

**2018
ECONOMICS**

Total marks : 90

Time : 3 hours

General instructions:

- i) *Approximately 15 minutes is allotted to read the question paper and revise the answers.*
 - ii) *The question paper consists of 31 questions.*
 - iii) *Marks are indicated against each question.*
 - iv) *Answers to questions carrying 1 mark should not exceed one sentence.*
 - v) *Answers to questions carrying 2 marks should not exceed 50 words.*
 - vi) *Answers to questions carrying 4 marks should not exceed 80 words.*
 - vii) *Answers to questions carrying 6 marks should not exceed 120 words.*
 - viii) *Answers to questions carrying 8 marks should not exceed 200 words.*
- N.B: Check that all pages of the question paper is complete as indicated on the top left side.**

1. What is inflation ? 1
2. What is circular flow of income? 1
3. Define economic territory. 1
4. What is the name of Central Bank of India? 1
5. What is monetary policy? 1
6. Name the two types of fiscal policy. 1
7. Define economic development. 1
8. What is meant by public sector? 1
9. What is balance of trade? 1
10. Define social justice. 1
11. Define current transfers. Give one example. 1+1=2
12. Give the meaning of economic and non-economic welfare. 1+1= 2

13. Distinguish between average propensity to consume and marginal propensity to consume. 2
14. State any four problems of Indian agriculture. 2
15. Define Green NNP and Genuine Saving. 2
16. Distinguish between stocks and flows. Give one example each. 2+2=4
17. Explain the distinction between GDPmp and NDPmp. 4
18. Define aggregate supply. Explain how aggregate supply is related to national income. 1+3= 4
19. Explain the economic reforms towards globalisation after 1991. 4
20. Mention any four reasons behind the need for New Economic Policy in 1991. 4
21. Define poverty line. Explain how poverty line is determined. 1+3=4

Answer any **three** from questions 22 – 26. **3x6=18**

22. Explain the steps taken in the estimation of national income by production method.
23. Explain any three precautions required to be taken in estimating national income by income method.
24. Explain the two measures of money supply.
25. What is a financial institution? Explain the two functions which distinguishes banks from other financial institutions. (1+2½+2½=6)
26. Explain the classification of budgeted expenditure.

Answer any **two** from questions 27 – 29. **2x6=12**

27. Explain the different categories of plans.
28. Make a comparative study of purchasing power parity GDP in India and China.

29. Analyse the position of poverty in India and China.
30. a. Explain S=I approach of the modern theory of income determination with the help of a diagram. 8
- Or**
- b. Explain the concept of investment multiplier with the help of a numerical illustration.
31. a. Explain the different forms of agricultural diversification. What are its advantages 5+3=8
- Or**
- b. Explain the causes of unemployment in India. (8)
