

2019
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. Who amongst the following eminent economists was considered as the greatest economist of 20th century? 1
- (A) Adam Smith
(B) J.M. Keynes
(C) J.B. Say
(D) Alfred Marshall
2. In India the significant factor of poverty is – 1
- (A) Lack of financial institutions
(B) Lack of infrastructures
(C) Uneducated
(D) Indebtedness

3. Which one of the following is not capital receipts ? 1
- (A) External grants received
(B) External financial assistance
(C) Recoveries of loans
(D) Small savings in the RBI
4. Indicate which one of the following is major aim of financial sector during reforms period in India? 1
- (A) To reduce the role of RBI to borrow fund from IMF
(B) To reduce the role of commercial banks to take loans from RBI
(C) To reduce the role of RBI from regulator to facilitator of financial sector
(D) To reduce government expenditure on unproductive sectors
5. Which one of the following five years plan gave emphasis on Liberalisation, Privatisation and Globalisation (LPG)? 1
- (A) Eighth five years plan
(B) Ninth five years plan
(C) Tenth five years plan
(D) Eleventh five years plan
6. If investment multiplier is 1, the probable value of marginal propensity to consume is – 1
- (A) 1.5
(B) 1
(C) 0.5
(D) 0

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

7. What is Operating Surplus ? 1
8. Define involuntary unemployment. 1

9. Point out a very significant feature of India's foreign trade throughout the colonial period. 1
10. Give a reason why consumption curve slopes upwards from left to right. 1
11. "Modernisation creates unemployment." Why is it said so? Give a reason. 1
12. Till which year did two neighbouring countries maintain same low level of development? 1

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

13. Define economic growth as a planning objective. 4
14. Give the meaning of developmental and non-developmental expenditure?
2 × 2 = 4
15. State "one child norm" policy introduced in China. 4
16. Explain the concept of goods classifying into intermediate and final goods by giving examples of each. 2 × 2 = 4
17. "The traditional handicrafts were ruined under the British rule." Justify the given statement by giving four points. 1 × 4 = 4
18. Differentiate Commercial Bank from Central Bank by giving at least four points. 1 × 4 = 4
19. 'Subsidies are given by the government of India to poor farmers although they are a heavy burden on government finance'. Analyse it by giving two points. 2 × 2 = 4
20. Draw a diagram showing recessionary gap and full employment output. 4

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

21. State three measures initiated by New Trade Policy to protect the domestic industries in India. 1 × 3 = 3

22. What is human capital? Write two importance of human capital in the economic development of a country. 1+2=3
23. Explain the broad concept of money supply. 3
24. Explain the concept of sustainable development. Suggest one strategy to achieve sustainable development. 2+1=3
25. Suggest the most difficult inconvenience which was found in the barter system. How has “measure of value” function of money solved it? 1+2=3
26. Accounts for India’s sectoral share of employment in 2013 in comparison with China and India. 3
27. Explain the meaning of fiscal deficit. Point out one bad consequence of it. 2+1=3
28. Show that saving and investment are identical in a two sector economy. 3

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

29. State two steps involved in the calculation of National Income by Income Method. Suggest two precautions that must be taken while estimating National Income by this method. 2 × 4=8
30. Explain in brief, four steps taken by the government to improve the condition of agricultural marketing in India. 2 × 4=8
31. Define Aggregate Demand and Aggregate Supply. Show how they determine national income under two sector model. 2+2+4=8
32. Explain the concept of New Economic Policy. Analyse its performance with respect to Gross Domestic Product and Foreign Exchange Reserves. 4+4=8