

**QUESTION 2016**

**Group - A**

**(Multiple Choice Type Questions)**

1. Choose the correct alternatives for any ten of the following:

i) When inflation occurs due to increase in the cost of production in an economy it is called

- a) cost push inflation
- b) running inflation
- c) demand pull inflation
- d) creeping inflation

ii) Planning Commission was set up in India in

- a) 1947
- b) 1950
- c) 1955
- d) 1958

iii) FICCI is an example of

- a) Industry Association
- b) Employer Association
- c) Employee Association
- d) None of these

iv) IBRD stands for

- a) Internal Bank of Reconstruction and Development
- b) International Board of Reconstruction and Development
- c) International Bank of Reconstruction and development
- d) International Bureau of Reconstruction and Development

v) Devaluation is profitable when

- a)  $Dx + Dm > 1$
- b)  $Dx + Dm < 1$
- c)  $Dx + Dm = 1$
- d) none of these

vi) Economic environment refers to

- a) Legislature, Executive and Judiciary system
- b) Planning & Policies related with agricultural industry etc
- c) Custom, religion and ethical issues
- d) none of these

vii) In Fiscal Policy the Govt. undertakes

- a) Controlling supply of money
- c) Controlling Govt. expenditure
- b) Controlling interest
- d) None of these

viii) Balance of Payment is maintained is

- a) dual entry system
- b) single entry system
- c) both (a) and (b)
- d) none of these

ix) An example of indirect tax is

- a) VAT
- b) Wealth tax
- c) Corporation Tax
- d) none of these

- x) Which of the following are the main reasons for Low rate of saving?  
a) Low Per Capita Income  
b) Unproductive Assets  
c) High Price level  
✓d) All of these
- xi) A strong Balance of Payment (BOP) position in recent years has resulted in  
✓a) steady accumulation of Foreign Exchange reserves  
b) low trade and fiscal deficits  
c) increasing exports  
d) increasing FDIs
- xii) Broad Money is equal to  
✓a)  $M_1 + \text{Timer deposits}$   
b) currency with public  
c) coins and currency held by general public  
d) none of these

**Group – B**

**(Short Answer Type Questions)**

2. Analyse the various measures to increase the rate of capital formation in India.  
See Topic: **ECONOMIC TRENDS**, Short Answer Type Question No. 4.
3. Distinguish between Balance of Trade and Balance of Payment.  
See Topic: **ECONOMIC TRENDS**, Long Answer Type Question No. 7 (1<sup>st</sup> part).
4. State the main causes of economic backwardness and regional imbalances in India.  
See Topic: **PROBLEMS OF GROWTH**, Long Answer Type Question No. 7.
5. "Trade is an engine of growth." – Do you agree? Discuss.  
See Topic: **ECONOMIC TRENDS**, Short Answer Type Question No. 5.
6. Examine the methods used for the estimation of National Income in India.  
See Topic: **ECONOMIC TRENDS**, Long Answer Type Question No. 5 (1<sup>st</sup> part).

**Group – C**

**(Long Answer Type Questions)**

7. a) Define the term 'poverty'.  
b) Critically evaluate the Poverty Alleviation Programmes in India.  
a) See Topic: **PROBLEMS OF GROWTH**, Short Answer Type Question No. 5.  
b) See Topic: **PROBLEMS OF GROWTH**, Long Answer Type Question No. 2(b) (or).
8. What is meant by privatisation? Mention the objectives of privatisation. Enumerate the arguments for and against privatisation.  
See Topic: **ROLE OF GOVERNMENT**, Long Answer Type Question No. 4.
9. What do you understand by the term 'monetary policy'? What measures are adopted by the Reserve Bank for the expansion of credit in recent period?



## **POPULAR PUBLICATIONS**

See Topic: **ROLE OF GOVERNMENT**, Long Answer Type Question No. 5.

10. What is unemployment? Explain the causes of unemployment in India. Discuss the various types of unemployment in India.

See Topic: **PROBLEMS OF GROWTH**, Long Answer Type Question No. 10.

11. Write the short notes any *three* of the following:

a) New Industrial policy, 1991

b) Exim policy

c) Impacts of Black Money in an economy

d) Objectives of WTO

e) Parallel economy

a) See Topic: **INDUSTRIAL POLICY**, Long Answer Type Question No. 1.

b) See Topic: **ROLE OF GOVERNMENT**, Long Answer Type Question No. 8(a).

c) See Topic: **ECONOMIC TRENDS**, Long Answer Type Question No. 8(b).

d) See Topic: **INTERNATIONAL ENVIRONMENT**, Long Answer Type Question No. 4(a).

e) See Topic: **PROBLEMS OF GROWTH**, Long Answer Type Question No. 11(b).