

Series : R2SQP



SET~2



रोल नं.



प्रश्न-पत्र कोड
Q.P. Code 58/2/2

Roll No.

परीक्षार्थी प्रश्न-पत्र कोड को उत्तर-पुस्तिका के मुख-पृष्ठ पर अवश्य लिखें।
Candidates must write the Q.P. Code on the title page of the answer-book.

अर्थशास्त्र
ECONOMICS

निर्धारित समय : 3 घण्टे
Time allowed : 3 hours



अधिकतम अंक : 80
Maximum Marks : 80

नोट :

NOTE :

- (I) कृपया जाँच कर लें कि इस प्रश्न-पत्र में मुद्रित पृष्ठ 23 हैं। (I) Please check that this question paper contains 23 printed pages.
- (II) प्रश्न-पत्र में दाहिने हाथ की ओर दिए गए प्रश्न-पत्र कोड को परीक्षार्थी उत्तर-पुस्तिका के मुख-पृष्ठ पर लिखें। (II) Q.P. Code given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- (III) कृपया जाँच कर लें कि इस प्रश्न-पत्र में 34 प्रश्न हैं। (III) Please check that this question paper contains 34 questions.
- (IV) कृपया प्रश्न का उत्तर लिखना शुरू करने से पहले, उत्तर-पुस्तिका में यथास्थान पर प्रश्न का क्रमांक अवश्य लिखें। (IV) Please write down the serial number of the question in the answer-book at the given place before attempting it.
- (V) इस प्रश्न-पत्र को पढ़ने के लिए 15 मिनट का समय दिया गया है। प्रश्न-पत्र का वितरण पूर्वाह्न में 10.15 बजे किया जाएगा। 10.15 बजे से 10.30 बजे तक परीक्षार्थी केवल प्रश्न-पत्र को पढ़ेंगे और इस अवधि के दौरान वे उत्तर-पुस्तिका पर कोई उत्तर नहीं लिखेंगे। (V) 15 minute time has been allotted to read this question paper. The question paper will be distributed at 10.15 a.m. From 10.15 a.m. to 10.30 a.m., the candidates will read the question paper only and will not write any answer on the answer-book during this period.



General Instructions :

Read the following instructions carefully and follow them :

- (i) This question paper contains 34 questions. All questions are compulsory.
- (ii) This question paper contains two sections :
Section – A : Macro Economics
Section – B : Indian Economic Development
- (iii) This Question paper contains 20 Multiple Choice type questions. Each question carries 1 mark.
- (iv) This Question paper contains 4 Short Answer Type-I questions. Each question carries 3 marks. Answer these questions in 60 to 80 words.
- (v) This Question paper contains 6 Short Answer Type-II questions. Each question carries 4 marks. Answer these questions in 80 to 100 words.
- (vi) This Question paper contains 4 Long Answer Type Questions. Each question carries 6 marks. Answer these questions in 100 to 150 words.
- (vii) Attempt all parts of a question together.
- (viii) In addition to this, NOTE that a separate question has been provided for Visually Impaired Candidates in lieu of questions having visual inputs, map etc. Such questions are to be attempted by Visually Impaired Candidates only.
- (ix) There is no overall choice in the question paper. However, an internal choice has been provided in few questions. Only one of the choices in such questions has to be attempted.

**SECTION – A
(Macro Economics)**

1. Identify, which one of the following is not a function of Reserve Bank of India as a bank, agent and advisor to the government. 1
Options :
(A) Carries out banking business of the government.
(B) Manages national debt.
(C) Advises on financial matters.
(D) Conducts periodic inspections.
2. Read the following statements – Assertion (A) and Reason (R). Choose the correct option from those given below : 1
Assertion (A) : Increase in exchange rate implies that the price of foreign currency in terms of domestic currency has increased.
Reason (R) : Balance of trade records the inflows and outflows of foreign exchange.
Options :
(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.



3. Sumit deposited ₹ 10 lakh in his savings account. The deposits made by him is a part of _____ in the M_1 measure of money supply. 1
(Choose the correct option to fill in the blank)

Options :

- (A) Currency held by public
- (B) Interbank deposits
- (C) Demand deposits with commercial banks
- (D) Term deposits with Reserve Bank of India (RBI)

4. Read the following statements carefully : 1

Statement 1 : Brokerage earned by a dealer of second hand cars is included in the estimation of National Income.

Statement 2 : Imputed value of production for self-consumption is included in National Income.

In the light of the above given statements, choose the correct option from the following :

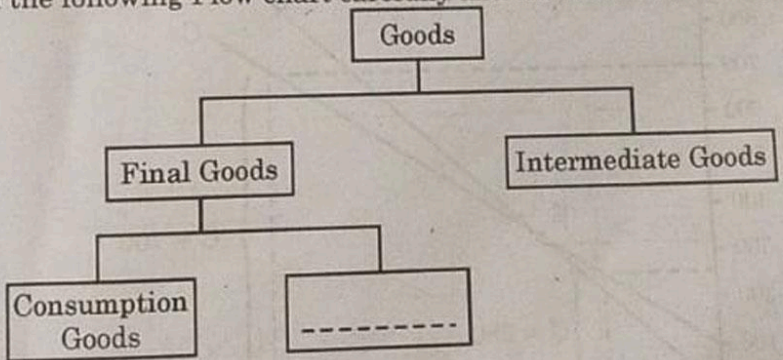
- (A) Statement 1 is true and Statement 2 is false.
- (B) Statement 1 is false and Statement 2 is true.
- (C) Both Statements 1 and 2 are true.
- (D) Both Statements 1 and 2 are false.

5. The Aggregate Demand (AD) curve lies parallel to consumption curve; indicating that both have _____ 1

(Choose the correct option to fill in the blank)

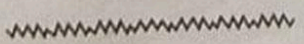
- (A) same components
- (B) different slope
- (C) same slope
- (D) inverse relationship

6. Read the following Flow chart carefully and choose the correct option : 1



Options :

- (A) Transfer goods
- (B) Capital goods
- (C) Non-durable goods
- (D) Semi-durable goods





1

7. Read the following statements carefully :

Statement 1 : Under the flexible exchange rate system, a deficit / surplus in the Balance of Payments is automatically corrected. ✓

Statement 2 : Under the flexible exchange rate system, there is always a possibility of over/under valuation of currency.

In the light of the above given statements, choose the correct option from the following :

- (A) Statement 1 is true and Statement 2 is false.
- (B) Statement 1 is false and Statement 2 is true.
- (C) Both Statements 1 and 2 are true.
- (D) Both Statements 1 and 2 are false.

8. Identify, that function of money, which has effectively solved the problem of 'double coincidence of wants' in a transaction. 1

Options :

- (A) Standard of deferred payments
- (B) Store of value
- (C) Measure of value
- (D) Medium of exchange

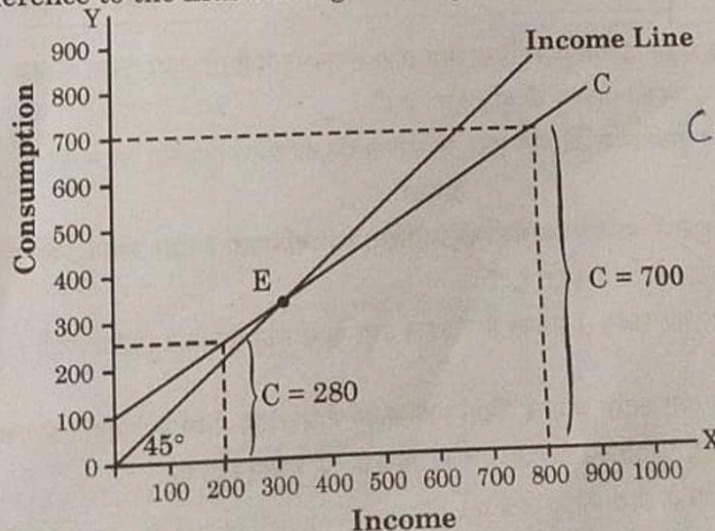
9. Income generated from Aircrafts of Air India operating between Canada and England would be added to the domestic income (NDP_{FC}) of _____.

(Choose the correct option to fill in the blank) 1

Options :

- (A) Canada
- (B) England
- (C) Both Canada and England
- (D) India

10. Choose the correct consumption function from the options given below with reference to the illustrated given diagram. 1



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Options :

(A) $C = 100 + 0.7Y$

(B) $C = 100 + 0.8Y$

(C) $C = 100 - 0.7Y$

(D) $C = 100 - 0.8Y$

Note : The following question is for the Visually Impaired Candidates only in lieu of Q. No. 10.

If the value of Marginal Propensity to Consume (MPC) is 0.6 and dissavings are 100, the relevant saving function would be :

1

(Choose the correct option)

Options :

(A) $S = -100 + 0.6Y$

(B) $S = 100 + 0.6Y$

(C) $S = -100 + 0.4Y$

(D) $S = -100 - 0.4Y$

11. Calculate the value of 'Rent' from the following data :

3

S. No.	Particulars	Amount (in ₹ crore)
(i)	Interest	45
(ii)	Profit after tax	20
(iii)	Consumption of fixed capital	50
(iv)	Gross Domestic Product at Market Price (GDP_{MP})	200
(v)	Compensation of Employees	45
(vi)	Corporate tax	5
(vii)	Goods and Services Tax (GST)	10

12. (A) "When initial deposits in the credit creation process remains same, the total amount of credit created rises as the value of money multiplier increases."
Defend or refute the above statement with the help of hypothetical numerical example.

3

OR

(B) "The Central Bank maintains reserves of all commercial banks and use to settle interbank claims."
Do you agree with the given statement ? Give valid explanation in support of your answer.

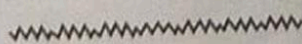
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3

13. (a) Explain the likely impact of implementation of 'Exports Promotion Scheme' of Government of India on the Balance of Payment (BoP) of the country. (Keeping other factors constant)

3

(b) State the meaning of Trade Surplus.

1





14. (A) Read the following text carefully :

"A country's total National Income (NI) at the end of the year is ₹ 80,000 crore. During the same year, the Gross Domestic Product (GDP) increased by ₹ 10,000 crore. The depreciation on capital goods was ₹ 2,000 crore and National savings at the end of year is ₹ 15,000 crore. Additionally, country invested ₹ 8,000 crore in new capital goods industries."

In the light of above text, categorise the items as 'stock' or 'flow' variables with valid arguments.

4

OR

(B) The value of Nominal Gross National Product (GNP) of an economy was ₹ 2,500 crore in a particular year. The value of Gross National Product (GNP) of that country during the same year, estimated at the prices of base year was ₹ 3,000 crore.

$\frac{2500 \times 100}{3000}$

(i) Estimate the value of Gross National Product (GNP) deflator (in percentage).

(ii) "The price level has risen between the base year and the year under consideration."

Defend or refute the statement with suitable argument.

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15. Read the following text carefully :

"The Reserve Bank of India (RBI) announced a 50 basis point Repo Rate cut to 5.50% from 6%."

In the light of the given text and common understanding, answer the following questions :

337

(i) Identify the economic issue indicated in the above text.

(ii) Explain the likely causes and consequences of this step of RBI on the economy.

1

3

16. (A) (I) Calculate the value of Ex-ante Aggregate Demand (AD), if autonomous investment and consumption expenditure (A) = ₹ 50 crore; and Marginal Propensity to Save (MPS) is 0.2 and level of income is ₹ 300 crore.

3

(II) "If an economy is facing fall in inventories below the desired level, its often leads to a decrease in Aggregate Demand." Defend or refute the given statement with valid arguments.

3

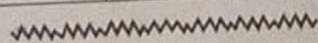
OR

(B) (I) Complete the following table :

$\frac{1}{2} \times 6 = 3$

$\frac{1}{2} \times 6 = 3$

Situation	Change in Investment (ΔI)	Change in Income (ΔY)	Marginal Propensity to Consume (MPC)	Investments Multiplier (K)
(a)	100	(i) 400	0.75	(ii) 4
(b)	(iii) 200	1000	(iv) 0.8	5
(c)	500	(v) 1000	0.5	(vi) 2



(II) Identify the monetary measure being referred to each of the following and discuss whether the tool would be used during a situation of excess demand or deficient demand.

- (i) Buying government securities (G-Sec) from public. 1½
- (ii) Discourage commercial banks to park their surplus funds with the Reserve Bank of India (RBI). 1½

17. Read the following text carefully :

The government has allocated ₹ 15.27 lakh crore for major sectors, ranging from defence to rural development to social welfare to commerce and so on. Government expenditure goes to paying states' share of taxes and duties. Around 19% is spent on interest payments and 16% on central sector schemes, with subsidies, pension and other payments contributing 19%. Government revenue is divided between borrowings and other liabilities, which account for massive 27% of the incoming cash, Income tax revenue of around 19% Goods and Services Taxes (GST) and other taxes of around 18%; Corporation taxes account for around 17%.

The next highest provision on this list is ₹ 2.66 lakh crore for rural development. This will include expenditure on rural infrastructure project and increased outlay for the popular MGNREGA scheme.

On the basis of given text and common understanding, answer the following questions :

- (i) Identify the major sources of government revenue and state what percentage does each one of them contribute. 3
- (ii) Discuss the need to allocate funds among different sectors of the economy. 3

SECTION - B
(Indian Economic Development)

18. Education provides _____. 1
(Choose the correct option to fill in the blank)

- (i) Scientific advancements
- (ii) Facilitate inventions and innovations
- (iii) Adapting to new technology

Options :

- (A) (i) and (ii)
- (B) (i) and (iii)
- (C) (ii) and (iii)
- (D) (i), (ii) and (iii)

19. China adopted _____ strategy in which farmers and industries bought and sold certain quantities at government fixed prices, while remaining transactions occurred at market prices. 1

(Choose the correct option to fill in the blank)

Options :

- (A) Dual Pricing•
- (B) Special Economic Zones
- (C) Great Proletarian Cultural Revolution
- (D) Great Leap Forward

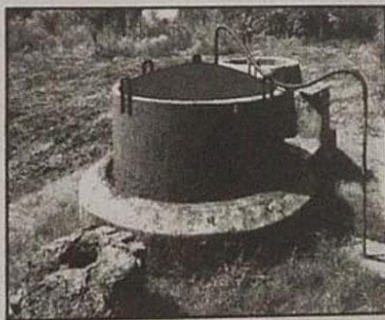
20. Read the following statements carefully : 1

Statement 1 : The option for producing off-season crops are quite restricted in organic farming.

Statement 2 : Organic agriculture helps in substituting costlier agricultural inputs with locally produced organic inputs.

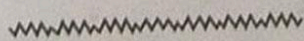
In the light of the above statements, choose the correct option from the following :

- (A) Statement 1 is true and Statement 2 is false.
 - (B) Statement 1 is false and Statement 2 is true.
 - (C) Both statements 1 and 2 are true.
 - (D) Both statements 1 and 2 are false.
21. Identify that strategy given in the image that can be utilised for sustainable development. 1



Options :

- (A) Non-conventional source of energy
- (B) Wind power
- (C) CNG in urban areas
- (D) Gobar Gas in rural areas.



Note : The following question is for the Visually Impaired Candidates only in lieu of Q. No. 21.



If a nation fails to enforce the regulations of the Montreal Protocol, the likely long term environmental and biological consequence of this will be _____ (Choose the correct alternative) 1

- (i) Rapid deforestation
- (ii) Increased possibility of skin cancer
- (iii) Greenhouse effect causing rise in global temperature
- (iv) Possibility of acid rain

Options :

- (A) Only (i)
- (B) (ii), (iii) and (iv)
- (C) (i) and (iv)
- (D) (i) and (iii)

22. Growth of rural economy depends primarily on infusion of _____ to realise higher productivity in agricultural and non-agricultural sectors. (Choose the correct option to fill in the blank) 1

- (A) Capital
- (B) Road Construction
- (C) Green status.
- (D) Outsourcing

23. From the types of unemployment/employment given in Column-I and corresponding features given in Column-II, choose the correct pair : 1

	Column - I		Column - II
(i)	Disguised Unemployment	(a)	Concentrated to a given season
(ii)	Seasonal Unemployment	(b)	Marginal productivity is zero
(iii)	Indirect employment by government	(c)	Indian Railways
(iv)	Direct employment by government	(d)	Indian Oil Corporation (IOC)

Options :

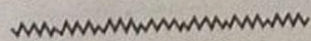
- (A) (i) - (a)
- (B) (ii) - (b)
- (C) ~~(iii) - (c)~~
- (D) (iv) - (d)

24. _____ estimates India's national and per capita income during the colonial era was considered very significant.

(Choose the correct option to fill in the blank) 1

Options :

- (A) William Digby
- (B) V.K.R.V. Rao
- (C) Findlay Shirras
- (D) R.C. Desai



25. The steep Indian education pyramid indicates _____.



1

(Choose the correct option to fill in the blank)

Options :

- (A) equal distribution of students across all levels
- (B) increase in number of people reaching higher education
- (C) low unemployment among educated youth
- (D) few/less number of people reaching higher education

26. Read the following statements – Assertion (A) and Reason (R). Choose the correct option from those given below :

1

Assertion (A) : The dynamic sub-sectors like agro-processing industries, food processing industries, etc. have potential to create alternative employment opportunities.

Reason (R) : Men usually seek non-farm jobs, but recently, women have also started looking for such jobs.

Options :

- (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.

27. "In the formative stages of reforms development of credit markets, administrative intervention in interest rates is both necessary and desirable."

Identify the sector under which the aforesaid reform was introduced.

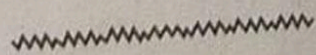
(Choose the correct option) 1

Options :

- (A) Tax reforms
- (B) Industrial sector reforms
- (C) Financial sector reforms
- (D) Foreign sector reforms

28. Describe how Pakistan has formulated and implemented its early developmental strategies to foster economic growth.

3

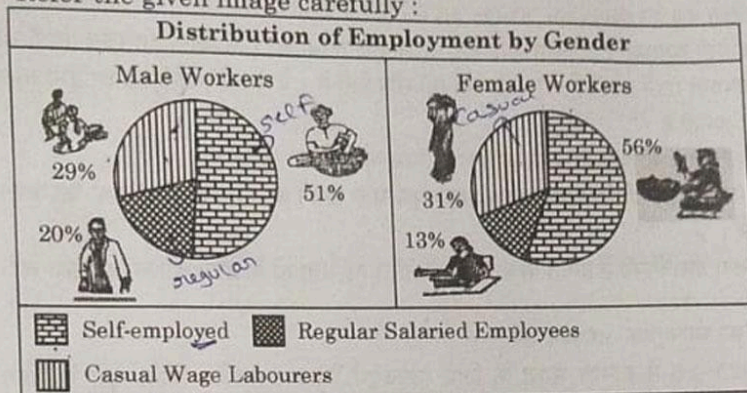


29. (A) Distinguish between formal and informal sector of employment with the help of suitable examples. 3

OR

- (B) Discuss the long term implications of increased demand for environmental resources exceeding their natural regenerative capacity. 3

30. (a) Refer the given image carefully : 3



Compare and analyse the distribution of work force with respect to gender.

Note: The following question is for the Visually Impaired Candidates only in lieu of Q. No. 30(a).

“Compared to 1970’s, there has hardly been any change in the distribution of workforce across various industries.”

Defend or refute the above statement with valid explanation. 3

- (b) State the meaning of worker-population ratio. 1

31. (A) “The Restrictive policies under the colonial government adversely affected the structure, composition and volume of India’s foreign trade.” 4

Justify the above statement with valid explanation.

OR

- (B) Explain the main objectives and impacts of land settlement policies implemented under the British government rule. 4

32. (i) Discuss the ‘One Child Policy’ adopted by China. 3
 (ii) State the meaning of ‘Commune System’. 1

P.T.O.

38. (A) Read the following text carefully and answer the questions given below :

"This organisation replaced General Agreement on Trade and Tariff (GATT) as global trade organisation."

- (i) Identify the organisation which is known as the successor of GATT. 1
- (ii) In which year was this new organisation established ? 1
- (iii) Explain any two objective of the new organisation. 4

OR

(B) Read the following text carefully and answer the questions given below :

"It is an arrangement in which a firm hires some specialized firm(s) to carry out some of its activities (which were earlier being performed by itself). These service hirings could be from local / international markets."

- (i) Identify the indicated outcome of the globalisation process. 1
- (ii) State any two factors responsible for making India as an important source of these activities. 2
- (iii) Explain examples of services that have expanded due to advancements in information technology. 3

34. Read the following text carefully :

The Union Budget 2025-26 proposed a significant package for rural India allocating ₹ 1.88 lakh crore to drive comprehensive development. The budget emphasises on boosting employment, women employment, education and infrastructure in rural areas, reflecting the governments' commitment for a stronger, self-reliant rural economy. The extension of Jal-Jeevan Mission until 2028, with focus on achieving 100% rural water supply coverage and enhancing infrastructure maintenance.

Broadband connectivity is set to expand under the Bharatnet project, providing internet access to all rural government secondary schools and primary health care centres.)

Also, the budget highlights major rural schemes like the Pradhan Mantri Gram Sadak Yojana which has provided all-weather roads to rural areas.

The Pradhan Mantri Grameen Awaas Yojana, which has delivered housing to economically weaker sections. The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) continues to secure rural livelihoods with an allocation of ₹ 86,000 crore in FY 2024-25.

On the basis of the above text and common understanding, answer the following questions :

- (i) Explain the significance of rural development. 2
- (ii) Discuss any two policies initiated by government of India for rural development. 4