

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**

**B**

**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 छोटना है। उत्तर को OMR उत्तर-पत्रक में सम्बन्धित प्रश्न संख्या में निम्न प्रकार भरना है :

**(शेष निर्देश अन्तिम पृष्ठ पर)**

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

10. 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
11. MRTP Act aimed to:
- (A) Promote monopolies
  - (B) Prevent concentration of economic power
  - (C) Increase FDI
  - (D) Encourage imports
12. EPFO manages:
- (A) Pension and provident fund
  - (B) Industrial policy
  - (C) Exports
  - (D) Disinvestment
13. Industrial Policy of 1977 shifted focus towards :
- (A) Heavy industries
  - (B) MNCs
  - (C) Small scale industries
  - (D) PSU expansion
14. License raj refers to:
- (A) Freedom to start industries
  - (B) Requirement of government approval
  - (C) Export promotion
  - (D) FDI policy
15. 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
16. Credit guarantee schemes reduce:
- (A) Fiscal deficit
  - (B) Lending risk of banks
  - (C) Inflation
  - (D) Imports
17. External cause of sickness may include:
- (A) Efficient leadership
  - (B) Technological modernization
  - (C) Economic slowdown
  - (D) Skilled labour

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

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

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

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

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

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

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

75. The Planning Commission was established in:
- (A) 1947
  - (B) 1950
  - (C) 1952
  - (D) 1955
76. Absolute poverty is measured by:
- (A) Income inequality
  - (B) Poverty line
  - (C) Gini coefficient
  - (D) GDP
77. Disguised unemployment means:
- (A) Hidden unemployment
  - (B) Seasonal job
  - (C) No unemployment
  - (D) Full employment
78. The first Five-Year Plan focused on:
- (A) Industry
  - (B) Agriculture
  - (C) Services
  - (D) Defence
79. NITI Aayog was established in:
- (A) 2017
  - (B) 2015
  - (C) 2016
  - (D) 2014
80. 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
81. Regional imbalance in India refers to:
- (A) Unequal rainfall
  - (B) Differences in industrial growth across states
  - (C) Cultural diversity
  - (D) Religious differences
82. The term "vicious circle of poverty" was popularized by:
- (A) Ragnar Nurkse
  - (B) Keynes
  - (C) Adam Smith
  - (D) Milton Friedman

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

92. The Indian economy is best described as:
- (A) Capitalist economy  
(B) Socialist economy  
(C) Mixed economy  
(D) Free market economy
93. 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
94. Which sector employs the largest workforce in India?
- (A) Services  
(B) Industry  
(C) Agriculture  
(D) IT
95. 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
96. Disguised unemployment is mainly found in:
- (A) IT sector  
(B) Banking
- (C) Agriculture  
(D) Mining
97. Inflation reduces:
- (A) Real income  
(B) Nominal income  
(C) Government revenue  
(D) Tax
98. Population explosion mainly affects:
- (A) Savings positively  
(B) Employment negatively  
(C) Exports positively  
(D) Imports negatively
99. Demographic transition theory includes:
- (A) 2 stages  
(B) 3 stages  
(C) 4 stages  
(D) 6 stages
100. Demand-pull inflation occurs due to:
- (A) Excess demand  
(B) Excess supply  
(C) Low production  
(D) High tax

## **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।