

2018
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. The most important function of commercial bank is to – 1
 - (A) receive deposits.
 - (B) extend loans and advances.
 - (C) arrange transfer of funds.
 - (D) act as an agent of general utility services.

2. Which one of the following Five-Year Plans of India recognised privatisation, liberalisation and globalisation as focus area of all development efforts? 1
 - (A) The Third Five-Year Plan.
 - (B) The Fifth Five-Year Plan.
 - (C) The Sixth Five-Year Plan.
 - (D) The Eight Five-Year Plan.

3. In which year was the Great Leap Forward (GLF) initiated in China? 1
 (A) 1985.
 (B) 1958.
 (C) 1966.
 (D) 1976.
4. Which of the following is NOT a necessary characteristics of money? 1
 (A) It is a store of value.
 (B) It is a unit of account.
 (C) It is of intrinsic value.
 (D) It is generally acceptable.
5. Which one of the following modes of privatisation is the most comprehensive and complete? 1
 (A) Introduction of private capital in public sector.
 (B) Contracting out management of public enterprises to the private sector.
 (C) Transferring ownership and management to the workers.
 (D) Transferring ownership and management to the private sector.
6. If the estimated value of GNP_{MP} is ₹ 2350 crores and Net Current Gross National Disposable Income (GNDI) is 1
 (A) ₹ 2550 crores.
 (B) ₹ 2000 crores.
 (C) ₹ 2350 crores.
 (D) ₹ 2150 crores.

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

7. What is balance of Payment? 1
 8. Define Revenue Receipts. 1
 9. What is meant by "Development with Social Justice"? 1

10. Indicate one main cause of stagnation in Indian agriculture during the colonial period. 1
11. Which economic system was envisaged in India after independence? 1
12. Analyse the implication of introducing "One Norm Child" in China. 1

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

13. What is Macroeconomics? How will you distinguish it from Microeconomics? 1+3=4
14. What were the focus of the economic policy pursued by the colonial Government in India? 4
15. Distinguish between final goods and intermediate goods by giving examples. 4
16. Explain any four principal objectives of Government Budget in a developing economy. 4
17. Explain any four common objectives of India's Five-Year Plan. 4
18. Calculate Gross National Product at Factor Cost (GNP_{FC}) from the following information. 4

(₹ in crores)

1. Private Final Consumption Expenditure	.....	300
2. Net Domestic Fixed Capital Formation	.....	100
3. Government Final Consumption Expenditure	.....	100
4. Gross Domestic Capital Formation	.....	120
5. Opening Stock	.....	20
6. Net Indirect Taxes	.....	50
7. Imports	.....	15
8. Exports	.....	5
9. Closing Stock	.....	30

19. Is environmental crisis a recent phenomenon? If so, why? Elaborate your answer by giving two points. $2 \times 2 = 4$

20. Illustrate diagrammatically the labour market equilibrium and involuntary unemployment. 4

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

21. What is Circular Flow of Income ? How does it measure ? 2+1=3
22. State any two major policy initiatives which helped India to become self-sufficient in food grains production. 3
23. Give a snapshot view of development path of India and China. 3
24. Distinguish between Monetary Policy and Fiscal Policy. 3
25. Explain how import substitution can protect domestic industry. 3
26. Comment on the growth rate trend witnessed in India and China during the period from 1980-2015. 3
27. If the value of marginal propensity to save is 0·1, 0·2 and 0·25. What is the value of Investment Multiplier in each case ? 3
28. Analyse how does organic farming promotes sustainable development ? 3

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

29. What are the main problems of Human Capital Formation in India? Give four points. 2×4=8
30. How is the equilibrium level of employment in an economy determined? Explain it with the help of diagram. 4+4=8
31. Explain how does the functions of a Central Bank differ from those of Commercial Bank? Give four points. 2×4=8
32. Make an assessment of the Indian Economy during the Reforms period in the light of Agriculture and Industry. 2×4=8