

DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE ASKED TO DO SO

23-0009-AJ TEST BOOKLET

ECONOMICS

(Time Allowed: 3 hours)

PAPER - II

(Maximum Marks: 300)

INSTRUCTIONS TO CANDIDATES

Read the instructions carefully before answering the questions: -

1. This Test Booklet consists of 16(sixteen) pages and has 75 (seventy-five) items (questions).
2. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS BOOKLET *DOES NOT* HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.
3. Please note that it is the candidate's responsibility to fill in the Roll Number and other required details carefully and without any omission or discrepancy at the appropriate places in the OMR Answer Sheet and the Separate Answer Booklet. Any omission/discrepancy will render the OMR Answer Sheet and the Separate Answer Booklet liable for rejection.
4. Do not write anything else on the OMR Answer Sheet except the required information. Before you proceed to mark in the OMR Answer Sheet, please ensure that you have filled in the required particulars as per given instructions.
5. Use only Black Ball Point Pen to fill the OMR Answer Sheet.
6. This Test Booklet is divided into 4 (four) parts - Part - I, Part - II, Part - III and Part - IV.
7. All three parts are Compulsory.
8. Part-I consists of Multiple Choice-based Questions. The answers to these questions have to be marked in the OMR Answer Sheet provided to you.
9. Part-II, Part-III and Part-IV consist of Conventional Essay-type Questions. The answers to these questions have to be written in the separate Answer Booklet provided to you.
10. In Part-I, each item (question) comprises of 04 (four) responses (answers). You are required to select the response which you want to mark on the OMR Answer Sheet. In case you feel that there is more than one correct response, mark the response which you consider the best. In any case, choose *ONLY ONE* response for each item.
11. After you have completed filling in all your responses on the OMR Answer Sheet and the Answer Booklet(s) and the examination has concluded, you should hand over to the Invigilator *only the OMR Answer Sheet and the Answer Booklet(s)*. You are permitted to take the Test Booklet with you.
12. **Penalty for wrong answers in Multiple Choice-based Questions:**
THERE WILL BE PENALTY FOR WRONG ANSWERS MARKED BY A CANDIDATE.
 - (i) There are four alternatives for the answer to every question. For each question for which a wrong answer has been given by the candidate, one-third of the marks assigned to the question will be deducted as penalty.
 - (ii) If a candidate gives more than one answer, it will be treated as a wrong answer even if one of the given answers happens to be correct and there will be same penalty as above to the question.
 - (iii) If a question is left blank. i.e., no answer is given by the candidate, there will be no penalty for that question.

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PART - I
(Multiple Choice-based Questions)

Instructions for Questions 1 to 50:

- *Choose the correct answers for the following questions.*
- *Each question carries 3 marks.* **[3x50=150]**

1. The foreign exchange market, stock exchange market, banking and non-banking financial institutions are a part of _____
 - (a) Fiscal sector reforms
 - (b) Financial sector reforms
 - (c) Industrial sector reforms
 - (d) Public sector reforms

2. The condition of the agriculture sector of India during the British rule is reflected by which of the given statements?
 - (a) The agricultural sector experienced huge stagnation and deterioration because of the drain of the wealth from India
 - (b) The agricultural sector experienced huge stagnation and deterioration because of the land tenure system
 - (c) The agricultural sector experienced huge stagnation and deterioration because of the decline of handicrafts
 - (d) None of the above

3. Which of the following events characterised the economic crisis of 1991?
 - (a) Selling of gold from reserves
 - (b) Increase in fiscal deficits
 - (c) Reduction of foreign exchange reserves
 - (d) All of the above

4. Which of the following statements about the Zamindari system of India is /are true?
 - A. Zamindars were recognised as the owners of the land
 - B. Zamindars were given hereditary rights of succession of the lands under them
 - C. It was agreed that the amount to be paid by the landlords would not increase in future
 - (a) A and B
 - (b) B and C
 - (c) A and C
 - (d) All of the above

5. Examine the following statements:
- A. Drain Theory has been found to be the root cause for the economic impoverishment of India under the British rule.
 - B. The export of Indian raw materials to England and the import of British manufactured goods into India, besides sending away the savings of Englishmen of India to England, have all resulted in the drain of Indian wealth.
- (a) Only A is correct
 - (b) Only B is correct
 - (c) Both A and B are correct
 - (d) Both A and B are incorrect
6. What were the reasons for introducing the economic reforms in 1991?
- (a) The Gulf war
 - (b) The negative balance of payments
 - (c) Increase in fiscal deficit
 - (d) All of the above
7. The policy that helps integrate a domestic economy with the world economy -
- (a) Liberalisation
 - (b) Globalization
 - (c) Privatisation
 - (d) None of the above
8. Which of the following countries has a greater prevalence of absolute poverty?
- (a) Developed countries
 - (b) Underdeveloped countries
 - (c) Developing countries
 - (d) Capitalist countries
9. The Indian rupee was _____ against foreign currencies to solve the Balance of Payments crisis in 1991.
- (a) Appreciated
 - (b) Depreciated
 - (c) Revalued
 - (d) Devalued
10. Which of these financial sector reforms were introduced in India under the New Economic Policy (NEP) in 1991?
- (a) Change in the Monopolies and Restrictive Trade Practices (MRTP) Act
 - (b) Freedom for importing of capital goods
 - (c) Reduction in the Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)
 - (d) None of the above

11. Which of the following concepts was not a part of the economic reforms under the New Economic Policy in 1991?
- (a) Centralization
 - (b) Liberalization
 - (c) Globalization
 - (d) Privatization
12. The 3 tools of Fiscal Policy are Government Spending, _____ and Taxes.
- (a) Fiscal Reforms
 - (b) Tax reforms
 - (c) Balance of Payment adjustment
 - (d) Transfer Payments
13. What is called the twin deficit of 1990?
- (a) Gold reserves and foreign exchange
 - (b) Imports and exports
 - (c) Devaluation of rupee and inflation
 - (d) Current account deficit and fiscal deficit
14. Structural reforms and stabilization measures come under which policy branch?
- (a) Industrial Policy
 - (b) Monetary regulation
 - (c) New Economic Policy
 - (d) Financial Policy
15. What is the name of the organization that is predecessor of the World Trade Organization?
- (a) International Monetary Fund
 - (b) World Bank
 - (c) General Agreement on Trade and Tariff
 - (d) International Bank for Reconstruction and Development
16. Who is considered the father of Indian Economic Reforms?
- (a) A P V Narsimha Rao
 - (b) Manmohan Singh
 - (c) Chandra Shekhar
 - (d) Narendra Modi
17. The sector which remained a public sector even after the reforms of 1991
- (a) Communication
 - (b) Banking
 - (c) Construction
 - (d) Railways

18. The fund into which the proceeds from disinvestment of public sector enterprises is credited -
- (a) Consolidated Fund of India
 - (b) Contingency Fund of India
 - (c) National Investment Fund
 - (d) Both (a) and (b)
19. The Golden Revolution is related to -
- (a) Precious Metals
 - (b) Pulses
 - (c) Jute
 - (d) Horticulture and honey
20. It is an expert body which recommend the MSPs to Government by taking into account cost of production, trends in domestic and international prices -
- (a) FCI
 - (b) CACP
 - (c) RBI
 - (d) NABARD
21. Which of the following major policy interventions is part of the land reforms in India?
- A. Abolition of intermediaries
 - B. Tenancy Reforms
 - C. Fixing ceilings on land holdings
 - D. Consolidations of land holdings
- (a) A, B and C
 - (b) B, C, and D
 - (c) A, B and D
 - (d) All of the above
22. Identify the statement which is not correct in respect to MG-NREGA:
- (a) One of the largest employment guarantee programmes
 - (b) Gram sabhas to recommend the works that are to be undertaken
 - (c) Legal Right to Work
 - (d) Supply -Driven Scheme
23. In which year was the National Food for work Programme launched in India?
- (a) 2005
 - (b) 2004
 - (c) 2002
 - (d) 2001

24. The Sen poverty index is a composite poverty measure, which combines the _____ and _____ of poverty risk with the distribution of income among those at risk of poverty.
- (a) Intensity, liability
 - (b) Incidence, intensity
 - (c) Average, square
 - (d) Ratio and average
25. Who leads the Goods and Service Tax (GST) of India?
- (a) President
 - (b) Prime Minister
 - (c) Finance Minister
 - (d) Home Minister
26. Which one of the following statements with regard to poverty is correct?
- (a) Poverty line is determined by the monetary value of the minimum calorie intake.
 - (b) The existing mechanism for determining poverty line takes into consideration social factors such as illiteracy, ill health etc.
 - (c) Income and assets are the only factors associated with poverty.
 - (d) The items included in consumption basket are adequate to estimate the poverty line and the number of poor.
27. Poverty estimation in India is carried out by _____
- a) Task Force of NITI Aayog
 - b) CSO
 - c) NSSO
 - d) RBI
28. Which Five Year Plan adopted indicative planning in India?
- (a) 9th
 - (b) 4th
 - (c) 3rd
 - (d) 8th
29. Second generation reforms in our country do not compromise on which of the following?
- (a) Exploiting the knowledge based global economy
 - (b) Growing Indian transnational corporation
 - (c) Population control
 - (d) Clean environment

30. Consider the following pairs -

Committee	Basis of <u>poverty</u>
1 Dandekar and Rath	Basic minimum needs criteria
2 Alagh Committee	Nutritional requirements and related consumption expenditure
3 Lakdawala Committee	Cost of a subsistence
4 Rangarajan Committee	Minimum standard of living

How many pairs given above are matched correctly?

- (a) Only one pair
- (b) Only three pairs
- (c) All four pairs
- (d) None of the pairs

31. The key pillars of Foreign Trade Policy 2023 include -

- A. Incentive to Remission
- B. Export promotion through collaboration
- C. Ease of doing business
- D. Emerging areas

- (a) A, B and D
- (b) A, B and C
- (c) B, C and D
- (d) All A, B, C and D

32. From which sector does India receive the highest share of GDP?

- (a) Construction, Gas, Manufacturing and Electricity
- (b) Allied and Agriculture
- (c) Service Sector
- (d) Public and Defence Administration

33. Consider the following statements.

1. NABARD was established by the Act of Parliament to take over the Role of Agricultural Refinance Development Corporation.
2. Rural Infrastructural Development Fund (RIDF) to extend loans to state governments is managed by commercial banks.

Which of the statement(s) given above is/are correct?

- (a) Only 1
- (b) Only 2
- (c) Both 1 and 2
- (d) None of the above

34. The second green revolution in India is necessitated by the fact that -

1. Productivity in agriculture is stagnating.
2. Diversification of agriculture is stagnating.
3. Exports of agricultural commodities have declined.

Select the correct answer from the codes given below:

- (a) 1 and 2
- (b) 2 and 3
- (c) 1 and 3
- (d) Only 1

35. Below are two statements, one labelled as Assertion and the other labelled as Reason. Read the statements and choose the correct answer using the given codes.

Assertion (A): India is a service sector driven economy.

Reason (R): Share of the service sector in total employment is the highest.

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

36. The controlling authority of government expenditure is -

- (a) The Reserve Bank of India
- (b) NITI Aayog
- (c) The Finance Ministry
- (d) The Finance Commission

37. Which state has the largest cottage industries in India?

- (a) Maharashtra
- (b) Tamil Nadu
- (c) Gujarat
- (d) Punjab

38. The imposition of direct taxes is on _____ while in case of indirect taxes it is on

- (a) Gifts, Income
- (b) Income, Goods or Services
- (c) Goods or Services, Income
- (d) Income, Gifts

39. Which of the following was not stipulated in the Fiscal Responsibility and Budget Management Act, 2003?
- (a) Elimination of revenue deficit by the end of Fiscal Year 2007-08.
 - (b) Non-borrowing by the Central Government from RBI except under certain circumstances.
 - (c) Elimination of primary deficit by the end of the year 2008-09.
 - (d) None of the above.
40. _____ emphasised on the wage goods model at the time of formation of Second Five Year Plan.
- (a) C.N. Vakil and P.R. Brahmananda
 - (b) I.G. Patel and J. Bhagwati
 - (c) C.N. Vakil and P.C. Mahalanobis
 - (d) P.R. Brahmananda and J. Bhagwati
41. What is the WTO Agreement on Agriculture (AoA)?
- 1. It permitted the developed countries to continue to provide farm subsidies but under certain restrictions.
 - 2. It permitted the developing countries to continue to provide farm subsidies but under certain restrictions.
 - 3. It does not permit the developed countries to continue to provide subsidies
- (a) Only II
 - (b) Only III
 - (c) Only I
 - (d) None of the above
42. Which of the following does not come under the 3 Fs devolved to empower the Panchayati Raj Institutions?
- (a) Funds
 - (b) Functions
 - (c) Fees
 - (d) Functionaries
43. Which of the following industries were operating in the Indian economy on the eve of its independence?
- (a) Sugar, paper and cement industries
 - (b) Iron and steel industries
 - (c) Jute textiles and cotton industries
 - (d) All of the above

44. The argument made in favour of privatisation of a country's economy is that -
- (a) It helps to revive sick public sector units
 - (b) It creates a competitive environment for business
 - (c) It helps to protect the sovereignty of a consumer
 - (d) All of the above
45. Who was the Finance Minister of India when the economic reforms took place under the New Economic Policy?
- (a) P. Chidambaran
 - (b) Pranab Mukherjee
 - (c) Dr. Manmohan Singh
 - (d) Atal Bihari Vajpayee
46. The Public Distribution System (PDS) is operated by -
- (a) Central government
 - (b) State government
 - (c) Local self-government
 - (d) It is the joint responsibility of the Central the State Governments.
47. Which of the following is a characteristic of people below the poverty line?
- (a) Debt trap
 - (b) Gender inequality
 - (c) Poor health
 - (d) All of the above
48. National Income of India is calculated on the basis of -
- (a) Market Costs
 - (b) Fixed Costs
 - (c) Factor costs
 - (d) All of the above
49. Which of the following is the outcome of the globalisation of a country's economy?
- (a) Outsourcing
 - (b) Privatization
 - (c) Liberalization
 - (d) None of the above
50. What is/are the key objective(s) new EXIM policy 2023?
- (a) process re-engineering and automation
 - (b) facilitate ease of doing business for exporters
 - (c) use of automated IT systems with risk management systems environment
 - (d) all of the above

PART - II
(Short Answer-type Questions)

Instructions for Questions 51 to 63:

- *Write the answers in short for any 10 (TEN) out of the thirteen questions.*
- *Each question carries 5 marks.* **[5x10=50]**

51. Write a short note on indicative planning in India.
52. Explain the purposes of TRIPS and TRIMS.
53. What was the state of Indian economy in the pre-independence era?
54. Define Fiscal Consolidation.
55. What is the role of capital formation in agriculture?
56. Discuss the problems faced by cottage industries in India.
57. Why was the 74th Constitutional Amendment Act passed?
58. Explain disinvestment of Central Public Sector Enterprises (CPSE).
59. What are the factors affecting per capita income in India?
60. State the challenges faced by the Government of India in the implementation of New Economic Policy.
61. What is the role of RBI in the new regime?
62. Is there any relationship between unemployment and poverty? Explain.
63. What are the broad factors determining national income and distribution?

PART - III
(Long Answer-type Questions)

Instructions for Questions 64 to 71:

- *Answer any 5 (FIVE) out of the eight questions.*
- *Each question carries 10 marks.* **[10x5=50]**

64. Removal of poverty has been the biggest challenge in India. The Indian government is dealing with it by launching various anti poverty programmes. Comment.
65. Write a short note on wage goods model as developed by C.N. Vakil and P.R. Brahmanand.
66. What is Laissez- Faire economy and how does it work?
67. Write a short note on Capital Account Convertibility in India.
68. Elaborate on the agricultural subsidy regime in India and the distortions created by it.
69. What are the changes in sectoral compositions of National Income.
70. Write detail note on the new EXIM policy 2023.
71. Critically analyse the New Rural Employment Guarantee Scheme.

PART - IV
(Essay-type Questions)

Instructions for Questions 72 to 75:

- *Answer any 2 (TWO) out of the four questions.*
- *Each question carries 25 marks.* **[25x2= 50]**

72. Discuss the positive and negative impact of the New Economic Policy on the Indian economy.
73. Land Reforms play a crucial role in an agrarian economy. Trace the importance, objectives, components and impact of Land Reforms in India.
74. Write an essay on Decentralized policy in India.
75. What are the salient features of Industrial Policy 1991?