2019
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. Define business cycle. **1**

2. Define factor income. **1**

3. Name the two types of money. **1**

4. Define personal income. **1**

5. What is legal reserve ratio? **1**

6. What is a deficit budget? **1**

7. Give meaning of composition of trade. **1**

8. Who prepares Human Development Index at the international level? **1**

9. What was the birth rate in India in 1951? **1**

10. What is the meaning of inclusive growth? **1**

11. Explain any one central problem of macroeconomics. **2**

12. Distinguish between consumption goods and capital goods. **2**

13. What is easy fiscal policy and when is it adopted? **2**

14. State any two problems created by fragmentation of land holdings. **2**

15. What influences quality of life? **2**

16. Explain briefly any two objectives of government budgeting. **4**

17. Explain any two limitations of GDP as an indicator of welfare. **4**

18. Distinguish between indirect tax and subsidy. Give one example of each. **4**

19. Explain the changes initiated in foreign trade policy after 1991. **4**

20. Explain the two steps taken towards privatization in India after 1991. **4**

21. Define absolute poverty. Explain any two measures taken to reduce poverty in India. **1+3=4**

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

22. Explain the steps taken in estimating national income by the income distribution method.

23. Explain any three precautions required to be taken in estimating national income by the final expenditure method.

24. Explain any three functions of a central bank.

25. Explain any three expansionary monetary policy tools.

26. Explain Say's Law of Markets.

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

27. Explain any three long-term objectives of planning in India.

28. Make a comparative study of GDP in India and China.

29. Analyse the position of unemployment in India and China.

30. **a.** Explain "AD=AS" approach of the modern theory of income determination with the help of a diagram.

Or **8**

b. Explain the saving function. Show graphically its derivation from the consumption function.

31. **a.** Explain the functions and weaknesses of PACS.

Or **8**

b. Explain the steps taken to check pollution in India.

****