CBSE EXAMINATION PAPER-2023

ECONOMICS

(Solved)

Time allowed : 3 hours | Maximum Marks : 90

General Instructions :

Read the following instructions carefully and follow them :

i. This question paper contains **37 questions.** All questions are **compulsory.**

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

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

iv. **Section B** – questions number **2 to 20** are multiple choice questions

v. **Section C** – questions number **21 to 25** are short answer type i

vi. **Section D** – questions number **26 to 33** are short answer type ii

vii. **Section E** – questions number **34 to 37** 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 :

According to NITI Aayog, India has a technological advantage to facilitate digital banks. There is a need for creating a regulatory framework for promoting this.

NITI Aayog, in its report titled "Digital Banks: A Proposal for Licensing and Regulatory Regime for India", offers a template and roadmap for a digital bank licensing and regulatory regime for a country.

India's public digital infrastructure, especially Unified Payments Interface (UPI) has successfully faced this. With Aadhar, India is at the cusp of operationalizing its own open banking framework. This demonstrates that India has the technology stock to fully facilitate digital banks. Digital banking allows a user to set up automatic payments for regular utility bills. Digital banking enables fund transfers to reduce the risk of counterfeit currency. By promoting a cashless society, digital banking restricts the circulation of black money. On the basis of the given text and common understanding, answer the following questions:

(1) Which institution has been replaced by NITI Aayog in India? Who is the ex-officio Chairman of NITI Aayog?

[2 Marks]

(2) State and discuss any two main advantages of digital banking.

[4 Marks]

Section B

Question 2.

Read the following statements carefully:

Statement 1: Primary deposits are the cash deposits by general public with commercial banks.

Statement 2: Secondary deposits are those deposits which arise on account of credit provided by the commercial banks to the people.

In 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 3.

The difference between National Income at market price and National Income at factor cost is _____.

(Choose the correct alternative to fill up the blank)

[1 Marks]

(A) market price

(B) net factor income from abroad

(C) consumption of fixed capital

(D) net indirect taxes

Question 4.

The rate at which commercial banks borrow from the Reserve Bank of India to meet their long term requirements is known as _____.

(Choose the correct alternative to fill up the blank)

[1 Marks]

(A) Reverse repo rate

(B) Repo rate

(C) Bank rate

(D) Margin requirement

Question 5.

Read the following statements carefully:

Statement 1: Borrowings by a nation from the World Bank to finance Balance of Payment (BoP) deficit will be recorded in the capital account.

Statement 2: Autonomous transactions are independent of the condition of Balance of Payment (BoP) account.

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

[1 Marks]

(A) Both Statements 1 and 2 are true.

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

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

(D) Both Statements 1 and 2 are false.

Question 6.

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

Assertion (A): Before reaching the Break-Even level of income, the value of Average Propensity to Consume (APC) is greater than one. Reason

(R): The Average Propensity to Consume (APC) is the ratio of the total consumption and total income.

[1 Marks]

(A) Assertion (A) is false and Reason (R) is true.

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

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

(D) Assertion (A) is true and Reason (R) is false.

Question 7.

Gifts and remittances sent abroad are recorded on the _____ side of the _____ account in Balance of Payment.

(Choose the correct alternative to fill up the blanks) 1

[1 Marks]

(A) debit, current

(B) debit, capital

(C) credit, current

(D) credit, capital

Question 8.

Identify which of the following equations is true.

(Choose the correct alternative)

[1 Marks]

(A) MPC + MPS > 1

(B) MPC + MPS = 1

(C) MPC + MPS = 0

(D) MPC + MPS < 1

Question 9.

A situation in which an able bodied person is not willing to work at the existing wage rate, is referred to as _____ situation.

(Choose the correct alternative to fill up the blank)

[1 Marks]

(A) Disguised unemployment

(B) Involuntary unemployment

(C) Full employment

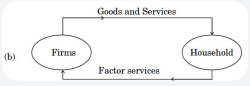
(D) Voluntary unemployment

Question 10.

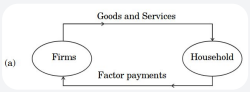
Identify which of the following represents only the real flow :

[1 Marks]

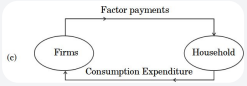
(A)



(B)



(C)



(D)



Question 11.

Read the following statements carefully :

Statement 1 : Commercialization of agriculture under the British rule was responsible for frequentfamines between 1875 and 1900.

Statement 2 : During British rule, India began to export food grains.

In light of the 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 true and Statement 2 is false.

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

Question 12.

Read the following statements carefully :

Statement 1 : The purchase of food grains made by the Government on the Minimum Support Price (MSP) is maintained as buffer stock.

Statement 2 : Minimum Support Price safeguards the farmers against any sharp fall in farm product prices.

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

[1 Marks]

(A) Both Statements 1 and 2 are true.

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

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

(D) Both Statements 1 and 2 are false

Question 13.

The Great Leap Forward (GLF) campaign in China focused on _____. (Choose the correct alternative to fill up the blank)

[1 Marks]

(A) Economic reforms

(B) New agricultural strategy

(C) Privatisation

(D) Widespread industrialisation

Question 14.

India is not a member of which of the following regional / global economic groups ?

[1 Marks]

(A) SAARC

(B) G20

(C) BRICS

(D) European Union

Question 15.

'Skill India' programme launched by the Government is not an attempt to increase in -----India.

(Choose the correct alternative to fill up the blank)

[1 Marks]

(A) inadequate spread of vocational education

(B) efficient utilisation of inputs

(C) increase in GDP growth

(D) human capital formation

Question 16.

Identify the correct alternative with reference to the following statement:

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

[1 Marks]

(A) Commune System

(B) Great Proletarian Cultural Revolution

(C) Great Leap Forward

(D) Open Door Policy

Question 17.

Read the following statements carefully :

Statement 1 : In both India and Pakistan, the service sector has been emerging as a major source of development.

Statement 2 : Amongst the neighbours of India, China has the highest life expectancy rate.

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) Statement 1 is false and Statement 2 is true.

(C) Both Statements 1 and 2 are true.

(D) Both Statements 1 and 2 are false.

Question 18.

Workers who are on the permanent pay-roll of their employer are called _____ workers.

(Choose the correct alternative to fill up the blank)

[1 Marks]

(A) casual

(B) regular

(C) self-employed

(D) hired

Question 19.

Jobless growth leads to unemployment because _____ .

(Choose the correct alternative to fill up the blank)

[1 Marks]

(A) Growth is due to technological development

(B) Growth rate is low

(C) Labour is very expensive

(D) Labour refuses to migrate

Question 20.

Read the following statements carefully :

Statement 1 : India announced its First Five Year Plan in 1951.

Statement 2 : India, Pakistan and China adopted economic planning as the core development strategy.

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 true and Statement 2 is false.

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

Section C

Question 21.

Distinguish between 'Value Addition' and 'Final Value of Output' .

[3 Marks]

Question 22.

"There exists a positive relation between foreign exchange rate and supply of foreign exchange." Do you agree with the given statement ? Justify your answer with valid arguments.

[3 Marks]

Question 23.

Find the Value Added by Firm A, from the following information

[3 Marks]

Find the Value Added by Firm A, from the following information :

S. No.	Particulars	Amount (in ₹ crore)
(i)	Purchase of factor inputs by Firm A	5
(ii)	Purchase of non-factor inputs by Firm A	2
(iii)	Sales by Firm A to other firms in the domestic economy	10
(iv)	Import of raw materials by firm A from rest of the world	50
(v)	Excess of opening stock over closing stock	3

Question 24.

Critically evaluate the role of rural banking system in the process of rural development in India.

[3 Marks]

Question 25.

"Dr. Khurana, a dentist, ran his clinic in an economically backward area. He was earning a comparatively low income. So, he decided to move to a city and spent a huge amount for the same." Identify and explain the type of expenditure incurred by Dr. Khurana, which directly contributed to the process of human capital formation.

[3 Marks]

Section D

Question 26. Describe the adjustment mechanism, if ex-ante savings are less than ex-ante investments.

[4 Marks]

Question 27.

Read the following news published on September 26, 2022 :

"The central bank has increased the benchmark lending rate by 140 basis points."

Identify the likely cause and consequences behind the action taken by the Reserve Bank of India.

[4 Marks]

Question 28.

Using a hypothetical numerical example, explain the effect of rise in Reserve Ratio on credit creation by the commercial banks.

[4 Marks]

Question 29.

Explain the 'Government's Bank' function of the central bank.

[4 Marks]

Question 30.

Explain valid reasons for the slow growth and re-emergence of poverty in Pakistan.

[4 Marks]

Question 31.

(a) Explain briefly the rationale behind the 'License Raj' under the Industrial Policy Resolution, 1956.

(b) Define Multilateral trade.

[4 Marks]

Question 32.

State and elaborate whether the following statement is true c false, with valid arguments:

"Indian economy has showed satisfactory progress toward formalization of workforce in the recent past."

[4 Marks]

Question 33.

"In India, the self-employed constitute around 60% employees. Th possible incidence of under employment is the highest among the self-employed."

As an economist, suggest and elaborate any two measures the may be taken to ensure more productive employment for the self-employed.

[4 Marks]

Section E

Question 34.

(i) Why are less women found in regular salaried employment ?

(ii) Distinguish between human capital and physical capital.

[6 Marks]

Question 35.

(i) State and discuss any one strategy involved in attaining sustainable development in India.

(ii) Discuss briefly the importance of micro credit programme in rural India.

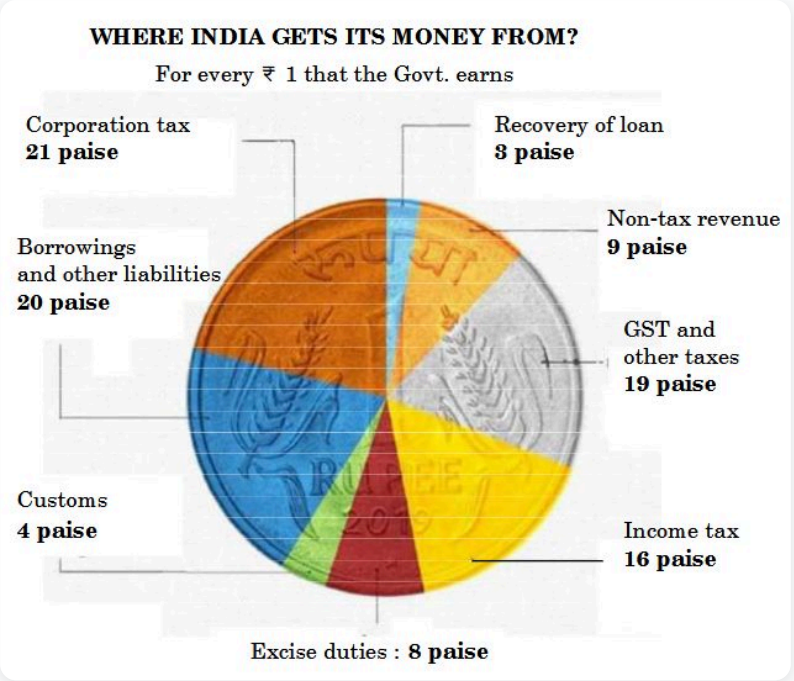
[6 Marks]

Question 36.

(i) From the information given in the diagram, categorize the items into revenue receipts and capital receipts, stating valid reasons.

(ii) Distinguish between Revenue deficit and Fiscal deficit.

[6 Marks]



Question 37.

(i) From the following data, calculate the primary deficit.

(ii) Elaborate Economic stability' function of the Government Budget.

[6 Marks]

S. No.	Particulars	Amount (in ₹ crore)
(i)	Revenue deficit	40
(ii)	Non-debt creating capital receipts	190
(iii)	Tax revenue	125
(iv)	Capital expenditure	220
(v)	Interest payments	20