



Board Paper of Class 12- Economics 2021

Total Time: 90

Total Marks: 60.0

Q.No.1: 'Free distribution of LPG connection to poor people is a sign of social justice'.

Identify the 'Objective of Government Budget' from the above mentioned statement.

(Choose the correct

alternative)

- (a) Promote Economic Growth
- (b) Management of public enterprises
- (c) Create equitable distribution of income
- (d) Create fluctuation in revenue of the government

Marks:[1.00]

Q.No.2: Exports and Imports of which of the following items will be a component of 'Balance of Trade'?

(Choose

the correct alternative)

- (a) Banking
- (b) Shipping
- (c) Merchandise
- (d) Insurance

Marks:[1.00]

Q.No.3: In the context of commercial bank, which of the following alternatives is correct?

(Choose the correct

alternative)

- (a) Deposits are liabilities of banks.
- (b) Commercial banks are creator of money.

- (c) Commercial banks accept deposits of the general public.
(d) Accept deposits of World Bank for Agriculture and Rural developments.
Identify the correct alternative from the following:

Alternatives:

- (a) (i) and (ii)
(b) (i) and (iii)
(c) (i), (ii) and (iii)
(d) (i) and (iv)

Marks:[1.00]

Q.No.4: Find the odd one out among the following, with respect to the 'Balance of Payments' in India:

(Choose the correct alternative)

- (a) Investments by Indian Investors under the Make in India Programme
(b) Loan received from Australia
(c) Investments from abroad
(d) Purchase of machinery from abroad

Marks:[1.00]

Q.No.5: Read the given statements carefully and choose the correct alternative:

Statement 1: Demonetisation was an initiative taken by the Government of India to curb black money, terrorism and circulation of fake currency.

Statement 2: Demonetisation has lead people to shift from cash payments to electronic payments.

Alternatives:

- (a) Both the statements are true.
(b) Both the statements are false.
(c) Statement 1 is true and statement 2 is false.
(d) Statement 2 is true and statement 1 is false.

Marks:[1.00]

Q.No.6: The total stock of money in circulation among the public _____ is called as 'money supply'.

(Fill up the blank with correct alternative)

- (a) during a period of time
(b) during a calendar year
(c) during a fiscal year
(d) at a particular point of time

Marks:[1.00]

Q.No.7: All currencies other than the domestic currency of a country are called as.....(Fill up the blank with correct alternative)

- (i) Foreign exchange rate
- (ii) Foreign exchange
- (iii) Foreign aid

Identify the correct alternatives from the following.

Alternatives:

- (a) (i) and (ii)
- (b) (i) and (iii)
- (c) (i), (ii) and (iii)
- (d) (ii) only

Marks:[1.00]

Q.No.8: Read the following statements carefully and choose the correct alternative from the following:

Statement 1: Government Budget is a detailed economic statement presented by Finance Minister.

Statement 2: Government Budget consists of financial programmes and policies of the government for the next year.

Alternatives:

- (a) Both the statements are true
- (b) Both the statements are false
- (c) Statement 1 is true and statement 2 is false
- (d) Statement 2 is true and statement 1 is false

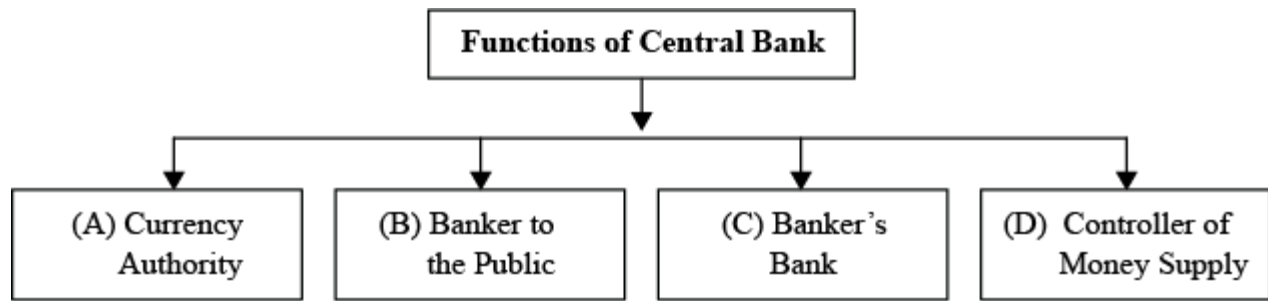
Marks:[1.00]

Q.No.9: From the following statements, choose the correct statement:

- (a) Trade deficit refers to the excess of 'total value of exports' over the 'total value of imports' of goods and services.
- (b) Trade surplus refers to the excess of 'total value of imports' over the 'total value of exports' of goods and services.
- (c) Current account deficit in a nation occurs when the foreign exchange receipts in current account fall short of foreign exchange payments in current account.
- (d) Current account surplus in a nation occurs when the credit items of Balance of Payments are less than the debit items of Balance of Payments.

Marks:[1.00]

Q.No.10: From the following functions of the Central Bank, identify the odd one out:



Alternatives:

- (a) A
- (b) B
- (c) C
- (d) D

For Blind Candidates:

From the following functions of Central Bank, identify the odd alternative out:

- (a) Current Authority
- (b) Banker to the Public
- (c) Banker's Bank
- (d) Controller of Money Supply

Marks:[1.00]

Q.No.11: Which of the following statement is correct with reference to the mixed economy system in India? (Choose the correct alternative)

- (a) Predominance of free market economic system over the government regulated economy.
- (b) Absence of economic planning.
- (c) Ownership of factors of production only to private sector.
- (d) Co-existence of public and private sector.

Marks:[1.00]

Q.No.12: Read the following statements carefully and choose the correct alternatives:

Statement 1: Zamindari was introduced by the British, to ensure proper control over the revenue system in India.

Statement 2: Zamindars were given full freedom to collect and keep the rent collected by them

Alternative:

- (a) Statement 1 is true and statement 2 is false.
- (b) Statements 2 is true and statement 1 is false.
- (c) Both statements are true.
- (d) Both statements are false.

Marks:[1.00]

Q.No.13: was the objective of Import Substitution policy in India. (Choose the correct alternative)

- (a) Production of high quality products
- (b) Protection of domestic industries from foreign competition
- (c) Promote imports
- (d) Promote privatisation

Marks:[1.00]

Q.No.14: Read the following statements carefully and choose the correct alternative:

Statement 1 : The official data on poverty in India is issued by NITI Aayog.

Statement 2 : Since independence the number of poor people in India has declined.

Alternatives :

- (a) Statement 1 is true and statement 2 is false
- (b) Statement 2 is true and statement 1 is false
- (c) Both statements are true
- (d) Both statements are false

Marks:[1.00]

Q.No.15: Read the following statements carefully and choose the correct alternative.

Statement 1 : Economic Reforms of 1991 paved the way for the liberalisation of Indian Economy.

Statement 2 : Economic Reforms of 1991 relaxed the restrictions imposed by the government on private sector.

- (a) Statement 1 is true and statement 2 is false
- (b) Statement 2 is true and statement 1 is false
- (c) Both statements are true
- (d) Both statements are false

Marks:[1.00]

Q.No.16: From the following statements regarding Goods and Services Tax (GST), identify the incorrect statement:

- (a) It ensures uniformity of tax rates across all states.
- (b) It ensures better tax compliance and tax collection.
- (c) All types of direct and indirect taxes have been subsumed by it.
- (d) It's imposed on the supply of goods and services.

Marks:[1.00]

Q.No.17: From the following, which of the item would appear on the credit side of capital account of the balance of payment in India?

- (a) Education consultation from a firm in New York
- (b) Borrowings from rest of the world
- (c) Earthquake relief and received from France
- (d) Imports of edible oils

Marks:[1.00]

Q.No.18: Identify which of the following statement is not correct with reference to Self Help Group? (Choose the correct alternative)

- (a) Group members in need of funds can borrow at nominal rate of interest.
- (b) Borrowings in micro-credit system are mainly taken for consumption purposes.
- (c) Micro-credit system has helped men in rural areas to become self-dependent.
- (d) Formal credit system has failed to provide credit to the needy people in the rural areas.

Marks:[1.00]

Q.No.19: Read the following statements carefully and choose the correct alternative.

Statement 1 : Recovery of loans is a non-debt creating capital receipt.

Statement 2 : Recovery of loans cause a reduction in assets of the government .

Alternatives :

- (a) Statement 1 is true and statement 2 is false
- (b) Statement 2 is true and statement 1 is false
- (c) Both the statements are true
- (d) Both the statements are false

Marks:[1.00]

Q.No.20: Which one of the following features are identified for the 'Urban poor'?

(Choose the correct alternative)

- (i) Lack of income generating assets
- (ii) Limited skills availability
- (iii) Lack of job security
- (iv) Lack of job opportunities

Alternatives :

- (a) (i) and (ii)
- (b) (i), (ii) and (iii)
- (c) (i), (ii), (iii) and (iv)
- (d) (i), (iii) and (iv)

Marks:[1.00]

Q.No.21: Which of the following is correct with reference to Ministry of Finance? (Choose the correct alternative)

- (a) It issues coins only
- (b) It issues all type of currency notes
- (c) It issues one rupee note and coins
- (d) It issues only one rupee note

Marks:[1.00]

Q.No.22: One the eve of Independence, India's demographic condition was characterised by which of the following statement?

(Choose the correct alternative)

- (a) Low level of literacy, low mortality rates and high life expectancy.
- (b) High level of literacy, high mortality rates and low life expectancy.
- (c) Low level of literacy, high mortality rates and high life expectancy.
- (d) Low level of literacy, high mortality rates and low life expectancy.

Marks:[1.00]

Q.No.23: 'In India, agricultural subsidies have always been a topic of debate among the economic thinkers.'

Identify, which of the following statements is not an argument in favour of continuation of the agricultural subsidies in India.

Alternatives :

- (a) Subsidies encourage farmers to adopt newer technologies.
- (b) Subsidies help farmers to face the uncertainties of future.
- (c) Subsidies aim to reduce the inequalities between rich and poor farmers.
- (d) Subsidies mainly benefits the fertilizer industry and big farmers.

Marks:[1.00]

Q.No.24: Identify the correct statement from the following :

- (a) India developed sound industrial base under the colonial rule.
- (b) India had very developed capital goods industries structure on the eve of independence.
- (c) Under the colonial rule, India generated export surplus.
- (d) The real motive of development of infrastructure under the british rule was to ensure development of India.

Marks:[1.00]

Q.No.25: Consider the following statements about 'Portfolio Investments in India' and choose the correct alternative :

- (i) Investments by a foreign company to start its subsidiary company in India.
- (ii) Investments by a foreign company to acquire some company in India.
- (iii) A foreign investor buying shares in Indian markets.
- (iv) A foreign investor buying Goods in Indian markets.

Alternatives :

- (a) (i), (ii) and (iii)
- (b) (ii), (iii) and (iv)
- (c) (iii) only
- (d) (iii) and (iv)

Marks:[1.00]

Q.No.26: Read the following statements carefully and choose the correct alternative :

Statement 1 : Reserve Bank of India keeps a certain percentage of deposits as reserve to avoid 'too much lending to public'.

Statement 2 : The reserve deposit ratio acts as a deterrence to the amount of credit created by the commercial banks.

Alternatives :

- (a) Statement 1 is true and statement 2 is false
- (b) Statement 2 is true and statement 1 is false
- (c) Both the statements are true
- (d) Both the statements are false

Marks:[1.00]

Q.No.27: Which of the following is not a valid statement in the context of Industrial Policy Resolution (IPR) 1956? (Choose the correct alternative)

- (a) Ownership and management of the core industries were given to the public sector.
- (b) Tax benefits were given to industries being established in backward region to promote regional equalities.
- (c) A few industries were allowed to be owned by the private sector.

(d) Goods produced by the small scale industries were dereserved.

Marks:[1.00]

Q.No.28:

Read the following statements – **Assertion (A)** and **Reason (R)** and choose the correct alternative :

Assertion (A) : After Independence there was an expansion, in farm and non-farm output, income and employment.

Reason (R) : Rural banking has helped farmers to avail benefits of credit facilities for meeting their needs.

Alternatives :

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

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

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

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

Marks:[1.00]

Q.No.29: Identify the incorrect statement from the following :

(a) Human capital represents enhanced labour productivity.

(b) Investment in human capital enhances efficiency and skills, implying economic growth.

(c) Human capital is separable from its owner.

(d) Human capital treats human beings as a means to an end.

Marks:[1.00]

Q.No.30: Read the following statements – **Assertion (A)** and **Reason (R)** and choose the correct alternative :

Assertion (A) : Urban poverty is considered as a spill over of the rural poverty.

Reason (R) : Rural poor migrate to cities in search of employment and livelihood.

Alternatives :

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

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

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

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

Marks:[1.00]

Q.No.31: Read the following statements carefully and identify the false statement with respect to the Pradhan Mantri Jan Dhan Yojana: (Choose the correct alternative)

(a) It promotes habit of saving among masses

- (b) Government uses it for direct benefit transfers under various schemes
- (c) Each account holder is entitled to ₹5,00,000 accidental insurance and ₹30,000 life insurance
- (d) It ensures financial inclusion of every account holder

Marks:[1.00]

Q.No.32: Which of the following statements is not false?

(Choose the correct alternative)

- (a) Higher education takes a major share of the total educational expenditure in India.
- (b) No education cess has been imposed by the government of India.
- (c) Educational achievements in a country are indicated in terms of adult literacy level only.
- (d) Expenditure per student at tertiary level is higher than that of elementary level of education.

Marks:[1.00]

Q.No.33: Structural composition refers to the

(Choose the correct alternative)

- (a) number of people engaged in training
- (b) number of people engaged in different sectors
- (c) number of people engaged in tertiary sector
- (d) number of people facing unemployment

Marks:[1.00]

Q.No.34: Read the following statements carefully and choose the correct alternative:

Statement 1: Modernisation refers to the use of new technology only.

Statement 2: To enhance the productivity in an economy, women must be given equal opportunities at work place.

Alternative:

- (a) Statement 1 is true and statement 2 is false
- (b) Statement 2 is true and statement 1 is false
- (c) Both the statements are true
- (d) Both the statements are false

Marks:[1.00]

Q.No.35: Identify the incorrect statement from the following. (Choose the correct alternative)

- (a) Diversification into other sector is essential to enable rural people to overcome poverty.
- (b) Diversification is an essential component because there is greater risk in depending exclusively on farming for livelihood.
- (c) Diversification provides supplementary gainful employment.
- (d) Diversification activities are not beneficial.

Marks:[1.00]

Q.No.36: Suppose money created by the banking system ₹1,000 and the primary deposits is ₹250. The respective values of deposit multiplier and reserve ratio would be and (Choose the correct alternative)

- (a) 4, 25%
- (b) 8, 12.5%
- (c) 4, 12.5%
- (d) 5, 20%

Marks:[1.00]

Q.No.37: Identify the incorrect statement with reference to Balance of Payments.

(Choose the correct alternative)

- (a) Current account records Exports and Imports transactions of a nation.
- (b) Export of machinery is recorded in capital account.
- (c) Transfer of funds to the relative abroad, entered on debit side of current account.
- (d) Current account records all such transactions, which do not impact asset or liability status of a country.

Marks:[1.00]

Q.No.38: Read the following statements - **Assertion (A)** and **Reason (R)**, choose the correct alternative.

Assertion (A) : In developing countries, growth of human capital has been faster than the growth of per capita real income.

Reason (R) : Empirical evidence to prove that increase in human capital causes economic growth is rather nebulous.

Alternatives:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true but Reason (R) is false.
- (d) Assertion (A) is false but Reason (R) is true.

Marks:[1.00]

Q.No.39: A process that involves the assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities across the country is known as (Fill up the blank with correct alternative)

- (a) Agricultural Diversification
- (b) Agricultural Banking
- (c) Agricultural Management
- (d) Agricultural Marketing

Marks:[1.00]

Q.No.40: 'If India has to make real progress she has to develop its rural areas'. Which of the following is incorrect reason for the above mentioned statement? (Choose the correct alternative)

- (a) Approximately one-third population of rural India still lives in abject poverty.
- (b) More than 50 per cent India's population depends on agriculture for their livelihood.
- (c) Growth rate in the Indian agriculture sector has been quite lower than of other sector.
- (d) Majority of rural people have access to the basic necessities of life.

Marks:[1.00]

Q.No.41: Read the following statements - Assertion (A) and Reason (R), choose the correct alternative from the alternative given below:

Assertion (A): Notes and Coins are the only source of money supply in the economy.

Reason (R): Demand deposits with commercial bank is also a component of money supply.

Alternatives:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct

explanation of Assertion (A).

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

(c) Assertion (A) is true but Reason (R) is false.

(d) Assertion (A) is false but Reason (R) is true.

Marks:[1.00]

Q.No.42: Programme(s) that improves the food and nutritional status of poor are

(Choose the correct alternative)

(i) Mid-day meal scheme

(ii) Public distribution system

(iii) Integrated child development scheme

(iv) National family benefit scheme

Alternatives:

(a) (i), (ii), (iii) and (iv)

(b) (i), (ii) and (iii)

(c) (ii), (iii) and (iv)

(d) (i) only

Marks:[1.00]

Q.No.43: Number of times the commercial banks are able to create total deposits with the help of reserves ratio and initial deposits is known as

(Fill up the blank with correct alternative)

(a) Investment multiplier

(b) Money multiplier

(c) Demonetisation

(d) Remonetisation

Marks:[1.00]

Q.No.44: If Balance of Trade of a nation shows deficit of ₹300 crores. The value of Exports are ₹400 crores and transfer payments are ₹50 crores. ₹ crores will be the value of Imports.

(Choose the correct alternative)

(a) 1700

(b) 1500

(c) 300

(d) 700

Marks:[1.00]

Q.No.45: Read the following statements and choose the correct alternative from the alternatives given below:

Statement 1 : Unemployment and Poverty are directly related.

Statement 2 : Unemployment refers to a situation when some one, who is able and willing to work, does not find work at prevailing wage rate; this may

result into poverty of the masses.

Alternatives:

- (a) Both the statements are true
- (b) Both the statements are false
- (c) Statement 1 is true and statement 2 is false
- (d) Statement 2 is true and statement 1 is false

Marks:[1.00]

Q.No.46: Read the following statements – **Assertion (A)** and **Reason (R)**, choose one of the correct alternative given below:

Assertion (A) : Managed floating exchange rate system is also known as 'hybrid system'.

Reason (R) : Managed floating exchange rate system is a combination of a flexible and fixed exchange rate system.

Alternatives:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true and Reason (R) is the not the correct explanation of Assertion (A).
- (c) Assertion (A) is true but Reason (R) is false.
- (d) Assertion (A) is false but Reason (R) is true.

Marks:[1.00]

Q.No.47: From the following, identify the incorrect statement in the light of India's pre-independence occupational structure:

- (a) Agricultural sector accounted for the largest share of workforce.
- (b) Industrial and Service sectors grew at a faster rate than the agriculture sector.
- (c) Agriculture sector was marked with disguised unemployment.
- (d) Unbalanced growth was created due to unequal distribution of workforce.

Marks:[1.00]

Q.No.48: Identify the organisation, which is functioning as an apex organisation to provide quality school education.

(Choose the correct alternative)

- (a) University Grants Commission
- (b) Indian Council for Medical Research
- (c) All India Council of Technical Education
- (d) National Council of Educational Research and Training

Marks:[1.00]

Q.No.49:

S.	Items	Budget Expenditure
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No.		2020-21 (Percentage of GDP)
(i)	Revenue Receipts	20.21
(ii)	Gross Tax Receipts	24.23
(iii)	Net Tax Receipts	16.36
(iv)	Non-Tax Receipts	3.85
(v)	Non-debt Capital Receipts	2.25
(vi)	Non-debt Receipts	22.46
(vii)	Total Expenditure	30.42
(viii)	Revenue Expenditure	26.30
(ix)	Capital Expenditure	4.12

Identify the value of fiscal deficit :
(Choose the correct alternative)

- (a) 6.09
- (b) 7.96
- (c) 3.85
- (d) 4.12

Marks:[1.00]

Q.No.50:

S. No.	Items	Budget Expenditure 2020-21 (Percentage of GDP)
(i)	Revenue Receipts	20.21
(ii)	Gross Tax Receipts	24.23
(iii)	Net Tax Receipts	16.36
(iv)	Non-Tax Receipts	3.85
(v)	Non-debt Capital Receipts	2.25
(vi)	Non-debt Receipts	22.46
(vii)	Total Expenditure	30.42
(viii)	Revenue Expenditure	26.30
(ix)	Capital Expenditure	4.12

If primary deficit is 0.88, the value of interest payment would be.....

(Choose the correct alternative)

- (a) 7.96
- (b) 7.08
- (c) 4.12
- (d) 3.85

Marks:[1.00]

Q.No.51:

S.	Items	Budget Expenditure
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No.		2020-21 (Percentage of GDP)
(i)	Revenue Receipts	20.21
(ii)	Gross Tax Receipts	24.23
(iii)	Net Tax Receipts	16.36
(iv)	Non-Tax Receipts	3.85
(v)	Non-debt Capital Receipts	2.25
(vi)	Non-debt Receipts	22.46
(vii)	Total Expenditure	30.42
(viii)	Revenue Expenditure	26.30
(ix)	Capital Expenditure	4.12

Revenue deficit in the government budget is :

(Choose the correct alternative)

- (a) Fiscal deficit + Interest Payments
- (b) Total Expenditure – Total Receipts
- (c) Total Receipts – Total Expenditure
- (d) Revenue Expenditure – Revenue Receipts

Marks:[1.00]

Q.No.52:

S. No.	Items	Budget Expenditure 2020-21 (Percentage of GDP)
(i)	Revenue Receipts	20.21
(ii)	Gross Tax Receipts	24.23
(iii)	Net Tax Receipts	16.36
(iv)	Non-Tax Receipts	3.85
(v)	Non-debt Capital Receipts	2.25
(vi)	Non-debt Receipts	22.46
(vii)	Total Expenditure	30.42
(viii)	Revenue Expenditure	26.30
(ix)	Capital Expenditure	4.12

Which of the following is a non-tax receipt?

(Choose the correct alternative)

- (a) Gift Tax
- (b) Sales Tax
- (c) Dividend
- (d) Excise duty

Marks:[1.00]

Q.No.53:

S. No.	Items	Budget Expenditure 2020-21 (Percentage of GDP)
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		GDP)
(i)	Revenue Receipts	20.21
(ii)	Gross Tax Receipts	24.23
(iii)	Net Tax Receipts	16.36
(iv)	Non-Tax Receipts	3.85
(v)	Non-debt Capital Receipts	2.25
(vi)	Non-debt Receipts	22.46
(vii)	Total Expenditure	30.42
(viii)	Revenue Expenditure	26.30
(ix)	Capital Expenditure	4.12

Expenditure on old-age pensions is an example ofexpenditure.

(Choose the correct alternative)

- (a) Capital
- (b) Revenue
- (c) Debt creating
- (d) Assets creation

Marks:[1.00]

Q.No.54:

S. No.	Items	Budget Expenditure 2020-21 (Percentage of GDP)
(i)	Revenue Receipts	20.21
(ii)	Gross Tax Receipts	24.23
(iii)	Net Tax Receipts	16.36
(iv)	Non-Tax Receipts	3.85
(v)	Non-debt Capital Receipts	2.25
(vi)	Non-debt Receipts	22.46
(vii)	Total Expenditure	30.42
(viii)	Revenue Expenditure	26.30
(ix)	Capital Expenditure	4.12

.....is/are debt creating capital receipts for the Government.

(Choose the correct alternative)

- (a) Recovery of loans from State governments
- (b) Sales of Public Sector Undertakings
- (c) Borrowings from World Bank
- (d) Partial sale of Government shares in a company

Marks:[1.00]

Q.No.55: To make India a globally competitive economy, there must be a larger focus on exporting to the most demanding markets. A stronger participation of Indian Micro, Small and Medium Enterprises (MSME) in the

global market can accelerate such a growth. This will lead to more opportunities in scaling up production, will speed up innovation and productivity. The MSME sector in India is the backbone of our country's economic structure and without this the country cannot progress. With over 63 million, MSME units, this sector covers 80% of the industries. This sector accounts for 31% of GDP and 45% of total exports. It is also the second largest employer in India providing jobs to over 120 million people. The MSME's should work towards becoming a part of global value chains (GVCs). It must also, find new opportunities to integrate themselves with the GVCs as exporters.

Read the following statements - **Assertion (A)** and **Reason (R)** carefully, choose the correct alternative given below:

Assertion (A): Globalisation has resulted in higher inflows of foreign exchange in the India economy.

Reason (R): Globalisation implies intergration of domestic economy with rest of the world through trade and capital flow.

Alternatives:

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true and Reason (R) is false.
- (d) Assertion (A) is false and Reason (R) is true.

Marks:[1.00]

Q.No.56: To make India a globally competitive economy, there must be a larger focus on exporting to the most demanding markets. A stronger participation of Indian Micro, Small and Medium Enterprises (MSME) in the global market can accelerate such a growth. This will lead to more opportunities in scaling up production, will speed up innovation and productivity. The MSME sector in India is the backbone of our country's economic structure and without this the country cannot progress. With over 63 million, MSME units, this sector covers 80% of the industries. This sector accounts for 31% of GDP and 45% of total exports. It is also the second largest employer in India providing jobs to over 120 million people. The MSME's should work towards becoming a part of global value chains (GVCs). It must also, find new opportunities to integrate themselves with the GVCs as exporters.

Which of the following is not a feature of MSMEs? (Choose the correct alternative)

- (a) It involves use of more labour and less capital
- (b) It aims at balanced regional development
- (c) It leads to concentration of wealth in few hands
- (d) Promotion of social welfare

Marks:[1.00]

Q.No.57: To make India a globally competitive economy, there must be a larger focus on exporting to the most demanding markets. A stronger participation of Indian Micro, Small and Medium Enterprises (MSME) in the

global market can accelerate such a growth. This will lead to more opportunities in scaling up production, will speed up innovation and productivity. The MSME sector in India is the backbone of our country's economic structure and without this the country cannot progress. With over 63 million, MSME units, this sector covers 80% of the industries. This sector accounts for 31% of GDP and 45% of total exports. It is also the second largest employer in India providing jobs to over 120 million people. The MSME's should work towards becoming a part of global value chains (GVCs). It must also, find new opportunities to integrate themselves with the GVCs as exporters.

On the basis of the given text and knowledge, identify the incorrect statement. (Choose the correct alternative)

- (a) A stronger participation of MSMEs helps in fulfilling export demand and accelerating growth in India.
- (b) Globalisation brings innovation and hence enhances productivity.
- (c) MSMEs is a part of global value chains.
- (d) MSMEs are the nominal source of employment in India.

Marks:[1.00]

Q.No.58: To make India a globally competitive economy, there must be a larger focus on exporting to the most demanding markets. A stronger participation of Indian Micro, Small and Medium Enterprises (MSME) in the global market can accelerate such a growth. This will lead to more opportunities in scaling up production, will speed up innovation and productivity. The MSME sector in India is the backbone of our country's economic structure and without this the country cannot progress. With over 63 million, MSME units, this sector covers 80% of the industries. This sector accounts for 31% of GDP and 45% of total exports. It is also the second largest employer in India providing jobs to over 120 million people. The MSME's should work towards becoming a part of global value chains (GVCs). It must also, find new opportunities to integrate themselves with the GVCs as exporters.

Identify the incorrect statement from the following: (Choose the correct alternative)

- (a) MSMEs covers 80 per cent of industries in the country.
- (b) MSMEs accounts for more than 50 per cent of exports.
- (c) MSMEs provides job to over 120 million people.
- (d) MSMEs accounts for 31 per cent of Gross domestic product.

Marks:[1.00]

Q.No.59: To make India a globally competitive economy, there must be a larger focus on exporting to the most demanding markets. A stronger participation of Indian Micro, Small and Medium Enterprises (MSME) in the global market can accelerate such a growth. This will lead to more opportunities in scaling up production, will speed up innovation and productivity. The MSME sector in India is the backbone of our country's economic structure and without this the country cannot progress. With over 63 million, MSME units, this sector covers 80% of the industries. This sector accounts for 31% of GDP and 45% of total exports. It is also the second largest employer in India providing jobs to

over 120 million people. The MSME's should work towards becoming a part of global value chains (GVCs). It must also, find new opportunities to integrate themselves with the GVCs as exporters.

Vocal for local initiative of the Government of India is a boon for the MSMEs segment as it (Choose the correct alternative)

- (i) Reduces dependence on other countries for import
- (ii) Boost entrepreneurship in the country
- (iii) Save foreign exchange
- (iv) Uses superior technology

Alternatives:

- (a) (i) and (ii)
- (b) (i), (ii) and (iv)
- (c) (i), (ii), (iii) and (iv)
- (d) (i), (ii) and (iii)

Marks:[1.00]

Q.No.60: To make India a globally competitive economy, there must be a larger focus on exporting to the most demanding markets. A stronger participation of Indian Micro, Small and Medium Enterprises (MSME) in the global market can accelerate such a growth. This will lead to more opportunities in scaling up production, will speed up innovation and productivity. The MSME sector in India is the backbone of our country's economic structure and without this the country cannot progress. With over 63 million, MSME units, this sector covers 80% of the industries. This sector accounts for 31% of GDP and 45% of total exports. It is also the second largest employer in India providing jobs to over 120 million people. The MSME's should work towards becoming a part of global value chains (GVCs). It must also, find new opportunities to integrate themselves with the GVCs as exporters.

..... is the outcome of structural measure under new economic policy. (Choose the correct alternative)

- (i) Improves efficiency
- (ii) Increase International Competitiveness
- (iii) Remove Rigidities

Alternatives:

- (a) (i) Only
- (b) (i) and (ii)
- (c) (i), (ii) and (iii)
- (d) (iii) Only

Marks:[1.00]