

2021

(CBCS)
(5th Semester)
ECONOMICS

FIFTH PAPER
[Indian Economy]

Full Marks: 75

Time: 2 hours

INSTRUCTIONS TO CANDIDATES

(Please read the instructions carefully before you start writing your answers)

1. Questions should be attempted as per instructions.
2. Do not copy the Questions. Indicate the Section and Question No. clearly while attempting the answer.
3. For Multiple choice answers, candidate should indicate the Question No., Sub. No., (if any) and the correct answer.
For example :

1. *Name the State capital of Mizoram.*

(a) *Lunglei*

(b) *Aizawl*

(c) *Champhai*

Candidate should provide answer as—Q. No. 1 : (b) *Aizawl*
[Candidate should avoid writing only (b)]

4. Section B - Answer to Short Answer should be limited to **One Page** only.
5. The figures in the margin indicate full marks for the questions.

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SECTION : A – OBJECTIVE

(Marks: 30)

Choose the correct answer from the following:

1x30=30

1. Which sector contributes the highest to the Gross National Product in India?
 - (a) Primary Sector
 - (b) Secondary Sector
 - (c) Tertiary Sector
 - (d) Public Sector
2. Which one of the following States has the largest area under permanent forest?
 - (a) Uttar Pradesh
 - (b) Jammu & Kashmir
 - (c) Punjab
 - (d) Madhya Pradesh
3. Which of the following is the most important natural resource?
 - (a) Land
 - (b) Water
 - (c) Air
 - (d) All of these

4. Which of the following is/are the pillars of sustainable development?
 - (a) Economic + Environmental sustainability = Viable
 - (b) Social + Environmental sustainability = Bearable
 - (c) Social + Economic sustainability = Equitable
 - (d) All of the above

5. As per the India State of Forest Report (ISFR) 2011, the Forest and Tree cover of India is
 - (a) 23.81
 - (b) 23.12
 - (c) (c) 21.67
 - (d) 11.23

6. The Draft National Forest policy was published
 - (a) 1988
 - (b) 1990
 - (c) 2018
 - (d) 2017

7. During pandemic, the overall rate of contraction in India's GDP (in real terms) for the financial year 2020-'21 was calculated at
 - (a) 6.3%
 - (b) 7.3%
 - (c) 8.3%
 - (d) 9.3%

8. Occupational structure refers to
 - (a) Number of workers living in the country
 - (b) Size of the working population in the industry
 - (c) Distribution of working population among different occupation
 - (d) Nature of different occupation in the economy

9. The Third Stage of Demographic Transition is
 - (a) High birth rate and low death rate
 - (b) Low birth rate and low death rate
 - (c) High death rate low birth rate
 - (d) High birth rate and high death rate

10. According to 2011 Census the rate of urbanization in India is
 - (a) 72.2%
 - (b) 31.16%
 - (c) 32.76%
 - (d) 81.34%

11. The best indicator of economic development of any country is
- (a) Its agriculture
 - (b) Its transport
 - (c) Its gross production
 - (d) all of the above
12. Which of the following year is known as the great divide in the growth of population in India?
- (a) 1911
 - (b) 1921
 - (c) 1931
 - (d) 1941
13. Which sector has gained maximum from the 1991 Economic Reforms?
- (a) Primary
 - (b) Secondary
 - (c) Tertiary
 - (d) both primary and secondary sectors
14. The prime target of the First Five Year Plan was
- (a) Development of the industries
 - (b) Development of Agriculture
 - (c) Development of infrastructure
 - (d) Development of ports
15. Planning in India derives its objectives from:
- (a) Fundamental rights
 - (b) Directive principles of the state policy.
 - (c) Fundamental duties
 - (d) None of the above
16. The concept of Five year plan was introduced by:
- (a) Morarji Desai
 - (b) LalBahadurShastri
 - (c) Jawaharlal Nehru
 - (d) Gadgil
17. Who amongst the following is the chairperson of NITI Aayog
- (a) The President
 - (b) The Prime Minister
 - (c) The Union Minister
 - (d) Finance Minister

18. Globalization of Indian Economy means:
- (a) Minimum possible restrictions on economic relation with other countries
 - (b) Larger FDI
 - (c) Import Substitution
 - (d) all of the above
19. The Institutional source of rural credit in India is
- (a) Moneylenders
 - (b) Relatives
 - (c) Landlords
 - (d) Regional rural banks
20. Land reforms is covered under
- (a) Central list
 - (b) State list
 - (c) Concurrent list
 - (d) None of the above
21. Which agency is responsible for procurement, distribution and storage of food grain production in India?
- (a) Ministry of Agriculture
 - (b) Food Corporation of India
 - (c) NAFED
 - (d) (d)TRIFED
22. Green Revolution refers to
- (a) Use of green manure
 - (b) Grow more crops
 - (c) Introduction of High Yield Varieties of Seeds
 - (d) Green Vegetation
23. Land Reform Act was passed in.....?
- (a) 1950
 - (b) 1953
 - (c) 1952
 - (d) 1962
24. Operation "Barga" is related to.....
- (a) Protection of the landlords
 - (b) Protection of Sharecroppers
 - (c) Both a and b
 - (d) none of the above

25. According to Mizoram Economic Survey 2019-20, the Gross State Domestic Product (GSDP) of Mizoram for the year 2019-20 was
- (a) 12.25 per cent
 - (b) 13.04 per cent
 - (c) 14.07 per cent
 - (d) 15.04 per cent
26. The contribution of service sector to GSDP in Mizoram as per the Economic Survey 2019-20 was
- (a) 44 per cent
 - (b) 45 per cent
 - (c) 46 per cent
 - (d) 47 per cent
27. The contribution of Industrial sector to GSDP in Mizoram as per the Economic Survey 2019-20 was
- (a) 26 per cent
 - (b) 27 per cent
 - (c) 28 per cent
 - (d) 29 per cent
28. The contribution of Agriculture and Allied Sector to GSDP in Mizoram as per the Economic Survey 2019-20 was
- (a) 26 per cent
 - (b) 27 per cent
 - (c) 28 per cent
 - (d) 29 per cent
29. According to Mizoram Economic Survey 2019-20, the Accumulated Debt as the percentage of GSDP during financial year 2019-20 was
- (a) 27.25 per cent
 - (b) 28.52 per cent
 - (c) 29.25 per cent
 - (d) 29.52 per cent
30. According to Mizoram Economic Survey 2019-20, the percentage of Gross Fiscal Deficit (GFD) to GSDP for financial year 2019-20 was
- (a) -6.34 per cent
 - (b) -7.34 per cent
 - (c) -8.34 per cent
 - (d) -9.34 per cent

SECTION : B – SHORT ANSWER

(Marks : 45)

Answer the following questions in not more than 1 (one) page each, choosing 3 (three) questions from each unit.

3x15=45

UNIT-I

1. Sustainable Development
2. Basic characteristics of underdevelopment
3. Utilization of natural resources for economic development
4. Role of State in the development of economy

UNIT-II

5. National Population Policy-2000
6. Rural-Urban migration
7. Over-population as obstacle for economic development
8. Sex composition in India

UNIT-III

9. Objectives of Economic Planning in India
10. National Institution for Transforming India(NITI) Aayog
11. Rationale behind Economic Reforms
12. Concept of Disinvestment

UNIT-IV

13. What are the causes of low agricultural productivity in India?
14. What are the defects of agricultural marketing in India?
15. New Agricultural Strategy and Green Revolution
16. Tenancy reforms in India

UNIT-V

17. Basic features of Mizoram Economy
18. Sources of revenue available to the Government of Mizoram
19. Issues and challenges of Rural Development in Mizoram
20. Causes of rise in Public Expenditure in Mizoram

***** End of Question *****

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(CBCS)
(5th Semester)
ECONOMICS

SIXTH PAPER
[Public Finance]

Full Marks: 75

Time: 2 hours

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For example :

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1. Public authorities includes
 - (a) Central Government
 - (b) State Government
 - (c) Local Government
 - (d) All of these
2. Public goods are non-rival if
 - (a) Some people cannot be prevented from consuming it
 - (b) Consumption by one person reduces consumption of other individuals
 - (d) Some people are excluded from consuming it
 - (e) All of the above
3. Public Finance is a technique of _____ for the welfare of the public
 - (a) Spending only
 - (b) Income only
 - (c) Borrowing and financial administration
 - (d) All of these.
4. To correct market failure and distribution, the government should resort to _____ taxation on income and wealth
 - (a) Proportional
 - (b) Progressive
 - (c) Regressive
 - (d) Degressive

5. Obligatory functions of the government includes
 - (a) Provision of education
 - (b) Establishment of hospital
 - (c) Maintenance of peace and security
 - (d) Building of parks.
6. The net social advantage shall be maximum only at the point where
 - (a) Social sacrifice exceeds social benefit
 - (b) Social sacrifice equals social benefit
 - (c) Social sacrifice is less than social benefit
 - (d) None of these.
7. Expenditure on defence, interest payments, law and order maintenance and public administration expenses are generally treated as:
 - (a) Productive Expenditure
 - (b) Unproductive Expenditure
 - (c) Growth-oriented Expenditure
 - (d) Progressive Expenditure
8. During depression, the nature public expenditure should be
 - (a) Short term
 - (b) Medium term
 - (c) Both a and b
 - (d) Long term
9. During inflation public expenditure should be
 - (a) Increased
 - (b) Reduced
 - (c) Diverted towards social welfare
 - (d) Remain constant
10. Public expenditure helps to remove the regional imbalances by transferring resources from
 - (a) backward to developed region
 - (b) developed to backward region to
 - (c) hilly areas to plain areas
 - (d) None of the above
11. The canon of Economy requires that the State should
 - (a) spend more money
 - (b) be economical in spending money
 - (c) be flexible
 - (d) None of the above

12. When Government incurs expenditure on the provision of education, medical facilities etc. this will
- (a) increase the efficiency of the people
 - (b) increase their power to work
 - (c) results on an increase in income
 - (d) All of the above
13. Which of these is an Indirect tax?
- (a) Income tax
 - (b) Corporation tax
 - (c) Excise duty
 - (d) Capital Gains tax
14. The 20th and 21st centuries modern state is a
- (a) Police state
 - (b) Welfare state
 - (c) Monarchy state
 - (d) Anarchy state
15. The burden of direct taxes is borne by
- (a) Rich person
 - (b) Poor person
 - (c) On whom it is levied
 - (d) None of these
16. The payment made by the citizens of a particular locality in exchange for certain special facilities given to them by the authorities is known as
- (a) Special assessment
 - (b) Duties
 - (c) Government properties
 - (d) Fines
17. Which is the best measure of a person's ability to pay?
- (a) Expenditure
 - (b) Property
 - (c) Income
 - (d) Financial assets
18. What will you call a system of taxation under which the poorer sections are taxed at higher rates than the richer sections?
- (a) Progressive
 - (b) Proportional
 - (c) Regressive
 - (d) Degressive

19. Internal public debt denotes
- (a) Debt raised from international financial institutions
 - (b) Debt raised within the country
 - (c) Debt raised by treasury bills only
 - (d) Market borrowings of the government only
20. Issuing of new bonds of securities by the government in order to pay off the matured loans means
- (a) Terminal annuity
 - (b) Sinking fund
 - (c) Debt Conversion
 - (d) Refunding
21. The main causes of increase in public debt is
- (a) Developmental planning
 - (b) Waging war
 - (c) Covering temporary deficit
 - (d) All of the above
22. _____ refers to refusal to pay
- (a) Repudiation
 - (b) Capital levy
 - (c) Sinking fund
 - (d) Refunding
23. The debts which the government promises to pay off at a specified date are called
- (a) Irredeemable debt
 - (b) Funded debts
 - (c) Redeemable debt
 - (d) Unfunded debt
24. The burden of long term debt is on
- (a) Present generation
 - (b) Past generation
 - (c) Future generation
 - (d) None of these
25. Finance Commission determines
- (a) The finance of Government of India
 - (b) The resources transfer to the State
 - (c) The resources transfer to the various departments
 - (d) None of the above

26. After preparing budget it is presented before the
- (a) President
 - (b) Prime minister
 - (c) Audit department
 - (d) Parliament
27. Non-Votable items includes
- (a) the salary and allowances of President of India
 - (b) salary and allowance of the Chairman of Rajya Sabha and Speaker and Deputy Speaker of the Lok Sabha
 - (c) the debt charges of the Government of India
 - (d) All of the above
28. The Finance Commission is appointed after every
- (a) 5 years
 - (b) 4 years
 - (c) 3 years
 - (d) 2 years
29. In India The Finance Commission is appointed by
- (a) Prime Minister
 - (b) President of India
 - (c) Chief Judge of India
 - (d) None of the above
30. Chairman of the first Finance Commission
- (a) Chada
 - (b) K.C.Neogi
 - (c) Santhanam
 - (d) Y.V.Chavan

SECTION : B – SHORT ANSWER

(Marks : 45)

Answer the following questions in not more than 1 (one) page each, choosing 3 (three) questions from each unit.

3x15=45

Unit - I

1. What is meant by public finance?
2. Point out three differences between public finance and private finance.
3. Explain the doctrine of principle of maximum social advantage.
4. What do you mean by market failure?

Unit – II

5. Explain any three canons of public expenditure.
6. What are the cause of growth of public expenditure in recent years?
7. Explain the classification of public expenditure.
8. What are the main objectives of public expenditure?

Unit – III

9. Distinguish between direct and indirect tax.
10. On what factor does taxable capacity depends?
11. Give the characteristics of a good tax system.
12. State the various sources of taxation.

Unit – IV

13. What are the sources of public borrowings?
14. Explain the main causes for the increase in public debt.
15. Explain any three methods adopted by the Govt. to redeem public debt.
16. What are the different types of public debt?

Unit –V

17. What do you mean by a public budget?
18. State the role of Finance Commission.
19. What are the different kinds of budget?
20. Write short notes on Zero-based budgeting.

***** End of Question *****

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SEVENTH PAPER
[Quantitative Techniques – I]

Full Marks: 75
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SECTION : A – OBJECTIVE

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Choose the correct answer from the following:

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1. If set $A = \{\Phi\}$, then set A is a/an
 - (a) infinite set
 - (b) overlapping set
 - (c) null set
 - (d) singleton set
2. Any set containing n numbers of elements has _____ number of subsets.
 - (a) $2n^2$
 - (b) 2^n
 - (c) n^2
 - (d) $2n^2 - 1$
3. The set of all possible pairs (a, b) where a belongs to A and b belongs to B is called
 - (a) domain of A and B
 - (b) cartesian product of A and B
 - (c) range of A and B
 - (d) associative law

4. A quadratic function may be used to describe
- (a) average fixed cost
 - (b) cost function
 - (c) trade cycle
 - (d) none of the above
5. If equations are satisfied by the same value of the unknown quantities, they are called
- (a) Simultaneous equation
 - (b) Linear equation
 - (c) Quadratic equation
 - (d) Cubic equation
6. The expression $A \cup (B \cap C) = (A \cup B) \cap (A \cup C)$ is called the
- (a) commutative law of union
 - (b) distributive law of union
 - (c) associative law of union
 - (d) distributive law of intersection
7. If the marginal revenue (MR) = 0, then elasticity of demand (η) is
- (a) > 1
 - (b) < 1
 - (c) $= 1$
 - (d) ≤ 1
8. When the minimum of Average Cost (AC) is 250, then Marginal cost (MC) will be
- (a) 500
 - (b) 250
 - (c) 125
 - (d) 75
9. If $\frac{dy}{dx} < 0$,
- (a) The curve remains stationary for a moment and then changes its course.
 - (b) The curve rises from left to right
 - (c) The curve moves horizontally
 - (d) The curve falls from left to right

10. The second order condition for minimum value is

(a) $\frac{d^2y}{dx^2} > 0$

(b) $\frac{d^2y}{dx^2} = 0$

(c) $\frac{d^2y}{dx^2} < 0$

(d) $\frac{d^2y}{dx^2} \geq 0$

11. A function can be differentiated if

(a) the dependent variable is a function of independent variable

(b) the independent variable is a function of dependent variable

(c) the dependent variable is a continuous function of independent variable

(d) the independent variable is a continuous function of dependent variable

12. Given, revenue (R) = 100 and quantity (Q) = 5, then price (P) will be

(a) 100

(b) 0.025

(c) 20

(d) 25

13. The value of $\int \frac{1}{x} dx =$

(a) $\log x$

(b) $\log x + C$

(c) x

(d) $x + C$

14. Consumer's surplus can be obtained by integrating

(a) supply function

(b) demand function

(c) utility function

(d) none of the above

15. The integral of e^{7x} is

(a) $7e^{7x}$

(b) e^x

(c) $\frac{1}{7}e^{7x}$

(d) e^{7x}

16. $\int_a^b (5x + 4)dx$ is
(a) an indefinite integral
(b) a definite integral
(c) a constant integral
(d) all of the above
17. Total cost function can be obtained by integrating
(a) average cost function
(b) marginal cost function
(c) revenue function
(d) none of the above
18. The marginal cost function of a firm is $MC = 6x + e^x + x^2$, where x is output, the total cost function will be
(a) $x^2 + e^{ax} + \frac{x^2}{2}$
(b) $4x + \log x + \frac{x}{2}$
(c) $2x^2 + e^x + \frac{x}{2}$
(d) $3x^2 + e^x + \frac{x^3}{3}$
19. The necessary and sufficient condition for a square matrix to possess its inverse is
(a) $|A| = 1$
(b) $|A| = 0$
(c) $|A| \neq 1$
(d) $|A| \neq 0$
20. The addition of a constant multiple of one row (or column) to another row (or column) leaves the determinant _____
(a) changed
(b) unchanged
(c) zero
(d) vanishes
21. The determinant of a matrix equals
(a) the determinant of its transpose
(b) the transpose of its determinant
(c) the inverse of its determinant
(d) the transpose of the inverse

22. The maximum number of linearly independent rows of a matrix is
- (a) rank of a matrix
 - (b) dimension of the matrix
 - (c) order of the matrix
 - (d) transpose of the matrix
23. If A is $m \times n$ matrix and B is $n \times q$ matrix, then AB is
- (a) $n \times n$ matrix
 - (b) $m \times n$ matrix
 - (c) $m \times q$ matrix
 - (d) $n \times q$ matrix
24. The transpose of a product of two matrices $(AB)'$ is
- (a) $A'B'$
 - (b) $B'A'$
 - (c) $A' + B'$
 - (d) AB
25. In LPP, those quantities (or expressions) which state the side conditions on the different activities of the problem are called _____
- (a) structural constraints
 - (b) non- negativity constraints
 - (c) budget constraints
 - (d) objective function
26. In LPP, an area which satisfies all the constraints simultaneously are called _____
- (a) feasible region
 - (b) extreme points
 - (c) optimal solution
 - (d) point of inflection
27. In LPP, linearity of the constraints implies that
- (a) each resource is heterogeneous
 - (b) each resource is not heterogeneous
 - (c) each resource is homogeneous
 - (d) each resource is not homogeneous
28. Every linear programming problem in its standard form involves
- (a) objective function, structural constraints and non-negativity constraints
 - (b) objective function, structural constraints and negativity constraints
 - (c) non-linear function, , structural constraints and non-negativity constraints
 - (d) non-linear function, structural constraints and negativity constraints

29. In linear programming problems, presence of constraints in the activity usually is because-
- (a) resources are abundant
 - (b) resources are limited
 - (c) prices are fixed
 - (d) none of the above
30. Which of the following statements is not true regarding linear programming problem?
- (a) variables are linearly related
 - (b) variables can take non-negative values only
 - (c) there are equality constraint only
 - (d) none of the above

SECTION : B – SHORT ANSWER

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Answer the following questions in not more than 1 (one) page each, choosing 3 (three) questions from each unit.

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Unit – I

1. Differentiate between exogenous and endogenous variables.
2. Answer the following
 - (a) Enumerate all the sub-sets of $\{3, 5, 7\}$
 - (b) Write all the proper sub-sets of $\{2, 4, 6\}$
3. Verify the associative law of intersection by using the following sets
 $A = \{2, 3, 4\}$ $B = \{3, 4, 7\}$ and $C = \{4, 8\}$
4. A town has a population of 5000. Out of it, 2200 read 'Aizawl Post' paper and 3200 read 'Vanglaini' paper, while 1500 read both the newspapers. Indicate how many read neither the Aizawl Post nor Vanglaini?

Unit – II

5. Find the derivative of
 - (a) $y = (2x + 4)(3x^2 + 1)$OR
 - (b) $y = (4x^2 - 5x)^3$
6. Prove that elasticity is the ratio of the marginal function and the average function.
7. A firm's revenue function is given by $R = 2Q^3 - 5Q + 6$, find
 - (a) average revenue function
 - (b) marginal revenue function
8. If the total revenue and total cost functions of a firm are given by $R = 400Q + 10Q^2$ and $C = 100 + 500Q$ respectively, find the equilibrium level of output.

Unit - III

9. Evaluate

(a) $\int (12x^3 - 9x^2 + 8x - 3)dx$

OR

(b) $\int \frac{x^2}{2+3x} dx$

10. Evaluate

(a) $\int_0^2 2^x dx$

OR

(b) $\int_0^3 (3x^2 + 5) dx$

11. Given the marginal revenue function $MR = 8 - 6q - 2q^2$, determine the total revenue function.

12. If the demand function is $p = 85 - 4x - x^2$, find consumer's surplus when $x_0 = 5$ and $p_0 = 64$.

Unit - IV

13. Differentiate between idempotent matrix and identity matrix.

14. If $A = \begin{pmatrix} 1 & 0 \\ 0 & 1 \end{pmatrix}$, $B = \begin{pmatrix} 1 & 2 \\ 2 & 3 \\ 4 & 5 \end{pmatrix}$, find BA.

15. If $AX = B$, where $X = \begin{bmatrix} X_1 \\ X_2 \end{bmatrix}$, $A = \begin{bmatrix} 1 & 3 \\ 2 & 4 \end{bmatrix}$, $B = \begin{bmatrix} -1 \\ 2 \end{bmatrix}$, find X

16. Solve the equations by Crammer's Rule;

$$9x_1 + x_2 = 13$$

$$8x_1 + 2x_2 = 16$$

Unit - V

17. Mention the basic assumptions of linear programming problem.

18. Explain feasible and basic solutions.

19. Using graphical method, maximise

$$\pi = 3x_1 + 5x_2$$

Subject to $x_1 \leq 5$

$$x_2 \leq 8$$

and $x_1, x_2 \geq 0$.

Indicate the feasible region.

20. Obtain the dual problem of the following LPP

$$\begin{array}{ll}\text{Maximise} & Z = 2x_1 + 5x_2 + 6x_3 \\ \text{Subject to} & 5x_1 + 6x_2 - x_3 \leq 3 \\ & -2x_1 + x_2 + 4x_3 \leq 4 \\ & x_1 - 5x_2 + 3x_3 \leq 1 \\ & -3x_1 - 3x_2 + 7x_3 \leq 6 \\ & x_1, x_2, x_3 \geq 0\end{array}$$

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(a) *Lunglei*

(b) *Aizawl*

(c) *Champhai*

Candidate should provide answer as—Q. No. 1 : (b) *Aizawl*

[Candidate should avoid writing only (b)]

4. Section B - Answer to Short Answer should be limited to **One Page** only.
5. The figures in the margin indicate full marks for the questions.

2021

(CBCS)
(5th Semester)
ECONOMICS

EIGHTH PAPER
[Economic Development and Planning]

Full Marks: 75

Time: 2 hours

The figures in the margin indicate full marks for the questions

SECTION : A – OBJECTIVE

(Marks: 30)

Choose the correct answer from the following:

1x30=30

1. Economic growth is measured by
 - (a) increase in real national income
 - (b) increase in the capital stock
 - (c) Human Development Index
 - (d) PQLI
2. Sustainable development refers to
 - (a) A sustained increase in country's national income
 - (b) A simultaneous development of industries and agriculture
 - (c) Meeting the needs of the present generation without future generation worse off
 - (d) Increase in GDP
3. Human development index uses
 - (a) Educational attainment
 - (b) Sex ratio
 - (c) Infant mortality
 - (d) Decrease in death rate

4. Kuznets' inverted U-hypothesis shows that
- (a) income inequality and economic growth are not related
 - (b) income inequality and economic growth are inversely related
 - (c) income falls in the early stages of population growth and rise in the later stages
 - (d) income inequality increases in the early stages of economic growth and decrease in the later stages
5. The Gini coefficient is a technique frequently used to show
- (a) variations in life expectancy
 - (b) relationship between income and consumption
 - (c) differences in infant mortality
 - (d) inequality in the distribution of income or wealth
6. India is regarded as a country with "Demographic Dividend". This is due to
- (a) Its high population in the age group below 15 years
 - (b) Its high population in the age group of 15-64 years
 - (c) Its high population in the age group above 65 years
 - (d) Its high population in the age group below 6 years
7. According to Adam Smith, as capital accumulates the rate of profit would eventually decline due to
- (a) increasing competition among capitalists
 - (b) increase in division of labour
 - (c) declining rate of population growth
 - (d) the invisible hand
8. Schumpeter assigns the role of the innovator to the
- (a) Entrepreneur
 - (b) Landlord
 - (c) Capitalist
 - (d) None of the above
9. Karl Marx's theory of surplus value was based on
- (a) Say's Law of Market
 - (b) Labour Theory of Value
 - (c) Psychological Law of Consumption
 - (d) Subsistence theory of wages

10. 'Economic development is a spontaneous and discontinuous change in the stationary state...', whose statement is this
- (a) Adam Smith
 - (b) Karl Marx
 - (c) Schumpeter
 - (d) W.W. Rostow
11. Unlimited supply of labour in the traditional sector was propounded by
- (a) W.A Lewis
 - (b) W.W Rostow
 - (c) Rosenstein Rodan
 - (d) Adam Smith
12. According to Rostow, the Age of High Mass Consumption is characterised by
- (a) mass consumption, expansion of imports and development of infrastructure
 - (b) mass consumption, increased social security and pursuit of external power
 - (c) mass consumption, increased population and expansion of exports
 - (d) expansion of agriculture and consumer goods industry
13. The calorie requirement for measuring poverty line is higher in rural areas than urban areas because
- (a) in urban areas people earn higher wage
 - (b) in rural areas food items are expensive
 - (c) in rural areas people are poor
 - (d) in rural areas people are engaged in physical labour
14. According to Lewis, the economy of LDCs can be developed by
- (a) transferring surplus labour from the traditional sector to the modern sector
 - (b) making huge investment in various sectors of the economy
 - (c) controlling the population and reducing inequality
 - (d) transferring labour from modern sector to the traditional sector
15. The co-existence of different rates of interest in the organized and unorganized money market is known as
- (a) financial inclusion
 - (b) financial market
 - (c) financial dualism
 - (d) mixed financial system

16. The statement, "A Country is poor because it is poor" best explain which of the following theories?"
- (a) Vicious circle of poverty
 - (b) Decreasing return to sale
 - (c) Increasing return to sale
 - (d) None of the above
17. The of critical minimum effort is associated with the name of
- (a) W.A Lewis
 - (b) Higgins
 - (c) Leibenstein
 - (d) N. Kaldor
18. The big push theory is associated with the name of
- (a) Schumpeter
 - (b) Keynes
 - (c) Paul N. Rosenstein-Rodan
 - (d) B. Higgins
19. The coexistence of different rate of interest in the organized and unorganized money market is known as
- (a) Financial inclusion
 - (b) Financial market
 - (c) Financial dualism
 - (d) Social Dualism
20. Which of the following statement is true about exogenous growth model?
- (a) external factors like population growth, saving rate and technological progress determine growth
 - (b) growth is generated from within the system
 - (c) growth is generated from external factors only in the short run
 - (d) growth is generated by knowledge and innovations
21. Incremental capital output ratio (ICOR) is measured as
- (a) total capital stock (K) divided by total national income (Y), i.e. K/Y
 - (b) increase in capital (ΔK) divided by increase in income, i.e. $(\Delta K/\Delta Y)$
 - (c) increase in capital (ΔK) divided by total national income, i.e. $(\Delta K/Y)$
 - (d) total capital stock (K) divided by increase in income (ΔY), i.e. $(K/\Delta Y)$

22. The natural rate of growth in Harrod-Domar growth model is
- (a) the growth rate at which the economy can grow at the maximum
 - (b) the growth rate determined by savings and capital-output ratio
 - (c) the growth rate desired by the entrepreneurs
 - (d) the self-sustaining growth rate
23. The Solow Growth Model analyses
- (a) change in output as a result of change in the rate of profit
 - (b) change in output as a result of changes in innovation and human capital
 - (c) change in output as a result of structural and occupational change
 - (d) change in output as a result of changes in population, savings and technological progress
24. The Kaldor model assumes that income consists of
- (a) wages and profits
 - (b) rent and wages
 - (c) wages, rent and profits
 - (d) rent and profits
25. The Nehruvian model of economic development emphasises
- (a) heavy industrialisation for rapid economic development
 - (b) control of population
 - (c) stabilising the foreign exchange
 - (d) increasing agricultural subsidies
26. The Second Five Year Plan was based on which of the following model
- (a) The Kaldor Model
 - (b) The Harrod-Domar Model
 - (c) The Feldman Model
 - (d) The Mahalanobis Model
27. The major emphasis of the Second Five Year Plan was on
- (a) agricultural productivity and improvement of farmers conditions
 - (b) defense and foreign trade
 - (c) basic and key industries
 - (d) consumer goods industries

28. Decentralized planning is also known as
- (a) Planning from below
 - (b) Planning from above
 - (c) Planning from micro level
 - (d) All of the above
29. In making investment decision, if the Net Present Value is zero the project will be
- (a) accepted
 - (b) rejected
 - (c) accepted or rejected on non-economic ground
 - (d) none of the above
30. Shadow pricing refers to assigning monetary value to
- (a) intangible items that have no market price
 - (b) goods and services that are useful to the society
 - (c) activities not included in national income estimates
 - (d) services that are imported and exported

SECTION : B – SHORT ANSWER

(Marks : 45)

Answer the following questions in not more than 1 (one) page each, choosing 3 (three) questions from each unit.

3x15=45

Unit - I

1. Distinguish between economic growth and economic development.
2. What is Human Development Index ?
3. What do you mean by the term Development Gap?
4. Define Lorenz Curve.

Unit - II

5. Briefly explain the division of labour in Adam Smith's Theory.
6. What is the meaning of Surplus Value?
7. What are the three conditions for take-off according to Rostow?
8. State the importance of innovation for development.

Unit – III

9. Briefly explain the Leibenstein's critical minimum effort.
10. Mention the three advantages of unbalanced growth.
11. Define Poverty line.
12. What is vicious circle of poverty?

Unit – IV

13. What do you mean by exogeneous growth model?
14. Mention the Objectives of New Economic Policy of 1991.
15. What is the warranted growth rate in Harrod-Domar's model?
16. Joan Robinson's Golden Age of Accumulation.

Unit – V

17. Differentiate between centralized and decentralized planning.
18. What do you mean by Cost benefit analysis?
19. What is Shadow prices?
20. Briefly explain Investment criteria.

***** End of Question *****