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BHOPAL REGION

भोपाल संभाग



COMPENCY BASED QUESTIONS

CLASS XII – ECONOMICS

**दक्षता आधारित प्रश्न
कक्षा – XII (अर्थशास्त्र)**

Part A

Introductory Macroeconomics

National Income and Related Aggregates

Q.1 Statement 1: Money received from the sale of second-hand goods will be considered while calculation National Income.

Statement 2: Their value is already included and they do not contribute to current flow of goods and services.

Choose the correct option from the following.

- a. Both the statements are true.
- b. Both the statements are false
- c. Statement-1 is true but Statement-2 is false
- d. Statement-1 is false but Statement-2 is true

Ans. D. Statement-1 is false but Statement-2 is true

2. Assertion (A): Domestic income is equal to National Income in case of a closed economy.

Reason (R): Closed economy has no economic relationship with rest of the world.

Choose the correct option from the following.

- 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 and Reason (R) is not the correct explanation of Assertion (A).
- c. Assertion (A) is true but Reason (R) is false
- e. Assertion (A) is false but Reason (R) is true

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

3. Reeta's Mother is a teacher. She also teaches Reeta. How will you treat this act of teaching Reeta while calculating National Income and Domestic Income?

- a. It will be included in the National Income but not in Domestic Income
- b. It will not be included in the National Income but in Domestic Income
- c. It will be included both in the National Income and Domestic Income
- d. It will neither be included in the National Income and nor in Domestic Income

Ans. d. It will neither be included in the National Income and nor in Domestic Income

4. The difference between indirect tax and subsidy is known as _____.

- (a) Net Factor Income from Abroad
- (b) Capital Consumption Allowances
- (c) Depreciation
- (d) Net Indirect Taxa

Ans. (d) Net Indirect Taxa

5. Assertion (A): The stock variable does not have a time dimension.

Reason (R): The stock variable is measured over a period of time.

Choose the correct option from the following.

- 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 and Reason (R) is not the correct explanation of Assertion (A).
- c. Assertion (A) is true but Reason (R) is false

Assertion (A) is false but Reason (R) is true

Ans.c. Assertion (A) is true but Reason ® is false

Q.6 Read the following statements- Assertion (A) and Reason (R)

Assertion (A) Car purchased by taxi driver is to use a taxi is a consumer good

Reason (R) Consumer good are those which directly satisfying the wants of consumers

Select the correct alternative from the following:

- A) Both Assertion and Reason are true and Reason is the correct explanation of assertion
- B) Both Assertion and Reason are true and Reason is not the correct explananation of assertion
- C) Assertion is true but Reason is false
- D) Assertion is false but Reason is true

7. Mohan is a farmer. He produces wheat and sells for Rs 750 to a miller who grinds it into flour and sells it to baker for Rs 1360. The baker sells bread to the consumers for Rs 1795. Calculate the value of total value added.

- a)750
- b)1350
- c)1795
- d)3900

Ans.c)1795

8. Read the following statements and choose the correct alternatives among those given below:

Statement 1: Gross investment includes only inventory investment.

Statement 2: Gross investment shows net addition to the existing capital stock.

Alternatives:

(i) Both the statements are true

(ii) Both the statements are false

(iii) Statement 1 is true and statement 2 is false

(iv) Statement 2 is true and statement 1 is false

Ans. (ii) Both the statements are false

9. Value added method measures the contribution of which of the following within the domestic territory of a country?

(a) Household consumers

(b) The producing enterprises owned by residents of the country

(c) The producing enterprises owned by the non-residents of the country

(d) Both (b) and (c)

Ans. (d) Both (b) and (c)

10 Expenditure methods focuses on measurement of national income at:

(a) Phase of production of goods and services

(b) Phase of income distribution

(c) Phase of income disposition

(d) all the above

Ans. © Phase of income disposition

11. Read the statements carefully and choose the correct alternative among those given below:

Alternatives:

(a) Both the statements are true

(b) Both the statements are false

(c) Statement 1 is true and Statement 2 is false

(d) Statement 2 is true and Statement 1 is false

Statement 1 : Value added includes the value of intermediate goods used in production.

Statement 2 : Contribution to provident fund by the employers is included in the national income.

Ans (d) Statement 2 is true and Statement 1 is false

12. Assertion and Reasoning

The following questions statement Assertion (A) is. followed by a statement of Reason (R).

Assertion (A) : Leisure-time activity does not contribute to GDP.

Reason (R) : It does not involve rendering of any factor service.

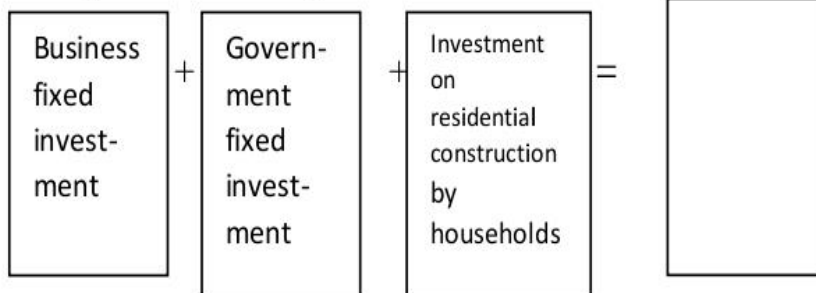
Choose the Correct alternative among those given below:

- (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 and 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

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

13.

Draw/picture based questions



On the basis of the above chart answer the following question:

- (a) Gross domestic capital formation
- (b) Gross domestic fixed capital formation
- (c) Final consumption expenditure
- (d) None of these

Ans. (b) Gross domestic fixed capital formation

Money and Banking

14. If the total deposits created by commercial banks is Rs 10000 crores and LRR is 40% then amount of initial deposits will be__

- a)Rs 2000 crore b)Rs 3000 crore
- c)Rs 4000 crore d)Rs 14000 crore

Ans. C)Rs 4000 crore

15. In the COVID-19 times Indian Economy have been Experiencing the deflationary shocks many small and medium scale industries closed Many

Economists opined that without support (availability of chief credit) from

government and monetary authority it is difficult to revive Suppose you are a member of the high powered committee constituted by the Reserve Bank of India (RBI).

You have suggested that the Repo rate should be _____ (reduced / increased) (Choose the correct alternative).

Ans. Reduced

16. Assertion (A): Money supply is a flow concept.

Reason (R): Money Supply always measured at a particular point of time.

Choose the correct option from the following.

(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 and Reason (R) is the not 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

Ans.(d) Assertion (A) is false but Reason ® is true

17. Assertion (A)- Credit creation process increases the money supply in economy.

Reason (R)- Through the credit creation process commercial banks can distribute loans many times as compare to their primary deposits.

Choose the correct option from the following.

(a) Both (A) & (R) both are true and (R) is correct explanation of (A)

(b) Both (A) & (R) both are true and (R) is not correct explanation of (A)

(c) (A) is true but (R) is false

(d) (A) is false but (R) is true

Ans.(a) Both (A) & ® both are true and ® is correct explanation of (A)

18. Demand deposit include...

(a) Saving account deposits and fixed deposits

(b) Saving account deposits and current account deposits

(c) Current account deposits and fixed deposits

(d) All types of deposits

Ans.(c) Saving account deposits and current account deposits

19. Assertion(A): The Central Bank is also known as the bank of issue.

Reason(R): The Central Bank enjoys the sole monopoly of issuing

currency to ensure control over volume of currency and money supply.

Choose the correct option from the following.

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

(b) Both Assertion(A) and Reason(R) are true and Reason(R) is not the correct explanation of the Assertion(A)

(c) Assertion(A) is true but Reason(R) is false

Assertion(A) is false but Reason(R) is true

Ans.(a) Both Assertion(A) and Reason® are true and Reason® is the Correct explanation of the Assertion(A)

20.Ms. Sakshi, an economics teacher, was explaining the concept of 'minimum percentage of the total deposits to be kept by any commercial bank with the Central Bank of the country, as per norms and statute prevailing in the country'. From the following, choose the correct alternative which specifies towards the concept explained by her?

a) Cash Reserve Ratio

b) Repo Rate

c) Bank Rate

d) Statutory Liquidity Ratio

Ans a) Cash Reserve Ratio

21. Which of the following deposits are also known as chequeable deposits?

a) Savings account deposits.

b) Demand deposits.

c) Fixed account deposits.

d) Current account deposits.

Ans.b) Demand deposits.

22. If the reserve ratio is 20%, what will be the amount of total reserves after an initial deposit of ₹200?

a) 4,000.

b) 2,00

c) 1,000.

d) 400.

Ans. B

Government Budget

23. "In the Annual Budget 2023-24, the Government of India set up disinvestment targets of 65,000 crore". Such proceeds from disinvestment can be classified as..... receipts in the Government Budget as it leads to..... of the Government. (Choose the correct alternative)

- (a) capital, decrease in assets
- (b) revenue, increase in assets
- (c) capital, increase in liabilities
- (d) revenue, decrease in liabilities

Ans. (a) capital, decrease in assets

24. If primary deficit is 3500 and interest payment is 500, then fiscal deficit is

- a) 2900.
- b) 4000
- c) 4100
- d) 4200

Ans. B) 4000

25. Under Ujjwala Yojana, the Government of India is providing free LPG kitchen gas connections to the families living 'below the poverty line'. Identify the objective that the government is trying to fulfil here.

- (a) Allocation of resources
- (b) Reducing distribution of income inequalities
- (c) Economic growth
- (d) Financial stability

Ans. b) Reducing distribution of income inequalities

Q. 26 Read the following statements - Assertion (A) and Reason (R): Choose the correct alternative among those given the below:

Assertion: High Fiscal deficit throws a country into the debt trap and enhances foreign dependence.

Reason: Fiscal discipline of any country establishes the credibility of country's creditworthiness.

Choose the correct option from the following.

- (a) Both A and R are true and R is the correct explanation of A.
- (b) Both A and R are true but R is not the correct explanation of A.
- (c) A is true but R is false.
- (d) A is false but R is true.

Ans. (a) Both A and R are true and R is the correct explanation of A.

27. According to 'Pradhan Mantri Garib Kalyan Anna Yojana': During the period May-November 2021, more than 1.35 crore people will be provided 5 kg free wheat/rice per person/month along with 1 kg

free whole chana to each family per month to safeguard the interest of poor section during Covid-19 pandemic. Which objective does the government aim to satisfy with this?

- (a) Economic Stability
- (b) Reallocation of Resources
- (c) Economic Growth
- (d) Reducing inequalities in income and wealth

Ans.(d) Reducing inequalities in income and wealth

28. Assertion (A): Expenditure on food subsidy in the budget is entered under capital expenditure head.

Reason (R): This expenditure neither created assets nor reduce the liabilities of the government.

- a) Both assertion A and R are true, and R is the correct explanation of A
- b) Both assertion A and R are true, and R is not the correct explanation of A
- c) A is true but R is false.
- d) A is false but R is true

Ans. d. A is false, but R is true

29 A large fiscal deficit implies _____

- a) Very small savings
- b) Investment
- c) Borrowing requirement
- d) No borrowing

Ans. c) Borrowing requirement

30. Assertion (A):Through the changes in expenditure & taxes, government bring economic stability.

Reasoning(R): In case of deflation, the government can give tax concession or increase expenditure to leave more disposable income in the hands of the people. In case of inflation, government can reduce its expenditure or increase in tax rate.

Choose the correct option from the following.

- a) Both Assertion (A) and Reason (R) are true, (R) is correct explanation of (A).
- b) Both Assertion (A) and Reason (R) are true but (R) is not correct explanation of (A).
- c) Assertion (A) is true and Reason (R) is false.
- d) Assertion (A) is false and Reason (R) is true.

Ans. a) Both Assertion (A) and Reason (R) are true, (R) is correct explanation of (A)

The Balance of Payments & The Foreign Exchange rate

31. Assertion (A): Purchase of second-hand machinery from abroad is not recorded in balance of payment.

Reason (R): Sale and purchase of second-hand goods from abroad are not included in the estimation of national income.

- (A) Both Assertion and reason are true and reason is correct explanation of assertion.
- (B) Assertion and reason both are true but reason is not the correct explanation of assertion.
- (C) Assertion is true, reason is false.
- (D) Assertion is false, reason is true

Ans. (D) Assertion is false, reason is true

32. Assertion (A): Increased lending abroad are recorded on the debit side of the capital account.

Reason (R): Lending affect the assets and liabilities of the economy and involves outflow of income.

- (A) Both Assertion and reason are true and reason is correct explanation of assertion.
- (B) Assertion and reason both are true but reason is not the correct explanation of assertion.
- (C) Assertion is true, reason is false.
- (D) Assertion is false, reason is true

Ans.A) Both Assertion and reason are true and reason is correct explanation of assertion.

33.Assertion (A): All transactions recorded in Balance of Payment are autonomous transactions.

Reason (R): Autonomous transactions are recorded in both current and capital account of BoP.

- (A) Both Assertion and reason are true and reason is correct explanation of assertion.
- (B) Assertion and reason both are true but reason is not the correct explanation of assertion.
- (C) Assertion is true, reason is false.
- (D) Assertion is false, reason is true

Ans. (D) Assertion is false, reason is true

34.Assertion: When there is a trade deficit and current account deficit, there will always be BoP deficit.

Reason: When there is a trade deficit and current account deficit but a capital account surplus(i.e.,net capital inflow),there may be Balanced BoP or BoP surplus.

- (A) Both Assertion and reason are true and reason is correct explanation of assertion.
- (B) Assertion and reason both are true but reason is not the correct explanation of assertion.
- (C) Assertion is true, reason is false.
- (D) Assertion is false, reason is true

Ans. (D) Assertion is false, reason is true

35. Assertion(A). Difference between value of exports and imports of goods and services is called trade balance.

Reason(R), Trade balance is the difference between value of exports of goods and imports of goods only. It does not include exports and imports of services.

Ans.d. Result of depreciation

41.BOP is measured as:

- a) difference between visible items of exports and imports
- (b) difference between invisible items of exports and imports
- (c) difference between the external and internal flow of gold
- (d) difference between all receipts of foreign exchange and payments of foreign exchange

Ans. d) difference between all receipts of foreign exchange and payments of foreign exchange

42. In which of the following categories are the transactions of the balance of trade recorded?

- (a) Visible items
- (b) Invisible items
- (c) Capital transfers
- (d) All of these ASSESSMENT OBJECTIVE

Ans. (a) Visible items

43.India has attracted a total FDI inflow of 22.53 billion US dollars between April 21 to June 2021. this transaction will be recorded on.....side of..... account of BOP.

- (a) Debit, current
- (b) credit, current
- (c)Credit, Capital
- (d) Debit, Capital

Ans. c)Credit, Capital

44. Balance of payments is in disequilibrium when:

- (a) current account balance + capital account balance is not equal to zero
- (b) current account balance + capital account balance is some positive number
- (c) current account balance + capital account balance is some negative number
- (d) all of these

Ans.(d) all of these

DETRMINATION OF INCOME AND EMPLOYMENT

Multiple Choice Questions

Q.1 which of the following fact is correct about MPC?

- a) Value of MPC varies between 0 and 1

- b) MPC of poor is more than that of rich
- c) MPC falls with successive increase in income
- d) All of these

Ans. D

Q.2 .If investment falls to zero, national income does not fall to zero because of:

- a) Autonomous consumption
- b) Induced investment
- c) Autonomous investment
- d) Multiplier

Ans. A

Q.3 The maximum value of multiplier is _____ when the value of MPC is _____

- a) Infinity zero
- b) Infinity one
- c) One infinity
- d) None of these

Ans. D

Q.4 Investment which is independent of the level of income is called:

- A. autonomous investment
- B. induced investment
- C. fixed investment
- D. inventory investment

Ans. A

Q.5 The slope of S-line is indicated by:

- A. MPC
- B. MPS
- C. $1 - MPC$
- D. both second and third option

Ans. B

Q.6 The size of the multiplier varies:

- (a) Directly with the size of the MPC
- (b) Inversely with the size of MPC
- (c) Proportionately with the size of the MPC

(d) Slowly with the size of the MPC

Ans. A

Q.7 When aggregate demand > aggregate supply, inventories

(a) Fall

(b) Rise

(c) Do not change

(d) First fall, then rise

Ans. A

Q.8 Is equal to the difference between 'AD beyond full employment and AD at full employment'.

a) Recession

b) Inflationary gap

c) \deflationary gap

d) None of these

Ans. B

Q.9 What is the value of MPC, when $MPS = 0$?

a) 0

b) 4

c) 3

d) 1

Ans. D

Q.10 The gap by which actual aggregate demand exceeds the aggregate Demand required to establish full employment equilibrium is known as_____.

a) Deficit demand

b) Deflationary gap

c) Inflation gap

d) Excess demand

Ans. C

Q.11 Deficit demand indicates

a) Under employment equilibrium

b) Over full employment equilibrium

c) Full employment equilibrium

d) None of these

Ans. A

Q.12 Which of the following is a reason for surplus demand?

(a) Increase in Public Expenditure

(b) Increase in Money Supply

(c) Fall in Taxes

(d) All the above

Ans. D

Q.13 If Marginal propensity to save (MPS) is 0.25 and initial change in investment is ₹ 250 crores. Then the final change in income would be.

(a) ₹ 1000 crores

(b) ₹ 1200 crores

(c) ₹ 5000 crores

(d) ₹ 4000 crores

Ans. A

Q.14 If the value of average propensity to consume (A PC) is. 0.8 and national income is.₹ 5000 crores. The value of saving will be.

(a) ₹ 1000 crores

(b) ₹ 800 crores

(c) ₹ 600 crores

(d) ₹ 500 crores

Ans. A

Q.15 In determination of equilibrium level of income by AD–AS approach, AD is represented by:

(a) C + S

(b) C + I

(c) S + I

(d) C +Y

Ans. B

Q.16 In an economy, MPC = 0.75. As a result of multiplier mechanism, national income increased by `300 crore caused by an additional investment of

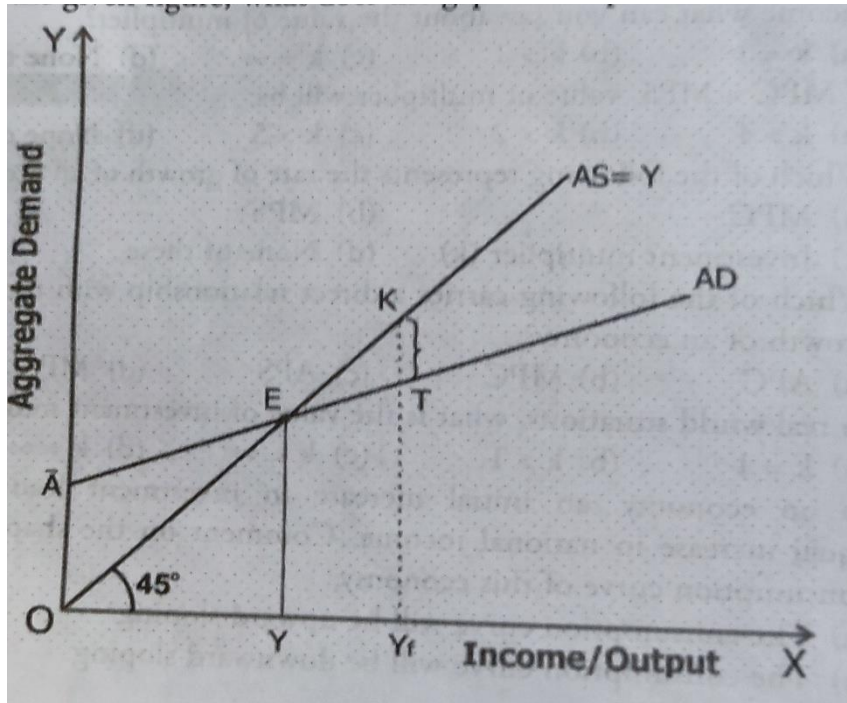
(a) 400 crore

(b) 225 crore

(c) 1200 crore

(d) 75 crore

Ans. D



Q.17 In the given figure, what does the gap 'KT' represent.

- (a) A situation of Deficit demand.
- (b) A situation of Excess demand.
- (c) Full employment equilibrium.
- (d) None of these.

Ans. A

Q.18 A fiscal policy measure to combat deflationary gap is (Choose the correct alternative)

- (a) Increase in tax rates
- (b) Increase in government expenditure
- (c) Increase in price level
- (d) Decrease in government expenditure

Ans. B

Statement/ Assertion Reasoning Type

Q. 19 Statement I : In an economy, the consumption curve is parallel to X axis. The value of investment multiplier will be zero.

Statement II : In an economy, the saving curve is parallel to X axis, the value of Investment multiplier will be infinity.

- (a) Both the statements are true.
- (b) Both the statements are false.
- (c) Statement I is true, Statement II is false.
- (d) Statement II is true, Statement I is false.

Ans. D

Q. 20 Statement I : Marginal requirement is rise by the central bank to control the situation of excess demand.

Statement II To reduce inflation, The Centre Bank should reduce Case Reserve ratio CRR

- (a) Both the statements are true.
- (b) Both the statements are false.
- (c) Statement I is true, Statement II is false.
- (d) Statement II is true, Statement I is false.

Ans. C

Q.21 Statement I : Break- even point is the point at which the level of consumption is equal to the income.

Statement II : When the consumption curve lies below the 45 degree line $APC < 1$.

- a) Both the statements are true.
- (b) Both the statements are false.
- (c) Statement I is true, Statement II is false.
- (d) Statement II is true, Statement I is false.

Ans. A

Q.22 Statement I : APC can not be negative.

Statement II : The sum of the APC and MPC is always equal to one.

- (a) Both the statements are true.
- (b) Both the statements are false.
- (c) Statement I is true, Statement II is false.
- (d) Statement II is true, Statement I is false.

Ans. B

Q.23 ASSERTION (A): Full employment is that situation in the economy when $AS = AD$ along with fuller utilization of the resources. But it does not mean a situation of zero unemployment in the Economy.

REASONING (R): Full employment means absence of unemployment in the economy.

Alternatives:

(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 and 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

Ans. C

Q.24 Assertion: The rate at which consumption increases often lags behind the rate at which Y increases.

Reason: There is always some minimum level of consumption, even when income is zero

(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 and 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.

Ans. B

Q.25 Assertion: Value of Marginal Propensity to consume cannot be greater than one.

Reason: Change in the consumption cannot be more than the total income.

(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 and 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

Ans. C

Q.26 Assertion (A): Higher the value of Marginal Propensity to Consume, higher the value of multiplier and more chances of economic growth and increase in National Income. This happens when marginal propensity to save falls and marginal propensity to consume rises.

Reason(R): Investment generates income and this additional income causes a change in consumption. Additional consumption expenditure generates additional income for

producers of goods and services. This process keeps repeating till the total increase in

income equals the product of multiplier and change in investment: $\Delta Y = K \times \Delta I$

(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 and 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.

Ans. A

Q.27 Assertion (A) During deflationary gap, actual aggregate demand is more than potential aggregate demand to maintain full employment.

Reason(R) Recession in an economy leads to fall in demand as compared with supply.

Alternatives:

(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 and 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.

Ans. D

Q.28 Assertion (A) Deflationary gaps reflect presence of unemployment in an economy.

Reason(R) Full employment doesn't ensure zero unemployment during a period of time.

Alternatives:

(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 and 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.

Ans. B

Q.29 Assertion (A) Excess demand refers to the situation when aggregate demand is in excess of aggregate supply corresponding to full employment in the economy i.e., $AD > AS$, corresponding to full employment.

Reason(R) To correct inflationary gap, Bank rate, Repo rate, Reverse Repo rate and legal reserve ratio is increased by the Central Bank to reduce supply of money so that purchasing power of people can be curtailed and inflationary gap can be controlled.

Alternatives:

- (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 and 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.

Ans. B

Q.30 Assertion (A) Fiscal policy refers to the budgetary policy of the government with a view to correct the situation of excess demand or deficient demand.

Reason(R) Government uses low Bank rate to control excess supply of money.

Alternatives:

- (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 and 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.

Ans.A

Q.31 Assertion (A) Deficient demand leads to fall in output.

Reason(R) Due to fall in investment and employment in the economy, the output also tends to fall.

Alternatives:

- (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 and 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.

Ans. C

Q.32 Assertion: In a situation of excess demand at the full employment level, there is inflation in the economy.

Reason: At the full employment level, even if there is more demand for goods and service, the output cannot be increased.

Alternatives:

- (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 and 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.

Ans. A

The Reserve Bank of India said on Monday that the second wave of the COVID-19 pandemic in India has had a bigger impact on aggregate demand than on aggregate supply, and it believes the economic slowdown was not as severe as a year ago.

The biggest toll of the second wave is in terms of a demand shock - loss of mobility, discretionary spending and employment, besides inventory accumulation, while the aggregate supply is less impacted, the Reserve Bank of India said in its monthly bulletin. RBI said the impact of the second wave is appearing to be U-shaped with agriculture and technology forming the shoulders of the letter U and most vulnerable being blue collar groups (manual work or workers, particularly in industry) and these will warrant a priority in policy interventions.

Source: The Economic Times (17 May 2021.)

Q33: If $AD < AS$, what will the impact of the situation in an economy?

- (a) Decrease in inventories, income, employment and general price level
- (b) Increase in inventories, income, employment and general price level
- (c) Decrease in income, output, employment and general price level
- (d) No change in output but increase in employment and general price level

Ans. C

Q34: Which of the following is a reason of demotivation for induced investment?

- (a) High aggregate demand
- (b) Availability of labour at low wages
- (c) Easy availability of finance facilities
- (d) Loan on high interest rate

Ans.D

Q.35 $AD < AS$ will cause a situation of:

- (a) Deflation (b) Inflation (c) Over employment (d) None of these

Ans. A

Q.36 Aggregate Demand = Consumption + _____.

(a) Supply (b) Investment (c) Saving (d) Expenditure

Ans. B

Q.37 If the equilibrium level of output is more than the full employment level, this situation is called the situation of _____. (Fill in the blank)

Ans. excess demand

Q.38 If the equilibrium level of output is less than the full employment level, this situation is called the situation of _____. (Fill in the blank)

Ans. Deficit demand

Q.39 There is unemployment or underemployment in the economy in a situation of _____ (inflationary gap/deflationary gap)

Ans. deflationary gap

Q.40 Identify the correct sequence of alternatives given in Column II by matching them with respective items in Column I:

Column I	Column II
(a) Full employment equilibrium	(i) Inflationary gap in the economy
(b) Structural unemployment	(ii) Underemployment equilibrium
(c) Excess of demand	(iii) Pursued by the central bank of a country
(d) Shortage of demand	(iv) Change in the technique of production
(e) Monetary policy	(v) No excess capacity

(a) (a)-(v), (b)-(iv), (c)-(i), (d)-(ii), (e)-(iii)

(b) (a)-(iii), (b)-(iv), (c)-(ii), (d)-(i), (e)-(v)

(c) (a)-(i), (b)-(iv), (c)-(v), (d)-(iii), (e)-(ii)

(d) (a)-(iv), (b)-(v), (c)-(i), (d)-(ii), (e)-(iii)

Ans. A

Part B

Indian Economic Development

Indian Economy on the Eve of independence

CASE STUDY BASED QUESTIONS

Read the following hypothetical text and answer the given questions: -

Before colonial period, India was exporting manufactured goods which enjoyed worldwide demand. Under the colonial rule, India was reduced to a supplier of raw

materials like jute, cotton, indigo, wool, sugar etc. and importer of finished consumer goods like silk and woolen clothes and light machinery manufactured in the factories of Britain. Additionally, the opening of Suez Canal intensified this control of Britishers over Indian foreign trade. The remaining volume of foreign trade was allowed with a handful of countries namely China, Ceylon (Sri Lanka) and Persia (Iran). Interestingly, even this trade was heavily monitored by the colonials. As a matter of fact, there was a large generation of export surplus under the British Raj. India was a large exporter in the colonial period. However, it did not affect the country's economy. Commodities like food grains, cloths, kerosene hit the country hard with its scarcity. Ironically, this export

surplus never made its way to India.

1. The opening of Suez Canal served as a direct route for ship operating between:

- a) India and America
- b) India and Sri Lanka
- c) India and Pakistan
- d) India and Britain

2. "The export surplus was used for the welfare of Indian Industry." a) True b) False

3. (A): India became an exporter of primary products and an importer of finished consumer and capital goods produced in Britain.

(R): Restrictive policies of commodity production, trade and tariff structure, composition and volume of India's foreign trade.

- 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 and 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

4. Which country had the maximum control over India foreign trade during colonial period.

- a) America
- b) China

c) Ceylon

d) Britain

1 (d) India and Britain

2 (b) False

3 (a) is correct answer

4. d) Britain

Export surplus refers to

(a) Value of export > value of import

(b) Value of export < value of import

(c) Value of export = value of import

(d) None of these

3 Wealth drain is associated with

(a) R C Desai

(b) Dadabhai Naoroji

(c) V V K R V Rao

(d) William Digdy

4 Estimation of National Income by ----- is considered most significant.

(a) R C Desai (b) Dadabhai Naoroji (c) V V K R V Rao (d) William Digdy

5 First official census in India was conducted in :

(a) 1871 (b) 1881 (c) 1891 (d) 1981

6 Demography is related to

(a) Study of infants

(b) Study of adults

(c) Study of women

(d) Study of population

7 Which of the following is not an economic infrastructure ?

(a) Energy

(b) Transportation

(c) Housing

(d) Communication

8 What is the second stage of demographic transition in India ?

(a) High birth rate and high death rate

- (b) Low birth rate and low death rate
- (c) High birth rate and low death rate
- (d) Low birth rate and high death rate

9 Why is the year 1921 called the year of great divide ?

- (a) Population started increasing at an alarming rate
- (b) Population started increasing at an increasing rate
- (c) Population started increasing
- (d) None of these

10 Which of the followings is/are positive contribution of Britishers I India ?

- (a) Railway (b) Monetary exchange (c) Administrative system (d) All of these

11 Commercial farming refers to :

- (a) Farming for self consumption
- (b) Farming for exports
- (c) Farming for selling purpose
- (d) None of these

12 Social infrastructure includes :

- (a) Health
- (b) Housing
- (c) Education
- (d) All of these

13 The infant mortality rate is the number of infant deaths for every ----- live births.

- (a) 100 (b) 1000 (c) 10,000 (d) 1,00,000

14 The objective of the Britishers to turn India a

- (a) Dependent economy (b) Independent economy (c) feeder economy (d) none of these

15 Which sector dominated Indian economy during British rule in India ?

- (a) Primary sector (b) Secondary Sector (c) Tertiary sector (d) organized sector

16 Which industry suffered a major setback during the British rule?

- A)Cement
- B)Iron and Steel
- C)Handicraft
- D)Paper

17 The Tata Iron and Steel Company was established in:-

A) 1857

B) 1907

C) 1921

D) 1951

2. (a) 3. (b) 4. (c) 5. (b) 6. (d) 7. (c) 8. (c) 9. (c) 10. (d)

11. (c) 12. (d) 13. (b) 14. (c) 15. (a) 16- (C) 17- (B)

ASSERTION- REASON QUESTIONS

1 Read the following statements-Assertion (A) and Reason (R) . Choose one of the correct alternatives given

below.

Assertion (A) : The Britishers turned India a feeder economy for the industries in Britain .

Reason (R) : The Britishers wanted rapid industrialization in Britain.

Alternatives:

(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 and 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

2 Read the following statements-Assertion (A) and Reason (R) . Choose one of the correct alternatives given

below.

Assertion (A) : The infant mortality rate was very high in India on the eve of independence.

Reason (R) : The Britishers did not develop medical facilities in India.

Alternatives:

(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 and 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 Read the following statements-Assertion (A) and Reason (R) . Choose one of the correct alternatives given below.

Assertion (A) : The TISCO was incorporated in 1907.

Reason (R) :The Britishers agreed to purchase steel from TISCO.

Alternatives

(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 and 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

4 Read the following statements-Assertion (A) and Reason (R) . Choose one of the correct alternatives given below.

Assertion (A) : The British government established a monopoly control over India's foreign trade.

Reason (R) :The opening of Suez canal did not act as a determinant to promote trade with Britain.

Alternatives:

(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 and 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

1.(a) 2. (a) 3. (b) 4. (c)

CHAPTER-2-INDIAN ECONOMY 1950-1990

ASSERTION- REASON QUESTIONS

Sl.No. QuestionAssertion(A)& Reasons

1 Assertion: Capitalist economy has the motive of profit maximization.

Reason: Capitalist economy has no intervention of Government.

(A) Both Assertion and reason are true and reason is correct explanation of assertion.

(B) Assertion and reason both are true but reason is not the correct explanation of assertion.

(C) Assertion is true, reason is false.

(D) Assertion is false, reason is true.

2 Assertion: Tax incentives are provided to foreign investors which further reduced the

scope for raising tax revenues.

Reason: This has a negative impact on developmental and welfare expenditures of the country.

(A) Both Assertion and reason are true and reason is correct explanation of assertion.

(B) Assertion and reason both are true but reason is not the correct explanation of assertion.

(C) Assertion is true, reason is false.

(D) Assertion is false, reason is true.

3 Assertion: The government borrows only from banks to finance the deficit caused.

Reason: Deficit is caused when expenditure is more than income.

(A) Both Assertion and reason are true and reason is correct explanation of assertion.

(B) Assertion and reason both are true but reason is not the correct explanation of assertion.

(C) Assertion is true, reason is false.

(D) Assertion is false, reason is true.

4 Assertion: Just a year after independence, efforts towards land reforms were introduced.

Reason: Ownership of land would give incentives to the tillers to invest in making improvements.

(A) Both Assertion and reason are true and reason is correct explanation of assertion.

(B) Assertion and reason both are true but reason is not the correct explanation of assertion.

(C) Assertion is true, reason is false.

(D) Assertion is false, reason is true.

5 Assertion: Industrial Policy Resolution of 1956 was adopted, in accordance with the goal of the state controlling the commanding heights of the economy

Reason : System of licences was used for all the industries after the IPR 1956.

(A) Both Assertion and reason are true and reason is correct explanation of assertion.

(B) Assertion and reason both are true but reason is not the correct explanation of assertion.

(C) Assertion is true, reason is false.

(D) Assertion is false, reason is true.

Ans. 1.B, 2.B,3.D, 4.A, 5.c

TRUE FALSE QUESTIONS

1 The President of India was the chairman of planning commission of india.

(A) True

(B) False

2 The rise in the industry's share of GDP is an important indicator of development.

(A) True

(B) False

3 Modernisation is the process of replacing the outdated technology in place of the old one.

(A) True

(B) False

4 In 1950 a small -scale industrial unit was one which invested a maximum of rupees five lakh.

(A) True

(B) False

5 Land ceiling was a policy to promote equity in the agricultural sector.

(A) True

(B) False

Q.No Answer

1 B-False

2 A-TRUE

3 B-False

4 A-TRUE

5 A-True

CHAPTER-3-LIBERALISATION, PRIVATISATION AND GLOBALISATION –AN APPRAISAL

ASSERTION- REASON QUESTIONS

1. Assertion (A) Fiscal deficit leads to price spiral.

Reason (R) Often, the fiscal deficit is financed by the government by way of borrowing from the RBI. It leads to increase in the supply of money in the economy. Other things remaining constant, higher the supply of money, higher is the price spira

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 and 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) are is true.

2. Assertion (A) The current account BOP deficit often leads to borrowing from rest of the world.

Reason (R) : Current account BOP deficit often leads to borrowing .There are two principals sources of finding the current account BOP deficit: (i) Borrowing from rest of the world, and (ii) Foreign investment in the domestic economy, including (a) FDI (foreign direct investment), and (b) FII(foreign institutional investment). Of these two sources, foreign investment is volatile (uncertain) owing to volatility (uncertainty) of the domestic market .Accordingly, the government often relies on borrowing from rest of the world.

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 and 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) are is true.

3. Assertion (A) Disinvestment is a compulsion for the government to tackle budgetary deficit.

Reason (R): Disinvestment is not a compulsion for the government to tackle budgetary deficit. The fact of the matter is that the government resorts to disinvestment (selling shares of public enterprises to private entrepreneurs) only when the public sector enterprises are found to be breeding centres of in efficiency and corruption. Of course, once disinvestment is done it helps the government to manage budgetary deficit.

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 and 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) are is true.

4. Assertion (A) :FDI leads to economic colonialism.

Reason (R):FDI leads to economic colonialism. Because FDI implies ownership and management of the domestic enterprises by the foreign companies. Higher FDI leads to higher economic control of the foreign

companies in the domestic market. This is what economic colonialism implies.

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 and 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) are is true.

Assertion (A). Indian economy has become a more vibrant economy.

Reason (R): Overall level of economic activity has trended up as indicated by GDP growth. Post LPG policies, the growth of GDP shot up to as high as 8 per cent per annum

- 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, and 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) are true.

6. .ASSERTION(A) : INDIA HAS BECOME A FAVOURABLE DESTINATION OF OUTSOURCHING FOR MOST OF THE MNCs.

REASON(R): INDIA WAS VAST SKILLED AND CHEAP MANPOWER WHICH ENHANCES THE FAITH OF MNCs FOR INVESTMENT IN INDIA.

- 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, and 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) are true.

7.Assertion(A): Due to Globalisation, a country cannot achieve self- sufficiency in food production.

Reasoning (R): Globalisation has created a revolution in IT sector.

- a. Both Assertion (A) and Reason(R) are true, and Reason (R) is the correct explanation ofAssertion (A).
- b. Both Assertion (A) and Reason(R) are true, and Reason(R) is not the correct explanationof Assertion (A).
- c. Assertion (A) is true, but Reason (R) is false.
- d. Assertion (A) is false but Reason(R) are true.

8.Assertion (A) Agriculture sector experienced an increase in growth during the reform period.

Reason (R) Decline in public investment and removal of fertilizer subsidy adversely affected the status of agriculture.

- a. Both Assertion (A) and Reason(R) are true, and Reason (R) is the correct explanation ofAssertion (A).
- b. Both Assertion (A) and Reason(R) are true, and 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) are true.

9.Assertion (A) As an immediate measure to resolve the financial crisis. India devalued its currency in 1991.

Reason (R) This allowed India to meet its import bill and resolve the BoP deficit.

- 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, and 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) are true.

10.Assertion (A) Selling off part of the equity of PSUs to the public is called disinvestment.

Reason (R) Disinvestment raises resources for the budget in order to reduce the fiscal deficit and provide

funds for modernisation of PSUs.

- 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, and 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) are true.

ANSWER SECTION

1- a 2- a 3- d 4-a 5- a 6-a 7-b 8-d 9-a 10-a

CASE STUDY BASED QUESTIONS

Economic reforms were compelled due to international pressure of the situation post balance of payment crisis of 1991 and a large number of issues such as higher inflation rates, poverty, health care, and faster growth of GDP were dealt with as a result of economic reforms. Inefficiency in the public sector was reduced and motivated private sector. As a result of this policy, NRI's gained confidence and started remittances in the country. IT/ITES companies boomed and resulted in creation of large employment of population in the service sector. Contribution of service sector in GDP increased rapidly. Reforms were successful in taking out economy from Payment Crisis and gave positive direction for overall economic growth. In past few years, fourth generation reforms are being taking place like, creation of Monetary Policy Committee, implementation of Insolvency and Bankruptcy Code, implementation of Goods and Service Tax have addressed a number of pressing concerns. Macroeconomic stability of India in this context is a testament to this. However, many issues still require Appropriate resolutions.

1. _____ trade agreements refer to trade agreements of one country with the other.

(a) Bilateral (b) Multilateral (c) Free (d) Framework

2. Which of the following is not a strategy to influence the process of globalisation of the Indian economy?

(a) Increase in equity limit of foreign investment

(b) Partial convertibility of Indian rupee

(c) Withdrawal of quantitative restrictions

(d) None of these

3. Which among the following is not a good effect of LPG policy on India economy?

(a) Increase in consumer sovereignty

(b) Check on inflation

(c) Full employment

(d) A shift from monopoly market to competitive market

4. _____ refers to disintegration of the economy into traditional and modern Sectors of production.

(a) Substance dualism.

(b) Social dualism

(c) Economic dualism

d) Property dualism

1-:a

2.- d

3.-C

4-c

CHAPTER-5-HUMAN CAPITAL FORMATION

ASSERTION- REASON QUESTIONS

1 Read the following statements - Assertion (A) and Reason (R):

Assertion (A) –Expenditure on migration is a source of human capital formation.

Reason(R) –Migration to other countries involves cost of transportation from one place to another and higher cost of living in the migrated places.

From the given alternatives choose the correct one:

Alternatives:

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 and 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.

2 Read the following statements - Assertion (A) and Reason (R):

Assertion (A) – There is no depreciation of human capital like physical capital.

Reason(R) – Investment is required to maintain efficiency of human capital.

From the given alternatives choose the correct one:

Alternatives:

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 and 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 Read the following statements - Assertion (A) and Reason (R):

Assertion (A) – Education contributes to economic growth.

Reason(R) - Education confers higher earning capacity on people. From the given alternatives choose the correct one:

Alternatives:

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 and 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.

4 Read the following statements - Assertion (A) and Reason (R):

Assertion (A) – Spread of education is necessary to control the population growth rate.

Reason(R) –Modernisation, gender equality and social awareness has deep impact on the mind set of people.

From the given alternatives choose the correct one:

Alternatives:

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 and 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.

Read the following statements - Assertion (A) and Reason (R):

Assertion (A)-Human capital formation is required for effective use of physical capital.

Reason(R) – Formation of human capital raises life expectancy of the people.

From the given alternatives choose the correct one:

Alternatives:

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 and 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.

6 Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A): Education on migration is the source of human capital formation.

Reason (R): Migration to other countries involves the cost of production from one place to another and the higher cost of living on the migrated place.

(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 and 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.

7 Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A): Spread of education is necessary to control the population growth rate.

Reason (R): Human capital formation decreases quality of life.

(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 and 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.

8 Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A): Educated person is able to generate more income

Reason (R): The labour skill of an educated person is more than that of an uneducated person.

(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 and 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

9 Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A): Human Capital Formation is required for effective use of physical capital

Reason (R): Formation of human capital raises life expectancy of the people.

(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 and 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

ANSWER

1-B 2-A 3-A 4-A 5-B 6-B 7-C 8-A 9-B 10-D

CASE STUDY BASED QUESTIONS

1 Human capital is a key factor for growth, development, and competitiveness. More so in recent times, within the modern context of development, human capital forms the base of economic growth. This link works through multiple pathways at the individual, firm and national level. Learning and skill building provide people with livelihoods, an opportunity to contribute to their societies. They also contribute vitally to the formation of one's meaning and identity in life. Technological and corporate innovation can only be fostered, in a decentralized manner, by a skilled talent pool. This puts an onus on many developing countries that, at the various levels, equality of opportunity in education and employment is necessary. Necessary as a skilled and educated population doesn't just contribute to economic development but also

towards positive social and political outcomes. That is why developing human capital is often vital to develop countries with increasing working population.

But before we delve further, it becomes important to define the human capital.

1. Economic growth of a country depends on ____

- a) Physical capital
- b) Human capital
- c) Both A and B
- d) Govt. political policies

2. What is the main centre idea emphasised in above case study.

- a) The growing importance of technical institutions.
- b) The growing importance of Human Capital
- c) The growing physical changes in World
- d) None of these

3. Why do we need to invest in human capital _____

- a) Increase income
- b) Effective use of physical capital
- c) Increase productive capacity
- d) Both B and C

4. Before introducing to new technology, a firm provides basic skills to the workers for its usage. This source of Human capital is called _____

- a) Study programmes for workers
- b) On job training
- c) Expenditure on information
- d) Investment in education

1-C

2-B

3-D

4-B

MULTIPLE CHOICE QUESTIONS

1 In Indian economy for the first time which five year plan considered Human Resources Development an essential aspect for development strategy?

- a) 3rd five year plan

- b) 5th five year plan
- c) 7th five year plan
- d) 10th five year plan

2 What does AICTE stand for?

- a) All India Council for Technology Education
- b) All India Council for Technical Education
- c) All India Commission for Technology Education
- d) All India Commission for Technical Education

3 Human capital is called an investment that brings:

- a) Qualitative improvement in labour
- b) Quantitative improvement in labour
- c) Both
- d) None

4 Human capital and Human Development are_____.

- a) Opposite concepts
- b) Different concepts
- c) Related concepts
- d) Both means are same

5 adversely affect the quality of human capital

- a) High growth rate of population
- b) High growth rate of employment
- c) Deficient manpower planning
- d) Both A and C

6 human capital refers to the stock of *

- a) Wealth
- b) Assets
- c) Expertise
- d) All of above

7 People generally, do in search of jobs which give them higher salaries than that they may get in their native places.

- a) Invest
- b) Work

c) Think

d) Migrate

1-C 2-B 3-C 4-C 5-D

CHAPTER-6-RURAL DEVELOPMENT

Since ages, farmers in India borrow to finance their debts. In the earlier times, it was done by informal sources but now with the help of the government, formal sector has actively come into picture. Farmers borrow not only to meet their investment needs but also to satisfy their personal needs. Farmers faced uncertainty of income due to factors like crop failure caused by irregular rainfall, reduction in ground water table, pest attack etc. These reasons push them into the clutches of the private moneylenders, who charge exorbitant rates of interest which add to their miseries. Various governments in India, at different times for different reasons, introduced debt waiver schemes. These schemes are used by governments as a quick means to extricate farmers from their indebtedness, helping to restore their capacity to invest and produce, in short to lessen the miseries of the farmers across India. The cost and benefits of such debt relief schemes are, however, a widely debated topic among the economists. Some economists argue that such schemes are extremely beneficial to the poor and marginalized farmers while others argue that these schemes add to the fiscal burden of the government, others believe that these schemes may develop the expectation of repeated bailouts among farmers which may spoil the credit culture among farmers.

1. Uncertainty of farmers in India is majorly caused by.....

- a. Irregular rainfall
- b. Unavailability of loans
- c. Lack of skills
- d. None of the above

2. Some economists argue that debt waiver schemes are extremely beneficial to the poor and Marginalized farmers, as these schemes reduce the burden of

- a. Indebtedness
- b. Personal expenditure
- c. Debt of technical education & training
- d. All of the above

3. The rural banking structure in India consists of a set of multi-agency institutions. Which of The following is expected to dispense credit at cheaper rates for agricultural purposes to Farmers?

- a. SIDBI
- b. FICCI
- c. RRBs
- d. DEA

4..... is the most prominent body responsible for providing loans for long-term land development.

- a. SIDBI
- b. FICCI
- c. RRBs
- d. Land Development Banks (LDBs)

1-A

2-A

3-C

4-D

Assertion (A): NABARD was set up in 1982 to coordinate the activities of all institutions involved in rural financing system.

Reason (R): Commercial banks and other financial institutions have failed to develop a culture of deposit mobilization. Choose the correct option for below given questions

- 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 and 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.

2 Assertion (A): IT can play a critical role in achieving sustainable development and food security in 21st century.

Reason (R): Farmers are very keen to learn computer.

Choose the correct option for below given questions

- 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 and 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 Assertion (A): The SHGs promote thrift in small proportions by a minimum contribution from each member. .

Reason (R): Macro credit refers to credit and other financial services provided to the poor through SHG s.

Choose the correct option for below given questions

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 and 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.

4 Assertion (A): The diversification has a positive impact on the agriculture sector.

Reason (R): As it can disseminate formation regarding emerging Technologies and its applications, prices, weather and soil conditions for growing different crops etc.

Alternatives:

(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 and Reason (R) is not 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

5 Assertion (A): The yields from organic farming are more than modern agricultural farming.

Reason (R): The yields from organic farming are less than modern agricultural farming in the initial years.

Alternatives:

(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 and Reason (R) is not 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

1-B 2-C 3-C 4-A 5-D

CHAPTER-7-EMPLOYMENT: GROWTH, INFORMALISATION AND OTHER ISSUES

ASSERTION- REASON QUESTIONS

1 Assertion (A): lesser women are found in regular salaried employment.

Reason (R): Regular salaried employment do not require skills and high level of literacy.

A. 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 and 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.

2 Assertion (A): Madhya Pradesh govt. implemented 'Jeevan Shakti Yojana '

Reason (R): It is implemented to increase the employment opportunities of women

entrepreneurs in urban areas of the state. A. 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 and 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 Assertion(A): More proportion of male workforce employed in primary sector as compared to proportion of female workforce.

Reason (R): Male workforce get opportunities in both secondary and service sector.

A. 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 and 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.

4 Read the following statements - Assertion (A) and Reason (R)

Assertion (A)- Urban unemployment is a spillover of rural unemployment.

Reason (R) –Owing to the lack of opportunities of employment people in the rural areas are compelled to migrate to the urban areas in search of livelihood. From the given alternatives choose the correct one:

Alternatives:

(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 and 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.

5 Read the following statements - Assertion (A) and Reason (R)

Assertion (A) –Economic activity implies only production activity.

Reason (R) –Economic activity relates to the use of scarce resource.

From the given alternatives choose the correct one:

Alternatives:

(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 and 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.

6 Read the following statements - Assertion (A) and Reason (R)

Assertion (A)- There are several examples in the rural areas of India where there are more workers in the family but gross income of the family is low.

Reason (R)- Disguised unemployment lowers efficient productivity. From the given alternatives choose the correct one:

Alternatives:

(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 and 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.

7 Read the following statements - Assertion (A) and Reason (R)

Assertion (A) - Many programmes that the governments implement, aimed at alleviating poverty, are through employment generation

Reason (R) - All these programmes aim at providing not only employment but also services in areas such as primary health, primary education, rural drinking water, nutrition, assistance for people to buy income and employment generating assets, development of community assets by generating wage employment, construction of houses and sanitation, assistance for constructing houses, laying of rural roads, development of wastelands/ degraded lands. From the given alternatives choose the correct one:

Alternatives:

(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 and 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.

ANSWER

Q.No. Answer

1. C

2. A

3. D

4 A

5 D

6 B

7 A

8 B

9 (D)

10 (A)

ANSWER

CASE STUDY BASED QUESTIONS

Ahmedabad is a prosperous city with its wealth based on the produce of more than 60 textile mills with a labour force of 1,50,000 workers employed in them. These workers had, over the course of the century, acquired a certain degree of income security. They had secure jobs with a living wage; they were covered by social security schemes protecting their health and old age. They had a strong trade union which not only represented them in disputes but also ran activities for the welfare of workers and their families. In the early 1980s, textile mills all over the country began to close down. In some places, such as Mumbai, the mills closed rapidly. In Ahmedabad, the process of closure was long drawn out and spread over 10 years. Over this period, approximately over 80,000 permanent workers and over 50,000 non-permanent workers lost their jobs and were driven to the informal sector. The city experienced an economic recession and public disturbances, especially communal riots. A whole class of workers was thrown back from the middle class into the informal sector, into poverty. There was widespread alcoholism and suicides, children were withdrawn from school and sent to work. Source: RenanaJhabvala, Ratna M. Sudarshan and JeemolUnni (Ed.) Informal Economy at Centre Stage: New Structures of Employment, Sage Publications, New Delhi, 2003, pp.

A Informal workers: (choose the correct alternative)

(a) Work in factories

(b) Work in government department

(c) Do not get social security benefits

(d) Form trade unions

B Read the following statement Assertion (A) and Reason (R)

Assertion (A)-It is necessary to create employment in the formal sector than in the informal sector.

Reason (R) –Workers of the formal sector enjoy social security benefits and also they remain protected by the labour laws which is not the case in the informal sector. From the given alternatives choose the correct one:

Alternatives:

- (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 and 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.

C Read the following statements Assertion (A) and Reason (R)

Assertion (A) -Informal worker generally form the labour union.

Reason(R)- The informal sectors do not give regular income and don't have any protection and follow any regulation of the government. From the given alternatives choose the correct one:

Alternative:

- (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 and 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

D _____ of a workforce refers to a situation whereby the proportion of workforce in the informal sector to total work force increases. (Fill in the blanks)

- A) C
- .(B) A
- (C) D
- (D) Informalisation

TRUE AND FALSE QUESTIONS

Sl.No. Question

1 All those worker working in public sector establishment & private sector establishment which employ 15 hired workers or more are treated as informal workers

- A)True
- B)False

2 An arrangement in which a worker uses his own resources to make a living, is known as wage employment.

A) True

B) False

3 Worker population ratio is calculated by dividing the total number of worker in India by the population in India and multiplying it by 100.

A) True

B) False

4 In the past few decades tertiary sector has created maximum job opportunities in India.

A) True

B) False

5 Which of the following statement is false?

(a) Hired workers are those who work for others and are not self –employed.

(b) Workforce refers to that part of the labour force which is actually employed.

(c) Number of Unemployed Persons = Workforce – Labour force.

(d) High priority for education implies low priority for jobs at an early age.

6 Which of the following statement is true in context of Informal Sector?

(a) Workers and enterprises in the informal sector do not get regular income.

(b) Workers are dismissed without any compensation.

(c) Technology used in the informal sector enterprises is outdated, they also do not maintain any accounts.

(d) All of these.

7 Which of the following statement is not true for a worker?

(A) A worker contributes to the GDP.

(B) Workers may temporarily abstain from work due to illness.

(C) Self-employed are not workers.

(D) Those who help the main workers are also workers.

8 Whether is the following is the true or a false statement regarding employment generation by government. Through various schemes and policies, the government takes initiatives to generate employment directly and indirectly.

9 Low level of education along with poverty is the principal reason why women look for sustainable jobs at early age in rural areas.

A) True

B) False

10 Secondary sectors is taking a lead over tertiary sector as a source of employment in urban areas.

A) True

B) False

11 Formal sector workers are highly vulnerable to uncertainties of the market.

A) True

B) False

12 India with the help of United Nations Development Programme is working towards providing social security benefits to informal sector workers.

A) True

B) False

13. Disguised unemployment mostly visible in urban India.

A) True

B) False

14. Frictional unemployment is temporary in nature.

A) True

B) False

Q.No. Answer

1. False

2. False

3. True

4. True

5. C

6. D

7. C

8. TRUE

9 True

10 False

11 False

12 False

13 FALSE

14 TRUE

CHAPTER –9-SUSTAINABLE ECONOMIC DEVELOPMENT

CASE STUDY BASED QUESTIONS:

SI. No. Read the passage given below and answer the following questions.

1. The concept of sustainable development does not suggest delimiting the process of growth and development. Sustainable development only suggests a judicious or optimum utilisation of resources and in a manner such that the pace of economic growth is sustained without challenging the ability of the future generations to grow and prosper.

(Source : NCERT)

1(a).Statement 1 –Sustainable development means using the resources wisely.

Statement 2 –Sustainable development indicates optimum use of resources.

(A) Both the statements are true.

(B) Both the statements are false.

(C) Statement 1 is true and Statement 2 is false

(D) Statement 2 is true and Statement 1 is false

1(b). According to the given text sustainable development does not limit the process of :

a) Growth & underdevelopment.

b) Development & underdevelopment.

c) Only development

d) Both growth and development.

2 Environmental degradation owes a great deal to supply-demand reversal of resources over a period of time prior to industrialisation when the pace of life was slow demand for natural resources did not exceed their supply. Due to rapid industrialisation, there has been an exponential growth in demand for natural resources leading to their overuse as well as misuse and supply of resources has suffered a reversal.

(Source: NCERT)

2(a).Statement 1 –There is a positive relationship between demand and supply.

Statement 2 –Now a days the demand for natural resources are less.

(A) Both the statements are true.

(B) Both the statements are false.

(C) Statement 1 is true and Statement 2 is false

(D) Statement 2 is true and Statement 1 is false

2(b).The correct meaning of exponential is:

(A) Becoming less rapid.

(B) Becoming more rapid.

(C) Growing at a slow pace.

(D) None of the above.

Q.No. Answer

1.a (A)

1.b (D)

2.a (B)

2.b (B)

TRUE AND FALSE QUESTIONS

Sl.No. Question

1 Statement 1: Environment includes total planetary inheritance of all resources.

Statement 2: Environment includes both biotic and abiotic factors.

A) Both the statements are true.

B) Both the statements are false.

C) Statement 1 is true and Statement 2 is false

D) Statement 2 is true and Statement 1 is false

2 Statement 1: Biotic factors consist of non living things.

Statement 2: Biotic factors consist of living things.

A) Both the statements are true.

B) Both the statements are false.

C) Statement 1 is true and Statement 2 is false .

D) Statement 2 is true and Statement 1 is false.

3 Statement 1: The concept of sustainable development was given by UNCED.

Statement 2: The concept of sustainable development was also given by United Nations

A) Both the statements are true.

B) Both the statements are false.

C) Statement 1 is true and Statement 2 is false .

D) Statement 2 is true and Statement 1 is false.

4 Statement 1: Sustainable development increases economic welfare.

Statement 2: Sustainable development encourage Input-efficient technology.

A) Both the statements are true.

B) Both the statements are false.

C) Statement 1 is true and Statement 2 is false.

D) Statement 2 is true and Statement 1 is false.

5 Sustainable development requires the use of input-efficient technology.

6 Expanding consumption activity is the principal cause of environmental degradation in India.

7 Multi-purpose River Projects like Damodar Valley Project contributes towards development of social forestry

8 In recent years, India is taking efforts to increase the power generation through thermal energy.

Q.No. Answer

1 A

2 D

3 C

4 A

5 True

6 False

7 False

8 False

1. Choose the correct alternative showing chronological order of the following events.

1. One child policy
2. Economic reforms in Pakistan
3. New economic policy in India
4. Commune system in agriculture in China

Alternatives –

A. 2, 4, 3, 1

B. 4, 2, 1, 3

C. 3, 4, 1, 2

D. 4, 1, 2, 3

2. "Between 1966-76, Mao introduced this movement under which professionals and students were asked to work and learn from real life situations in the countryside of China". Identify the correct alternative for the statement.

(i) Commune system

(ii) Great Leap Forward

(iii) Open door policy

(iv) Great Proletarian Cultural Revolution

3. From the set of events given in column I and corresponding facts given in column II choose the correct pair of statement.

Col I

Col II

(i) Human development index A. Highest in China

(ii) Fertility rate B. Highest in China

(iii) Density of population C. Highest in China

Growth rate of population D. Highest in China

Alternatives –

a. (i) --- A

b. (ii) --- B

c. (iii) --- C

d. (iv) --- D

4. Assertion (A): - The aim of Great Leap Forward Campaign initiated in China was to transform agrarian economy into a modern economy through rapid industrialisation.

Reason (R): - Under Great Leap Forward Campaign, students and professionals were sent to work and learn from the countryside.

(A) Both Assertion and Reason are true and reason is correct explanation of Assertion.

(B) Both Assertion and Reason are true and reason is not correct explanation of Assertion.

(C) Assertion is true, Reason is false.

(D) Assertion is false, Reason is true.

5. Assertion (A): - Dual Pricing policy was initiated in the reform process of China.

Reason (R): - In order to attract foreign investors, SEZ was set up.

(A) Both Assertion and Reason are true and reason is correct explanation of Assertion.

(B) Both Assertion and Reason are true and reason is not correct explanation of Assertion.

(C) Assertion is true, Reason is false.

(D) Assertion is false, Reason is true.

6. Assertion (A): - Pakistan economy is much slower or slowdown for a long period of time.

Reason (R): - Pakistan faces political instability, over-dependence on remittances along with volatile performance of agricultural sector.

(A) Both Assertion and Reason are true and reason is correct explanation of Assertion.

(B) Both Assertion and Reason are true and reason is not correct explanation of Assertion.

(C) Assertion is true, Reason is false.

(D) Assertion is false, Reason is true.

7 Assertion (A): - China emerged a leading country of the world in manufacturing.

Reason (R): - In 1958, a programme named 'The Great Leap Forward (GLF)' campaign was initiated by Mao to modernise China's economy.

(A) Both Assertion and Reason are true and reason is correct explanation of Assertion.

(B) Both Assertion and Reason are true and reason is not correct explanation of Assertion.

(C) Assertion is true, Reason is false.

(D) Assertion is false, Reason is true.

8. Assertion and Reason :

Assertion (A): In the late 1970s, China's population growth rate had sharply declined.

Reason (R): one child policy and better health services attributed to the low growth of population in China.

Alternatives –

a. Both assertion and reason are true and reason is the correct explanation of assertion.

b. Both assertion and reason are true and reason is not the correct explanation of assertion.

c. Assertion is true but Reason is false.

d. Assertion is false but Reason is true.

9. "China created Special Economic Zones (SEZs) to push to manufacturing and export

oriented industries. India's SEZs that came up decades later lacked such push and better incentives to attract foreign investors in numbers and size to give China a

competition. India encouraged capital intensive industries that came at a cost of loss of potential employment to millions of job seekers."

As compared to China, India failed to give encouragement to Industrial development due to _____(From the above paragraph choose the correct option)

- a) Capital intensive technique which caused unemployment and poverty
- b) SEZs in India were established decades later than China
- c) Indian SEZs had much better incentives than China to attract foreign investments
- d) Both (a) and (b)

10“Multiple reasons for economic slowdown and re-emergence of poverty in Pakistan may be enumerated.” Identify which of the following might not be one of them.

- i)Rising dependence of foreign loans
- ii)Stable macroeconomic indicators
- iii)Unstable agricultural growth

Alternatives

- a) (i),(ii),(iii) c) (i) and (iii)
- b)(ii) and (iii) d) Only (ii)

11. Identify the correct alternatives for the statement given below.

“Between 1966-76, Mao introduced this movement under which professional and students were asked to work and learn from real life situations in the countryside of China.

- a) Commune system
- b)Great Leap Forward
- c) Open door policy
- d) Great Proletarian cultural revolution

Ans. 1.d, 2.IV, 3.1, 4. C,5. B,6.a, 7.a, 8.a, 9.d, 10.d, 11.d