

M.A EXAMINATION, 2025
DEPARTMENT OF ECONOMICS
1st Year, 2nd Semester
Subject Code : ECO/A/C 8.4
INDIAN ECONOMY AI

Time : Two Hours

Full Marks : 30

Instructions :

Attempt all **six** questions from Section A , any **three** questions from Section B, and any **two** questions from Section C.

Marks are indicated against each section.

Section – A

(Objective Type Questions)

6×1=6

1. Choose the correct option :

Which of the following best captures the central critique of the Mahalanobis strategy ?

- (a) Over emphasis on foreign capital.
- (b) Neglect of wage-goods constraints.
- (c) Disregard for human capital accumulation.
- (d) Prioritisation of agriculture over industry.

2. Fill in the blank :

Under the LERMS introduced in 1992, ___ per cent of foreign exchange earnings had to be surrendered at the official exchange rate.

3. Match the following and choose the correct option :

Committee	Primary Focus
A. Narasimham Committee I	1. Tax reforms
B. Rangarajan Committee	2. Banking sector reforms
C. Chelliah Committee	3. Trade Policies
D. Abid Husain Committee	4. Balance of Payments

Options :

- (A) A-3, B-2, C-4, D-1.
- (B) A-1, B-2, C-4, D-3.
- (C) A-2, B-4, C-1, D-3.
- (C) A-2, B-1, C-4, D-3.

4. True Or False :

The Fiscal Responsibility and Budget Management (FRBM) Act 2003 prohibits the government from issuing government guarantees to public enterprises.

Options : True False

5. Answer in 1 – 2 words :

Name the indicator of external sector vulnerability that reflects a country's ability to finance imports and meet short-term external obligations, typically measured in terms of months.

6. Assertion and Reasoning :

Assertion (A) : RBI adopted a corridor system for liquidity management.

Reason (R) : This was meant to reduce volatility in the overnight call money rate.

Options :

- (A) Both A and R are true and R explains A.
- (B) Both A and R are true but R does not explain A.
- (C) A is true, R is false.
- (D) A is false, R is true.

Section – B

(Short-Answer Type Questions)

3×3=9

Attempt any *three* of the following. Each question must be answered within 100 words.

7. How did the 'import substitution industrialisation' (ISI) strategy shape India's trade and industrial policy before 1991 ?
8. Explain the concept of financial repression and discuss how the post-1991 financial sector reforms in India aimed to address it.
9. Briefly explain how the Goods and Services Tax (GST) has addressed the issue of cascading effects in indirect taxation.
10. What is the rationale for adopting a managed float exchange rate system in India ? How does it differ from a fixed or fully flexible regime?

Section – C

(Long-Answer Type Questions)

2×7.5=15

Attempt any *two* of the following. Each question must be answered within 250 words.

11. Critically assess how India's post-Independence planning approach contributed to the expansion of the public sector. How did the limitations of this model influence the fiscal reform agenda in the 1990s ?
12. Identify three major structural challenges currently confronting India's financial sector. How are regulatory bodies such as RBI, SEBI and IRDAI responding to these issues, and what limitations do their strategies face ?
13. Critically examine the contemporary relevance of the WTO in India's external trade policy. How should India balance multilateral commitments with the rise of regionalism, green protectionism, and digital trade norms?