

**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 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. The pioneer of the study of macroeconomics is 1
  - A. Adam Smith
  - B. Alfred Marshall
  - C. J.M. Keynes
  - D. Lionel Robbins.
  
2. Currency issuing authority is the 1
  - A. State Bank of India
  - B. Central Bank of India
  - C. United Bank of India
  - D. Reserve Bank of India.

3. Which one of the following is an indirect tax? 1
- A. Income tax
  - B. Corporate tax
  - C. Sales tax
  - D. Wealth tax.
4. The intention of the British Government was to reduce India to the status of 1
- A. importer of raw materials
  - B. exporter of important raw materials
  - C. exporter of capital goods
  - D. exporter of cheap manufactured goods.
5. Self sufficiency in foodgrains was achieved as a result of 1
- A. Land ceiling
  - B. Green revolution
  - C. increase in number of farmers
  - D. increase in irrigation facility.
6. The present day fast industrial growth in China can be traced back to 1
- A. the reforms introduced in 1978
  - B. the Great Leap Forward Campaign
  - C. the Great Proletarian Cultural Revolution
  - D. the Commune System.

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

7. How supply creates its own demand? 1
8. How banks also create deposits? 1

9. Identify *one* basic infrastructure which was considered as one of the most important contributions of the British rule in India. 1
10. Why was land ceiling initiated in India? 1
11. Why were subsidies needed to continue in agriculture? 1
12. Why was the Great Proletarian Cultural Revolution introduced in China? 1

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

13. Draw a diagram showing the *three* phases of circular flow of Income. 4
14. Draw a diagram showing equilibrium between Aggregate Demand and Aggregate Supply (Determination of National Income and Price Level). 4
15. What is Central Bank? 4
16. Explain *four* agency functions of commercial banks.  $1 \times 4 = 4$
17. Explain the importance of government expenditure in developing countries like India. 4
18. Give reasons for privatisation of the public sector units in India. Give *four* points. 4
19. Explain *two* sources of human capital.  $2 \times 2 = 4$
20. What is equity? 4

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

21. Explain the importance of macroeconomics in economic studies. 3

22. "Structural unemployment tends to last much longer than frictional unemployment." Examine this statement. 3
23. Why is deficit budget required for a government? 3
24. Analyse the causes of industrial backwardness under the British rule giving *three* points. 3
25. Explain the concept of poverty line. 3
26. Explain mixed economy as an economic system. 3
27. Why was the Great Leap Forward Campaign initiated in China? 3
28. Identify the similarities in the developmental path between India and China. Give *three* points. 3

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

29. What are the steps to be taken in measuring national income through income method? Give *four* points. 2×4=8
30. Explain *four* components of aggregate demand. 2×4=8
31. State briefly the background of Indian economy which led to New Economic Reforms in 1991. Give *four* points. 2×4=8
32. Explain strategies for sustainable development giving *four* points. 2×4=8