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EXAMINATION : JUNE - 2022
SEMESTER - V
Sub.: Indian Economy(BBA15-514)

Date : 23/06/2022

Total Marks : 60

Time: 10.00 am to 12.30 pm

Instructions: 1) The paper consists of two sections I and II.
 2) All questions are compulsory.

SECTION - I

- Q. 1. Answer in detail (Any two out of four) (20)**
1. Explain the concepts of economic growth and economic development.
 2. Discuss the main features of Indian economy as a developing economy.
 3. Explain the role of agriculture in India.
 4. What is fiscal policy? What are its objectives in India?

- Q. 2 Write short notes: (Any 2) (10)**
1. Mixed Economy
 2. Role of SSI
 3. Instruments of Monetary Policy
 4. Shortcomings of Public Sector

SECTION-II

- Q. 3. Choose the most appropriate option (20)**
- 1) Economy is characterized by high population growth rate, abundant but under-utilised natural resources, a low rate of capital formation and low standard of living.

a) Developed	b) Developing
c) An Underdeveloped	d) None of the above
 - 2) Which of the following is an important role played by agriculture sector in economic development of India?

a) Contribution to GDP	b) Source of supply of wage-goods
c) Rural development	d) All of the above
 - 3) Shortage of funds is the major problem faced by In India.

a) SMEs	b) MNCs
c) SSIDCs	d) SSIs
 - 4)is /are the main objectives of economic planning in India.

a) Growth, Social Justice	b) Self-reliance
c) Modernization	d) All of the above
 - 5)is the coexistence of capitalism and socialism in the economy.

a) Mixed Economy	b) Capitalist Economy
c) Socialist Economy	d) Communist Economy
 - 6)is total value of all finished goods and services produced in the nation during the year.

a) Gross National Product	b) Net National Product
c) National Expenditure	d) National Dividend
 - 7) Which of the following is not the instrument of the Fiscal Policy?

a) Bank Rate	b) Public Expenditure
c) Tax	d) Deficit Financing

- 8) Which of the following is the instrument of the Fiscal Policy?
 a) Public Debt
 b) Changes in Reserve Ratio
 c) Open Market Operations
 d) Changes in Liquidity Ratio
- 9) consists of all the income both in cash and in kind, accruing to the factors of production in the process of generating the national product.
 a) National Product
 b) National Dividend
 c) National Expenditure
 d) Gross National Product
- 10) Economic development is synonymous with general rise in standard of living.
 a) True
 b) False
 c) Can't say
 d) None of the above
- 11) The meaning of the term Agricultural Productivity is the yield per hectare.
 a) True
 b) False
 c) Can't say
 d) None of the above
- 12) National Income provides quantitative measure of the country's economic activity
 a) True
 b) False
 c) Can't say
 d) None of the above
- 13) India was known as industrialized country before the British rule.
 a) True
 b) False
 c) Can't say
 d) None of the above
- 14) India 'lives in its villages' and villages continue to dominate the country's economic and political life.
 a) True
 b) False
 c) Can't say
 d) None of the above
- 15) Economic planning has given a scant attention agricultural development and employment generation
 a) True
 b) False
 c) Can't say
 d) None of the above
- 16) Most of the SSI units suffer from the over-utilization of installed capacity.
 a) True
 b) False
 c) Can't say
 d) None of the above
- 17) Public sector in India was dominant till 1990.
 a) True
 b) False
 c) Can't say
 d) None of the above
- 18) Agricultural output determines the price stability in India.
 a) True
 b) False
 c) Can't say
 d) None of the above
- 19) Per Capita Income of India is impressive as compared to other countries.
 a) True
 b) False
 c) Can't say
 d) None of the above
- 20) Equitable distribution of wealth and income is the objective of Fiscal Policy.
 a) True
 b) False
 c) Can't say
 d) None of the above

FISCAL INDICATORS – ROLLING TARGETS AS A PERCENTAGE OF GDP

Covid-19 inflicted an unprecedented adverse shock to the economy in 2020-21. Along with the economy, the finances of the Government were in stress for the greater part of four months and were particularly severe in the first quarter of 2020-21. In this background, to remain close to the potential output of the economy, the government has revised its fiscal targets as indicated in table above for RE 2020-21 and BE 2021-22.

Table 1 : Fiscal Indicators (As percent of GDP)

Sr. No.	Fiscal Indicators	Revised Estimates 2020-21	Budget Estimates 2021-22
1	Fiscal deficit	9.5	6.8
2	Revenue Deficit	7.5	5.1
3	Primary Deficit	5.9	3.1
4	Gross Tax Revenue	9.8	9.9
5	Non-tax Revenue	1.1	1.1
6	Central Government Debt <i>Of which Liabilities on account of EBR</i>	3.1	2.9

A brief description of the fiscal performance of the Government in Q1 as an example of the measure of stress is attempted below. The tax receipts as a proportion of Budget Estimates at the end of Q1 was 6.8 percent compared to the 20-year average of 13.2 percent. However, Government's commitment to ensure adequate relief expenditure ensured that expenditure was above historical trends. Q1 expenditure as a proportion of the BE was 26.8 percent which was higher than the 20-year average of 22.4 percent of BE. It is also worth noting that own receipts of the Government (tax and non-tax receipts, non-debt capital receipts) was adequate only to meet 18.8 percent of the total expenditure. The resulting resource-gap was filled by a combination of short-term and long-term borrowings. The 20-year average is 42.4 percent. With the increase in tax receipts, the fiscal situation has improved as the year progressed.

Questions:

- Q.1. Explain the reasons for revision of fiscal targets by Indian government? Justify the revised of targets?
- Q.2. Elucidate the highlights of the fiscal performance of the Government in Q1.
