

**DEHRADUN PUBLIC SCHOOL**  
**ASSIGNMENT (2022-23)**  
**SUBJECT - ECONOMICS (030)**  
**CLASS-XII**

**INTRODUCTORY MACROECONOMICS**

**Unit:- 1 (NATIONAL INCOME AND RELATED AGGREGATES)**

**Answer the following questions**

- Q1.** Which of the following is true about intermediate goods?  
a. Intermediate goods remain within the production boundary  
b. Intermediate goods have derived demand  
c. Value of intermediate goods is merged with the value of final goods  
d. All of these
- Q2.** Goods purchased for satisfaction of wants are  
a. Capital goods  
b. Final goods  
c. Consumption goods  
d. Intermediate goods
- Q3.** Final goods are used by:  
a. Consumers  
b. Producers  
c. Government  
d. All of these
- Q4.** T. V., Radio, washing machine, etc, are example of:  
a. Durable consumer goods  
b. Semi- durable consumer goods  
c. Single use consumer goods  
d. Capital goods
- Q5.** A car running between Delhi to Mumbai at a speed of 120km/h includes:  
a. Only stock variable  
b. Only flow variable  
c. Both stock and flow variable  
d. Neither stock nor flow variable.
- Q6.** Net National Income at Factor Cost is called  
a. National Income  
b. Gross Investment  
c. Domestic Income  
d. None of these
- Q7.** Which of the following is not included in the calculation of Gross National Product?  
a. Purchase and Sale of Old commodities  
b. Intermediate Commodities  
c. (a) and (b) both  
d. None of the above
- Q8.** Which of the following is another name for the average income of a country?  
a. Inflation rate  
b. Disposable income  
c. Per capita income  
d. None of the above
- Q9.** Which of the following is the total value of Net National Product (NNP) at the production point?  
a. Gross national product at factor cost  
b. Gross national product at market price  
c. Net national product at factor cost  
d. Net national product at market price
- Q10.** Which of the following is the total value of Net National Product (NNP) at the consumer point?  
a. Gross national product at factor cost  
b. Net national product at market price  
c. Gross national product at market price  
d. Net national product at factor cost
- Q11.** Which of the following is not added while calculating the national income of India?  
a. The service rendered by housewives  
b. The value of a good or a service  
c. Both (a) and (b) are correct  
d. Both (a) and (b) are incorrect
- Q12.** Which of the following is not an example of an indirect tax in India?  
a. Custom duty  
b. Excise duty  
c. Sales tax  
d. Estate duty



**Q24.** National income is the sum of factor incomes accruing to a \_\_\_\_\_ of a country.

**Q25.** Elephants purchased by a circus are categorised as \_\_\_\_\_ goods.

**Q26. Case based questions**

Read the following case study carefully and answer the questions on the basis of the same:

The current Covid-19 crisis may lead to a decline of 5.4 per cent in the per capita income (PCI) of Indians in FY21 to 7 1.43 lakh, higher than the nominal GDP decline of 3.8 per cent, a report by the economics arm of top lender State Bank of India. Breaking it down to the state, there was a stark difference in the decline between states, with a total of 8 states and union territories (UTs), which constitute as much as 47 per cent of India's GDP, expected to witness a decline in PCI in double digits in FY21. "Our estimates suggest that rich states (states whose per capita income is greater than all India average) will be most affected in per capita income terms," the report said Economics times, Jun23,2020

- i. Base year for estimating GDP has now been changed to:
  - a. 2004-05
  - b. 2011-12
  - c. 2018-19
  - d. none of these
- ii. Which of the following makes GDP an inappropriate index of welfare?
  - a. Distribution of GDP
  - b. Externalities
  - c. Composition of GDP
  - d. All of these
- iii. GDP (Gross Domestic Product) - Depreciation =
  - a. GNP
  - b. NDP
  - c. NNP
  - d. None of these

**Q27.** Calculate GVA at FC about firm X from the following data:

Items	₹ (In thousands)
Sale	500
Opening stock	30
Closing stock	20
Purchase of Intermediate products	300
Purchase of machinery	150
Subsidy	40

**Q28.** Calculate National Income by income method and value added method from the following data:-

Items	₹ (In crore)
Value of output of primary sector	1000
Value of output of other sectors	400
Raw material etc. purchase by the primary sector	500
Raw material etc. purchased by other sectors	300
Factor income from rest of the world	10
Factor income paid to rest of the world	15
Depreciation	55
Indirect taxes	100
Subsidies	20
Mixed income of self employed	200
Compensation of employees	170
Rent	40
Interest	30
Profit	25

**Q29.** Calculate GDP at factor cost by expenditure method and national income by income method:

Items	₹ (In crore)
Private final consumption expenditure	85
Net domestic capital formation	25
Consumption of fixed capital	2
Closing stock	10
Opening stock	5
Government final consumption expenditure	10
Net exports	(-5)
Wages and salaries	80
Contribution of employer's towards social security scheme	10
Operating surplus	20
Net factor income received from ROW	(-5)
Net indirect taxes	10

**Q30.** Calculate GDP at factor cost by expenditure method and national income by Income method:

Items	₹ (In crore)
Private final consumption expenditure	2000
Net capital formation	400
Change in stock	50
Compensation of employees	1900
Rent	200
Interest	150
Operating surplus	720
Net indirect tax	400
Employer's contribution to SSS	100
Net export	20
NFIA	(-20)
Government final consumption expenditure	600
Consumption of fixed capital	100

**Q31.** Calculate value of output from the following data:

Items	₹ (In lakhs)
Subsidy	10
Intermediate consumption	150
Net addition to stock	(-13)
Depreciation	30
Excise duty	20
Net value added at factor cost	250

**Q32.** Calculate GNP at MP from the following data:

Items	₹ (In crore)
Private final consumption expenditure	800
Depreciation	60
Government final consumption expenditure	200
Net factor income paid to abroad	10
Export	50
Opening stock	30

Import	60
Closing stock	20
Gross domestic fixed capital formation	230

**Q33.** From the following data, calculate NNP at MP by

- i. Expenditure Method
- ii. Income Method

	Items	₹ (In crore)
i	Personal consumption expenditure	700
ii	Wages and Salaries	700
iii	Employer's contribution to S.S. Schemes	100
iv	Gross business fixed investment	60
v	Gross residential construction investment	60
vi	Gross public investment	40
vii	Inventory investment	20
viii	Profits	100
ix	Govt. purchase of goods and services	200
x	Rent	50
xi	Exports	40
xii	Imports	20
xiii	Interest	40
xiv	Mixed income	100
xv	Net factor income from abroad	(-10)
xvi	Depreciation	20
xvii	Subsidies	10
xviii	Indirect Taxes	20

**Q34.** From the following data, calculate GDP at FC by

- i. Expenditure Method
- ii. Income Method

	Items	₹ (In crore)
i	Personal consumption expenditure	700
ii	Wages and Salaries	700
iii	Employer's contribution to S.S. Schemes	100
iv	Gross business fixed investment	60
v	Profits	100
vi	Gross residential construction investment	60
vii	Govt. purchase of goods and services	200
viii	Gross public investment	40
ix	Rent	50
x	Inventory Investment	20
xi	Exports	40
xii	Interest	50
xiii	Imports	20
xiv	Net factor income from abroad	(-10)
xv	Mixed Income	100
xvi	Depreciation	20
xvii	Subsidies	10
xviii	Indirect Taxes	20

**Q35.** From the following data, calculate “National Income” by

- i. Income Method
- ii. Expenditure Method

	<b>Items</b>	<b>₹ (In crore)</b>
i	Interest	150
ii	Rent	250
iii	Government final consumption expenditure	600
iv	Private final consumption expenditure	1200
v	Profits	640
vi	Compensation of employees	1000
vii	Net factor income to abroad	30
viii	Net indirect taxes	60
ix	Net exports	(-40)
x	Consumption of fixed capital	50
xi	Net domestic capital formation	340

**Q36.** Calculate national income by

- i. Expenditure Method
- ii. Production method

	<b>Items</b>	<b>₹ (In crore)</b>
i	Gross value added at MP by primary sector	300
ii	Private final consumption expenditure	750
iii	Consumption of fixed capital	150
iv	Net indirect taxes	120
v	Gross value added at MP by secondary sector	200
vi	Net domestic fixed capital formation	220
vii	Change in stocks	(-20)
viii	Gross value added at MP by tertiary sector	700
ix	Net imports	50
x	Government final consumption expenditure	150
xi	Net factor income from abroad	20

**Q37.** Calculate GNP at FC by

- i. Income method and
- ii. Expenditure method from the following

	<b>Items</b>	<b>₹ (In crore)</b>
i	Private final consumption expenditure	800
ii	Govt. final consumption expenditure	300
iii	Compensation of employees	600
iv	Net imports	50
v	Gross domestic capital	150
vi	Consumption of fixed capital	20
vii	Net indirect taxes	100
viii	Net factor income from abroad	(-70)
ix	Dividend	150
x	Rent	120
xi	Interest	80
xii	Undistributed profit	80
xiii	Social security contribution by employees	60

- Q38.** How can externalities be a limitation of using GDP as index of welfare?
- Q39.** Explain the production method of estimating national income.
- Q40.** How following are treated in estimation of National Income?
- Services of owner-occupied house
  - Sale of an old car
  - Interest on national debt
  - Gift received from abroad
- Q41.** Explain the measurement of three methods of measuring National Income.
- Q42.** What precautions should be taken in mind while estimating the National Income by Income method?

### Unit:-2 (MONEY AND BANKING)

#### Answer the following questions

- Q1.** Money supply is a:
- Flow concept
  - Stock concept
  - Both (a) and (b)
  - None of these
- Q2.** The maximum limit to accept payments in coins:
- Rs 500
  - Rs 1000
  - Rs 250
  - None of these
- Q3.** This bank operates in public interest without any profit motive.
- Bank of Baroda
  - SBI
  - RBI
  - None of these
- Q4.** Banks create credit:
- Out of nothing
  - On the basis of their securities
  - Both (a) and (b)
  - On the basis of deposits
- Q5.** Components of money supply:
- Notes
  - Paper currency
  - Demand deposits
  - All of these
- Q6.** The one rupee note and coins are issued by:
- Central Bank
  - Ministry of Finance
  - Central Government
  - None of these
- Q7.** Which institutions perform the activity of credit creation?
- Commercial Banks
  - Central Banks
  - Both (a) and (b)
  - All of these
- Q8.** Which bank controls the banking and monetary structure of India?
- RBI
  - State Bank of India
  - Both (a) and (b)
  - None of these
- Q9.** Money supply includes:
- All deposits in banks
  - Only demand deposits in banks
  - Only time deposits in banks
  - Currency with the banks
- Q10.** From the following statement given in column I and column II, Choose the correct pair of statement:

Column I	Column II
A. Currency held by public + Net demand deposits with banks	1. Stock variable
B. Demand Deposits	2. Currency
C. Money supply	3. payable on demand
D. Paper notes and coins	4. M <sub>1</sub>

- |    |   |   |   |   |    |   |   |   |   |
|----|---|---|---|---|----|---|---|---|---|
| A  | B | C | D | A | B  | C | D |   |   |
| a. | 4 | 3 | 1 | 2 | b. | 4 | 2 | 3 | 1 |

c. 3 1 4 2

d. 2 1 3 4

**Q11. Read the following statements Assertion (A) and Reason (R) Choose one of the correct alternatives given below:**

**Assertion (A):** Money is what money does.

**Reason (R):** It is not accepted by everyone.

- a. Both Assertion (A) & Reason (R) are true and Reason (R) is the correct explanation Assertion(A).
- b. Both Assertion (A) & Reason (R) are true, but Reason (R) is not the correct explanation of Assertion(A).
- c. Assertion (A) is true, but Reason (R) is false
- d. Assertion (A) is false, but Reason (R) is true

**Q12.** Higher the legal reserve ratio ..... will be the credit creation.

**Q13.** .....is the main source of money supply in an economy.

**Q14.** ..... regulates money supply.

**Q15.** Commercial banks have to keep a minimum percentage of their deposits with the central bank. This minimum percentage is known as .....

**Q16.** ..... is true about a central bank.

**Q17.** ..... is an apex bank of India.

**Q18.** ..... is the main function of central bank.

**Q19.** Repo rate relates to .....

**Q20. Case based questions**

Read the following case study carefully and answer the questions on the basis of the same:

In India, the Central Bank has the monopoly right of note issue. RBI issues promissory notes in the Country. Each promissory note is a legal tender and contains the words- "I promise to pay the bearer the sum of Rs .....", and is signed by the Governor of RBI. The face value of each Promissory note is higher than its commodity value.



i. Who has the monopoly right of note issue?

- a. Government of India
- b. President of India
- c. Reserve Bank of India
- d. None of these

ii. Promissory notes are:

- a. Limited legal tender
- b. Unlimited legal tender
- c. Both (a) and (b)
- d. None of these

iii. Paper currency notes of denominations Rs 2, 5, 10, 20, 100, 200, 500, and 2000 are signed by:

- a. Prime Minister
- b. President
- c. Governor of RBI
- d. None of these

**Q21.** What are Demand Deposits?

**Q22.** What is meant by statutory Liquidity Ratio?

**Q23.** Define Money supply and explain its components.

**Q24.** What is the difference between Bank Rate and Repo Rate?

**Q25.** Explain "Banker to the Government" function of the Central Bank.

**Q26.** Government of India has recently launched "Jan Dhan Yojana" aimed at every household in the

country to have at least one bank account. Explain how deposits made under the plan are going to affect the national income of the country?

Q27. Explain the functions of the Central Bank.

**UNIT:-3 (DETERMINATION OF INCOME AND EMPLOYMENT)**

**Answer the following questions**

- Q1. Which of the following statements accurately describes the consumption function?
  - a. The consumption function is a relation between income, savings, price and consumption
  - b. The consumption function is a relation between income and consumption
  - c. The consumption function is a relation between price, savings and consumption
  - d. The consumption function is a relation between income, price and savings
- Q2. What is the shape of the Keynesian Aggregate Supply before the level of full employment is attained?
  - a. Perfectly inelastic
  - b. Perfectly elastic
  - c. Unitary elastic
  - d. More elastic
- Q3. What will be APC when  $APS = 0$ ?
  - a. One
  - b. Zero
  - c. Two
  - d. Infinite
- Q4. If the income is ₹ 400 crores and consumption is ₹ 250 crores, what will be the APC?
  - a. 0.67
  - b. 0.63
  - c. 0.60
  - d. 0.58
- Q5. What is a fiscal measure of correcting deficient demand?
  - a. Increase in public expenditure and decrease in taxes
  - b. Decrease in public debt
  - c. Deficit financing
  - d. All of these
- Q6. Choose the correct alternative:
  - a. AD curve has a positive slope
  - b. AD curve originates from point of origin and has a positive slope
  - c. According to Keynes, investment increases with increases with increases in income.
  - d. Consumption is zero at zero level of income.
- Q7. What does  $C/Y$  indicate?
  - a. APC
  - b. MPC
  - c. Break-even point
  - d. None of these
- Q8. The ratio of change in consumption to change in income is called
  - a. Marginal propensity to consume
  - b. Marginal propensity to save
  - c. Average propensity to consume
  - d. Average propensity to save
- Q9. If  $MPS$  is 0.25, then  $MPC$  will be:
  - a. 0.75
  - b. 0.25
  - c. 1.25
  - d. 0
- Q10. Relation between multiplier and  $MPC$  is:
  - a. Direct
  - b. Indirect
  - c. proportional
  - d. No relation
- Q11. From the following statement given in column I and column II, Choose the correct pair of statement:

Column I	Column II
A. When $AD > AS$	i. $C + S$
B. When $AD < AS$	ii. $S = I$
C. When $AD = AS$	iii. unplanned increase in inventories
D. AS	iv. unplanned reduction in inventories

A B C D

A B C D

a. 4 3 1 2

b. 4 1 3 2

c. 3 1 4 2

d. 2 1 3 4

**Q12. Read the following statements Assertion (A) and Reason (R) Choose one of the correct alternatives given below**

**Assertion (A):** Value of investment multiplier varies between one and infinity.

**Reason (R):** When investment multiplier is one, value of marginal propensity to consume is also one.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is correct explanation of Assertion (A).
- b. Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is true but Reason (R) is false.
- d. Assertion (A) is false but Reason (R) is true.

**Q13. Read the following statements Assertion (A) and Reason (R) Choose one of the correct alternatives given below**

**Assertion (A):** Deficiency of demand causes loss of profits.

**Reason (R):** In a situation of deficiency of demand, producers are not able to clear their stocks.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is correct explanation of Assertion (A).
- b. Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is true but Reason (R) is false.
- d. Assertion (A) is false but Reason (R) is true

**Q14.** On the basis of government law, the compulsory payment made by the public is known as .....

**Q15.**  $APC+APS=$  .....

**Q16.** The sum of consumption demand and the investment demand constitutes .....

**Q17.** ..... is the ratio of change in income to a change in investment.

**Q18.** Investment multiplier is directly related to .....

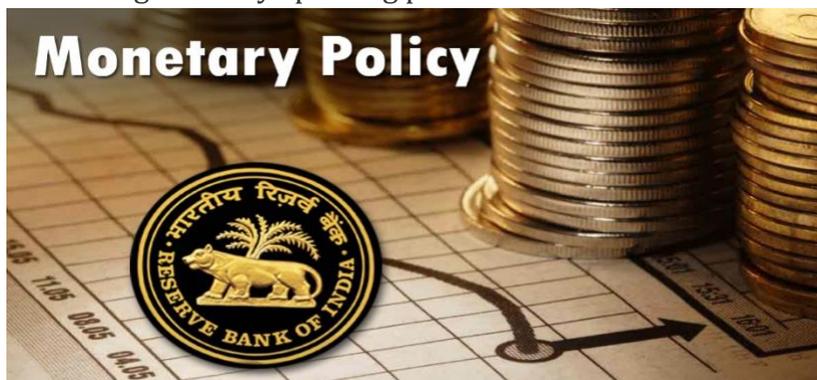
**Q19.** The inflationary gap is a measure of the amount of .....

**Q20.** To control excess demand, the central bank of a country may ..... the bank rate.

**Q21. Case based questions**

Read the following report carefully and answer the questions on the basis of the same:

Monetary policy during 2019-20 was conducted under the revised statutory framework, which became effective from June 27, 2016. As on end January 2020, five meetings of the Monetary Policy Committee (MPC) have been held in financial year 2019-20. In the first four meetings, the MPC decided to cut the policy repo rate changing the stance of monetary policy from neutral to accommodative. The repo rate was reduced by 110 basis points (bps) from 6.25 per cent in April 2019 to 5.15 per cent in October 2019. MPC's decision was guided by low inflation and the need to strengthen domestic growth by spurring private investment in the economy.



i. Who controls monetary policy in India?

- a. Reserve Bank of India  
b. Commercial bank  
c. Cooperative bank  
d. Government of India
- ii. .... is the rate at which commercial banks are allowed to park their surplus funds with the RBI.  
a. Bank rate  
b. Repo rate  
c. Reverse repo rate  
d. None of these
- iii. Decrease in Repo Rate will lead to:  
a. fall in money supply  
b. no change in money supply  
c. rise in money supply  
d. none of these
- iv. Quantitative instruments of credit control are the instruments of  
a. fiscal policy  
b. monetary policy  
c. budgetary policy  
d. economic policy

**Q22.** APC and MPC are two parameters. The value of which parameter can be greater than one, and when?

**Q23.** Can APS be greater than one? Give reasons.

**Q24.** Do you agree that MPS cannot be negative, but APS can be?

**Q25.** Complete the following table:

Income	Consumption	MPS	APC
0	15	-	-
50	50	-	-
100	85	-	-
150	120	-	-

**Q26.** Find the consumption and saving when autonomous consumption is 100, MPC=0.5 and Y=2000. Is there is greater increase in income as compared to consumption when income changes to ₹ 2500?

**Q27.** Explain the derivation of saving curve from the consumption curve. Use diagram.

**Q28.** Explain the derivation of consumption curve from the saving curve. Use diagram.

**Q29.** Given that,  $S = -25 + 0.5Y$  and  $I = 5000$ , find equilibrium Y and C.

**Q30.** If MPC=0.75, how much additional investment is required to increase income by ₹ 600? Also, find the multiplier.

**Q31.** Given the consumption function,  $C = 150 + 0.6Y$ ,  $I = 2000$ . Calculate:

- Equilibrium level of national income
- Consumption at equilibrium level of National Income
- Saving at equilibrium level of National Income.

**Q32.** Explain the working of investment multiplier.

**Q33.** What is meant by excess demand? Explain its causes and measures to correct it.

**Q34.** What is meant by deficient demand? Explain its causes and measures to correct it.

**Q35.** What is the difference between full Employment equilibrium and involuntary employment equilibrium?

**Q36.** Explain the meaning of investment multiplier. What can be its minimum value and why?

**Q37.** Distinguish between problems of excess demand and deficient demand.

#### **Unit:- 4 (GOVERNMENT BUDGET AND THE ECONOMY)**

##### **Answer the following questions**

**Q1.** Budget is presented as on:

- 28 February
- 15 February
- 1 February
- All of these

**Q2.** Source of capital receipts are except:

- a. Borrowings  
c. Disinvestment
- b. Escheat  
d. Either (a) or (b)
- Q3.** They are generally proportional in nature:  
a. Direct tax  
b. Indirect tax  
c. Both  
d. None of these
- Q4.** Which is tax revenue of the government?  
a. Price  
b. Gifts and grants  
c. Escheat  
d. Custom duties
- Q5.** Under flexible exchange rate system:  
a. Exchange rate is determined by the government  
b. Exchange rate is determined by the market forces of demand and supply  
c. The central bank may change the exchange rate at any time  
d. None of these
- Q6.** Which is not an objective of government budget?  
a. Redistribution of income and wealth  
b. Export promotion  
c. Both  
d. None of these
- Q7.** If fiscal deficit is ₹ 35 crore and interest payment is ₹ 10 crore, then primary deficit is:  
a. ₹ 25 crore  
b. ₹ 45 crore  
c. ₹ 20 crore  
d. None of these
- Q8.** Excess total expenditure over total receipts excluding borrowing is called:  
a. Revenue deficit  
b. Fiscal deficit  
c. Both  
d. None of these
- Q9.** What is revenue deficit when revenue expenditure is ₹ 100 crore and revenue receipts is 80 crore?  
a. ₹ 180 crore  
b. ₹ 20 crore  
c. ₹ 200 crore  
d. None of these
- Q10.** From the following statement given in column I and column II, Choose the correct pair of statement:

Column I	Column II
A. Escheat	1. Union Budget
B. GST	2. Direct Tax
C. Income Tax	3. Indirect Tax
D. Budget of Central Gov.	4. Non-tax Receipt

- A B C D  
a. 3 4 2 1  
c. 3 1 4 2
- A B C D  
b. 4 3 2 1  
d. 2 1 3 4
- Q11. Read the following statement Assertion (A) and Reason (R). Choose one of the correct alternative given below**

**Assertion (A):** Income tax is a direct tax.

**Reason (R):** Because the impact and incidence lies on the same person.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)  
b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion(A)  
c. Assertion (A) is true, but Reason (R) is false  
d. Assertion (A) is false, but Reason (R) is true

- Q12.** ..... deficit indicates how much government should borrow to meet expenses other than interest.
- Q13.** ..... deficit refers to excess of revenue expenditure over revenue receipts during the given fiscal year.
- Q14.** Capital receipts include .....
- Q15.** Primary deficit equals .....
- Q16.** Borrowing in government budget is .....
- Q17.** The non-tax revenue in the following is .....

**Q18. Case based questions**

Read the following report carefully and answer the questions on the basis of the same:

In the Government of India's budget for the year 2013-14, the finance minister proposed to raise the Goods and Service Tax on cigarettes. He also proposed to increase income tax on individual earning more than rupee one crore per annum.

- i. Identify the taxes proposed to be increased by the Budget 2013-14. The taxes proposed are:
    - a. GST on cigarettes
    - b. Income tax on individuals earning Rs 1crore or above
    - c. Both
    - d. None of these
  - ii. What was the objective behind the proposals put forth in the Budget 2013-14?
    - a. Revenue generation
    - b. social welfare
    - c. Both
    - d. None of these
  - iii. What welfare objective the government wishes to achieve by increasing GST on cigarettes?
    - a. This will discourage their cigarettes
    - b. This will encourage their cigarettes
    - c. Both
    - d. None of these
- Q19.** What do you mean by Government Budget & what are its objectives?

**OR**

Explain the 'redistribution of income' objective of a Government Budget.

**OR**

Explain the 'economic stability' objective of a Government Budget.

**Q20.** What is meant by fiscal deficit, revenue deficit & primary deficit?

**Q21.** What are the components of Government Budget?

**Q22.** From the following data about a government budget find:-

- i. Revenue deficit, ii. Fiscal and iii. Primary deficit

(In Crore)

(i) Tax revenue	47
(ii) Capital receipts	34
(iii) Non-tax revenue	10
(iv) Borrowings	30
(v) Revenue expenditure	80
(vi) Interest payments	20

**Q23.** Why are taxes received by government not treated as capital receipts?

**Q24.** A government Budget shows a primary deficit of Rs.4400 crore. The revenue expenditure on interest payments is Rs.400 crore. How much is the Fiscal Deficit?

**Q25.** Government provides essential items of food grains almost free to the families below the poverty line. Which objective the government is trying to fulfill through the government budget and how? Explain.

**Q26.** Distinguish between revenue receipts & capital receipts in Government Budget. Give two example of each.

**Q27.** Explain the basis of classifying government expenditure into revenue expenditure & capital

expenditure.

### Unit:- 5 (BALANCE OF PAYMENTS)

#### Answer the following questions

- Q1.** Balance of Trade (BoT) can be:  
a. Surplus  
b. Deficit  
c. Balanced  
d. All of these
- Q2.** Capital account of (BoP) items include:  
a. Foreign Investment  
b. Loans  
c. Both  
d. None of these
- Q3.** Export and import of goods is known as:  
a. Invisible trade  
b. Visible trade  
c. One sided transaction  
d. None of these
- Q4.** The component(s) of Balance of Payment is/are  
a. Current account  
b. Capital account  
c. Both (a) and (b)  
d. None of these
- Q5.** Sale of machines to abroad will be recorded on  
a. Debit side of capital account  
b. Credit side of capital account  
c. Debit side of current account  
d. Credit side of current account
- Q6.** Under managed floating exchange rate system:  
a. The central bank intervenes in the foreign exchange rate within certain limits.  
b. There is no official intervention in the foreign exchange market.  
c. The central bank maintains the reserves of foreign exchange to influence the exchange rate.  
d. Both (a) and (b)
- Q7.** If value of visible exports is greater than the value of invisible imports, the balance relates to:  
a. Current account BoP  
b. Trade deficit  
c. Both  
d. None of these
- Q8.** State of balance of payments always balance regardless of the types of transactions.  
a. True  
b. False  
c. Partially true  
d. Can't be predicted
- Q9.** Which of the following is not a component of current account of BoP?  
a. Balance of trade  
b. Balance of invisibles  
c. Investment income  
d. All of these
- Q10.** Under flexible exchange rate system:  
a. Exchange rate is determined by the government  
b. Exchange rate is determined by the market forces of demand and supply  
c. The central bank may change the exchange rate at any time  
d. None of these
- Q11.** From the following statement given in column I and column II, Choose the correct pair of statement:

Column I	Column II
A. Fixed exchange rate	1. Foreign exchange rate
B. Flexible exchange rate	2. Fixed by government
C. Managed floating exchange rate	3. Determined by market forces
D. \$1= Rs75	4. Hybrid of fixed and floating

- A B C D  
 a. 3 4 2 1  
 b. 3 1 4 2

- A B C D  
 c. 4 2 3 1  
 d. 2 3 4 1

**Q12. Read the following statement Assertion (A) and Reason (R). Choose one of the correct alternatives given below**

**Assertion (A):** When the exchange rate is too low, Central Bank intervenes to reduce fluctuations in the foreign exchange rate.

**Reason (R):** Central Bank buying foreign currency from the market.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation Assertion (A)  
 b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)  
 c. Assertion (A) is true, but Reason (R) is false  
 d. Assertion (A) is false, but Reason (R) is true

**Q13. Read the following statement Assertion (A) and Reason (R). Choose one of the correct alternatives given below**

**Assertion(A):** Rupee is said to be appreciating if price of \$1 falls from ₹ 75 to ₹ 70.

**Reason (R):** Rupee appreciates when less Indian rupees are needed to buy a dollar.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)  
 b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)  
 c. Assertion (A) is true, but Reason (R) is false  
 d. Assertion (A) is false, but Reason (R) is true

**Q14.** Balance of Trade = .....

**Q15.** The balance of trade shows a deficit of ₹ 300 Crore. The value of exports are ₹ 500 Crore. .... will be the value of imports.

**Q16.** An Indian company located in India invests in a company located abroad. This transaction is entered in India's balance of payments account on .....

**Q17. Case based questions**

Read the following case study carefully and answer the questions on the basis of the same:

"India's cotton export likely to rise 50% this year." Cotton exports from India are likely to rise 50 per cent this year to 75 lakh bales in the 2020-21 crop year beginning October with revival in global demand from China and Bangladesh in the last one month, said trade bodies.



i. The above transaction will be recorded in ..... Account.

- a. Current
  - b. Capital
  - c. Both (a) and (b)
  - d. Neither (a) nor (b)
- ii. The above transaction shall be recorded on ..... Side of BoP.
- a. debit
  - b. credit
  - c. Both (a) and (b)
  - d. Neither (a) nor (b)
- iii. Export of cotton will be identified as
- a. visible trade
  - b. invisible trade
  - c. one-side transaction
  - d. unrequited transaction
- iv. The above transaction will have a ..... effect on income, output and employment of the country.
- a. Direct
  - b. indirect
  - c. Both (a) and (b)
  - d. Neither (a) nor (b)
- Q19.** How is the exchange rate determined under a flexible exchange rate regime? Use diagram.
- Q20.** Explain why demand for a foreign currency falls when its prices rises.
- Q21.** What is the difference between disequilibrium in BOP and deficit in BOP?
- Q22.** What does balance of payment account show? Name the two parts of the balance of payment account.
- Q23.** State the component of capital and current account of BOP.
- Q24.** Discuss briefly the meaning of
- i. Fixed exchange rate
  - ii. Flexible exchange rate
  - iii. Managed floating rate
- Q25.** List four items each of current account and capital account of the balance of payment account.
- Q26.** What is appreciation of currency? How will it effect on export & import of country?
- Q27.** State whether the following transactions are recorded in current account or capital account.
- i. Purchased of an asset abroad.
  - ii. Imports of crude oil from Iran.
  - iii. Shipping service provided by a British company to an Indian company.
  - iv. Repayment of loan to USA by Indian government.
  - v. Exports of tea to England.

### **Indian Economic Development**

#### **CHAPTER:- 1 (INDIAN ECONOMY ON THE EVE OF INDEPENDENCE)**

##### **Answer the following questions**

- Q1.** Identify the statement which is not true in the context of demographic condition of Indian during British rule?
- a. High Birth Rate
  - b. Low Death Rate
  - c. Low Infant Mortality Rate
  - d. Both (b) & (c)
- Q2.** On the Eve of Independence, Indian Economy was:
- a. Stagnant and backward
  - b. Developing
  - c. Self-reliant
  - d. Capitalist
- Q3.** When were the railways started in India?
- a. 1850
  - b. 1853
  - c. 1901
  - d. 1921
- Q4.** Which of the following statement is false in context of industrial sector during British rule?
- a. There was decline in handicraft industries
  - b. The British Government promoted capital goods industries
  - c. public sector played a significant role

d. Both (b) & (c)

Q5. Which industry received the major set-back during the colonial rule?

- a. Cement
- b. Handicraft
- c. Paper
- d. Iron and Steel

Q6. From the following statement given in column I and column II, Choose the correct pair of statement:

Colum I	Colum II
A TISCO	1. 1869
B. Year of demographic divide	2. 1881
C. Opening of Suez Canal	3. 1907
D. First Official Census	4. 1921

- |    |   |   |   |   |    |   |   |   |   |
|----|---|---|---|---|----|---|---|---|---|
| A  | B | C | D | A | B  | C | D |   |   |
| a. | 3 | 4 | 1 | 2 | c. | 4 | 2 | 3 | 1 |
| b. | 3 | 1 | 4 | 2 | d. | 2 | 1 | 3 | 4 |

Q7. Read the following statement Assertion (A) and Reason (R). Choose one of the correct alternatives given below

**Assertion (A):** The opening of Suez Canal in 1869 reduced the cost of transportation.

**Reason (R):** Suez Canal provided a direct trade route for ships operating between Britain and India.

- a. Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is true, but Reason (R) is false
- d. Assertion (A) is false, but Reason (R) is true

Q8. Case based questions

Read the following case study carefully and answer the questions on the basis of the same:

Before 1947, more than 90% of the national income relied on the Indian agriculture sector. A significant portion of the country's population resided in rural area where agriculture was the primary source of livelihood. The pre-colonised India produced primary two crops, wheat and rice. Even if it was only two type of crops, country's agriculture sector was sustainable and self-sufficient. The British invasion resulted in total commercialization of India's agriculture industry. On the eve of Independence, the once most prominent sector of this country was known to be suffering from stagnation and constant degradation.



i. What is meant by commercialization of agriculture?

- a. Production of crop for sale in the market
- b. Production of crop for self-consumption

- c. None of these  
d. Both (a) and (b)
- ii. Reason for low productivity in agriculture sector?  
a. HYV seeds  
b. Low level of technology  
c. Improve irrigation system  
d. All of these
- iii. Which of the following statements are correct with reference to the Zamindari system.  
1. The profit accruing out of the agriculture sector was proposed to go to the cultivators.  
2. The main interest of the Zamindar's was only to collect rent regardless of the economic Condition of the cultivators.  
a. Both are correct  
b. Both are incorrect  
c. 1. Correct 2. Incorrect  
d. 2. Correct 1. Incorrect
- Q9.** India entered the ..... stage of Demographic Transition after the year 1921.
- Q10.** Mortality rate is one of the indicators of ..... of an economy.
- Q11.** About ..... percent of the country's population obtained livelihood from agriculture from agriculture at the time of independence.
- Q12.** On the eve of Independence, the proportion of population engaged in agriculture was .....
- Q13.** Battle of ..... laid the foundation of the British rule in India.
- Q14.** Describe in brief the Colonial Exploitation of the Indian Economy under the British rule.
- Q15.** Who introduced the zamindari system in India and when?
- Q16.** What was the state of India agriculture at the time of independence?
- Q17.** What was the state of India industry at the time of independence?
- Q18.** Indian Economy was a semi feudal economy at the time of Independence. Justify the Statement.
- Q19.** The Traditional Handicraft industries were ruined under the British rule. Do you agree with this view. Give reasons in the support of your answers.
- Q20.** Describe the Positive effects of British rule on the Indian economy.
- Q21.** What were the main causes of India's agricultural stagnation during colonial period?

### **CHAPTER:- 2,3,4 & 5 (INDIAN ECONOMY 1950-1990)**

#### **Answer the following questions**

- Q1.** Who is the Chairperson of the Planning Commission of India?  
a. President  
b. Prime Minister  
c. Finance Minister  
d. None of these
- Q2.** NITI Aayog is headed by:  
a. Finance Minister  
b. President  
c. Prime Minister  
d. None of these
- Q3.** Equity refers to:  
a. equitable distribution of GDP  
b. development of backward regions  
c. Both  
d. All of these
- Q4.** The Twelfth Five Year Plan covered the period:  
a. 1997-02  
b. 2002- 07  
c. 2007- 12  
d. 2012-17
- Q5.** What is the investment limit for small-scale industries at present?  
a. One crore  
b. Three crore  
c. Five crore  
d. Ten crore
- Q6.** Karve committee was established in:

- a. 1950
- b. 1956
- c. 1954
- d. 1955

**Q7.** Schedule A comprises of industries which would be exclusively owned by:

- a. Government
- b. Private sector
- c. Both
- d. None of these

**Q8.** During 1950-90, Indi0a adopted:

- a. Export promotion policy
- b. Policy of imports substitution
- c. Both
- d. All of these

**Q9.** The trade reforms were:

- a. Removal of quotas
- b. Taking away control over foreign exchange use
- c. Both
- d. None of these

**Q10.** Taxes imposed on incomes of individuals are:

- a. Indirect taxes
- b. Tariff barriers
- c. Direct taxes
- d. All of these

**Q11.** From the following statement given in column I and column II, Choose the correct pair of statement:

Column I	Column II
A. 1950	1. National Development Council
B. 1951	2. NITI Aayog
C. 1952	3. FYP 1
D. 2015	4. Planning Commission

- |            |            |
|------------|------------|
| A B C D    | A B C D    |
| a. 3 4 2 1 | b. 4 3 1 2 |
| c. 3 1 4 2 | d. 2 1 3 4 |

**Q12.** From the following statement given in column I and column II, Choose the correct pair of statement:

Column I	Column II
A. IDRA	1. 1955
B. IRR 1956	2. First Industrial Policy
C. IPR 1948	3. Second Industrial Policy
D. Karve Committee	4. 1951

- |            |            |
|------------|------------|
| A B C D    | A B C D    |
| a. 3 4 2 1 | b. 4 3 2 1 |
| c. 3 1 4 2 | d. 2 1 3 4 |

**Q13.** From the following statement given in column I and column II, Choose the correct pair of statement:

Column I	Column II
A. Agriculture sector	1. Drain of India's wealth
B. Industrial sector	2. Lack of social infrastructure
C. Foreign trade	3. Low public investment
D. Low literacy rate of life expectancy	4. Surplus labour

- |            |            |
|------------|------------|
| A B C D    | A B C D    |
| a. 4 3 1 2 | b. 4 2 3 1 |
| c. 3 1 4 2 | d. 2 1 3 4 |

**Q14. Read the following statement Assertion (A) and Reason (R). Choose one of the correct alternatives given below**

**Assertion(A):** Domestic industries were protected from foreign competition through heavy duty imports to make these costlier in order to discourage imports and fixation of import quotas to specify the quantity of goods which can be imported

**Reason(R):** Industries in India were not able to world competition and if these industries were given protection they would be able to face world competition and foreign exchange could also be saved.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is true, but Reason (R) is false
- d. Assertion (A) is false, but Reason (R) is true

**Q15. Read the following statement Assertion (A) and Reason (R). Choose one of the correct alternatives given below**

**Assertion(A):** In the first seven plans, India adopted the strategy of import substitution.

**Reason(R):** Heavy duty in the form of tariffs were levied on export goods to discourage them.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is true, but Reason (R) is false
- d. Assertion (A) is false, but Reason (R) is true

**Q16. Read the following statement Assertion (A) and Reason (R). Choose one of the correct alternatives given below**

**Assertion(A):** At the time of independence, 75% of country's population was dependent on agriculture but the productivity in the agricultural sector was very low.

**Reason(R):** India's vitally was dependent on monsoon and the country lacked adequate infrastructure

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is true, but Reason (R) is false
- d. Assertion (A) is false, but Reason (R) is true

**Q17.** Objectives of planning in India are .....

**Q18.** Common goals of five-year plans are.....

**Q19.** An economy in which social welfare is maximised is called.....

**Q20.** The period of 1966 to 1969 was a period of.....

**Q21.** In the first five Year Plan, top priority was given to.....

**Q22.** ..... of trade refers to the type of goods and services a country export and import

**Q23.** Land reforms refers to reforms relating to .....

**Q24.** First Industrial Policy Resolution of Independent India was announced in the year.....

**Q25.** NABARD was established in .....

**Q26. Case based questions**

Read the following case study carefully and answer the questions on the basis of the same:

Prime Minister Narendra Modi in recent weeks has emphasised on the idea of an 'Aatma nirbhar Bharat' or a self-reliant India. However, the government has faced a volley of questions since then, about whether the aim is to drag India back to import substitution & isolationism. The aim to make India self-reliant was outlined by the Prime Minister while announcing that his government will help the Indian economy get back on its feet with a ₹ 20 lakh crore economic package. March towards a self-reliant India should not be taken as a return to the licence-permit raj and inspector raj of the socialist era. Far from suggesting a centralised, top-down model directed from the commanding heights of the Planning Commission, the Prime Minister spoke of freeing Indian entrepreneurship and innovation from bureaucratic hurdles. This is about decentralized location that pride in local brands, bureaucratic resilience and flexibility, and encourages local capacity-building.

- i. 'Atmanirbhar Bharat' emphasises the objective of.....
  - a. self-reliance
  - b. isolationism
  - c. flexibility
  - d. None of these
- ii. During 1950-90, import restrictions were desired to:
  - a. Save foreign exchange
  - b. Protect domestic industries
  - c. Both
  - d. None of these
- iii. The first seven five-year plans gave importance to self-reliance which means avoiding..... of Goods to reduce our dependence on foreign countries.
  - a. exports
  - b. imports
  - c. manufacture
  - d. None of these
- iv. Initiative towards self-reliant India is focusing:
  - a. Encouragement of local capacity-building
  - b. To save foreign exchange
  - c. Both (a) and (b)
  - d. None of these

**Q27.** What is the full name of NITI Aayog? When was it established?

**Q28.** Distinguish between short term and long term objectives of planning in India.

**Q29.** Explain the importance of agriculture in Indian economy.

**Q30.** State four major achievements of plan in India.

**Q31.** Does Modernization as planning Objective create Contradiction in light of employment generation?

**Q32.** What are the failures of Planning?

**Q33.** "Agriculture is the backbone of the Indian Economy". Explain.

**Q34.** Do you think technical change in agriculture is more important than the institutional reforms?

**Q35.** What is Green Revolution? Why was it implemented and how did it benefit the farmer? Explain in brief.

**Q36.** What are main problems faced in Indian agriculture?

**Q37.** Explain the meaning of:- i. Land reforms

ii. land ceiling

iii. Co-operative farming

iv. Minimum support prices

**Q38.** What is meant by Industrial Policy? What were the main feature of industrial development adopted during 1950-1990?

**Q39.** Define SSI. Give three reason why small industry should be encourage in India?

**Q40.** Define Economic Planning. What are important Objectives of economic planning in India Explain?

**CHAPTER:- 6 ( ECONOMIC REFORMS SINCE 1991)**

**Answer the following questions**

**Q1.** Selling -off part of the equity of PSU's is called:

- a. Globalisation
- b. Privatisation
- c. Disinvestment
- d. None of these

**Q2.** When was MUDRA bank set-up?

- a. 1991
- b. 1994
- c. 2000
- d. 2015

**Q3.** Who is the chairman of the GST Council?

- a. finance Minister
- b. Prime Minister
- c. Finance Secretary
- d. None of these

**Q4.** New Economic Policy was announced in:

- a. June 1990
- b. July 1990
- c. July 1991
- d. January 1991

**Q5.** From the following statement given in column I and column II, Choose the correct pair of statement:

Column I	Column II
A. New Economic Policy	1. 1995
B. GST	2. 1991
C. MUDRA	3. 2017
D. WTO	4. 2015

- |    |   |   |   |   |    |   |   |   |   |
|----|---|---|---|---|----|---|---|---|---|
| A  | B | C | D | A | B  | C | D |   |   |
| a. | 2 | 3 | 4 | 1 | b. | 4 | 2 | 3 | 1 |
| c. | 3 | 1 | 4 | 2 | d. | 1 | 2 | 3 | 4 |

**Q6.** Read the following statement Assertion (A) and Reason (R). Choose one of the correct alternatives given below

**Assertion (A):** Globalisation is an outcome of the set of various policies that are aimed at transforming the world towards greater interdependence and integration. It creation of networks and activities transcending economic, social & geograph boundaries.

**Reason (R):** Globalisation is a strategy of the developed countries to expand and their markets in other countries.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is true, but Reason (R) is false
- d. Assertion (A) is false, but Reason (R) is true

**Q7.** Government declared..... public sector undertakings as Navratnas.

**Q8.** ..... implies free interaction among all the countries in various fields like trade technology, Outsourcing etc.

**Q9.** Liberalisation is a situation where in there is .....

**Q10.** ..... and ..... currency notes of old Mahatma Gandhi series were banned as legal tender on 8<sup>th</sup> November 2016.

**Q11. Case based questions**

Read the following case study carefully and answer the questions on the basis of the same:

'Emphasising that India has been able to implement the major indirect tax reforms GST in the least disruptive manner, Union Finance Minister Arun Jaitley said the best of the new regime in term of contribution to the society was yet to come. GST would have a long-term impact on the country's GDP, ease of doing business, make in India initiative expansion of trade and industry, besides promoting honest business practices. The input tax credit itself was an effective route ensuring that people make their disclosures. Mr. Jaitley said, an efficient tax system will ensure that evasion does not take place.



- i. GST Act came into effect on .....
  - a. July 31, 2017
  - b. July 01, 2017
  - c. June 01, 2017
  - d. June 31, 2017
- ii. GST has replaced ..... indirect taxes and ..... cesses of the centre and the states.
  - a. 23, 17
  - b. 20, 18
  - c. 17, 23
  - d. 18, 20
- iii. The ..... is elected as the Chairperson of GST Council.
  - a. Prime Minister
  - b. Finance Minister
  - c. Governor
  - d. Vice President
- iv. Every Decision of GST Council shall be taken at a meeting by a majority of not less than ..... of the heightened votes of the members present and voting.
  - a. 51%
  - b. 50%
  - c. 75%
  - d. 25%

**Q12.** Give two arguments in favour of economic reforms.

**Q13.** What are the main objectives of Industrial Policy, 1991?

**Q14.** Define- i. liberalisation

ii. privatisation

iii. globalisation

**Q15.** Write a note on Privatisation and its impact on Indian economy.

**Q16.** Do you think outsourcing is good for India? Why are developed countries opposing it?

**Q17.** Discuss Economic Reforms of India in the light of social justice and welfare.

**Q18.** Give a brief account of the reforms introduced in the Indian tax system since 1991.

**Q19.** How has competition benefited in India?

**Q20.** Briefly describe the two adverse effects of globalisation on the Indian economy.

## CHAPTER:- 8 (RURAL DEVELOPMENT)

### Answer the following questions

- Q1.** Under horticulture come  
 a. Fish farming  
 c. Flower cultivation  
 b. Poultry Farming  
 d. None of these
- Q2.** Which of the following is a non-farm area of employment?  
 a. Livestock farming  
 c. Fisheries  
 b. Horticulture  
 d. All of these
- Q3.** Insurance is needed to overcome the risk of:  
 a. Low price of seeds  
 c. Both  
 b. Bad harvest  
 d. None of these
- Q4.** Self- help groups has helped in the empowerment of women. The given statement is:  
 a. True  
 c. Partially true  
 b. False  
 d. Partially false
- Q5.** Golden revolution pertains to which particular sector in India?  
 a. Livestock sector  
 c. Information Technology  
 b. Fisheries  
 d. All of these
- Q6.** From the following statement given in column I and column II, Choose the correct pair of statement:

Column I	Column II
A. Land Development Banks	1. 1969
B. Nationalisation of Banks	2. 1920
C. Increase in credit from SHGs, RRBs	3. 1982
D. NABARD	4. 2003

- |                                     |                                     |
|-------------------------------------|-------------------------------------|
| A B C D<br>a. 3 4 2 1<br>c. 3 1 4 2 | A B C D<br>b. 4 2 3 1<br>d. 2 1 4 3 |
|-------------------------------------|-------------------------------------|

- Q7. Read the following statement Assertion (A) and Reason (R). Choose one of the correct alternatives given below**

**Assertion (A):** The focus of Self-Help Group (SHG) is largely on rural poor.

**Reason (R):** Rural Poor have no sustainable access to the format banking system.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)  
 b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation Of Assertion (A)  
 c. Assertion (A) is true, but Reason (R) is false  
 d. (A) is false, but Reason (R) is true
- Q8.** India occupies ..... place in milk production in the world.
- Q9.** Minimum Support Price means .....
- Q10.** "Operation Flood" is associated with .....
- Q11.** The scheme of micro-finance is expected through.....

### Q12. Case based questions

Read the following case study carefully and answer the questions on the basis of the same:

The revolutionary, 'Billion- litre idea' and execution of the world's largest dairy agricultural development programme, 'Operation Flood' transformed India from a nation with potential in the



- a. To regulate education in the health sector
- b. To regulate technical and engineering education
- c. To regulate education up to senior secondary level
- d. To regulate higher education

**Q5.** Which of the following is an indicator of educational achievement in a country?

- a. Adult literacy level
- b. Primary education completion rate
- c. Youth literacy rate
- d. All of above

**Q6.** From the following statement given in column I and column II, Choose the correct pair of statement:

Column I	Column II
A. On the job training	1. Adult and youth literacy rate
B. Educational achievement	2. 1965
C. Kendriya vidyalays	3. 1961
D. NCERT	4. A source of human capital formation

- |            |            |
|------------|------------|
| A B C D    | A B C D    |
| a. 4 1 2 3 | b. 4 2 3 1 |
| c. 3 1 4 2 | d. 2 1 4 3 |

**Q7. Read the following statement Assertion (A) and Reason (R). Choose one of the correct alternatives given below**

**Assertion (A):** Education contributes to economic growth.

**Reason (R):** Education confers higher earning capacity on people.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation Of Assertion(A)
- c. Assertion (A) is true, but Reason (R) is false
- d. Assertion (A) is false, but Reason (R) is true

**Q8.** All children in the age group of 6-14 has been made face and compulsory in .....

**Q9.** ..... is the Indian government expenditure on education?

**Q10.** According to Census 2011, the overall literacy rate is .....

**Q11. Case based questions**

Read the following case study carefully and answer the questions on the basis of the same:

New Delhi: Prime Minister Narendra Modi on Saturday launched the Ayushman Bharat Scheme via video conferencing to extend health insurance coverage to all residents of Jammu and Kashmir. The Prime Minister’s office said the scheme will ensure universal health coverage, and focus on providing financial risk protection and ensuring quality and affordable essential health services to all individuals and communities. Union Home Minister Amit Shah and the Union Territory’s Lieutenant Governor, Manoj Sinha, also spoke on the occasion. The scheme will provide free of cost insurance cover to all residents of the UT of Jammu and Kashmir, the PMO said, adding that it will extend financial cover of upto ₹ 5 lakhs per family on a floater basis to all residents of the UT. There is provision for operational extension of the ‘Pradhan Mantri Jan Arogya Yojana’ (PM – Jay. to approximately 15 lakh additional families, the PMO statement said, adding that the scheme will operate on insurance mode in convergence with PM-Jay. The benefits of the scheme will be portable across the country. The hospitals empanelled under the PM-Jay scheme provide services under this scheme as well, the PMO said.

- i. What does the Ayushman Bharat Scheme provide?

- a. Better health care facility  
c. Health Insurance
- b. Cheaper health care facility  
d. All of these
- ii. What is the main benefit of the scheme?  
a. Bring a lot of people in the purview of health care.  
b. Make health care affordable for the rich in India.  
c. Alleviating poverty in India  
d. Improving the education in India
- iii. The financial cover under the scheme is of per family  
a. ₹ 5 lakh  
c. ₹ 10 lakh
- b. ₹ 15 lakh  
d. ₹ 20 lakh
- iv. \_\_\_\_\_ is the other name of the scheme.  
a. PM – Jay  
c. PM – AJAY
- b. PM – JAI  
d. None of the above
- Q12.** What are the problems faced by education sector in India?  
**Q13.** Mention the sources of human capital formation.  
**Q14.** Explain any four sources of Human Capital Formation.  
**Q15.** 'Education Commission 1964-66 had recommended that at least 6 per cent of GDP must be spent on education'. How far India has been able to achieve the said goal?  
**Q16.** Discuss the role of education and health in economic growth.  
**Q17.** Bring out the need for on-the-job training for a person.  
**Q18.** Explain: - i. Elementary education  
ii. Vocational education  
iii. Infant mortality rate  
iv. Birth rate  
**Q19.** Discuss the benefit of educating women.  
**Q20.** How people become resources?  
**Q21.** How do government organisation facilitate the functioning of schools and hospitals in India?

## **CHAPTER:-10 (EMPLOYEMENT AND UNEMPLOYMENT IN INDIA)**

### **Answer the following questions**

- Q1.** Who is formal workers?  
a. Rickshaw puller  
c. Teacher in MCD school
- b. Construction workers  
d. Cobbler
- Q2.** Formal workers refer to those workers:  
a. who work as wage worker  
b. who work in private establishments with 10 or more workers  
c. who work in urban areas  
d. who work as agricultural laborer
- Q3.** The feature of informal sector  
a. Unorganised factor  
c. Trade union
- b. Social security benefit to workers  
d. Public establishment
- Q4.** Informal workers:  
a. Work in factories  
c. Work in government departments
- b. Do not get social security benefits  
d. Form trade union
- Q5.** Which of the following is a wage employment programme?  
a. Integrated Rural Development Programme  
b. Training for Rural Youth Self Employment Programme  
c. Swaran Jayanti Gram Swarozgar Yojana  
d. National Rural Employment Programme
- Q6.** The percentage of female workforce is lower in urban areas because:  
a. Female education in India is still a far cry

- b. Females in urban areas does not prefer to take jobs
- c. Job work for women is governed by family decisions
- d. Both (a) and (c)

- Q7.** High rate of participation of women in rural areas compared with urban areas happens because:
- a. Poverty compels women to avoid education and seek employment
  - b. Need to support the family, owing to low family income in rural areas.
  - c. High productivity requirements in the available jobs in rural areas.
  - d. Both (a) and (b)

- Q8.** From the following statement given in column I and column II, Choose the correct pair of statement:

Column I	Column II
A. Workers of the organized sector	1. Informal worker
B. Workers working is unorganised sector	2. Use of the outdated technology
C. Informal sector makes	3. Creates employment opportunities
D. Growth and Development of Infrastructure	4. Formal sector

A B C D

A B C D

a. 4 1 2 3

c. 4 2 3 1

b. 3 1 4 2

d. 2 1 3 4

- Q9. Read the following statement Assertion (A) and Reason (R). Choose one of the correct alternatives given below**

**Assertion (A):** A large segment of workforce continues to depend on primary activities to make a living.

**Reason (R):** In India, trade, commerce, banking, tourism and related services are developing faster than other production activities.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- b. Both Assertion (A) and Reason (R) are true but Reason (R) is the not correct explanation of Assertion (A)
- c. Assertion (A) is true, but Reason (R) is false
- d. Assertion (A) is false, but Reason (R) is true.

- Q10. Read the following statement Assertion (A) and Reason (R). Choose one of the correct alternatives given below**

**Assertion(A):** The rural economy employs nearly 50 per cent of our workforce.

**Reason (R):** Higher percentage of workforce in rural areas suggests a higher contribution of the rural economy to GDP of India.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- b. Both Assertion (A) and Reason (R) are true but Reason (R) is the not correct explanation of Assertion (A)
- c. Assertion (A) is true, but Reason (R) is false
- d. Assertion (A) is false, but Reason (R) is true.

- Q11.** \_\_\_\_\_ of workforce refers to a situation where people tend to find employment more in unorganized sector of the economy.

- Q12.** Marginal productivity of the workers is zero in case of \_\_\_\_\_ .

- Q13.** Formal sector in India provides employment to \_\_\_\_\_ of the workforce.

- Q14.** \_\_\_\_\_ refers to an activity which enables a person to earn his livelihood.

- Q15.** \_\_\_\_\_ an indicator which is used for analysing the employment situation of a country.

**Q16. Case based question**

Read the following case study carefully and answer the questions on the basis of the same:

In urban areas, the workforce participation rate is about 30% whereas in rural India, it is about 40%. The reason is that people in rural areas have limited resources to earn a higher income and participate more in the employment market. Many do not go to schools, colleges and other training institutions. In rural India, people cannot stay at home as their economic condition may not allow them to do so.

- i. .... is a major source of livelihood for both men and women as this category accounts for more than 50%
    - a. Self-employment
    - b. Casual wage labour
    - c. Regular salaried employment
    - d. none of these
  - ii. .... is the main source of employment for majority workers in India.
    - a. primary sector
    - b. secondary sector
    - c. Both (a) and (b)
    - d. None of these
  - iii. Informal sectors include all those private enterprises which hire less than 10 Workers.
    - a. True
    - b. False
    - c. only A
    - d. None of these
- Q17.** Write a short note on problems faced by the workers of informal sector.  
**Q18.** How will you know whether a worker is working in the informal sector?  
**Q19.** What are the reason for a low share of women in employment?  
**Q20.** Define work participate rate. Write down its formula.  
**Q21.** Distinguish between formal sector and informal sector.  
**Q22.** Why in urban areas, the workforce participation rate is less than rural areas?  
**Q23.** Why is work participation rate is higher in the rural areas than in the urban areas?  
**Q24.** Why is women participation rate is lower compared to men in India?  
**Q25.** Discuss the distribution of employment on the basis of gender.  
**Q26.** Explain the employment policy  
**Q27.** Discuss about to “Rate of participation in India”.

## **CHAPTER 12:- (ENVIORNMENT AND SUSTAINABLE ECONOMIC DEVELOPMENT)**

### **Answer the following questions**

- Q1.** The term used for the property of environment to absorb degradation is:
- a. Carrying capacity
  - b. Absorptive capacity
  - c. Ability to assimilate waste
  - d. Both (a) and (b)
- Q2.** Which of the following is a necessary condition of sustainable development?
- a. Increase in the quality of life of the present generation
  - b. Reduction in the level of production
  - c. Optimisation of resource-exploitation
  - d. Maximisation of resource-exploitation
- Q3.** The scheme focused on bio-composting is:
- a. National Mission on Sustainable Agriculture
  - b. National Mission on Organic Farming
  - c. National Mission on Bio-composting
  - d. National Mission on Traditional Agricultural Practices
- Q4.** Mini-hydel plants are good for environment because:
- a. They generate electricity only for local area
  - b. They do not change the land use pattern
  - c. They rely on the perennial streams
  - d. Both (b) and (c)
- Q5.** Eco mark on a product certifies that the product is:
- a. Economical
  - b. Environment friendly
  - c. Non-perishable
  - d. Of good quality

- Q6.** Which of the following feature indicates that Indian economy is prosperous?
- India has abundant natural resources in term of iron, ore, coal and natural gas.
  - Rich quality of soil
  - Ideal geographical location
  - All the above
- Q7.** In India, air pollution in metro cities is largely caused by-
- Motor vehicle
  - Industries
  - Deforestation
  - Urbanisation
- Q8.** To what is 'Montreal Protocol' related?
- Controlling of ozone depletion
  - Preventing the increase in earth's temperature
  - Preventing of loss of bio-diversity
  - None of these

**Q9. From the set of statements given in column I and column II, choose the correct pair of statements:**

Column I	Column II
A. Biotic resources	1. air, water, sun, land, mountains etc
B. Abiotic resources	2. Resources which cannot be regenerated
C. Renewable resources	3. birds, animals, plants, fisheries etc
D. Non-renewable resources	4. Resources which can be regenerated

- |    |   |   |   |   |    |   |   |   |   |
|----|---|---|---|---|----|---|---|---|---|
| A  | B | C | D | A | B  | C | D |   |   |
| a. | 3 | 1 | 4 | 2 | c. | 4 | 2 | 3 | 1 |
| b. | 3 | 1 | 2 | 4 | d. | 2 | 1 | 3 | 4 |

**Q10. A statement of Assertion (A) is followed by a statement of Reason(R). Choose the correct alternative among those given below:**

**Assertion (A):** Kyoto Protocol focuses on reduction in emissions of greenhouse gases by Industrialised nations.

**Reason (R):** Global warming has led to impairment of ecological balance.

- Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- Both Assertion (A) and Reason (R) are true but Reason (R) is the not correct explanation of Assertion (A)
- Assertion (A) is true, but Reason (R) is false
- Assertion (A) is false, but Reason (R) is true

**Q11. Read the following statements Assertion (A) and Reason (R). Choose one of the correct alternatives given below:**

**Assertion (A):** Environment degradation is a paradoxical situation.

**Reason (R):** Expanding production activity is the principal cause of environmental degradation in the urban areas.

- Both Assertion (A) & Reason (R) are true and Reason (R) is the correct explanation of Assertion.
- Both Assertion (A) & Reason (R) are true, but Reason (R) is not the correct explanation of Assertion.
- Assertion (A) is true, but Reason (R) is false
- Assertion (A) is false, but Reason (R) is true

**Q12.** According to World Health Organisation, ..... Percentage of disease are caused by polluted water.

**Q13.** Global warming is caused by .....

**Q14. Case based question**

Read the following case study carefully and answer the questions on the basis of the same:

An increase in industrialization, urbanization and infrastructure development is progressively taking away Considerable areas of land from agriculture, forestry, grassland and pasture, and used lands with wild vegetation. Open cast mining is of particular focus because it disturbs the physical, chemical, and biological features of the soil and alters the Socio- economic features of a region. Negative effects of mining are water scarcity Due to lowering of water table, soil contamination, part of total loss of flora and fauna, air and water pollution and acid mine drainage. Overburden removal from the mine areas results in significant loss of vegetation and rich topsoil. Overburden removal is normally done by blasting or using excavators, resulting in generation of large volumes of waste (soil, debris and other material). Open pit mine is produce 8 to 10 times as much rest as underground mines.

- i. Owing to the unplanned development of township and urbanisation, the volume of waste is projected to increase to\_\_\_ million tonnes by 2031.
  - a. 125
  - b. 135
  - c. 145
  - d. 155
- ii. An environment-friendly way to generate electricity, especially in mountainous regions is called\_\_\_\_\_.
  - a. Traditional hydel plants
  - b. Mini hydel plants
  - c. Both (a) and (b)
  - d. None of these
- iii. Environmental degradation is an \_\_\_\_\_opportunity cost of production activity.
  - a. Avoidable
  - b. Unavoidable
  - c. Uncertain
  - d. None of these
- iv. Find the odd one out:
  - a. LPG
  - b. Fuel
  - c. CNG
  - d. Wind Power

**Q15.** Explain the meaning of environment.

**Q16.** Mention two effects of global warming.

**Q17.** Define ozone depletion. What are its effects?

**Q18.** Explain how the opportunity costs of negative environment impacts are high.

**Q19.** Define Environment. Effects of Economic Development on environment.

**Q20.** Suggest some measures to control pollution. What measures have been taken by the government to control pollution?

**Q21.** Do you agree with a view that environmental degradation is an avoidable opportunity cost of development?

**Q22.** Opportunity costs of negative environmental impact are high. Elaborate.

**Q23.** Is environmental crisis are recent phenomenon? If so, why?

**Q24.** Give a brief account of the measures undertaken by the government to protect environment.

### **CHAPTER:-13(DEVELOPMENT EXPERIENCE OF INDIA: A COMPARISON WITH NEIGHBOURS)**

#### **Answer the following questions**

**Q1.** The largest source of national income in India is:

- a. agriculture
- b. Industrial
- c. service sector
- d. External sector

**Q2.** Choose the correct statement.

- a. The share of industry in GDP is more or less same in India and Pakistan
- b. Industry contribution the highest to GDP in China.
- c. China is the most populous country in the world.

- d. all the above.
- Q3.** China is ahead of India in term of the following indicator:  
 a. Proportion of population below poverty line    b. Per capita GDP  
 c. Access to sanitation facilities                      d. All of these
- Q4.** Pakistan is ahead of India in case of:  
 a. HDI value    b. Per capita income  
 c. access to sanitation facilities                      d. all of above
- Q5.** Chinese economy become a centrally planned economy in:  
 a.1947    b. 1949  
 c.1948    d. 1950
- Q6.** From the following statement given in column I and column II, Choose the correct pair of statement:

Column I	Column II
A. Beginning of planning in India	1. 1988
B. Beginning of planning in Pakistan	2. 1956
C. China started Planning in	3. 1951
D. Pakistan introduced economic reforms in	4. 1953

- A    B    C    D    A    B    C    D
- a. 3    1    4    2    b. 3    2    4    1
- c. 3    1    2    4    d. 2    1    3    4
- Q7. Read the following statements Assertion (A) and Reason (R). Choose one of the correct alternatives given below**  
**Assertion (A):** China has the lowest density of population as compared to India and Pakistan.  
**Reason (R):** China has a very large geographical area.  
 a. Both Assertion (A) & Reason (R) are true and Reason (R) is the correct explanation of Assertion.  
 b. Both Assertion (A) & Reason (R) are true, but Reason (R) is not the correct explanation of Assertion.  
 c. Assertion (A) is true, but Reason (R) is false  
 d. Assertion (A) is false, but Reason (R) is true
- Q8.** In China about..... per cent of people work in agriculture where as in India this percentage figure is.....
- Q9.** Reforms were introduced in ..... in China and in .....Pakistan.
- Q10.** Introduction of Economic reform in Pakistan took place in .....
- Q11. Case based question**

Read the following case study carefully and answer the questions on the basis of the same:  
 Pakistan adopted economic stabilization and structural reform policies in 1988 in an effort to reduce domestic financial imbalances and external deficits. However, these have been problems with the implementation of these policies, in terms of consistency and sequencing. The period 1988-1996 was characterized by repeated attempts to stabilize the economy amid weak efforts at structural reforms. Since policy measure were not able to achieve their objectives, the Pakistani economy continued to be trapped in a vicious circle of poverty, low growth, low savings and low investment, which further hampered growth and poverty alleviation.

- i. .... has the highest share in GVA/GDP in Pakistan while ..... is the largest employer.  
 a. Agriculture, service sector                              b. Service sector, agriculture  
 c. Agriculture, Agriculture                                d. None of these
- ii. .... has higher population density than Pakistan

- a. China
  - b. India
  - c. Both (a) and (b)
  - d. None of these
- iii. India has ..... share of service sector in GDP than China?
- a. Higher
  - b. lower
  - c. Medium
  - d. None of these
- iv. Pakistan has ..... number of poor than India.
- a. lower
  - b. Higher
  - c. Medium
  - d. None of these
- Q12.** What similar development strategies have India and Pakistan followed for their respective development paths?
- Q13.** Explain how reforms have helped China's rapid industrial growth.
- Q14.** Define: i. Sex-ratio.  
ii. Infant mortality rate.
- Q15.** Compare the growth in GDP of China, India and Pakistan.
- Q16.** How has China succeeded in controlling the growth rate of its population?
- Q17.** What is the important implication of the 'One child norm in China'?
- Q18.** Why do we compare Indian Economy with the Chinese Economy?
- Q19.** Mention the demographic indicators of India, Pakistan and China.