose the correct alternative from the following:

- (a) Statement 1 is false and statement 2 is true
- (b) Statement 1 is true and statement 2 is false
- (c) Both statements 1 and 2 are false
- (d) Both statements 1 and 2 are true

20. The problem of ozone depletion is caused by high levels of chlorine and bromine compounds in the _____ 1

- a) Stratosphere
- b) Troposphere
- c) Mesosphere
- d) Thermosphere

21. Carrying Capacity implies: 1

- a) Resource extraction should remain below the rate of resource regeneration.
- b) Resource extraction should remain above the rate of resource regeneration.
- c) Generation of waste should remain within the absorption capacity of the environment
- d) Generation of waste should be more than the absorption capacity of the environment

22. Read the following statements: Assertion (A) and Reason (R). 1

Choose the correct alternative from those given below.

Assertion (A): Industrial growth has recorded a slow down during economic reforms period.

Reason (R): Economic reforms have placed limits on the growth of public expenditure especially in social sectors

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
- c) Assertion (A) is true but Reason (R) is false.
- d) Assertion (A) is false but Reason (R) is true.

23. Which of the following statement is incorrect in the context of Industrial sector during British rule in India? 1

- a) British colonial rule made India net importer of raw material
- b) The real motive behind infrastructure development by Britishers was to serve the people of India.
- c) India generated large export surplus during the British rule
- d) Indian handicraft industry enjoyed world-wide reputation under the British rule.

24. When was the term 'Sustainable Development' came into existence? 1

- a) 1979 b) 1980 c) 1981 d) 1982

25. Distress sale by the farmers refer to: 1
 a) Sale of rotten crop b) Sale of crop through commission agent
 c) Sale of crop at the MSP fixed by the government d) Sale of crop at a very poor price

26. Read the following statements carefully: 1

Statement 1: Jobless Growth refers to a situation when there is an overall acceleration in the growth rate of GDP in the economy without corresponding expansion in employment opportunities.

Statement 2: There have always been fluctuations in the growth of GDP, but employment grew at the rate of more than 12%.

In light of the given statements, choose the correct alternative from the following:

- a) Statement 1 is true and Statement 2 is false.
 b) Statement 1 is false and Statement 2 is true.
 c) Both Statements 1 and 2 are true.
 d) Both Statements 1 and 2 are false
27. Identify the correct sequence of alternatives given in Column II by matching them with respective terms in Column I 1

COLOUMN I	COLOUMN II
A. Share of service sector is the highest	(i) In India and Pakistan
B. Around 45% of the population is engaged in agriculture sector	(ii) In China
C. The growth rate was lowest in 1980	(iii) In China, India and Pakistan
D. Fertility rate is low	(iv) In India

Alternatives:

- (a) (i), (ii), (iii), (iv) (b) (ii), (iii), (iv), (i) (c) (iii), (i), (iv), (ii) (d) (iv), (i), (ii), (iii)

28. "Demand for Indian Handicrafts in India market as well as foreign market was systematically destroyed by Britishers." Defend or refute. 3

OR

How did India gain from the opening of the Suez Canal during colonial period? 3

29. "India has failed to implement the recommendations of Education Commission of 1964-66." Give valid arguments in support of the given statement. 3

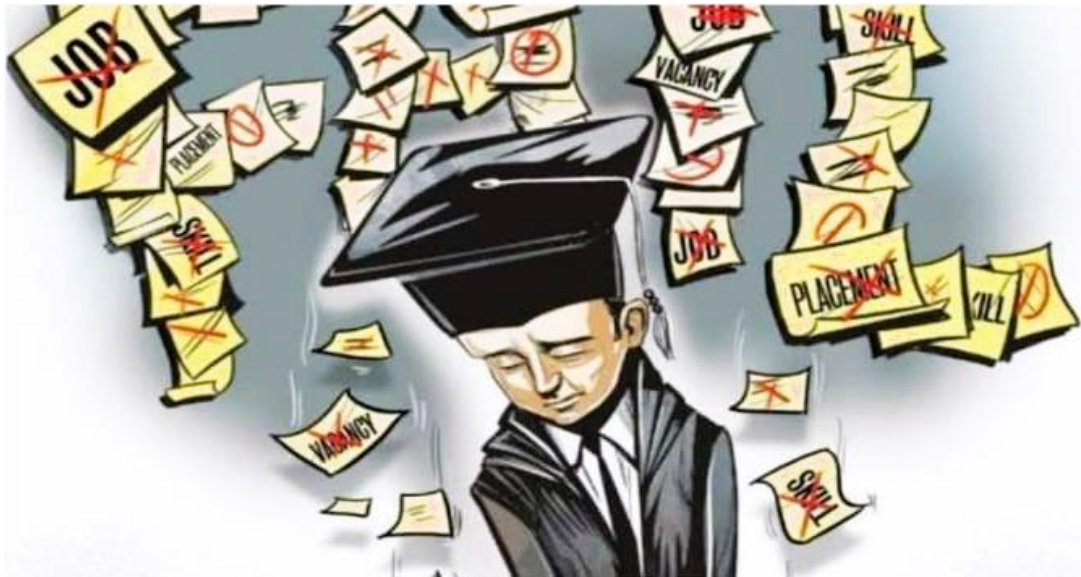
30. "China's rapid industrial growth can be traced back to its reform in 1978." Do you agree? Elucidate. 4

31. "Information technology plays a very significant role in achieving sustainable development and food security"- Justify. 4

OR

"The prime Minister urged to increase the rural income by increasing non-farm activities." Explain how non-farm activities can lead to rise in income of people in rural sector. 4

32. Identify the situation depicted in the given image. Categorize the three main causes of it in the country. 4



Source: LinkedIn, from an article by Emanuel.

33. (A) "Market driven globalization has widened the economic disparities among nations and people." Evaluate the statement. 3
(B) Explain the contribution of India in strengthening the working of WTO. 3

OR

- (A) "India has certain advantages which makes it a favourite outsourcing destination." What are these advantages? 3
(B) "Agriculture sector appears to be adversely affected by the economic reform process". Explain the given statement. 3
34. Read the following text carefully:

The rising population of the developing countries and the affluent consumption and production standards of the developed world have placed a huge stress on the environment in terms of its first two functions. Many resources have become extinct and the wastes generated are beyond the absorptive capacity of the environment. Absorptive capacity means the ability of the environment to absorb degradation.

The result - we are today at the threshold of environmental crisis. The past development has polluted and dried up rivers and other aquifers making water an economic good. Besides, the intensive and extensive extraction of both renewable and non-renewable resources has exhausted some of these vital resources and we are compelled to spend huge amounts on technology and research to explore new resources. Added to these are the health costs of degraded environmental quality decline in air and water quality (seventy per cent of water in India is polluted) have resulted in increased incidence of respiratory and water-borne diseases. Hence, the expenditure on health is also rising. To I make matters worse, global environmental issues such as global warming and ozone depletion also contribute to increased financial commitments for the government. Thus, it is clear that the opportunity costs of negative environmental impacts are high. On the basis of the given text and common.

On the basis of the given text and common understanding, answer the following question:

- (A) State any two functions of the environment. 2
(B) Why has water become an economic commodity? 2
(C) "The opportunity cost of negative environmental impacts is high." Justify. 2

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