

**INDIAN INSTITUTE OF SPACE SCIENCE AND TECHNOLOGY**  
**VALIAMALA 695 547**

**B. Tech End Semester Examination – May 2023**

**DEPARTMENT OF HUMANITIES**

**HS 222 – Introduction to Economics**

*(For B Tech 4th Semester Avionics 2021 admissions)*

**Time: 3 Hours**

**Date: 12/05/2023**

**Max. Marks: 50**

*(Note: Please answer only the required choices. Answering more than the required questions will attract negative marks equivalent to the marks of the question attempted. Attempts of questions shall be counted in sequential order.)*

**I. Write / define about *any fifteen* of the following (*one mark each*: Total Marks: 15)**

1. BOP
2. Definition of Rural Area
3. Physiological Density
4. Sub Prime Crisis
5. Activity Status of labour force
6. Child wasting
7. Mutual Funds
8. Hindu Rate of Growth
9. Work Participation Rate
10. Disguised unemployment
11. Cross Elasticity of Demand
12. Core inflation
13. Optimum Population
14. MGNREGA
15. Gender Inequality Index
16. Cartel
17. Break-even point

**II. Answer all the following questions.** Choose the correct answer from the choices given. Please write your choice (a or b or c or d) and the corresponding answer in the answer sheet. (*one mark each*: Total Marks: 15)

18. Which of the following is / are true about Gross Happiness Index (GHI)
- i. The term GHI is coined by the Bhutan King King Jigme Singye Wangchuck in 1972
  - ii. There are 20 indicators included in the GHI in 9 domains
  - iii. GNH index is based on the Alkire-Foster method of multidimensional measurement



- iv. Gross National Happiness Index is instituted as the goal of the government of Bhutan in the Constitution of Bhutan, enacted on 18 July 2008.
- All are correct
  - Only i & ii are correct
  - Only i, iii & iv are correct
  - Only i, ii & iv are correct
19. **Assertion:** Nehru-Mahalanobis strategy has followed the “Trickle-Down” Strategy  
**Reason:** During the initial years of economic growth, Indian economy followed Nehru-Mahalanobis Model of Economic Growth
- Both assertion and reason are correct, and the reason explains the assertion
  - Both assertion and reason are wrong, and the reason does not explain the assertion
  - Assertion is right and the reason is wrong
  - Assertion is wrong and the reason is right.
20. HDI includes the following indicators
- Life expectancy at death, mean years of schooling and maximum years of schooling, gross national income
  - Life expectancy at death, number of years of schooling, gross national income
  - Life expectancy at birth, mean years and expected years of schooling, Gross national income
  - None of the above
21. Which of the following are true related to Global Hunger Index 2022
- India is placed in the ‘serious hunger category’ status
  - India’s rank is 132 among the 150 countries included
  - GHI is preparing by Food and Agriculture Organization (FAO)
  - GHI determines hunger on a 100 point scale
- All are correct
  - All are wrong
  - Only i and iv are correct
  - Only i, ii & iii are correct
22. Which of the following are true regarding the Kuznets Curve
- The curve shows the relationship between level of income and inequality
  - According to him, at low levels of development there will be high unequal distribution of wealth
  - When a country develops, there will be better distribution of income and wealth
  - When a country reaches the developed country status, there will be equal distribution of income and wealth.
- All are correct
  - Only i & iii are correct
  - Only i is correct
  - Only i, iii & iv are correct
23. Economic Development means the growth of
- Savings and Investment
  - National Income and Per Capita Income



- c. Rate of Capital Formation
  - d. None of the above
24. Which of the following are correct about 'worker' according to census definition
- i. Main Worker is a person who works for at least 273 days (or nine months) in a year.
  - ii. Marginal Worker is a person who works for less than 183 days (or six months) in a year
  - iii. Main and marginal together are only 40% of the total population of the country
  - iv. About 90 per cent of total working population are cultivators and agricultural labourers
    - a. All are correct
    - b. Only i & ii are correct
    - c. Only ii & iii are correct
    - d. Only ii, iii & iv are correct
25. Unemployment rate is
- a.  $(\text{Unemployed Workers} \div \text{Total labour force}) \times 100$
  - b.  $(\text{Unemployed Workers} \div \text{Mani Workers}) \times 100$
  - c.  $(\text{Unemployed Workers} \div \text{Total Population}) \times 100$
  - d.  $(\text{Unemployed Workers} \div \text{Marginal Workers}) \times 100$
26. Which of the following agency initiated Corporate Debt Market Development Fund
- a. RBI
  - b. SEBI
  - c. Ministry of Finance
  - d. BSE
27. Which of the following are true about MGNREGA Program
- i. It aims at providing at least 100 days of days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work
  - ii. Employment is to be provided within 15 km of an applicant's residence
  - iii. If work is not provided within 15 days of applying, applicants are entitled to an unemployment allowance.
  - iv. It came into force in the year 2005
    - a. All are correct
    - b. Only i, ii & iv are correct
    - c. Only i, iii & iv are correct
    - d. Only i, ii & iii are correct
28. Which of the following is **not true** about market equilibrium
- a) Supply and demand interact to produce an equilibrium price and quantity, or market equilibrium.
  - b) The *market equilibrium* comes at that price and quantity where the forces of supply and demand are in balance.
  - c) At the equilibrium price, the amount that buyers want to buy is just equal to the amount that sellers want to sell.



- d) The reason we call this as equilibrium is that, when the forces of supply and demand are in balance, there will be frequent changes in price and quantity demanded
29. If negative substitution effect is stronger than the positive income effect: the product will be
- Normal Good
  - Inferior Good
  - Giffen Good
  - Complementary good
30. A production possibility curve is concave to the point of origin because of
- Increasing marginal rate of transformation
  - Decreasing marginal rate of transformation
  - Increasing Marginal cost
  - Decreasing marginal cost
31. Calculate the economy's GDP from the following information.

	Billions of US dollars
Consumption	4,900
Investment	1,300
Transfer payments	1,050
Government expenditures	1,200
Exports	1,050
Imports	950

- 9,400 \$
  - 7,500 \$
  - 8,450 \$
  - 8,550 \$
32. Which of the following are true about the New GVA Method of measuring national income in India
- CSO has adopted new base year 2011-12
  - GDP of the country is to be estimated in terms of market prices than GDP in factor costs
  - Made a difference between production and product taxes & production subsidy and product subsidy
  - $GDP = \text{Sum of all GVA at basic prices} + \text{production taxes} - \text{product subsidies}$
- All are correct
  - I & iii are correct
  - I, iii & iv are correct
  - i, ii & iii are correct

III. Answer **any five** of the following (**four marks each: Total 20 Marks**)

33. What is Oligopoly market? Explain how the oligopolistic nature of OPEC countries affects the international crude oil prices. Critically evaluate the influence of international crude oil prices in Indian economy.



34. 'The greatest challenge of a producer under 'short run' condition is to maximize the earnings along with optimum production'. Evaluate the statement with various production and cost conditions of a producer under short run.
35. What do you mean by Economic Problem? Explain the various definitions of economics. Explain about scarcity, choice, and resource allocation.
36. Explain the difference between 'privatization' and 'private participation' in public investments. Discuss how the recent changes in investment policy of Indian space sector will impact the economic growth of the country
37. What is Fiscal Policy? Explain the various measures of Fiscal Policy. Analyze how Govt uses Fiscal policy for controlling inflation and boosting India's economic growth.
38. Distinguish between Economic Growth and Economic Development. Analyze various measures for measuring economic growth and development of a country.

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