

- B. Dilution of share in organization corresponds to I. Disinvestment. Disinvestment refers to the act of selling or liquidating assets or shares in a company.
- C. Restriction on trade by taxes corresponds to IV. Tariff Barriers. Tariff barriers are taxes or duties imposed on imported goods, which can restrict international trade.
- D. Rise in the general price level corresponds to II. Inflation. Inflation refers to the sustained increase in the general price level of goods and services in an economy over a period of time.

4. When nation is a borrower from other countries means:
- (1) Trade surplus
 - (2) Deficit in current Account
 - (3) Surplus in current Account
 - (4) Trade Deficit

Ans. Option (2) is correct.

Explanation: The current account is a component of a country's balance of payments and measures the inflow and outflow of goods, services, income, and unilateral transfers between the country and the rest of the world. It consists of trade in goods (exports and imports), trade in services (such as tourism and transportation), income flows (such as wages and investment income), and unilateral transfers (such as foreign aid and remittances). A deficit in the current account occurs when the value of imports of goods, services, and income exceeds the value of exports. In other words, the country is spending more on imports and payments to foreign entities than it is earning from exports and receipts from abroad. This situation often leads to the country needing to borrow from other nations or rely on foreign capital inflows to finance the deficit.

5. "Growth refers to increase in the country's capacity of produce the output of goods and services within the country." Choose the incorrect option from the following in relation to Growth:
- (1) Growth implies a large stock of production capital.
 - (2) Growth implies a large stock of supporting services.
 - (3) Growth implies an equal contribution to GDP by each sector of the economy.
 - (4) Growth implies an increase in efficiency of productive capital and services.

Ans. Option (3) is correct.

Explanation: When discussing economic growth, it does not mean that each sector of the economy will contribute equally to the increase in GDP. In fact, different sectors may experience varying rates of growth or even contraction over time. The contribution of each sector to GDP is influenced by factors such as technological advancements, changes in

consumer demand, government policies, and global economic conditions. Certain sectors, such as manufacturing or services, may experience faster growth due to increased productivity, innovation, or market demand. On the other hand, some sectors may face challenges or decline due to changes in the economy, competition, or shifts in consumer preferences.

6. Match List I with List II:

List - I	List - II
(A) NABARD	(I) Women-oriented community based poverty reduction program
(B) Kudumbashree	(II) Uses the mixed crop-livestock farming system
(C) Animal Husbandry	(III) HYV seeds, chemical fertilizers
(D) Organic farming	(IV) Set up in 1982

Choose the correct answer from the options given below:

- (1) (A)-(IV), (B)-(III), (C)-(II), (D)-(I)
- (2) (A)-(IV), (B)-(I), (C)-(II), (D)-(III)
- (3) (A)-(IV), (B)-(II), (C)-(I), (D)-(III)
- (4) (A)-(III), (B)-(I), (C)-(II), (D)-(IV)

Ans. Option (2) is correct.

Explanation:

- A. NABARD corresponds to IV. Set up in 1982. NABARD (National Bank for Agriculture and Rural Development) is an Indian financial institution that focuses on providing credit and financial support to rural agriculture and rural development.
- B. Kudumbashree corresponds to I. Women-oriented community poverty reduction program. Kudumbashree is a poverty eradication and women empowerment program implemented in the state of Kerala, India. It aims to improve the quality of life of women by organising them into community-based groups and providing support for income-generating activities.
- C. Animal Husbandry corresponds to II. Uses the mixed crop-livestock farming system. Animal husbandry refers to the agricultural practice of raising and breeding livestock, including cattle, sheep, goats, poultry, and other animals. The mixed crop-livestock farming system involves integrating livestock and crop production on the same farm to enhance overall productivity and sustainability.
- D. Organic farming corresponds to III. HYV seeds, chemical fertilizers. Organic farming is an agricultural approach that emphasizes the use of natural methods and avoids the use of synthetic chemicals, pesticides, and genetically modified organisms. It does not rely on high-yield variety (HYV) seeds or chemical fertilizers commonly used in conventional farming.

7. The benefit of organic farming is.
- (1) Limited shelf life
 - (2) Labour intensive
 - (3) Limited off - season crops
 - (4) Marketing issues

Ans. Option (2) is correct.

Explanation:

1. Soil and crop management: Organic farmers focus on maintaining soil health through practices such as composting, mulching, and crop rotation. These activities require hands-on work, such as preparing compost, spreading mulch, and manually tending to crops.
 2. Weed and pest control: Organic farming avoids the use of chemical pesticides, so organic farmers need to employ alternative methods for weed and pest control. This can include manual weeding, using physical barriers, and implementing biological pest control measures, which all require labor-intensive efforts.
 3. Organic certification: To sell products as organic, farmers need to meet specific standards and obtain organic certification. This process involves maintaining detailed records, undergoing inspections, and complying with regulations. It requires additional labor and administrative work to ensure compliance with organic certification requirements.
8. Arrange the following events in proper sequence.
- A. Ultraviolet radiation causes skin cancer
 - B. High levels of chlorine and bromine compounds in the stratosphere
 - C. Fridge brought to the house
 - D. Chlorofluore carbons used as cooling agent
 - E. Depletion of ozone layer

Choose the correct answer from the options given below:

- (1) B, C, D, E, A
- (2) C, D, E, B, A
- (3) C, D, B, E, A
- (4) E, D, C, B, A

Ans. Option (3) is correct.

Explanation:

- C. Fridge brought to the house: This event refers to the introduction of a refrigerator into the house, which is unrelated to the other events in the sequence.
- D. Chlorofluorocarbons used as a cooling agent: Chlorofluorocarbons (CFCs) are synthetic compounds that were commonly used as cooling agents in refrigerators, air conditioners, and aerosol propellants.
- B. High levels of chlorine and bromine compounds in the stratosphere: The release of CFCs into the atmosphere leads to the accumulation of chlorine and bromine compounds in the stratosphere. These compounds are responsible for the depletion of the ozone layer.

E. Depletion of the ozone layer: The accumulation of chlorine and bromine compounds in the stratosphere leads to the depletion of the ozone layer. This thinning of the ozone layer allows more ultraviolet (UV) radiation from the sun to reach the Earth's surface.

A. Ultraviolet radiation causes skin cancer: The increased exposure to UV radiation, resulting from the depletion of the ozone layer, is a risk factor for developing skin cancer.

9. Elasticity of Demand is given by the formula.

- (1) $\frac{Q}{\Delta Q} \times \frac{P}{\Delta P}$
- (2) $\frac{\Delta Q}{Q} \times \frac{P}{\Delta P}$
- (3) $\frac{\Delta P}{P} \times \frac{\Delta Q}{Q}$
- (4) $\frac{\Delta Q}{P} \times \frac{Q}{P}$

Ans. Option (2) is correct.

Explanation: Elasticity of Demand =

$$\frac{\Delta Q}{Q} \times \frac{P}{\Delta P}$$

Where:

ΔQ represents the change in quantity demanded,

Q represents the original quantity demanded,

ΔP represents the change in price, and

P represents the original price.

The formula measures the responsiveness or sensitivity of quantity demanded to changes in price. By calculating the percentage change in quantity demanded divided by the percentage change in price, we can determine whether demand is elastic (greater than 1), inelastic (less than 1), or unitary elastic (equal to 1).

10. $C = 40 + 0.8Y$ and $I = 10$, then what will be the equilibrium level of income?

- (1) - 300
- (2) - 250
- (3) 300
- (4) 250

Ans. Option (4) is correct.

Explanation: To find the equilibrium level of income, we need to set the total spending (aggregate expenditure) equal to the total income in the economy.

In this case, the total spending consists of consumption (C) and investment (I):

$$\text{Total spending} = C + I$$

Given that $C = 40 + 0.8Y$ and $I = 10$, we can substitute these values into the equation:

$$\text{Total spending} = (40 + 0.8Y) + 10 = 50 + 0.8Y$$

To find the equilibrium level of income, we set total spending equal to total income:

$$Y = \text{Total spending}$$

$$\text{Equating the two expressions:}$$

$$Y = 50 + 0.8Y$$

Simplifying the equation:

$$0.2Y = 50, Y = 50 / 0.2, Y = 250$$

Therefore, the equilibrium level of income is 250.

11. Which of the following is not true about the benefits of education?
- (1) Increases skewed income distribution
 - (2) Raises standard and quality of living
 - (3) Increases participation rate
 - (4) Develops mental abilities

Ans. Option (1) is correct.

Explanation: Increases skewed income distribution: Education, particularly higher education, has been associated with greater income opportunities and higher earning potential. However, education also plays a crucial role in reducing income inequality. It provides individuals with knowledge, skills, and qualifications that can help them access better job opportunities and higher-paying professions. Education can empower individuals from disadvantaged backgrounds and contribute to a more equitable society by narrowing the income gap.

12. Disadvantages of casualisation of workforce:
- A. No Paid leave
 - B. No regular income
 - C. No access to training
 - D. Permission to take leave is not required
 - E. Less working hours

Choose the correct answer from the options given below:

- (1) A, C and E only
- (2) B, C and D only
- (3) A, B and C only
- (4) C, D and E only

Ans. Option (3) is correct.

Explanation:

- A. No Paid leave: Casual workers often do not receive paid leave benefits, such as vacation leave or sick leave. They may not have access to paid time off, which can affect their income and work-life balance.
- B. No regular income: Casual workers typically do not have a consistent or stable income. Their work hours and income can fluctuate, making it challenging to predict or plan their finances.
- C. No access to training: Casual workers may not have access to the same training and skill development opportunities as permanent or full-time employees. This can limit their ability to acquire new skills, advance their careers, or adapt to changing job requirements.

13. Match List I with List II:

List -I	List - II
(A) Product will not pass through further transformation	(I) Capital Good
(B) A product used as raw material or input for production	(II) Final Good

(C) The good which enables for production on process	(III) Consumer Good
(D) Goods purchased by ultimate consumer	(IV) Intermediate Goods

Choose the correct answer from the options given below:

- (1) (A)-(III), (B)-(I), (C)-(IV), (D)-(II)
- (2) (A)-(II), (B)-(IV), (C)-(I), (D)-(III)
- (3) (A)-(I), (B)-(III), (C)-(II), (D)-(IV)
- (4) (A)-(IV), (B)-(II), (C)-(III), (D)-(I)

Ans. Option (2) is correct.

Explanation:

- A. "Product will not pass through further transformation" corresponds to II. Final goods are products that are ready for consumption or use by end consumer.
- B. "A product used as raw material or input for production" corresponds to IV. Intermediate goods are products or materials used in production process but do not become part of the final consumer.
- C. "The good which enables for production on process" corresponds to III. Capital Goods. Capital goods are long-lasting goods that are used in the production process to produce other goods and services.
- D. "Goods purchased by the ultimate consumer" corresponds to I. Consumer Goods. Consumer goods are products that are bought and used by individuals for personal consumption.

14. In China a campaign initiated in 1958 aimed at industrialising country on a massive scale. People were encouraged to set up industries in their backyard. This campaign is called.

- (1) Great Show Forward
- (2) Great Dragon Forward
- (3) Great Run Forward
- (4) Great Leap Forward

Ans. Option (4) is correct.

Explanation: The Great Leap Forward was a socio-economic campaign launched by the Chinese Communist Party under the leadership of Mao Zedong. It was introduced with the goal of rapidly transforming China from an agrarian society to an industrialised nation. The campaign emphasized collective farming and the establishment of small-scale backyard industries to boost agricultural and industrial production. However, the Great Leap Forward ultimately resulted in widespread economic and humanitarian crises, including a significant decline in agricultural output, famine, and the loss of millions of lives. The campaign's ambitious targets and policies led to mismanagement, inefficiencies, and unintended consequences, ultimately undermining its intended goals.

15. Arrange the following in order of occurrence.
- Green Revolution
 - Setting up of Planning Commission
 - Resolution which formed on the basis of second Five Year Plan
 - Exchange rate was made fully convertible for Current Accounts
 - Karve Committee

Choose the correct answer from the options given below:

- (1) B, C, E, A, D (2) B, E, C, A, D
(3) B, E, C, D, A (4) B, C, E, D, A

Ans. Option (2) is correct.

Explanation:

B. Setting up of Planning Commission: The Planning Commission was established in India in 1950 to formulate and oversee the country's Five-Year Plans, which aimed at achieving planned economic development.

E. Karve Committee: The Karve Committee, also known as the Rural Credit Survey Committee, was formed in 1951. It focused on the study of rural credit needs and suggested measures to improve rural credit availability.

C. Resolution which formed on the basis of the second Five-Year Plan: The resolution based on the second Five-Year Plan was passed in 1956. The second Five-Year Plan was the economic development plan implemented from 1956 to 1961.

A. Green Revolution: The Green Revolution refers to a series of initiatives and technological advancements in agriculture that took place in the 1960s and 1970s. These initiatives aimed at increasing agricultural productivity through the introduction of high-yielding varieties of crops, irrigation systems, and modern farming techniques.

D. Exchange rate was made fully convertible for Current Accounts: The exchange rate being made fully convertible for Current Accounts signifies the liberalization of foreign exchange regulations. This step was taken as part of economic reforms in India during the 1990s to promote international trade and investment.

16. "Increase in price of good 'X' leads to increase in demand of good 'Y'. How the goods are related to.
- Complementary goods
 - Normal goods
 - Inferior goods
 - Substitute goods

Ans. Option (4) is correct.

Explanation: In the given statement, an increase in the price of good 'X' leads to an increase in the demand for good 'Y'. This indicates that the two goods, X and Y, are substitutes for each other. Substitute goods are products that can be used as alternatives or replacements for each

other. When the price of one substitute good increases, consumers tend to shift their demand towards the other substitute good, resulting in an increase in its demand. For example, if X and Y are two brands of smartphones, an increase in the price of brand X might lead consumers to switch their preference and demand more of brand Y instead.

17. Suppose an Individual buys 15 units of good when its price is ₹ 5 per unit. What will happen to his demand when price of the good increases to ₹ 7 per unit and elasticity of demand for the good is 0.5.

- Increase his demand
- No change in his demand
- Reduce his demand
- Shift to other Good

Ans. Option (3) is correct.

Explanation: As per the law of demand, price and quantity demanded are inversely related., keeping other factors constant. When the price rises demand contracts or reduces. This leads to movement along the demand curve.

When there is a change in demand due to other factors, it leads to either increase or decrease in demand. This leads to shift in demand curve.

18. Match List I with List II:

List -I	List - II
(A) Regular salaried employees	(I) Common form of unemployment in rural India
(B) Self employed	(II) Assurance of minimum 100 days employment
(C) MGNREGA	(III) Who own and operate an enterprise to earn their livelihood
(D) Disguised unemployment	(IV) Permanent workers

Choose the correct answer from the options given below:

- (A)-(IV), (B)-(II), (C)-(I), (D)-(III)
- (A)-(II), (B)-(III), (C)-(I), (D)-(IV)
- (A)-(IV), (B)-(III), (C)-(II), (D)-(I)
- (A)-(I), (B)-(II), (C)-(IV), (D)-(III)

Ans. Option (3) is correct.

Explanation:

A. "Regular salaried employees" corresponds to IV. Permanent workers. Permanent workers are individuals who are employed in regular, salaried positions and have long-term job security.

B. "Self-employed" corresponds to III. Who own and operate an enterprise to earn their livelihood. Self-employed individuals are those who own and operate their own businesses or work as freelancers or independent contractors.

C. Depreciation: Finally, we take the Net Domestic Product at Factor Cost (NDP_{FC}) and subtract the Depreciation from it. Depreciation represents the wear and tear or reduction in the value of fixed assets used in the production process. The result of this step gives us the Net National Product at Factor Cost (NNP_{FC}).

So, the correct sequential order of operations is: A, C, B.

22. In case of an unexpected fall in turnover of a firm, who is producing a certain commodity, there will a situation of Choose the correct option.

- (1) Planned accumulation of inventories
- (2) Unplanned accumulation of inventories
- (3) Unplanned decumulation of inventories
- (4) Planned decumulation of inventories

Ans. Option (2) is correct.

Explanation: When there is an unexpected fall in the turnover of a firm (i.e., the rate at which the firm sells its products), the production of the commodity remains the same as before the fall in demand. However, due to the reduced demand, the firm is unable to sell its products at the anticipated rate.

In such a situation, the firm will face a buildup of unsold products or inventory that it had produced but cannot sell immediately. This accumulation of unsold inventories is unplanned because it was not intended or foreseen by the firm. The firm produced the commodities with the expectation that they would be sold, but the actual demand fell short of the projected level.

Unplanned accumulation of inventories can create various problems for the firm, such as increased storage costs, holding costs, and potential obsolescence of the unsold products. It also ties up the firm's working capital, which could have been utilized elsewhere if the products were sold as planned.

Hence, in the given scenario of an unexpected fall in turnover, the correct option is the "Unplanned accumulation of inventories."

23. In 1970, Pakistan introduced nationalisation of Capital Good industries, but later due to international pressure they shifted the policy to.

- (1) De marketisation
- (2) Denationalisation
- (3) Derecognition
- (4) Deforming

Ans. Option (2) is correct.

Explanation: . In 1970, Pakistan introduced a policy of nationalization of Capital Good industries, which meant that the government took control and ownership of major industries involved in the production of capital goods. This policy was part of the broader economic reforms initiated by the government during that time.

However, over time, due to various reasons, including international pressure and recognition of the limitations of the nationalization policy, Pakistan decided to change its approach. As a result, the government shifted its policy from nationalization to denationalization.

Denationalization (also known as privatization) is the process of transferring ownership and control of previously nationalized industries and enterprises back to the private sector. It involves selling state-owned assets and businesses to private individuals, companies, or investors.

The shift towards denationalization was likely driven by the recognition of the inefficiencies and management issues that often accompany state ownership of industries. Additionally, international pressures from various organizations or countries might have influenced Pakistan to adopt market-oriented economic reforms, which often include denationalization as a key component.

By denationalizing the previously nationalized industries, Pakistan aimed to promote private sector participation, competition, and efficiency in the economy. It allowed market forces to play a more significant role in the management and growth of industries, which can lead to increased productivity and economic development.

Hence, in the given context, the correct option is "Denationalisation" (Option 2).

24. Which of the following are correct statements related to stock and flow?

- A. Flows are defined over on 1st January
- B. Flows are defined over a period of time
- C. Flows and stocks are defined as a mutual understanding
- D. Stocks are defined from January to December
- E. Stocks are defined at a particular point of time

Choose the correct answer from the options given below:

- (1) B and E only
- (2) A and D only
- (3) C and E only
- (4) A and B only

Ans. Option (1) is correct.

Explanation:

A. Flows are defined over on 1st January: This statement is incorrect. Flows are not defined specifically on January 1st. Instead, flows are defined over a period of time, and they represent the quantity of something (e.g., money, goods, or services) that moves from one state to another during that period.

B. Flows are defined over a period of time: This statement is correct. Flows are quantities that are measured over a specific time interval. For example, the flow of water in a river can be measured in cubic meters per second, indicating the amount of water passing a point in the river per second.

- C. Flows and stocks are defined as a mutual understanding: This statement is incorrect. Flows and stocks are related concepts, but they are not defined as a mutual understanding. Flows refer to the movement or change in quantities over time, while stocks refer to the quantity of something at a specific point in time.
- D. Stocks are defined from January to December: This statement is incorrect. Stocks are not defined over a specific time period like January to December. Stocks represent the quantity of something at a particular point in time, irrespective of the time period.
- E. Stocks are defined at a particular point of time: This statement is correct. Stocks represent the quantity of something at a specific point in time. For example, the inventory of goods held by a company at the end of a financial year is a stock measurement.
- Therefore, the correct statements are B and E, making Option 1 the correct answer.

25. measures are measures intended to correct some of weaknesses that have developed in the Balance of payment.
- (1) Stabilisation, Short term
 - (2) Structural Reform, Long term
 - (3) Stabilisation, Long term
 - (4) Structural Reform, Short term

Ans. Option (1) is correct.

Explanation: Stabilisation, Short term: This option refers to short-term measures aimed at addressing immediate imbalances in the balance of payments and stabilizing the economy in the short run. These measures are temporary in nature and include actions like exchange rate adjustments, interest rate changes, fiscal policy adjustments, and temporary import/export restrictions. The objective is to manage short-term fluctuations and stabilize the balance of payments in the immediate period. However, for long-term sustainability, a combination of short-term stabilization measures and long-term structural reforms is typically needed.

26. Which one is not the objective of government budget?
- (1) Reallocation of resources
 - (2) Economic stability
 - (3) Increase in regional disparities
 - (4) Economic growth

Ans. Option (3) is correct.

Explanation:

1. Reallocation of resources: One of the main objectives of the government budget is to reallocate resources in the economy to achieve various economic and social goals. Through taxation and public expenditure, the government can redistribute resources from one sector or group to another to promote equitable growth and development.

2. Economic stability: The government budget plays a crucial role in maintaining economic stability. It can use fiscal policy measures to influence aggregate demand, control inflation, and manage business cycles. By adjusting taxes and government spending, the government can stabilize the economy during periods of boom or recession.
 3. Increase in regional disparities: This is not an objective of the government budget. In fact, government budgets often aim to reduce regional disparities by directing resources to underdeveloped or marginalized regions to promote balanced economic growth across the country.
 4. Economic growth: The government budget can be used to foster economic growth. By investing in infrastructure, education, healthcare, and research and development, the government can create an environment conducive to economic growth and productivity enhancement.
- So, the correct answer is Option 3: "Increase in regional disparities."

27. Which of the following statement is true about Autonomous transactions?

- (1) These items are done to correct the imbalance of BOP Account
- (2) These are also known as below the line item
- (3) These only occur in capital A/c of BOP
- (4) BOP is said to be in surplus if autonomous receipts are greater than autonomous payments

Ans. Option (4) is correct.

Explanation: Autonomous items are undertaken for an economic motives.

These items may lead to surplus or deficit in BOP. These are not undertaken or influenced by the status of BOP account.

These are known as above the line items.

When autonomous receipts are greater than autonomous payments it leads to surplus in BOP. On the other hand, in case of autonomous payments being greater than autonomous payment it leads to deficit.

28. A farmer want to take credit to meet his expenditure in agriculture inputs. Which of the following is not an institution he may approach for the credit ?

- (1) Regional Rural Banks (RRBs)
- (2) National Bank for Agriculture and Rural Development
- (3) Commercial Banks
- (4) Land Development Banks

Ans. Option (2) is correct.

Explanation: A farmer may approach the following institutions for credit to meet his expenditure in agricultural inputs:

- Regional Rural Banks (RRBs)
- Commercial Banks
- Land Development Banks

National Bank for Agriculture and Rural Development (NABARD) is not an institution a farmer would typically approach for short-term credit to meet agricultural input expenses.

NABARD is a specialized development bank that provides long-term credit and support for agricultural and rural development projects, but it does not directly offer short-term credit for day-to-day agricultural input expenses. Farmers usually approach commercial banks, regional rural banks, or cooperative banks for short-term agricultural credit needs.

29. Identify the symbol that is used to denote autonomous consumption.

- (1) \bar{C} (2) C
(3) ΔC (4) MPC

Ans. Option (1) is correct.

Explanation: Autonomous consumption is denoted by the symbol \bar{C} or sometimes represented as "Co". It represents the level of consumption that exists even when income is zero or when there is no disposable income available. Autonomous consumption is independent of income and represents the minimum level of consumption that individuals or households undertake regardless of their income level.

30. How will the earthquake in Turkey affect the production possibility curve of their economy?

- (1) Production Possibility curve will shift rightward
(2) Production Possibility curve will shift leftward
(3) No change in Production Possibility curves
(4) Production Possibility Curve can shift leftward and rightward both

Ans. Option (2) is correct.

Explanation: The impact of an earthquake on the production possibility curve of an economy can vary depending on several factors:

1. Immediate negative impact: In the short term, an earthquake can disrupt production and damage infrastructure, leading to a decrease in the economy's productive capacity. This would cause the production possibility curve to shift leftward, indicating a reduction in the economy's potential output.
2. Rebuilding and recovery: In the aftermath of an earthquake, the government and private sector may invest in rebuilding and recovery efforts. This can lead to an increase in capital investment and technological improvements, potentially shifting the production possibility curve rightward, indicating an increase in the economy's productive capacity compared to the pre-earthquake levels.
3. Long-term effects: Depending on the scale of the earthquake and the effectiveness of recovery efforts, the long-term impact on the economy's productive capacity can vary. If the recovery efforts are successful and lead to better infrastructure and increased resilience, the economy may experience long-term growth and a rightward shift in the production possibility curve. However, if the recovery is insufficient or if there are lasting damages, the economy may experience a more persistent reduction in its productive capacity, leading to a long-term leftward shift in the production possibility curve.

31. In what ways labour laws enable the workers to protect their rights.

- A. Providing more holidays
B. Protection of wages
C. Providing unemployment allowances
D. Redress of grievances (compensation for loss)
E. Right to organise and form trade unions

Choose the correct answer from the options given below:

- (1) A, C and D only (2) B, D and C only
(3) A, B and C only (4) B, D and E only

Ans. Option (4) is correct.

Explanation: Labor laws enable workers to protect their rights in the following ways:

- B. Protection of wages: Labor laws ensure that workers receive fair wages for their work and that employers cannot exploit them by underpaying or withholding their wages.
D. Redress of grievances (compensation for loss): Labor laws provide mechanisms for workers to seek redress for any grievances or injustices they face in the workplace, such as unfair termination, workplace discrimination, or unsafe working conditions. Compensation may be awarded to workers in cases of proven loss or harm.
E. Right to organize and form trade unions: Labor laws grant workers the right to organize themselves into trade unions or labor associations. These unions can collectively bargain with employers for better wages, working conditions, and benefits, giving workers a stronger voice in the decision-making process.

32. Which of the following statements is true. If exchange rate changes from $\$1 = ₹ 72$ to $₹ 81$.

- A. Import will fall
B. Import will rise
C. Exports will rise
D. National Income will rise
E. National Income will fall

Choose the correct answer from the options given below:

- (1) B, C and D only (2) A, C and D only
(3) B, C and E only (4) A, C and E only

Ans. Option (2) is correct.

Explanation: When the exchange rate changes from $\$1 = ₹ 72$ to $₹ 81$:

- B. **Import will rise:** A higher exchange rate means that the domestic currency (₹) has depreciated against the foreign currency (\$). As a result, imports become relatively cheaper for the domestic economy. With a more favorable exchange rate, people and businesses will find it cheaper to import goods and services from foreign countries.
C. **Exports will rise:** On the other hand, a depreciation of the domestic currency makes the country's goods and services relatively cheaper for foreign buyers. This can lead to an increase in exports, as foreign consumers find the domestically produced goods more affordable.

E. National Income will fall: A depreciation of the domestic currency can lead to a rise in import costs. When imports become more expensive, it can increase the cost of production for domestic industries that rely on imported inputs. This can lead to a decrease in the overall production and output, potentially leading to a decline in the national income.

33. The following is a part of Agriculture marketing system.

- A. Minimum Support Price
- B. Buffer Stock
- C. Micro Credit Programmes
- D. Public Distribution System

Choose the correct answer from the options given below:

- (1) A and B only (2) A and D only
- (3) B, C and D only (4) A, B and D only

Ans. Option (4) is correct.

Explanation: Agriculture marketing system involves various measures and programs to support farmers and ensure food security. The correct descriptions of the options are as follows:

- A. Minimum Support Price (MSP): MSP is the price at which the government buys agricultural commodities from farmers to support them and provide them with a minimum guaranteed price for their produce. It is aimed at ensuring price stability and protecting farmers from market fluctuations.
- B. Buffer Stock: Buffer stock refers to the stock of food grains (such as rice and wheat) procured by the government through MSP operations. This stock is maintained to stabilize food prices in the market and ensure adequate food supply during times of scarcity or emergencies.
- D. Public Distribution System (PDS): PDS is a government-run system that distributes essential commodities, especially food grains, at subsidized prices to the economically weaker sections of society. It aims to ensure food security and prevent hunger and malnutrition.
- C. Micro Credit Programmes: Micro-credit programs are not directly related to the agriculture marketing system. They are financial programs that provide small loans and credit facilities to low-income individuals and groups, including farmers, to support their livelihood activities.

34. People demand foreign exchange because:

- (1) They want to send gifts abroad
- (2) The foreigners send gift in our country
- (3) They want to purchase imported goods from our market
- (4) The foreigners like to purchase goods from our market

Ans. Option (1) is correct.

Explanation: People demand foreign exchange because they want to send gifts abroad. When individuals or businesses in a country wish to send gifts or make payments to someone in a foreign country, they often need

to do so in the currency of that foreign country. This means they must acquire foreign exchange by exchanging their domestic currency for the foreign currency required to send the gifts or make the payments.

35. The Process of moving from self -employment and regular salaried employment to casual wage work is known as:

- (1) Casualisation of work force
- (2) Regularisation of casual wage
- (3) Non Salaried Force
- (4) Self employment Force

Ans.Option (1) is correct.

Explanation: The process of moving from self-employment and regular salaried employment to casual wage work is known as "Casualisation of the workforce."

Casualisation of the workforce refers to the increasing trend of employers hiring workers on a casual or temporary basis rather than providing them with permanent, regular employment. Casual workers are often hired on short-term contracts or for specific projects, and they do not receive the same job security, benefits, or protections as regular employees.

This trend has been observed in various industries and sectors, where employers seek more flexibility and cost savings by employing workers on a casual or temporary basis. Casualisation can lead to an unstable and precarious work environment for workers, as they may face uncertain working hours, lack of benefits, and limited social protections.

36. The apex body that coordinates the activities of all institution involved in the rural financing system is:

- (1) National Bank for Allied Activities and Rural Development
- (2) National Bank for Agriculture and Road Development
- (3) Reserved Bank of India
- (4) National Bank for Agriculture and Rural Development

Ans. Option (4) is correct.

Explanation: NABARD is an apex development bank in India that focuses on providing financial and non-financial assistance to the agriculture and rural sectors. It plays a crucial role in coordinating and regulating the activities of various institutions involved in rural financing, such as regional rural banks, cooperative banks, and rural development banks.

NABARD's main objectives include promoting sustainable rural development, boosting agricultural credit, and providing support for agricultural and rural infrastructure projects. It acts as a bridge between the Reserve Bank of India (RBI) and other financial institutions to channel funds effectively to rural areas and promote inclusive growth in the rural economy. NABARD plays a pivotal role in rural financing and development, making it the correct answer in the given options.

37. From the following data, Calculate Primary Deficit.

	₹ (crore)
Revenue expenditure	22,250
Capital expenditure	28,000
Revenue receipts	17,750
Capital receipts (net of borrowing)	20,000
Interest payment	5,000
Borrowings	12,500
(1) ₹ 7,500	(2) ₹ 12,500
(3) ₹ 5,000	(4) ₹ 17,750

Ans. Option (1) is correct.

Explanation: Primary Deficit

= Fiscal deficit - Interest payments
 Fiscal deficit = Total expenditure - total receipts excluding borrowings.
 = (22000 + 28000) - (17750 + 20000)
 Capital receipts are already excluding the borrowings.

$$\text{Fiscal deficit} = ₹ 12500$$

$$\text{Primary Deficit} = 12500 - 5000 = ₹ 7500$$

38. Which of the following has highest FDI ?

- (1) India (2) China
 (3) Sri Lanka (4) Pakistan

Ans. Option (2) is correct.

Explanation: Foreign Direct Investment (FDI) inflows can vary over time and depend on various factors, including the country's economic policies, business environment, and geopolitical situation. As of the knowledge cutoff in September 2021, Pakistan may have had higher FDI inflows compared to the other options listed, reflecting its attractiveness to foreign investors during that period.

39. Chronologically arrange the following events.

- A. Announcement of Demonetisation
 B. Circulation of Fake Currency
 C. Rs 500 and 1000 Notes lost legal tender
 D. Impact on Economic Activities
 E. New Rs 2000 Currency Note in the circulation

Choose the correct answer from the options given below:

- (1) B, D, A, C, E (2) C, D, B, A, E
 (3) B, C, D, A, E (4) A, E, B, C, D

Ans. Option (1) is correct.

Explanation: The chronological order of the events is as follows:

B. Circulation of Fake Currency: This refers to the problem of counterfeit currency circulating in the economy before the demonetization move.

D. Impact on Economic Activities: This event follows the circulation of fake currency and refers to the effects of demonetization on various economic activities in the country.

A. Announcement of Demonetisation: The government's announcement of demonetization, which took place on November 8, 2016.

C. Rs 500 and 1000 Notes lost legal tender: Following the announcement, ₹ 500 and ₹ 1,000 currency notes lost their status as legal tender, meaning they were no longer accepted as valid means of payment.

E. New ₹ 2000 Currency Note in circulation: After the demonetization move, the government introduced the new ₹ 2,000 currency notes as part of the currency overhaul.

So, the correct chronological order is Option 1: B, D, A, C, E.

40. Choose the correct sequence from the following.

- A. British introduced railways in India
 B. Latest population census
 C. Population explosion according to 2nd stage of demographic transition theory
 D. Year of "Great Divide"
 E. First census conducted by British India

Choose the correct answer from the options given below:

- (1) A, B, D, E, C (2) B, A, E, D, C
 (3) C, A, B, D, E (4) A, E, D, C, B

Ans. Option (4) is correct.

Explanation: The correct sequence of the events is as follows:

A. British introduced railways in India: The British introduced railways in India during the colonial period to improve transportation and facilitate the movement of goods and people.

E. First census conducted by British India: The first population census in British India was conducted in 1871.

D. Year of "Great Divide": The "Great Divide" refers to the year 1921 when India's population growth rate started to accelerate, marking the transition to a phase of rapid population growth.

C. Population explosion according to the 2nd stage of demographic transition theory: The 2nd stage of demographic transition theory is characterized by high birth rates and declining death rates, leading to rapid population growth known as a population explosion. This phase corresponds to the period when India's population growth rate started to increase significantly after 1921.

B. Latest population census: The latest population census is the most recent census conducted to gather comprehensive demographic data of the population. As of the knowledge cutoff in September 2021, the latest population census for India was conducted in 2011.

So, the correct sequence is Option 4: A, E, D, C, B.

41. The Reserve Bank of India (RBI) recently imposed a monetary penalty on three banks — ₹ 1.50 lakhs on Dr. Ambedkar Nagarik Sahakari Bank Maryadit, ₹ 25,000 on Nagarik Sahakari Bank Maryadit and ₹ 1 lakh on Ravi Commercial bank for violating the provisions of its regulations. The banking regulator has imposed a monetary penalty for contravention of non-compliance with the directions issued to Ravi commercial bank an exposure norms and statutory and other restrictions & KYC.

Which function of central Bank is referred to in the above paragraph.

- (1) Financial Advisor
- (2) Supervisor to Banks
- (3) Banker's Bank
- (4) Lender to last resort

Ans. Option (2) is correct.

Explanation: The Reserve Bank of India (RBI) acts as the supervisor or regulator of banks in India. One of its key roles is to ensure that banks comply with the regulations and directions issued by the RBI. In the paragraph, the RBI has imposed monetary penalties on three banks for violating its regulations and not complying with the directions issued by the central bank.

As a supervisor to banks, the RBI sets prudential norms, exposure limits, statutory restrictions, and KYC (Know Your Customer) guidelines to maintain the stability and soundness of the banking system. It regularly inspects and assesses the financial health of banks to identify any potential risks and takes corrective actions when necessary to protect the interests of depositors and maintain financial stability.

By imposing monetary penalties for non-compliance with its regulations, the RBI ensures that banks adhere to the prescribed guidelines and operate in a safe and secure manner. This function helps maintain the integrity of the banking sector and protects the interests of depositors and other stakeholders.

42. The Reserve Bank of India (RBI) recently imposed a monetary penalty on three banks — ₹ 1.50 lakhs on Dr. Ambedkar Nagarik Sahakari Bank Maryadit, ₹ 25,000 on Nagarik Sahakari Bank Maryadit and ₹ 1 lakh on Ravi Commercial bank for violating the provisions of its regulations. The banking regulator has imposed a monetary penalty for contravention of non-compliance with the directions issued to Ravi commercial bank an exposure norms and statutory and other restrictions & KYC.

As a bankers' bank, what is the role played by RBI?

- A. Custodian of cash reserves
- B. Maintain Foreign Exchange Reserves
- C. Currency [ssue
- D. Lender of last resort
- E. Clearing house

Choose the correct answer from the options given below:

- (1) A, C, D and E only
- (2) B and C only
- (3) A only
- (4) A, D and E only

Ans. Option (4) is correct.

Explanation: As a bankers' bank, the Reserve Bank of India (RBI) plays the following roles:

- A. Custodian of cash reserves: The RBI acts as the custodian of cash reserves of commercial banks. Commercial banks are required to maintain a certain percentage of their deposits as cash reserves with the RBI. These cash reserves serve as a liquidity buffer for banks and help ensure their stability and solvency.
- D. Lender of last resort: The RBI acts as the lender of last resort for commercial banks. In times of financial distress or liquidity shortages, when banks are unable to borrow from other sources, they can approach the RBI for emergency funds. The RBI provides liquidity support to maintain the stability of the banking system.
- E. Clearing house: The RBI facilitates the clearing and settlement of interbank transactions. It acts as a central clearing house for the settlement of checks and other financial instruments among different banks. This ensures smooth and efficient clearing of payments and helps in the proper functioning of the payment system.

So, the correct answer is Option 4: A, D, and E only.

43. The Reserve Bank of India (RBI) recently imposed a monetary penalty on three banks — ₹ 1.50 lakhs on Dr. Ambedkar Nagarik Sahakari Bank Maryadit, ₹ 25,000 on Nagarik Sahakari Bank Maryadit and ₹ 1 lakh on Ravi Commercial bank for violating the provisions of its regulations. The banking regulator has imposed a monetary penalty for contravention of non-compliance with the directions issued to Ravi commercial bank an exposure norms and statutory and other restrictions & KYC.

How does RBI act as a supervisor to bank?

- (1) Banker to government
- (2) Agent to government
- (3) Financial advisor to government
- (4) Inspection & imposing penalty

Ans. Option (4) is correct.

Explanation: Inspection & imposing penalty: As a banking regulator, the RBI conducts regular inspections and assessments of banks to ensure their compliance with the regulations and guidelines issued by the central bank. During these inspections, the RBI evaluates the financial health, risk management practices, and overall compliance of banks with various prudential norms, exposure limits, statutory restrictions, and KYC guidelines.

When banks are found to be in violation of the RBI's regulations or non-compliant with the prescribed guidelines, the RBI has the authority to impose monetary penalties or take other corrective actions. In the paragraph mentioned, the RBI imposed monetary penalties on three banks for contravention of its regulations and directions.

44. The Reserve Bank of India (RBI) recently imposed a monetary penalty on three banks — ₹ 1.50 lakhs on Dr. Ambedkar Nagarik Sahakari Bank Maryadit, ₹ 25,000 on Nagarik Sahakari Bank Maryadit and ₹ 1 lakh on Ravi Commercial bank for violating the provisions of its regulations. The banking regulator has imposed a monetary penalty for contravention of non-compliance with the directions issued to Ravi commercial bank an exposure norms and statutory and other restrictions & KYC.

If all the deposits, one day come to withdraw all the cash, what would be role played by RBI?

- (1) Maintaining Foreign Exchange Reserves
- (2) Lender of last resort
- (3) Maintaining cash reserves
- (4) Currency issue

Ans. Option (2) is correct.

Explanation: If all the depositors of a bank come to withdraw all the cash, leading to a situation where the bank faces a severe liquidity crisis and is unable to meet its obligations, the Reserve Bank of India (RBI) would play the role of "Lender of Last Resort."

As the lender of last resort, the RBI provides emergency financial assistance to banks facing liquidity shortages and financial stress. In such a scenario, the RBI would step in to provide liquidity support to the affected bank by lending it funds or by extending credit facilities. This helps the bank meet the withdrawal demands of its depositors and prevents a potential bank run or collapse.

The RBI's role as the lender of last resort is crucial for maintaining confidence in the banking system and ensuring financial stability. By providing emergency liquidity, the RBI helps to safeguard the interests of depositors and prevents systemic disruptions in the banking sector. This function helps in maintaining the overall stability of the financial system and prevents contagion effects that could arise from the failure of a single bank.

45. The Reserve Bank of India (RBI) recently imposed a monetary penalty on three banks — ₹ 1.50 lakhs on Dr. Ambedkar Nagarik Sahakari Bank Maryadit, ₹ 25,000 on Nagarik Sahakari Bank Maryadit and ₹ 1 lakh on Ravi Commercial bank for violating the provisions of its regulations. The banking regulator has imposed a monetary penalty for contravention of non-compliance with the directions issued to Ravi commercial bank an exposure norms and statutory and other restrictions & KYC.

Which of the following is correct statement?

- (1) RBI act as banker to commercial banks & Central Bank
- (2) Central Bank creates credit in economy
- (3) All financial institutions are banking institutions
- (4) One rupee note and all coins are issued by the Ministry of Finance

Ans. Option (4) is correct.

Explanation: The statement "One rupee note and all coins are issued by the Ministry of Finance" is correct.

In India, the issuance of currency notes and coins is the responsibility of the Government of India, specifically the Ministry of Finance. The Reserve Bank of India (RBI) acts as the central bank and has the authority to issue all other denominations of currency notes except the one rupee note.

As per the Coinage Act, 2011, the Government of India has the sole right to issue coins. The RBI plays a vital role in the distribution and management of currency notes and coins in the country, but the actual issuance of one rupee notes and coins is done by the Ministry of Finance.

46. Real GDP is calculated in a way such that goods and services are evaluated at some constant set of prices. Since these prices remain fixed, if the Real GDP changes we can be sure that it is the volume of production which is undergoing changes. Nominal GDP, on the other hand, is simply the value of GDP at the current prevailing prices.

When value of final goods and services are Estimated at current price it is?

- (1) Real GDP
- (2) Nominal GDP
- (3) GDP at constant prices
- (4) Consumer Price Index

Ans. Option (2) is correct.

Explanation: When the value of final goods and services is estimated at current prevailing prices, it is referred to as "Nominal GDP."

Nominal GDP is a measure of a country's economic output without adjusting for inflation or changes in price levels. It reflects the current market value of all goods and services produced within a country's borders during a specific period, considering the prices at which these goods and services are sold in the market at that time.

On the other hand, Real GDP is calculated by evaluating goods and services at some constant set of prices (base year prices). This allows for the removal of the impact of price changes and inflation from the GDP calculation, providing a measure of the actual volume of production and economic growth.

47. Real GDP is calculated in a way such that goods and services are evaluated at some constant set of prices. Since these prices remain fixed, if the Real GDP changes we can be sure that it is the volume of Production which is undergoing changes. Nominal GDP, on the other hand, is simply the value of GDP at the current prevailing prices.

Real GDP increases only when.

- (1) Prices increases
- (2) Prices decreases
- (3) Production increases
- (4) Production decreases

Ans. Option (3) is correct.

Explanation: As mentioned in the explanation, Real GDP is calculated by evaluating goods and services at some constant set of prices (base year prices). This means that the impact of price changes or inflation is removed from the GDP calculation, and the focus is solely on changes in the volume of production.

When Real GDP increases, it indicates that the total value of goods and services produced in the economy has increased, taking into account changes in the quantity of output without being affected by changes in prices. This increase in production can be the result of various factors, such as technological advancements, increased investments, improved productivity, or expanded economic activities.

On the other hand, if Real GDP decreases, it means that the volume of production has declined, independent of price changes.

48. Real GDP is calculated in a way such that goods and services are evaluated at some constant set of prices. Since these prices remain fixed, if the Real GDP changes we can be sure that it is the volume of Production which is undergoing changes. Nominal GDP, on the other hand, is simply the value of GDP at the current prevailing prices. Keeping output constant nominal GDP increases because.
- (1) Prices increase
 - (2) Prices decrease
 - (3) Output decrease
 - (4) Prices increase and output increase

Ans. Option (1) is correct.

Explanation: When output (the volume of production) is kept constant, Nominal GDP increases because of price increases.

Nominal GDP is calculated by valuing goods and services at the current prevailing prices. If the volume of production (output) remains constant, any increase in Nominal GDP can only be attributed to changes in prices.

When the prices of goods and services rise over time, the total value of production increases, leading to an increase in Nominal GDP. This can occur due to inflation, where the general price level in the economy increases, and individual goods and services become more expensive.

49. Real GDP is calculated in a way such that goods and services are evaluated at some constant set of prices. Since these prices remain fixed, if the Real GDP changes we can be sure that it is the volume of Production which is undergoing changes. Nominal GDP, on the other hand, is simply the value of GDP at the current prevailing prices. Which GDP is the indicator of growth and development of a country?
- (1) Nominal GDP
 - (2) National Income
 - (3) Real GDP
 - (4) Domestic Income

Ans. Option (3) is correct.

Explanation: Real GDP is the indicator of growth and development of a country.

Real GDP is calculated by evaluating goods and services at some constant set of prices, also known as base year prices. By doing so, the impact of price changes or inflation is removed from the GDP calculation. This allows us to isolate changes in the volume of production and measure actual economic growth over time.

Real GDP reflects the true economic output of a country, unaffected by fluctuations in prices. It provides a measure of the increase in the overall production of goods and services in an economy. When Real GDP increases, it indicates that the economy is growing and producing more goods and services over time.

On the other hand, Nominal GDP (Option 1) is the value of GDP at current prevailing prices, including the impact of price changes. Nominal GDP can increase due to both changes in prices and changes in production. It does not provide an accurate measure of real economic growth because it is influenced by inflation or deflation.

50. Real GDP is calculated in a way such that goods and services are evaluated at some constant set of prices. Since these prices remain fixed, if the Real GDP changes we can be sure that it is the volume of Production which is undergoing changes. Nominal GDP, on the other hand, is simply the value of GDP at the current prevailing prices. If output in an economy is decreasing but GDP of country is increasing which GDP it is:
- (1) Real GDP
 - (2) Domestic Income
 - (3) GDP at Constant Price
 - (4) Nominal GDP

Ans. Option (4) is correct.

Explanation: If output in an economy is decreasing but the GDP of the country is increasing, it is Nominal GDP.

As mentioned earlier, Nominal GDP is calculated by valuing goods and services at the current prevailing prices. It represents the total monetary value of all goods and services produced in an economy without adjusting for changes in price levels.

When output in an economy is decreasing (i.e., the volume of production is declining), but the Nominal GDP is increasing, it indicates that the increase in GDP is solely driven by rising prices. In other words, prices are increasing at a faster rate than the decline in production, leading to a higher Nominal GDP.

Real GDP, on the other hand, is calculated by evaluating goods and services at some constant set of prices (base year prices). If the output in an economy is decreasing, Real GDP would reflect this decrease in production because changes in prices are not considered in its calculation.



CUET Question Paper 2022

NATIONAL TESTING AGENCY

18th August 2022

ECONOMICS

Slot-1

[This includes Questions pertaining to domain Specific Subjects only]

SOLVED

Time Allowed: 60 Mins.

Maximum Marks: 200

General Instructions :

- (i) This paper consists of 50 MCQs, attempt any 40 out of 50
- (ii) Correct answer or the most appropriate answer: Five marks (+5)
- (iii) Any incorrect option marked will be given minus one mark (-1)
- (iv) Unanswered/Marked for Review will be given no mark (0)
- (v) If more than one option is found to be correct then Five marks (+5) will be awarded to only those who have marked any of the correct options
- (vi) If all options are found to be correct then Five marks (+5) will be awarded to all those who have attempted the question.
- (vii) Calculator / any electronic gadgets are not permitted.1.

1. The main aim of economic policies pursued by the colonial government in India was:
- (A) Development of the Indian economy
 - (B) Protection and promotion of the economy interests of their home country
 - (C) To transform India into exporter of finished goods
 - (D) To promote Indian handicrafts.

Sol. Option (B) is correct

Explanation: The economic policies pursued by the colonial government in India were concerned more with the protection and promotion of the economic interests of their home country than with the development of the Indian economy. Such policies brought about a fundamental change in the structure of the Indian economy — transforming the country into supplier of raw materials and consumer of finished industrial products from Britain.

2. Which of the following is not a goal of the five year plans?
- (A) Self reliance
 - (B) Land ceiling
 - (C) Equity
 - (D) Modernisation

Sol. Option (B) is correct

Explanation: A plan should have some clearly specified goals. The goals of the five year plans were: growth, modernization, self-reliance,

economic development and equity. The plans were developed by the Planning Commission.

3. In 1991, India approached the and and received \$7 billion as loan to manage the economic crises.
- (A) World Bank, World Trade Organisation
 - (B) International Monetary Fund, OPEC
 - (C) World Bank, International Monetary Fund
 - (D) World Trade Organisation, International Monetary Fund

Sol. Option (C) is correct

Explanation: India approached the International Bank for Reconstruction and Development (IBRD), popularly known as World Bank and the International Monetary Fund (IMF), and received \$7 billion as loan to manage the crisis. For availing the loan, these international agencies expected India to liberalise and open up the economy by removing restrictions on the private sector, reduce the role of the government in many areas and remove trade restrictions between India and other countries.

4. Arrange the following in Chronological order:
- A. Foundation of World Trade Organisation (WTO)
 - B. Establishment of General Agreement on Trade and Tariff (GATT)
 - C. India's New Economic Policy (NEP)

- D. Introduction of Goods and Service Tax (GST)
 (A) D, B, A, C (B) A, C, B, D
 (C) B, C, A, D (D) C, B, D, A

Sol. Option (C) is correct

Explanation: The General Agreement on Tariffs and Trade (GATT) was signed by 23 countries in October 1947, after World War II, and became law on Jan. 1, 1948. The New Economic Policy (NEP) of India was launched in the year 1991 under the leadership of P. V. Narasimha Rao. The World Trade Organization (WTO), created in 1995, is an international institution that oversees the rules for global trade among nations. On July 1st 2017, the Goods and Services Tax implemented in India.

5. Identify the incorrect statement relating to need for government intervention in education and health sector.
- (A) Expenditure in education and health have long term impact and cannot be easily reversed.
 (B) Individual consumers of education and health care services do not have complete information about quality of service & cost.
 (C) Large section India's population lives below its poverty line.
 (D) Basic education and health care is not considered as a right of the citizens.

Sol. Option (D) is correct

Explanation: Human welfare should be increased through investments in education and health even if such investments do not result in higher labour productivity. Therefore, basic education and basic health are important in themselves, irrespective of their contribution to labour productivity. In such a view, every individual has a right to get basic education and basic health care, that is, every individual has a right to be literate and lead a healthy life.

6. The process which involves assembling storage processing, transporting, packaging, grading and distribution of different agriculture products across the country is known as
- (A) TANWA
 (B) Agriculture marketing
 (C) Diversification
 (D) Cooperative marketing

Sol. Option (B) is correct

Explanation: The mechanism through which the goods reach different places depends on the market channels. Agricultural marketing is a process that involves the assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural

commodities across the country. Agricultural marketing has come a long way with the intervention of the government in various forms.

7. Which of the following is not a feature of unorganised sector.
- (A) No job security
 (B) Social security schemes
 (C) Irregular payment
 (D) No fixed working hours

Sol. Option (B) is correct

Explanation: All the public sector establishments and those private sector establishments are called formal sector establishments and those who work in such establishments are formal sector workers. All other enterprises and workers working in those enterprises form the informal sector. Thus, informal sector includes millions of farmers, agricultural labours, owners of small enterprises and people working in those enterprises as also the self-employed who do not have any hired workers. Those who are working in the formal sector enjoy social security benefits. They earn more than those in the informal sector.

8. All the public sector establishments and those private sector establishments which employ 10 hired workers or more are called
- (A) Informal sector establishments
 (B) Formal sector establishments
 (C) Public sector establishments
 (D) Private sector establishments

Sol. Option (B) is correct

Explanation: All the public sector establishments and those private sector establishments which employ 10 hired workers or more are called formal sector establishments and those who work in such establishments are formal sector workers. Those who are working in the formal sector enjoy social security benefits. They earn more than those in the informal sector.

9. Distribution of employment by gender.

