CBSE EXAMINATION PAPER-2023

ECONOMICS

(Solved)

Time allowed : 3 hours | Maximum Marks : 105

General Instructions :

Read the following instructions carefully and follow them :

i. This question paper contains **46 questions.** All questions are **compulsory.**

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

iii. **Section A** – questions number **1 to 2** are case based questions

iv. **Section B** – questions number **3 to 27** are multiple choice questions

v. **Section C** – questions number **28 to 33** are short answer type i

vi. **Section D** – questions number **34 to 41** are short answer type ii

vii. **Section E** – questions number **42 to 46** 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 text carefully and answer the given questions on the basis of the same and common understanding :

India urged the World Trade Organisation (WTO) to relax rules to allow the country to export food grains from its public stocks to the nations facing food crises. India can help, reduce food insecurity but there is hesitation on the part of the WTO, in relaxing its rules. India's Finance Minister said food, fuel and fertilizers are global public goods and ensuring access of these for developing and emerging

economies is critical. She also shared India's experiences, including robust gains in agriculture production, citizen centric food security programmes and innovative delivery mechanisms such as the 'One Nation one Ration Card' Scheme.

(Source : The Economic Times; July 16, 2022)

(1)

State and discuss any two objectives of World Trade Organisation.

[4 Marks]

(2)

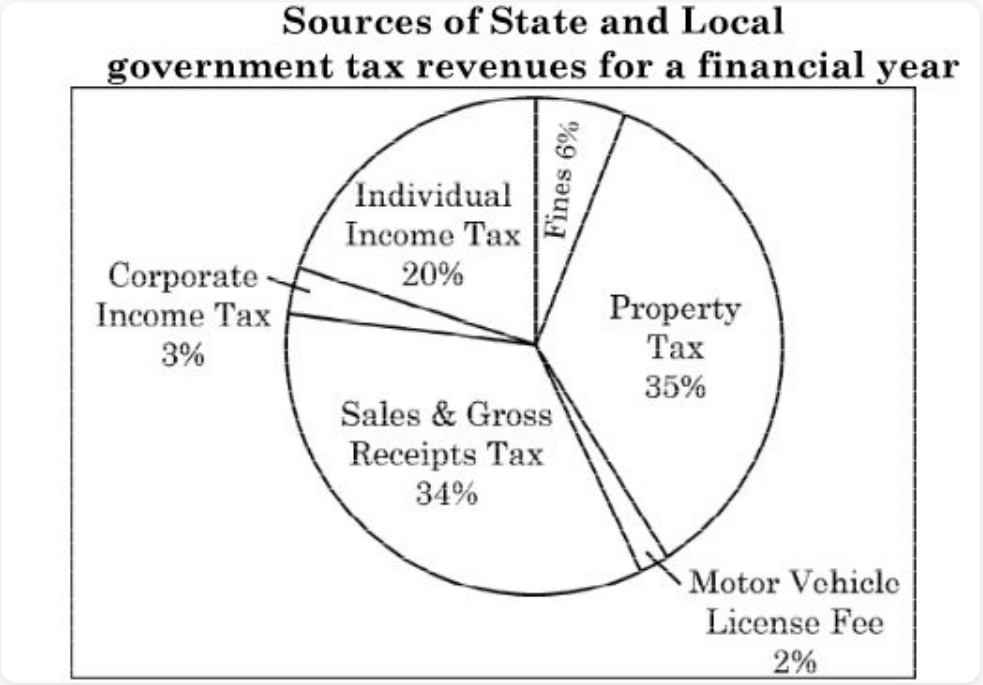
Name any two steps taken by India to strengthen the food security.

[2 Marks]

Question 2.

Study the given picture carefully :

Answer the following questions based on common knowledge and picture :



(1)

Categorise the given items in the picture into tax /non-tax receipts.

[3 Marks]

(2)

"Government has started spending more on providing free services like education and health to the poor."

In the light of above statement, explain how the government can use the budgetary policy in reducing 'inequalities of income'.

[3 Marks]

Section B

Question 3.

'Money is an asset which can be stored for use in future.'

In the light of given statement, identify the function of money.

(Choose the correct alternative)

[1 Marks]

(A) A medium of Exchange

(B) A store Of value

(C) A standard of deferred payment

(D) A measure of value

Question 4.

"Considering the depreciation of Indian Currency (e) in the international market, the Reserve Bank of India (RBI) has decided to purchase Indian currency (₹) in the open market."

This represents ———————— exchange rate system.

(Fill up the blank with correct alternative)

[1 Marks]

(A) managed floating

(B) fixed

(C) flexible

(D) manipulated

Question 5.

Read the following statements carefully :

Statement I : In a two sector economy, consumption expenditure and investment expenditure are the two components of Aggregate Demand.

Statement 2 : Aggregate demand curve always start from point of origin with positive slope.

In the light of 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 false.

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

(D) Both statements 1 and 2 are true.

Question 6.

'Deficit' in Balance of Payment (BOP) refers to the excess of ——————— .

(Choose the correct alternative)

[1 Marks]

(A) Autonomous payments over Autonomous receipts

(B) Current account payments over current account receipts.

(C) Capital account payments over Capital account receipts

(D) Accommodating payments over Accommodating receipts

Question 7.

From the statements given in Column I and Column II, choose the correct pair.

Alternatives :

[1 Marks]

	Column – I		Column – II
A.	Vegetables grown in the Personal garden	(i)	Non marketing activity
B.	A car used as a taxi	(ii)	Consumer good
C.	An air-conditioner used by household	(iii)	Capital good
D.	Scholarship given to students by government	(iv)	Factor income

(A) B- (ii)

(B) C - (iii)

(C) D -(iv)

(D) A - (i)

Question 8.

Complete the table:

Alternativees :

[1 Marks]

Complete the table :

Producer	Value of output	Intermediate Consumption	Value Added
Farmer	2000	–	2000
Baker	.....(i).....	2000	2000
Retail Seller	4,400	.....(iii).....	400
Total	.....(ii).....	6,000	.....(iv).....

(A) 4000, 10400, 6000, 4000

(B) 4000, 10400, 4000, 4000

(C) 4000, 10400, 4000, 4400

(D) 2000, 6000, 6000, 4400

Question 9.

If in an economy, the Investment Multiplier is 4 and Autonomous Consumption is 30 crore, the relevant consumption function would be ———————— .

(Fill up the blank with correct alternative)

[1 Marks]

(A) C(-)30-0.25 Y

(B) C=30+ 0.25 Y

(C) C=30+0.75 Y

(D) C(-) 30+ 0.25 Y

Question 10.

If increase in National Income is equal to increase in Savings, the value of Marginal propensity to Consume would be ————————.

(Fill up the blank with correct alternative)

[1 Marks]

(A) greater than one

(B) equal to unity

(C) equal to zero

(D) less than one

Question 11.

Read the following statements carefully:

Statement 1: Money supply (M) in India does not include 'demand deposits' with commercial banka.

Statement 2: Money supply (M) refers to, assets available with the Commercial Banks during a particular period of time.

In the light of the given statements, choose the correct alternative.

[1 Marks]

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

(B) Both statements 1 and 2 are false.

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

(D) Both statements 1 and 2 are true.

Question 12.

Suppose, Country X, has more inflation than Country Y. Which of the following is most likely situation to happen in such a case, assuming other factors being constant?

(Choose the correct alternative)

[1 Marks]

(A) devalued A deficit trade b alance for Country Y

(B) A deficit trade balance for Country X

(C) appreciated A surplus trade balance in Country X

(D) revalued A rise in exports from Country X to Country Y

Question 13.

Suppose, the price of one UK Pound (f) has increased from ₹ 70 to ₹ 80, owing to market forces.

This means that value Of Indian Currency (₹) has ——————— .

(Choose the correct alternative)

[1 Marks]

(A) depreciated

(B) revalued

(C) devalued

(D) appreciated

Question 14.

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

Assertion (A) : Full employment refers to, absence Of involuntary unemployment.

Reason (R) : Under full employment situation, all willing and able bodied people get employment at prevailing wage rate.

Alternatives :

[1 Marks]

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

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

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

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

Question 15.

In an economy, the value of Marginal Propensity to Save (MPS) is 0.25, what will be the value of increase in income, if investments increased by ₹ 200 crores ?

[1 Marks]

(A) ₹ 800 crores

(B) ₹ 150 crores

(C) ₹ 200 crores

(D) ₹ 1, 000 crores

Question 16.

During the British rule in India, Indian agricultural output witnessed stagnation due to _____.

(Choose the correct alternative)

[1 Marks]

(A) Decline in handicrafts

(B) Introduction Of railways

(C) Land settlement

(D) Drain of Indian wealth

Question 17.

In the first phase of Green Revolution, output was restricted mainly to ———————— .

(Choose the correct alternative)

[1 Marks]

(A) Cereals and Pulses

(B) Wheat and Rice

(C) Jowar and Bajra

(D) Cotton and Jute

Question 18.

———————— is known as the architect Of Indian Planning.

[1 Marks]

(A) Dr. Rajendra Prasad

(B) Jaw aharlal Nehru

(C) Dr. Manmohan Singh

(D) P.C. Mahalanobis

Question 19.

Read the following statements carefully

Statement 1 : Great Proletarian Cultural Revolution was introduced in China in 1950's.

Statement 2 : China's growth is mainly contributed by the manufacturing sector.

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

[1 Marks]

(A) Both statements 1 and 2 are true.

(B) Both statements 1 and 2 are false.

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

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

Question 20.

Identify the incorrect statement from the following :

(Choose the correct alternative)

[1 Marks]

(A) Pakistan is behind India in HDI ranking.

(B) In 1991, India adopted New Economic Reforms.

(C) China's Economic growth rate is better than that of Pakistan.

(D) One Child Policy norm was adopted in Pakistan

Question 21.

———————— is the apex institution which plans and evaluates policies related to rural credit needs.

[1 Marks]

(A) NABARD

(B) Regional Rural Banks

(C) Self Help Groups

(D) Cooperative Credit Societies

Question 22.

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

Assertion (A) : During 1980's, economic growth rate of Pakistan was more than that of India.

Reason (R) : Pakistan followed the path of mixed economic structure with equal participation of the public and the private sector.

Alternatives :

[1 Marks]

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

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

Question 23.

Identify, which Of the following are associated with the problem Of human capital formation in India ?

(i) Brain drain

(ii) Low academic standards

(iii) Rising population

(iv) Changes in social outlook

Alternatives :

[1 Marks]

(A) (ii) and (iii)

(B) (i) and (iv)

(C) (i), (ii) and (iii)

(D) (i) and (ii)

Question 24.

Read the following statements carefully :

Statement 1 : Special Economic Zones (SEZ's) policy has led to huge Foreign Direct Investment (FDI) flow to China.

Statement 2 : China's rapid industrial growth was the result of its economic reform in 1981.

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

[1 Marks]

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

(B) Both statements 1 and 2 are true.

(C) Both statements 1 and 2 are false.

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

Question 25.

Identify, which of the following is an incorrect function of environment ?

[1 Marks]

(A) Assimilates waste

(B) Land degradation

(C) Supplies resources

(D) Provides aesthetic services

Question 26.

Identify, which of the following IS the correct formula for calculating 'Worker-Population Ratio' ?

(Choose the correct alternative)

[1 Marks]

(A) Total Population / Total Workers *100

(B) Total Workers / Total Population *100

(C) Total Population / Total Labour Force *100

(D) Total Labour Force /Total Population *100

Question 27.

Read the following statements carefully :

Statement 1 : First Five Year Plan of China commenced in the year 1956.

Statement 2 : Both India and China adopted Socialist Economy model, following USSR.

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

[1 Marks]

(A) Both statements 1 and 2 are true.

(B) Both statements 1 and 2 are false.

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

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

Section C

Question 28.

Suppose only one Good 'X' is produced in the country. Output of Good X during year 2018 and 2019 were 100 units and 110 units respectively. The market price of the product during the two years was 50 and 55 per unit respectively.

Calculate the percentage change in Real Gross Domestic Product (GDP) in year 2019 using 2018 as the base year.

[3 Marks]

Question 29.

Giving valid reasons, state whether the following statements are true or false:

(i) Dividend received from investment abroad is recorded on the credit side of the capital account.

(ii) Depreciation of the Indian Currency will lead to promotion of Indian exports.

[3 Marks]

Question 30.

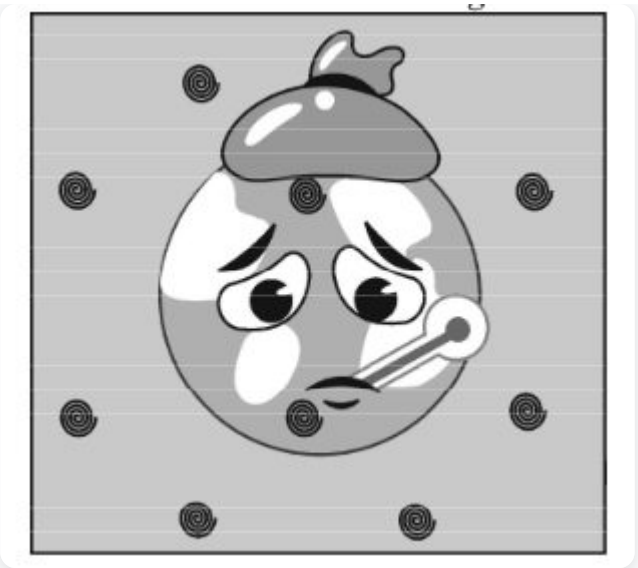
Distinguish between Autonomous transactions and Accommodating transactions.

[3 Marks]

Question 31.

Interpret the situation of earth as depicted in the given picture, with reference to current environmental challenges :

[3 Marks]



Question 32.

"In rural areas of India, more members of a family are engaged in work, yet the gross income of the family is generally low."

Identify the type of unemployment indicated in the above statement and explain the paradox associated with it.

[3 Marks]

Question 33.

Explain the role of micro-credit system in meeting credit requirements of poor.

[3 Marks]

Section D

Question 34. If planned savings exceed planned investments in an economy, explain the likely impact on income, output, and employment.

[4 Marks]

Question 35.

As per the following news published in 'The Hindu' on 6th August, 2022 : 'The Monetary Policy Committee (MPC) of the Reserve Bank of India raised the Repo Rate by 50 basis points.'
Identify and explain the likely cause and consequences behind this type Of action taken by the Reserve Bank of India.

[4 Marks]

Question 36. Explain the role of the Central Bank as the Government's agent and adviser.

[4 Marks]

Question 37. Define Reverse Repo Rate. Discuss briefly how this instrument helps in controlling money supply by commercial banks.

[4 Marks]

Question 38.

Compare and analyse the following information related to Annual Growth of Gross Domestic Product (GDP) of India and China :

(Source : Asian Development Bank, Philippines, World Development indicator — 2018)

[4 Marks]

Annual Growth of Gross Domestic Product

Country	1980 – 90	2015 – 17
India	5.7	7.3
China	10.3	6.8

Question 39.

(i) State the meaning of 'Privatisation'.

(ii) 'Agriculture sector has been adversely affected by the Economic reform process.' Comment.

[4 Marks]

Question 40.

State and explain any two main causes behind infrastructural development by British rule.

[4 Marks]

Question 41.

(a) State, with valid reasons whether, the following statements are true or false :

"Higher productivity and production are the outcome of investment in human resources."

(b) Rising population is not the cause for quality of human capital formation.

[4 Marks]

Section E

Question 42.

(i) Define Agricultural diversification.

(ii) State the meaning of organic farming. Discuss how does it help in promoting sustainable development.

[6 Marks]

Question 43.

(i) Discuss the need for promoting women's education in India.

(ii) Explain absorptive capacity of environment with example.

[6 Marks]

Question 44.

(I) How should the following be treated in estimating National Income of a Country ? Give valid reasons.

(i) Profits earned by Foreign Banks in India.

(ii) Expenditure on upgradation of fixed asset by a firm.

(II) Suppose in a financial year, the Gross Domestic Product (GDP) at market price of a country was = 1,100 crore. Net factor income from Abroad was ¢ 100 crore, the net indirect taxes was = 150 crore and National income was = 850 crore. Calculate the value of depreciation, on the basis of above information.

[6 Marks]

Question 45.

(I)“While estimating Gross Domestic Product (GDP) by expenditure method, entire focus is on expenditures incurred by

the residents of the country.”

Do you agree with the given statement ? Give valid reason in

support of your answer.

(II) Calculate the value of Domestic Income from the following data :

[6 Marks]

S. No.	Particulars	Amount in (₹ crores)
(i)	Rent and Royalties	1,300
(ii)	Net Indirect Taxes	200
(iii)	Wages & Salaries (in cash & in kind)	1,700
(iv)	Corporate Tax	400
(v)	Depreciation	400
(vi)	Retained Earnings	300
(vii)	Dividends	400
(viii)	Net Factor Income from Abroad	(–) 120
(ix)	Mixed Income of Self Employed	1,400
(x)	Change in Stock	(–) 200

Question 46.

Study the given picture carefully :

Answer the following questions based on common knowledge and picture :

(a) Categorise the given items in the picture into tax /non-tax receipts.

(b) “Government has started spending more on providing free services like education and health to the poor.”

In the light of above statement, explain how the government can use the budgetary policy in reducing ‘inequalities of income’.

[6 Marks]

