2017

ECONOMICS

Full Marks : 100

Pass Marks : 33

Time : Three Hours and *Fifteen Minutes

(*15 minutes are given as extra time for reading questions)

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. 'Operation Flood' is related to the State of   1

    (A) Maharastra

    (B) West Bengal

    (C) Gujarat

    (D) Assam.

2. Which of the following types of unemployment is not a common phenomenon in India ?   1

    (A) Frictional unemployment

    (B) Disguised unemployment

    (C) Seasonal unemployment

    (D) Cyclical unemployment.

3.   Commercial banking is often known as   1

(A)   Cash reserve system

(B)   Fractional reserve system

(C)   Profit creation system

(D)   Fractional reserve ratio system.

4.   Which of the following should be included while measuring national income through value-added-method ?   1

(A)   Change in stock of goods

(B)   Indirect taxes

(C)   Sale purchase of second-hand goods

(D)   Value of services of housewives.

5.   Type of industries that started coming up in the beginning of the twentieth century in India is   1

(A)   Cotton and textile industry

(B)   Capital goods industry

(C)   Iron and steel industry

(D)   Sugar and cement industry.

6.   Which of the following is the most important factor responsible for huge increase in government expenditure in developing economy like India ?   1

(A)   Rapid increase in population and urbanisation

(B)   Scheme of economic growth and development

(C)   Increase in defence and external affairs

(D)   High rate of inflation.

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

7.   Who was the greatest economist of twentieth century ?   1

8.   Identify *one* programme which generates employment both in rural and urban areas in India.   1

9. Why is money supply M1 called transaction money? 1

10. Name the sector which contributes more to gross domestic product in India. 1

11. Mention the principal objective of World Trade Organisation. 1

12. Estimate primary deficit from the given data : 1
    (i) Revenue deficit — ₹ 1,000 crores
    (ii) Interest payment — ₹ 2,200 crores
    (iii) Borrowings — ₹ 2,500 crores

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

13. Show with the help of a diagram, $AD = AS$ is a necessary condition of equilibrium level of income and employment. 4

14. "India was a 'rich' country occupied by 'poor' ". Justify the given statement by giving *four* points. 1×4=4

15. Distinguish between stock and flow variables with *one* example of each. 2+2=4

16. Why are small-scale industry considered more important than large-scale industries in India ? Give *four* points. 1×4=4

17. Draw a diagram showing circular flow of income and expenditure with government sector. 4

18. Explain the structural reforms introduced in China in 1978. 4

19. Discuss *four* strategies according to H. Daly, a leading environmental economist to achieve sustainable development. 1×4=4

20. Enumerate the value of services sold by the government from the presented data : 4
    (i) Value of services supplied — ₹ 2,200 crores
    (ii) Consumption of fixed capital — ₹ 500 crores
    (iii) Net factor income from abroad — (–) ₹ 200 crores
    (iv) Intermediate consumption — ₹ 400 crores
    (v) Compensation of employees — ₹ 2,500 crores

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

21. Define National Disposable Income. 3

22. Indicate *three* measures taken by the government towards liberalisation as trade policy during reform period. 1×3=3

23. Prove that, Marginal propensity to consume + Marginal propensity to save = 1. 3

24. Discuss in brief the progressive tax structure. How it can help in reducing inequality of income ? Give *one* point. 2+1=3

25. Why was it necessary for a developing economy like India to follow self-reliance as planning objective ? 3

26. What is surplus budget ? How is it an useful measure to comb inflation in an economy ? Give *two* points. 1+2=3

27. Discuss *three* characteristics of New Agricultural Strategy which was implemented to break in agriculture stagnation during colonial rule. 1×3=3

28. Compare India with China in respect of sectoral contribution towards gross domestic product in 2013. 3

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

29. What according to J. M. Keynes are the objective factors that determine consumption demand ? Give *four* factors. 2×4=8

30. Explain the meaning of human capital and its contribution to economic growth of a country by giving *three* points. 2+6=8

31. Why did India need to introduce a New Economic Policy in 1991 ? Analyse the growth of GDP with sectoral contribution as a major achievement of the policy during 1980-2017. 4+4=8

32. "Money is a matter of function four". Elucidate. 2×4=8

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