

CBT Question paper with answers for the Month of July 2023

Subject: Economics

Class: XII

1. Non-Resident Indians (NRIs) will soon be able to make payments in Unified Payments Interface (UPI) without having to get an Indian mobile number.

The National Payments Corporation of India (NPCI) has allowed NRIs in 10 countries to digitally transfer funds using in UPI platforms from NRE/NRO accounts.

As per news, deposits receive from NRIs to their families in India will be considered as

Answer B is Correct because

When NRI send the money to their family member without taking any kind of goods or services it will be defined as transfer income.

Read the following hypothetical text and answer the questions 2 to 5. The budget estimate of total spending for 2021-22 is rupees 34.83 lakh crore. The revised Estimate (RE) for total central spending in 2020-21 is rupees 34.5 lakh crore. The gross Domestic Product (GDP) deflator –if one takes 14.4% normal GDP growth projection for 2021-22 given in the budget and 11% real GDP forecast given in the latest economic survey comes to 3.4%.

The means that central spending should have increased to at least rupees 35.7 crore to keep it unchanged in real terms. The fact that it has not happened Implies that the 2021-22 budget entails a negative fiscal stimulus to the economy.

To be sure, one could argue that 2020-21 was an abnormal year-and, therefore , the government is justified in rolling back its welfare spending push, as the economy gets unlocked and vaccination gains momentum.

2. With the rise in real national income, the economic welfare of the people.....

Answer A is correct because

When real income of the people rises welfare is also rises, calculation of real income is done on the base price.

3. If GDP Deflator = 125 , nominal GDP = rupees 15,000 crores then real GDP is equal to (fill up the correct answer)

Answer c is correct because

GDP Deflator

Answer C 12000

4. Assertion (A): Real GDP is always equal to nominal GDP.

Reason (R): Real GDP is a better measure to make periodic comparison in the physical output of goods and services over different years.

Select the correct alternative from the following

d) Assertion (A) is false and reason (R) is true

5. National income computed at constant prices is also referred to as

b) real national income

6. Post-independence, India has always focused to become a self-sufficient or a self-reliant nation. This goal in the present Modi-era has been termed as

(c) Atmanirbhar Bharat

Read the following case study and answer the given questions. 7 to 10

The performance of Indian economy during the period of first seven five year plans (1950-1990) was satisfactory if not very impressive. On the eve of independence, India was an industrially backward country, but during this period of first seven plans our industries became far more diversified, with the stress being laid on the public investments in the industrial sector. The policy of import substitution led to protection of the domestic industries against the foreign producers but we failed to promote a strong export surplus. Although public sector expended to a large extent but it could not bring desired level of improvement in the secondary sector. Excessive government regulations prevented the natural trajectory of growth of entrepreneurship as there was no competition, no innovation and no modernization on the front of the industrial sector.

Many public sector undertakings (PSUs) incurred huge losses due to operational inefficiencies, red tapism, poor technology and other similar reasons. These PSUs even continued to function because it was difficult to close a government undertaking even if it is a drain on country's limited resources. On the agricultural front, due to the measures taken under the Green Revolution, India more or less became self-sufficient in the production of food grains. So the need for reforms of economic policy was widely felt in the context of changing global economic scenario to achieve desired growth in the country.

7. Which of the following was not a reason for the public sector to play a major role in the initial phase of Indian economic planning?

(c) The market was big enough to encourage private industrialists for investments.

8. Inward looking trade policy aimed at

(a) Substituting imports with domestic production.

9. Mechanization of the Indian agriculture was one of the cause of Green Revolution in India. The given statement is

(a) True

10. **Assertion:** (A) Many public sector undertaking incurred huge losses due to operational inefficiencies.

Reason: (R) Red tapism was one of the reasons for continuation of such enterprises.

(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)