2025
ECONOMICS

Total marks : 80   Time : 3 hours

General instructions:
i)   *Approximately 15 minutes is allotted to read the question paper and revise the answers.*
ii)   *The question paper consists of 28 questions.*
iii)   *Marks are indicated against each question.*
iv)   *Answers to questions carrying 1 mark should not exceed one sentence.*
v)   *Answers to questions carrying 2 marks should not exceed 50 words.*
vi)   *Answers to questions carrying 4 marks should not exceed 80 words.*
vii) *Answers to questions carrying 6 marks should not exceed 120 words.*
viii) *Answers to questions carrying 8 marks should not exceed 200 words.*
N.B: Check that all pages of the question paper is complete as indicated on the top left side.

Choose the correct answer from the given alternative:

1.   If tea leaves are used in a restaurant for brewing tea and the drinkable tea is sold to the customers, then the tea leaves will be   1
     a) final good   b) intermediate good
     c) consumption good   d) capital good

2.   RBI was established in the year   1
     a) 1933   b) 1934
     c) 1935   d) 1936

3.   Banks are able to create credit many times more than the initial deposit through   1
     a) secondary deposit   b) advancing loans
     c) accepting deposits   d) providing overdraft facility

4.   A fiscal policy measure to correct situation of excess demand is a/ an   1
     a) increase in government expenditure
     b) decrease in government expenditure
     c) increase in price level
     d) decrease in taxes

5.   Read the following statements and choose the correct alternative: 1
     Statement I: Zamindari system was introduced by the British to ensure proper control over the revenue system in India
     Statement II: Zamindars were given full freedom to collect and keep the rent collected by them

a) Both statement I and II are false
b) Both statement I and II are true
c) Statement I is false and statement II is true
d) Statement I is true and statement II is false

6. What does TRAI stand for?   1
   a) Telecom Regulation Authority of India
   b) Telecom Regulating Authority of India
   c) Telecom Regulatory Authority of India
   d) Telecom Regulated Authority of India

7. Which of the following is an active factor of production?   1
   a) land   b) capital
   c) entrepreneur   d) labour

8. Identify the type of unemployment in which people are employed only
   during a part of the year   1
   a) disguised   b) seasonal
   c) structural   d) frictional

9. Which of the following is the objective of economic planning? 1
   a) rise in prices   b) self sufficiency
   c) more cyclical fluctuations   d) environment protection

10. Who was the ex-officio chairman of the planning commission?   1
    a) President   b) Finance Minister
    c) Home Minister   d) Prime Minister

11. What is a leakage? Write two examples.   1+ ½ + ½ = 2

12. Mention any two characteristics of Green GNP.   2

13. If disposable income is ₹ 1,000 and saving is ₹ 250, find out APC.   2

14. Distinguish frictional unemployment and structural unemployment.   2

15. What was the condition of education in India on the eve of independence?   2

16. State any four agricultural policies adopted by the government to favour
    agricultural sector.   2

17. Explain briefly "social sector development" as a role of the government.   2

18. How is economic growth and economic development defined by Schumpter? 2

19. Mention any four points of difference between micro economics and macro
    economics.   4

20. Define real national income. Write three advantages of real national income.
1+3 = 4

21. "Money as a store of value helps to shift purchasing power from present to the future". Explain. 4

22. Explain any two demerits of globalization. 4

23. Explain any two features of economic planning. 4

24. a. What is expenditure method? Explain the steps involved in estimating national income by expenditure method. 1+5 = 6
Or
b. Explain any three components of domestic income. (6)

25. a. Explain any three expansionary fiscal policy tools.
Or 6
b. Explain the implications of fiscal deficit.

26. a. Make a comparative study of per capita income between India and China on the basis of Purchasing Power Parity.
Or 6
b. Make a comparative study of Foreign Direct Investment (FDI) between India and China.

27. a. What is saving function? Derive the saving curve from the consumption curve with the help of a diagram.
Or 8
b. Explain how is under employment equilibrium achieved with the help of a diagram.

Alternate question for the visually impaired students:

a. What is meant by break-even point? Explain with the help of an example.
Or 6+2= 8
b. Explain the working of investment multiplier with an example.

28. a. Explain the role and importance of cooperative societies in rural credit market in India.
Or 8
b. Explain any four factors contributing to environmental degradation in India.

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