

Roll. No.

Question Booklet Number

O.M.R. Serial No.

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B.Com. (Hons.) (SEM.-II) (NEP) EXAMINATION, 2025-26

(Back Paper)

COMMERCE

(Indian Economy and Public Finance)

Paper Code

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[CODE : BCH-205]

**Question Booklet
Series**

A

Time : 1 : 30 Hours

Max. Marks : 75

Instructions to the Examinee :

1. Do not open the booklet unless you are asked to do so.
2. The booklet contains 100 questions. Examinee is required to answer 75 questions in the OMR Answer-Sheet provided and not in the question booklet. All questions carry equal marks.
3. Examine the Booklet and the OMR Answer-Sheet very carefully before you proceed. Faulty question booklet due to missing or duplicate pages/questions or having any other discrepancy should be got immediately replaced.
4. Four alternative answers are mentioned for each question as - A, B, C & D in the booklet. The candidate has to choose the correct / answer and mark the same in the OMR Answer-Sheet as per the direction :

(Remaining instructions on last page)

परीक्षार्थियों के लिए निर्देश :

1. प्रश्न-पुस्तिका को तब तक न खोलें जब तक आपसे कहा न जाए।
2. प्रश्न-पुस्तिका में 100 प्रश्न हैं। परीक्षार्थी को 75 प्रश्नों को केवल दी गई OMR आन्सर-शीट पर ही हल करना है, प्रश्न-पुस्तिका पर नहीं। सभी प्रश्नों के अंक समान हैं।
3. प्रश्नों के उत्तर अंकित करने से पूर्व प्रश्न-पुस्तिका तथा OMR आन्सर-शीट को सावधानीपूर्वक देख लें। दोषपूर्ण प्रश्न-पुस्तिका जिसमें कुछ भाग छपने से छूट गए हों या प्रश्न एक से अधिक बार छप गए हों या उसमें किसी अन्य प्रकार की कमी हो, उसे तुरन्त बदल लें।
4. प्रश्न-पुस्तिका में प्रत्येक प्रश्न के चार सम्भावित उत्तर- A, B, C एवं D हैं। परीक्षार्थी को उन चारों विकल्पों में से सही उत्तर छॉटना है। उत्तर को OMR उत्तर-पत्रक में सम्बन्धित प्रश्न संख्या में निम्न प्रकार भरना है :

(शेष निर्देश अन्तिम पृष्ठ पर)

1. The Indian economy is best described as:
 - (A) Capitalist economy
 - (B) Socialist economy
 - (C) Mixed economy
 - (D) Free market economy
2. The term "dual economy" refers to:
 - (A) Public and private banks
 - (B) Organized and unorganized sectors
 - (C) Agriculture and services
 - (D) Rural and urban areas
3. Which sector employs the largest workforce in India?
 - (A) Services
 - (B) Industry
 - (C) Agriculture
 - (D) IT
4. Demographic dividend refers to:
 - (A) Increase in old-age population
 - (B) Increase in working-age population
 - (C) Decline in literacy
 - (D) Rise in infant mortality
5. Disguised unemployment is mainly found in:
 - (A) IT sector
 - (B) Banking
6. Inflation reduces:
 - (A) Real income
 - (B) Nominal income
 - (C) Government revenue
 - (D) Tax
7. Population explosion mainly affects:
 - (A) Savings positively
 - (B) Employment negatively
 - (C) Exports positively
 - (D) Imports negatively
8. Demographic transition theory includes:
 - (A) 2 stages
 - (B) 3 stages
 - (C) 4 stages
 - (D) 6 stages
9. Demand-pull inflation occurs due to:
 - (A) Excess demand
 - (B) Excess supply
 - (C) Low production
 - (D) High tax

10. The Planning Commission was established in:
- (A) 1947
 - (B) 1950
 - (C) 1952
 - (D) 1955
11. Absolute poverty is measured by:
- (A) Income inequality
 - (B) Poverty line
 - (C) Gini coefficient
 - (D) GDP
12. Disguised unemployment means:
- (A) Hidden unemployment
 - (B) Seasonal job
 - (C) No unemployment
 - (D) Full employment
13. The first Five-Year Plan focused on:
- (A) Industry
 - (B) Agriculture
 - (C) Services
 - (D) Defence
14. NITI Aayog was established in:
- (A) 2017
 - (B) 2015
 - (C) 2016
 - (D) 2014
15. Which characteristic is typical of a developing economy?
- (A) High capital-output ratio
 - (B) Low population density
 - (C) High per capita income
 - (D) Balanced sectoral growth
16. Regional imbalance in India refers to:
- (A) Unequal rainfall
 - (B) Differences in industrial growth across states
 - (C) Cultural diversity
 - (D) Religious differences
17. The term "vicious circle of poverty" was popularized by:
- (A) Ragnar Nurkse
 - (B) Keynes
 - (C) Adam Smith
 - (D) Milton Friedman

18. Which indicator measures human development?
- (A) GDP
 - (B) WPI
 - (C) CPI
 - (D) HDI
19. National Population Policy was launched in:
- (A) 1995
 - (B) 2000
 - (C) 2005
 - (D) 2010
20. Chronic poverty refers to:
- (A) Temporary poverty
 - (B) Long-term poverty
 - (C) Seasonal poverty
 - (D) Urban poverty
21. Deflation means:
- (A) Rising prices
 - (B) Stable prices
 - (C) Falling prices
 - (D) High inflation
22. Monetary policy to control inflation includes:
- (A) Increasing repo rate
 - (B) Reducing taxes
 - (C) Increasing subsidies
 - (D) Increasing wages
23. Stagflation combines:
- (A) Inflation + growth
 - (B) Inflation + unemployment
 - (C) Deflation + growth
 - (D) Growth + exports
24. NITI Aayog acts as:
- (A) Constitutional body
 - (B) Advisory think tank
 - (C) Judiciary
 - (D) Financial regulator
25. Strategy of Indian planning included:
- (A) Import substitution
 - (B) Export only
 - (C) Privatization only
 - (D) No industrialization

26. The 1991 crisis was mainly related to shortage of:
- (A) Food grains
 - (B) Foreign exchange reserves
 - (C) Skilled labor
 - (D) Gold reserves
27. LPG reforms stand for:
- (A) Liberalization, Privatization, Globalization
 - (B) Labour, Production, Growth
 - (C) Local, Public, Government
 - (D) Legal, Political, Growth
28. Globalization implies:
- (A) Isolation
 - (B) Trade barriers
 - (C) Integration with world economy
 - (D) Closed economy
29. New Industrial Policy was announced in:
- (A) 1985
 - (B) 1990
 - (C) 1991
 - (D) 1995
30. One major impact of reforms was:
- (A) Increase in FDI
 - (B) Decline in services
 - (C) Fall in GDP
 - (D) Closed economy
31. Disinvestment refers to:
- (A) Buying shares
 - (B) Selling government shares in PSUs
 - (C) Nationalization
 - (D) Tax reform
32. The main objective of disinvestment is:
- (A) Reduce fiscal deficit
 - (B) Increase imports
 - (C) Increase subsidies
 - (D) Reduce exports
33. Cropping intensity refers to:
- (A) Area cultivated multiple times
 - (B) Fertilizer use
 - (C) Irrigation cost
 - (D) Yield per worker

34. Productivity in agriculture depends on:
- (A) Rainfall
(B) Technology
(C) Fertilizers
(D) All of the above
35. Green Revolution focused on:
- (A) HYV seeds
(B) Organic farming
(C) Land reforms
(D) Export crops
36. New agricultural strategy emphasized:
- (A) Intensive farming
(B) Traditional seeds
(C) Manual irrigation
(D) Land fragmentation
37. Land ceiling means:
- (A) Maximum land ownership limit
(B) Land taxation
(C) Irrigation ceiling
(D) Production limit
38. BIFR was established to:
- (A) Promote exports
(B) Revive sick industries
(C) Encourage FDI
(D) Control inflation
39. Liberalization resulted in:
- (A) Greater government control
(B) Reduced industrial licensing
(C) Higher import barriers
(D) Nationalization
40. Which sector benefited most post-globalization?
- (A) IT services
(B) Agriculture
(C) Cottage industries
(D) Handloom
41. MSP stands for:
- (A) Minimum Support Price
(B) Maximum Sales Price
(C) Market Supply Policy
(D) Minimum Sale Policy
42. Crop diversification means:
- (A) Growing single crop
(B) Growing multiple crops
(C) Reducing farming
(D) Stopping irrigation

43. The New Industrial Policy (1991) reduced the number of industries reserved for public sector from 17 to:
- (A) 8
 - (B) 6
 - (C) 4
 - (D) 3
44. MRTP Act aimed to:
- (A) Promote monopolies
 - (B) Prevent concentration of economic power
 - (C) Increase FDI
 - (D) Encourage imports
45. EPFO manages:
- (A) Pension and provident fund
 - (B) Industrial policy
 - (C) Exports
 - (D) Disinvestment
46. Industrial Policy of 1977 shifted focus towards :
- (A) Heavy industries
 - (B) MNCs
 - (C) Small scale industries
 - (D) PSU expansion
47. License raj refers to:
- (A) Freedom to start industries
 - (B) Requirement of government approval
 - (C) Export promotion
 - (D) FDI policy
48. MSP policy may distort market equilibrium when:
- (A) $MSP < \text{market price}$
 - (B) $MSP = \text{equilibrium price}$
 - (C) $MSP > \text{equilibrium price}$
 - (D) MSP is flexible
49. Credit guarantee schemes reduce:
- (A) Fiscal deficit
 - (B) Lending risk of banks
 - (C) Inflation
 - (D) Imports
50. External cause of sickness may include:
- (A) Efficient leadership
 - (B) Technological modernization
 - (C) Economic slowdown
 - (D) Skilled labour

51. Public Finance deals with:
- (A) Income of individuals
 - (B) Financial administration of government
 - (C) Business finance
 - (D) Banking operations
52. The term "Public Finance" was systematically developed by :
- (A) Dalton
 - (B) Adam Smith
 - (C) Marshall
 - (D) Ricardo
53. Public goods are characterized by:
- (A) Rivalry
 - (B) Excludability
 - (C) Non-rivalry and non-excludability
 - (D) Market pricing
54. The modern approach to public finance emphasizes :
- (A) Minimal state
 - (B) Welfare state
 - (C) Laissez-faire
 - (D) Neutral taxation
55. Tax evasion violates which canon?
- (A) Certainty
 - (B) Equity
 - (C) Convenience
 - (D) Elasticity
56. Maximum social advantage occurs when:
- (A) $MSB > MSS$
 - (B) $MSS > MSB$
 - (C) $MSB = MSS$
 - (D) Tax = zero
57. The main source of public revenue is:
- (A) Fines
 - (B) Taxes
 - (C) Fees
 - (D) Donations
58. MSB refers to :
- (A) Marginal Social Benefit
 - (B) Maximum State Budget
 - (C) Monetary State Benefit
 - (D) Marginal Social Burden
59. Non-tax revenue includes:
- (A) GST
 - (B) Income tax
 - (C) Corporate tax
 - (D) Fees

60. Borrowings are classified as:
- (A) Revenue receipts
 - (B) Capital receipts
 - (C) Tax revenue
 - (D) Non-tax revenue
61. Proportional tax means:
- (A) Flat rate of tax
 - (B) Increasing rate
 - (C) Decreasing rate
 - (D) Tax exemption
62. Canons of taxation were proposed by:
- (A) Dalton
 - (B) Keynes
 - (C) Adam Smith
 - (D) Ricardo
63. Canon of certainty implies:
- (A) Tax should be uncertain
 - (B) Clear tax amount and timing
 - (C) High complexity
 - (D) Frequent changes
64. Double taxation means:
- (A) Tax twice on same income
 - (B) Tax evasion
 - (C) Progressive tax
 - (D) Indirect tax
65. Ability-to-pay principle is related to:
- (A) Equal sacrifice
 - (B) Equal benefit
 - (C) Equal tax rate
 - (D) Government need
66. Finance Commission is appointed every:
- (A) 3 years
 - (B) 4 years
 - (C) 2 years
 - (D) 5 years
67. Wagner's Law states that public expenditure:
- (A) Decreases with growth
 - (B) Increases with growth
 - (C) Remains constant
 - (D) Disappears
68. Inspection effect means:
- (A) Public scrutiny
 - (B) Borrowing
 - (C) Saving
 - (D) Investment

69. Transfer payments mainly influence:
- (A) Production
 - (B) Distribution
 - (C) Imports
 - (D) Exchange rate
70. Allocation function of Musgrave deals with:
- (A) Resource efficiency
 - (B) Income equality
 - (C) Budget surplus
 - (D) Monetary control
71. Lump-sum tax is considered:
- (A) Progressive
 - (B) Regressive
 - (C) Proportional
 - (D) Neutral
72. Tax elasticity refers to:
- (A) Responsiveness of tax revenue to income changes
 - (B) Tax rate flexibility
 - (C) Administrative efficiency
 - (D) Political influence
73. Fiscal neutrality implies that taxation should:
- (A) Distort economic decisions
 - (B) Promote inequality
 - (C) Avoid affecting economic choices
 - (D) Increase inflation
74. GST Council is responsible for:
- (A) Budget presentation
 - (B) Debt management
 - (C) Loan distribution
 - (D) Indirect tax coordination
75. Ad-valorem tax is based on:
- (A) Quantity
 - (B) Value
 - (C) Weight
 - (D) Volume
76. Wiseman-Peacock hypothesis explains growth through :
- (A) Displacement effect
 - (B) Substitution effect
 - (C) Income effect
 - (D) Multiplier effect

77. Conversion of public debt implies:
- (A) Change in interest rate
 - (B) Tax increase
 - (C) Loan repayment
 - (D) Budget surplus
78. Contingency Fund of India is used for:
- (A) Routine expenditure
 - (B) Loan repayment
 - (C) Capital formation
 - (D) Emergency expenses
79. Public debt raised within the country is called :
- (A) External debt
 - (B) Internal debt
 - (C) Funded debt
 - (D) Floating debt
80. Treasury bills are examples of:
- (A) Long-term debt
 - (B) Funded debt
 - (C) Floating debt
 - (D) External debt
81. Productive debt is that which:
- (A) Finances consumption
 - (B) Creates income-generating assets
 - (C) Increases inflation
 - (D) Funds subsidies only
82. Debt sustainability depends largely on:
- (A) Population growth
 - (B) Imports
 - (C) GDP growth rate
 - (D) Area of country
83. Redemption of public debt means:
- (A) Repayment of loan
 - (B) Borrowing more
 - (C) Conversion
 - (D) Default
84. Main objective of fiscal policy is:
- (A) Banking regulation
 - (B) Exchange rate control
 - (C) Economic stabilization
 - (D) Profit maximization

85. Union Budget is presented annually by:
- (A) Prime Minister
 - (B) Finance Minister
 - (C) RBI Governor
 - (D) President
86. Revenue receipts include:
- (A) Loan recovery
 - (B) Borrowings
 - (C) Tax revenue
 - (D) Disinvestment
87. Government expenditure is used to:
- (A) Reduce demand
 - (B) Stimulate demand
 - (C) Increase exports only
 - (D) Reduce imports
88. Sinking fund is used for:
- (A) Repayment of debt
 - (B) Increasing deficit
 - (C) Raising taxes
 - (D) Currency control
89. Finance Commission is constituted under Article:
- (A) 110
 - (B) 280
 - (C) 356
 - (D) 370
90. Refunding of debt means:
- (A) Cancelling debt
 - (B) Repaying debt
 - (C) Replacing old debt with new debt
 - (D) Increasing interest rate
91. Revenue deficit means:
- (A) Capital > Revenue
 - (B) Revenue expenditure > Revenue receipts
 - (C) Expenditure < Receipts
 - (D) GDP fall
92. Long-term government loans are known as:
- (A) Floating debt
 - (B) Treasury bills
 - (C) Temporary loans
 - (D) Funded debt

93. Vertical imbalance refers to imbalance between :
- (A) States
 - (B) Centre and States
 - (C) Districts
 - (D) Municipalities
94. Debt management aims at:
- (A) Minimizing cost and risk
 - (B) Increasing inflation
 - (C) Reducing GDP
 - (D) Eliminating taxes
95. Grants-in-aid help states to:
- (A) Reduce imports
 - (B) Increase exports
 - (C) Meet revenue gaps
 - (D) Increase surplus
96. Amortization of public debt refers to:
- (A) Increasing loan
 - (B) Converting debt
 - (C) Suspending interest
 - (D) Gradual repayment of principal
97. Debt trap occurs when:
- (A) Borrowings are less
 - (B) Interest payments exceed new borrowings
 - (C) Borrowings are used productively
 - (D) Budget surplus exists
98. Contingent liabilities are:
- (A) Fixed liabilities
 - (B) Revenue receipts
 - (C) Direct taxes
 - (D) Possible future obligations
99. The divisible pool of taxes consists of :
- (A) State taxes only
 - (B) GST only
 - (C) Central taxes shared with states
 - (D) Local taxes
100. Persistent fiscal deficit may lead to :
- (A) Deflation
 - (B) Export surplus
 - (C) Exchange rate appreciation
 - (D) Inflationary pressure

Rough Work

Example :

Question :

Q.1 (A) ● (C) (D)

Q.2 (A) (B) ● (D)

Q.3 (A) ● (C) (D)

5. Each question carries equal marks. Marks will be awarded according to the number of correct answers you have.
6. All answers are to be given on OMR Answer Sheet only. Answers given anywhere other than the place specified in the answer sheet will not be considered valid.
7. Before writing anything on the OMR Answer Sheet, all the instructions given in it should be read carefully.
8. After the completion of the examination, candidates should leave the examination hall only after providing their OMR Answer Sheet to the invigilator. Candidate can carry their Question Booklet.
9. There will be no negative marking.
10. Rough work, if any, should be done on the blank pages provided for the purpose in the booklet.
11. To bring and use of log-book, calculator, pager & cellular phone in examination hall is prohibited.
12. In case of any difference found in English and Hindi version of the question, the English version of the question will be held authentic.

Impt. On opening the question booklet, first check that all the pages of the question booklet are printed properly. If there is any discrepancy in the question Booklet, then after showing it to the invigilator, get another question Booklet of the same series.

उदाहरण :

प्रश्न :

प्रश्न 1 (A) ● (C) (D)

प्रश्न 2 (A) (B) ● (D)

प्रश्न 3 (A) ● (C) (D)

5. प्रत्येक प्रश्न के अंक समान हैं। आपके जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।
6. सभी उत्तर केवल ओ०एम०आर० उत्तर-पत्रक (OMR Answer Sheet) पर ही दिये जाने हैं। उत्तर-पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।
7. ओ०एम०आर० उत्तर-पत्रक (OMR Answer Sheet) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाये।
8. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी OMR Answer Sheet उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें। परीक्षार्थी अपने साथ प्रश्न-पुस्तिका ले जा सकते हैं।
9. निगेटिव मार्किंग नहीं है।
10. कोई भी रफ कार्य, प्रश्न-पुस्तिका में, रफ-कार्य के लिए दिए खाली पेज पर ही किया जाना चाहिए।
11. परीक्षा-कक्ष में लॉग-बुक, कैल्कुलेटर, पेजर तथा सेल्युलर फोन ले जाना तथा उसका उपयोग करना वर्जित है।
12. प्रश्न के हिन्दी एवं अंग्रेजी रूपान्तरण में भिन्नता होने की दशा में प्रश्न का अंग्रेजी रूपान्तरण ही मान्य होगा।

महत्वपूर्ण: प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्नपुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्षनिरीक्षक को दिखाकर उसी सिरीज की दूसरी प्रश्नपुस्तिका प्राप्त कर लें।