

ECONOMICS
UNIT 1
DEVELOPMENT

I. Fill in the blanks with suitable answers

1. Economic development is a **process indicating increase in national income over long period of time**
2. The value of goods and service produced in a year is called as **real national income**
3. In an underdeveloped Country basically the **real per capita income** is lower
4. Human development indicates expansion of **HDI**
5. The **World Bank** is responsible for publishing Global human development reports
6. India rank **135** in HDI in 2014
7. Sex ratio was **945** in India in 2011

II ANSWER THE FOLLOWING QUESTIONS

1. What is meant by economic development?
The progress in economic field in a country is known as economic development
2. Name the indicators of income development?
National income and per capita income
3. What is per capita income?
Per capita income is a sum of dividing the total national income by total number of people in the country

III ANSWER THE FOLLOWING QUESTIONS

1. Define development and explain the process of development
Development is usually refer to the progress in a particular field
The term **process of development** refers to the operation of the forces that bring about Changes in supply of factors of production and in the structure of demand for the Products
2. What do meant by underdevelopment? What are it's causes
The word underdevelopment denotes a backward and stagnant situation in economic sector
Causes :-
 - Per capita income is lower level
 - Unemployment
 - Backwardness in agriculture
 - Backwardness in Technology
3. What is HDI? How it is calculated?
HDI means Human development index .the HDI is calculated through three indicators
 - Life expectancy
 - Standard of living
 - Educational achievements
4. Examine the causes for low HDI of India
 - Agricultural backwardness

- Industrial backwardness
- Illtrecy
- Over population
- Poverty

5. How do achieve gender equality?

- Providing education to women
- Providing equal wages
- Providing female reservation in all sector
- Empowerment of women

6. “Women self help groups are supportive to women empowerment”justify

- Women are capable to undertake business
- Women are capable to earn income
- It promote women participation in economic activity
- They learned cooprestion

7. What are the Difference between developed country and underdeveloped countries ?

Developed country	Underdeveloped countries
<ul style="list-style-type: none"> • High national income • Increase in per capita income • Decrease in unemployment • Availability of medical facilities • high rate of literacy • Availability of food, shelter, cloth. 	<ul style="list-style-type: none"> • low national income • decrease in per capita income • increase in unemployment • lack of medical facilities • low literacy rate • lack of food, shelter, cloths.

UNIT-02 RURAL DEVELOPMENT

I FILL IN THE BLANKS

1. ‘The true development of India is the development of its villages’. This was told by **Mahatma Gandhiji**
2. After the 73rd Amendment to the constitution **3 levels** of Panchayat Institutions have come into existence.
3. panchayat institutions operate under **Democracy** principles.
4. The **Women self-help** group have been brought into existence in order to bring together poor rural women and make them financially independent.

II. Answer the following questions.

1. Explain the meaning of rural development?

Rural development is improvement of the social and economic status of the rural by proper utilization of the locally available natural and human resources.

2. What is meant by Decentralization?

Providing administrative power and responsibility in development of villages.

3. Name the three levels of PanchayatRaj institutions
 - Grama panchayat
 - Taluk panchayat
 - Zilla panchayat
4. Mention any two housing programmes
Indira Avas Yojana, Ambedkar- Valmiki housing programmes
5. Which work of women is not considered Labour?
Home service

III. Answer the following questions.

1. How is the economic situation in the rural areas of India?
 - Poverty has increased
 - Dependency on agriculture
 - The people work in the primary sector
 - The gap between urban and rural areas is increasing gradually
 - Most of the people are illiterate
 - Lower per capita income
2. Explain briefly the significance of rural development.
The significance of rural development as follows
 - To eradicate poverty, unemployment and illiteracy
 - To facilitate education and health
 - To bring development in agriculture
 - To provide facilities like irrigation, transport and market yards
 - Development in cottage industries
 - Development of sc/st and obc people
3. Explain Gandhiji's concept of 'Grama swarajya' in the light of decentralization
 - To develop self-reliant, self-sufficient, and prosperity
 - To stop all kinds of exploitation
 - To uphold human dignity and independence
 - To nurture human values
 - Compassion and co-operation
 - All round development of rural sector
4. What is the role of panchyat raj institution in rural development
 - It can facilitates the drinking water, roads, drains, hospitals, schools to rural areas
 - They promote development of human resource by encouraging education, technical and vocational training, expansion of health and hygiene
 - It provide employment by nurturing rural productive activities like fishery, bee keeping, poultry

UNIT 3 MONEY AND CREDIT

I Fill in the blanks with suitable answers

1. Barter is exchange of goods for **goods**
2. Cheque is a **Bank** form of money
3. The Reserve Bank of India was established in the year **1st April 1935**
4. The currency of Japan is **Yen**
5. Government of India Nationalised 14 commercial banks in **1969**
6. Narrow money comprises of **M1 and M2**
7. Inflation occurs when supply of money is **Higher** than the availability of goods and services in a country

II Answer the following questions

1. What is barter system?

In trade exchanging goods for goods without using the money is known as barter system

2. Explain the meaning and functions of money

Money is means of payment and measure and store of value. Functions of money are

Primary functions

- Medium of exchange or means of payment
- Measure of value

Secondary functions

- Standard of deferred payments
- Store of value
- Transfer of value

3. Explain the functions of Reserve Bank of India

- Monopoly of note issue
- Bankers to government
- Bankers Bank
- National clearing house
- Custodian of Foreign Exchange Reserves
- Promotion of Banking
- Controller of credit

4. Explain the various concepts of money supply used in India

- $M1 = \text{Currency notes and coins} + \text{net demand deposits held in commercial banks.}$
- $M2 = M1 + \text{Savings deposit with post office savings banks}$
- $M3 = M1 + \text{Net time deposits of commercial banks and}$
- $M4 = M3 + \text{Total deposits with post office savings banks}$

5. Discuss the various credit control methods adopted by Reserve Bank of India

Quantitative credit control measures

- Bank rate policy:- Repo rate and Reverse Repo rate
- Open market operations
- Varying Reserve requirements :-Cash reserve ratio and Statutory liquidity ratio

Qualitative credit control measures

- Change in lending margins

- Ceiling on credit or credit rationing
- Moral suasion
- Direct action

UNIT-04

PUBLIC FINANCE AND BUDGET

I. FILL IN THE BLANKS

1. The government manages the public finance through **Fiscal policy**
2. When Government revenue is more than its expenditure. it is called as **Surplus budget**
3. The person who presents the central government budget in Lokha Sabha is **Finance minister**
4. GST came into effect from **1st July 2017**

II ANSWER THE FOLLOWING QUESTIONS

1. What do you meant by public finance?
Public finance is subject which studies the Income, expenditure and debt-management of government
2. What do you mean by budget?
The statement of estimated income and expenditure of a year prepared by the government is called budget
3. Give the meaning of deficit budget?
It is situation that government expenditure is more than its income is called as deficit budget
4. What are direct taxes?
When the tax is paid by an individual on whom it is levied. This is known as direct tax
- 5 Express the fiscal deficit in form of formula?
Fiscal deficit = revenue receipts + non debt capital receipts –total expenditure

III ANSWER THE FOLLOWING QUESTIONS

1. Explain reasons for increasing in public expenditure?
 - To promote faster development
 - To develop Industry, trade and commerce
 - To promote agriculture and rural development
 - To promote balanced economic growth
 - To maximize social welfare
 - To promote full-employment
2. What types of taxes are imposed by the government
 - a) Direct taxes
 - b) Indirect taxes
3. What is the present expenditure on interest payment in 2017-18 budject?
5,23,078 crore rupees

4. Explain briefly the significance of public finance

- The government formulates methods to equitably distribute the country's wealth
- It also calculates the labour and capital investment to maximise the production
- It also ensures a balanced growth in all spheres of the economy
- To eradicate the poverty and un employment
- To regulate the financial upheavals and commodity prices
- To bring financial stability

5. Explain the aspects of non-tax revenue of central government

The source of non-tax revenue of central government includes

- The net profit earned by the Reserve bank of India
- The net profit generated by the Indian Railways
- The revenue generated by the department of Postal and Tele communications
- The revenue generated by the public sector industries
- The revenue generated by coins and mints
- Various types of fees and penalties

6. What is deficit? mention the types of fiscal deficit

In the government budget the expenditure is more than its revenue receipts and non-debt capital receipts the situation is called fiscal deficit

The four kinds of deficit are

- a. Budget deficit
- b. Revenue deficit
- c. Primary deficit
- d. Fiscal deficit

7. What is public expenditure?

The government spends money for defence, administration, economic development and welfare of people is known as public expenditure

8. What are indirect taxes?

If the burden of tax imposed by the government is transferable to others is called indirect tax

9. What are revenue receipts?

The income generated by the government through tax and non-tax sources is called revenue receipts

10. What is public revenue?

The government collects income from various sources to meet its expenditure is called public revenue

11. Give the meaning of non-tax revenue?

Apart from taxes the government generates revenue from other sources .this is called non-tax revenue

12. What is fiscal policy?

The policy adopted by the government related to its income, expenditure and debt periodically is known as fiscal policy

13. What is deficit financing?

When the government expenditure is more than its revenue is known as deficit financing