# CBSE EXAMINATION PAPER-2024

## ECONOMICS

### (Solved)

Time allowed : 3 hours | Maximum Marks : 100

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**General Instructions :**

Read the following instructions carefully and follow them :

i. This question paper contains **44 questions.** All questions are **compulsory.**

ii. This question paper is divided into **5 sections.**

iii. **Section A** – questions number **1 to 5** are case based questions

iv. **Section B** – questions number **6 to 25** are multiple choice questions

v. **Section C** – questions number **26 to 31** are short answer type i

vi. **Section D** – questions number **32 to 39** are short answer type ii

vii. **Section E** – questions number **40 to 44** are long answer

viii. There is no overall choice given in the question paper. However, an internal choice has been provided in few questions.

ix. Use of calculator is NOT allowed.

## Section A

**Question 1.** Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below:

> **(1) Assertion (A): Voluntarily unemployed people are those able-bodied people who are not willing to work at the prevailing wage rate. Reason (R): There exists zero involuntary unemployment at full employment level of equilibrium.**
>
> [1 Marks]

**Question 2.** Read the following statements carefully:

**(1) Statement 1: Reserve ratio and Credit creation process are inversely related. Statement 2: Central Bank of an economy performs the vital function of controlling the credit creation process. Choose the correct alternative from the following:**

[1 Marks]

**Question 3.** Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative given below:

**(1) Assertion (A): The agricultural sector under British rule was primarily the base of the sectoral growth of India. Reason (R): British rulers wanted to take maximum advantage of the Indian agricultural output, for growth of industries in England.**

[1 Marks]

**Question 4.** Read the following text carefully: In the contemporary world with a lot of sustainable development concerns, green growth and net zero emissions are two important concepts which are generally discussed together.

**(1) State the meaning of green growth and net zero emissions.**

[2 Marks]

**(2) Discuss briefly the interconnection between green growth and net zero emissions.**

[3 Marks]

**(3) Illustrate any one factor to promote net zero emission.**

[1 Marks]

**Question 5.**

Read the following text carefully :

In the contemporary world with a lot of sustainable development concerns, green growth and net zero emissions are two important concepts which are generally discussed together. These two concepts

are essential for the future of the Earth, as by working together on them we can create a more sustainable future for ourselves and for the generations to come. Green growth refers to, the economic growth that is achieved in a way that minimizes environmental impact, whereas, net zero emission is the state of achieving balance between anthropogenic emission of greenhouse gases and removal of such emissions.

There exists a robust connection between the two concepts :

(1) Green growth can help to reduce greenhouse gas emissions, which is essential for achieving net zero emissions.

(2) Green growth can help to create jobs and boost economic growth, which can help to make it more affordable for countries to invest in net zero emissions technology.

A nation can do a lot to promote these two factors together, like :

(a) Investing in renewable energy sources which do not produce greenhouse gases.

(b) Adopting energy efficient measures, such as insulation and other such appliances which can help to reduce energy consumption.

(c) Altering transportation habits, like adopting walking, biking and using public transportation as they are lower-carbon ways to travel.

On the basis of the given text and common understanding, answer the following questions :

**(1)**

**State the meaning of green growth and net zero emissions.**

[2 Marks]

**(2)**

**Discuss briefly the interconnection between green growth and net zero emissions.**

[3 Marks]

**(3)**

**Illustrate any one factor to promote net zero emission.**

[1 Marks]

# Section B

**Question 6.**

Read the following statements : Assertion (A) and Reason (R). Choose the correct alternative from those given below :

Assertion (A) : Voluntarily unemployed people are those able bodied people who are not willing to work at the prevailing wage rate.

Reason (R) : There exists zero involuntary unemployment at full employment level of equilibrium.

Alternatives :

[1 Marks]

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

(B) Assertion (A) is true, but Reason (R) is false.

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

(D) Assertion (A) is false, but Reason (R) is true.

**Question 7.**

Identify which of the following statements is incorrect with reference to an economy.

[1 Marks]

(A) Excess of Gross National Product (GNP) over Gross Domestic Product (GDP) is possible.

(B) Excess of Gross Domestic Product (GDP) over Gross National Product (GNP) is possible.

(C) Sum of Gross National Product (GNP) and Gross Domestic Product (GDP) is always equal to zero (0).

(D) Equality between Gross National Product (GNP) and Gross Domestic Product (GDP) is possible.

**Question 8.**

Inflationary gap in an economy may exist when _____ at full employment level. (Choose the correct alternative to fill in the blank)

[1 Marks]

(A) Actual Aggregate Demand < Potential Aggregate Demand

(B) Actual Aggregate Demand = Potential Aggregate Demand

(C) Actual Aggregate Demand > Potential Aggregate Demand

(D) Actual Aggregate Demand ≤ Potential Aggregate Demand

**Question 9.**

According to the Reserve Bank of India's RBI's Statistical Supplement released on 19th May, 2023 :

" India's foreign exchange reserves grew for the third straight week and reached near an approximate level of $ 600 Billion "

The above situation will _____ the _____ side of Balance of Payments account of India. (Choose the correct alternative to fill in the blanks)

[1 Marks]

(A) Increase, Credit

(B) Decrease, Debit

(C) Decrease, Credit

(D) Increase, Debit

**Question 10.**

Read the following statements carefully :

Statement 1 : Reserve ratio and Credit creation process are inversely related.

Statement 2 : Central Bank of an economy performs the vital function of controlling the credit creation process.

In light of the given statements, choose the correct alternative from the following :

[1 Marks]

(A) Both Statements 1 and 2 are false.

(B) Both Statements 1 and 2 are true.

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

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

**Question 11.**

In order to discourage any fall in Aggregate Demand, the Government of India may _____ the _____.

(Choose the correct alternative to fill in the blanks)

[1 Marks]

(A) decrease, repo rate

(B) decrease, tax rate

(C) decrease, government expenditure

(D) increase, reverse repo rate

**Question 12.**

Choose the correct alternative to complete the given schedule :

Alternatives :

[1 Marks]

| *Round* | *Deposits* | *Loans (90%)* | *Reserve Ratio (10%)* |
|---|---|---|---|
| I | 2000 | 1800 | 200 |
| II | ...(i)... | ...(ii)... | 180 |
| ... | ... | ... | ... |
| ... | ... | ... | ... |
| Total | ...(iii) ... | ...(iv) ... | 2000 |

(A) 1620, 180, 2000, 18000

(B) 1800, 180, 2000, 18000

(C) 1800, 1620, 20000, 18000

(D) 2000, 1620, 20000, 18000

**Question 13.**

Identify the correct pair of statements given in Column I with the related terms in Column II :

Alternatives :

[1 Marks]

| | *Column I* | | *Column II* |
|---|---|---|---|
| 1. | Remittances from abroad to the nation | (i) | Accommodating Transaction |
| 2. | Government's policy of decreasing the value of the nation's currency against foreign currencies | (ii) | Devaluation |
| 3. | Difference between visible exports and visible imports of a nation | (iii) | Balance of Payments |
| 4. | Government as sole authority of determining foreign exchange rates | (iv) | Flexible Exchange Rate System |

(A) 3 → (iii)

(B) 2 → (ii)

(C) 4 → (iv)

(D) 1 → (i)

**Question 14.**

Read the following statements carefully :

Statement 1 : Constant rate of change of consumption ($\triangle C$) with respect to change in income ( $\triangle Y$), is the reason for the straight line consumption curve.

Statement 2 : Marginal rate of change between consumption and income is defined as Average Propensity to Consume (APC).

In the light of the given statements, choose the correct alternative from the following :

[1 Marks]

(A) Both Statements 1 and 2 are false.

(B) Statement 1 is false and Statement 2 is true.

(C) Both Statements 1 and 2 are true.

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

**Question 15.**

Read the following statements : Assertion (A) and Reason (R). Choose the correct alternative from those given below :

Assertion (A) : In case of an unfavourable Balance of Trade, the Current Account of the nation may be in surplus.

Reason (R) : Net invisible receipts of a nation can exceed the Net visible receipts.

Alternatives :

[1 Marks]

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

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

**Question 16.**

Read the following statements : Assertion (A) and Reason (R). Choose the correct alternative from those given below :

Assertion (A) : The agricultural sector under the British rule was primarily the base of the sectoral growth of India.

Reason (R) : British rulers wanted to take maximum advantage of the Indian agricultural output, for growth of industries in England.

Alternatives :

[1 Marks]

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

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

(C) Assertion (A) is true, but Reason (R) is false.

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

**Question 17.**

Identify which of the following alternatives are not true with reference to the Chinese economy.

(i) In 1958, communes were established.

(ii) In the foreign sector, Special Economic Zones (SEZ) were set up.

(iii) Better health facilities reduced mortality rate in China.

Alternatives :

[1 Marks]

(A) (i), (ii) and (iii)

(B) (i) and (ii)

(C) (i) and (iii)

(D) (ii) and (iii)

**Question 18.**

Which of the following is/are not an objective of regulated agricultural market ?

(i) To discourage improvement of marketing infrastructure for farmers.

(ii) To make marketing systems efficient and effective for farmers to get best price for their products.

(iii) To discourage farmers to improve the quantity and quality of their produce.

Alternatives :

[1 Marks]

(A) (i) and (iii)

(B) (ii) and (iii)

(C) (ii) only

(D) (i) only

**Question 19.**

Read the following statements carefully :

Statement 1 : Land ceiling was one of the Government policies to promote equity in the agriculture sector.

Statement 2 : Land reforms resulted in abolition of the Zamindari system in the post independence period.

In light of the given statements, choose the correct alternative from the following :

[1 Marks]

(A) Statement 1 is true and Statement 2 is false.

(B) Both Statements 1 and 2 are true.

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

(D) Both Statements 1 and 2 are false.

**Question 20.**

Read the following statements : Assertion (A) and Reason (R). Choose the correct alternative given below :

Assertion (A) : Goods and Services Tax (GST) was implemented by the Government of India on 8th November, 2016.

Reason (R) : GST was introduced to implement a unified indirect tax system in India.

Alternatives :

[1 Marks]

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

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the Assertion (A).

(C) Assertion (A) is false, but Reason (R) is true.

(D) Assertion (A) is true, but Reason (R) is false.

**Question 21.**

Identify which of the following is not a member nation of G20.

[1 Marks]

(A) Brazil

(B) Argentina

(C) Bangladesh

(D) Australia

**Question 22.**

Production of varied forms of crops against one specialised crop is called diversification of _____.

(Choose the correct alternative to fill in the blank)

[1 Marks]

(A) crops

(B) sectoral occupation

(C) employment structure

(D) industrial production

**Question 23.**

Identify which of the following is not a Human Development Indicator (HDI).

[1 Marks]

(A) Adult Literacy Rate

(B) Maternal Mortality Rate

(C) Life Expectancy at Birth

(D) Unemployment

**Question 24.**

Read the following statements carefully :

Statement 1 : Human development is based on the idea that education and health are integral to human well-being.

Statement 2 : Human capital treats humans as a means to an end.

In light of the given statements, choose the correct alternative from the following :

[1 Marks]

(A) Statement 1 is true and Statement 2 is false.

(B) Both Statements 1 and 2 are true.

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

(D) Both Statements 1 and 2 are false.

**Question 25.**

On the basis of the data given below, identify the incorrect statement with reference to annual growth of GDP (%) :

Alternatives :

[1 Marks]

**Annual Growth of Gross Domestic Product (%), 1980 – 2017**

| *Country* | *1980 – 90* | *2015 – 2017* |
|---|---|---|
| India | 5·7 | 7·3 |
| China | 10·3 | 6·8 |
| Pakistan | 6·3 | 5·3 |

(A) Pakistan and China experienced a fall in growth rate during 2015 - 2017.

(B) GDP of India accelerated moderately in 2015 2017 period.

(C) China achieved double-digit growth rate in 1980 1990.

(D) Pakistan was ahead of India during 1980 2017 in terms of GDP.

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## Section C

**Question 26.**

On the basis of the given data, estimate the value of National Income:

[3 Marks]

| S.No. | Items | Amount (in ₹ crore) |
|---|---|---|
| (i) | Government Final Consumption Expenditure | 110 |
| (ii) | Private Final Consumption Expenditure | 200 |
| (iii) | Gross Domestic Fixed Capital Formation | 30 |
| (iv) | Net Exports | (–) 40 |
| (v) | Increase in Stock | 20 |
| (vi) | Consumption of Fixed Capital | 15 |
| (vii) | Indirect Taxes | 60 |
| (viii) | Subsidies | 15 |
| (ix) | Net Factor Income from Abroad | (–) 40 |

**Question 27.** Discuss any two factors which directly affect the demand for foreign exchange of a nation.

[3 Marks]

**Question 28.**

State any three precautions to be taken while estimating National Income by Expenditure Method.

[3 Marks]

**Question 29.**

"Trade and Investment Policy of India had undergone comprehensive changes in the post reforms period of 1991."

Do you agree with the given statement ? Justify your answer with any two valid arguments.

[3 Marks]

**Question 30.**

Discuss any two salient features of Indian industrial sector during the period of 1950-1990.

[3 Marks]

**Question 31.**

"In India, National Education Policy 2020 has stressed a lot on in-service training of the teachers."

(i) Identify the source of Human Capital Formation (HCF) indicated in the aforesaid statement.

(ii) Elaborate the likely impacts of this source on the economic development of India.

[3 Marks]

## Section D

**Question 32.** Elaborate the two components of Aggregate Supply in a two-sector economy.

[4 Marks]

**Question 33.**

"Open market operations by Reserve Bank of India (RBI) help in regulating money supply in the economy."

Justify the given statement with valid arguments."

[4 Marks]

**Question 34.**

Elaborate the 'Government's Bank and Advisor function of the Central Bank of a nation.

[4 Marks]

**Question 35.**

Study the given image carefully :

Identify the situation depicted in the image and suggest the impact of the indicated situation in the Indian economy.

Note: The following question is for the Visually Impaired Candidates only in lieu of Q. No. 32

[4 Marks]



**Question 36.**

State and elaborate whether the following statements are true or false, with valid arguments :

(i) Organic Farming has essentially become the need of the hour.

(ii) In the recent past, the Government of India has taken crucial steps, like Jan-Dhan Yojana, for efficient allocation of financial resources.

[4 Marks]

**Question 37.**

From the given data, compare and analyse India and China's sectoral contribution towards Gross Value Added (GVA).

[4 Marks]

**Sectoral Share of Employment and GVA (%) in 2018 – 2019**

| *Sector* | *Contribution to GVA* | | | *Distribution of Workforce* | | |
|---|---|---|---|---|---|---|
| | *India* | *China* | *Pakistan* | *India* | *China* | *Pakistan* |
| Agriculture | 16 | 7 | 24 | 43 | 26 | 41 |
| Industry | 30 | 41 | 19 | 25 | 28 | 24 |
| Services | 54 | 52 | 57 | 32 | 46 | 35 |
| **Total** | **100** | **100** | **100** | **100** | **100** | **100** |

**Question 38.**

(i) Define worker - population ratio and describe its usefulness.

(ii) State the meaning of Disguised Unemployment'.

[4 Marks]

**Question 39.**

(a) For a hypothetical economy, the government incurs an additional investment expenditure of ₹ 5,000 crore. Assuming that the Marginal Propensity to Save (MPS) becomes half from its present level of 20%, estimate the change in income due to this fall in Marginal Propensity to Save (MPS).

(b) State the meaning of autonomous investment .

[4 Marks]

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## Section E

**Question 40.**

(i) Every coin has two sides debate over farm subsidies is one such classic example of the same

Justify the given statement with two arguments each in favour of and against the continuation of the farm subsidies.

(ii) State the importance of "Growth with equity" of Indian economic planning.

[6 Marks]

**Question 41.**

"The real motive behind infrastructural development in India was to strengthen the British interests."

Do you agree with the given statement ? Justify your answer with valid arguments.

(ii) Navratna policy has facilitated the maintenance, promotion and disinvestment of Public Sector Undertakings (PSUs).

Justify the given statement with valid explanation.

[6 Marks]

**Question 42.**

(i) Explain the concept of circular flow of income in a two-sector economy.

(ii) Gross Domestic Product (GDP) and sum of Gross Value Added (GVA) in an economy are always equal

Justify the given statement with valid arguments.

[6 Marks]

**Question 43.**

(i) Gross Domestic Product (GDP) Deflator is represented by the ratio of Real GDP and Nominal GDP."

Do you agree with the given statement ? Justify your answer with valid arguments and a hypothetical numerical example.

(ii) State the meaning of 'Income from Property and Entrepreneurship'.

[6 Marks]

**Question 44.**

(a) On the basis of the given information, calculate the values of the following :

(i) Fiscal Deficit
(ii) Primary Deficit

(b) State any two examples of private goods.

(c) Distinguish between ‘Public Provision’ and ‘Public Production’.

[6 Marks]

| *S.No.* | *Items* | *Amount (in ₹ crore)* |
|---|---|---|
| (i) | Capital Expenditure | 30 |
| (ii) | Revenue Receipts | 20 |
| (iii) | Revenue Deficit | 20 |
| (iv) | Interest Payments | 10 |
| (v) | Non-Debt Creating Capital Receipts | 50% of Revenue Receipts |