CUET 2023 Economics Question Paper May 30 Shift 2 (Memory-based)

Question 1. When was NABARD established?

Answer. 12 July 1982
Solution. NABARD (National Bank for Agriculture and Rural Development) was established on July 12, 1982. It is an apex development financial institution in India that focuses on providing credit and financial support for agriculture and rural development. NABARD was established as a specialized agency to promote sustainable rural development by providing loans, grants, and other financial services to various stakeholders, including farmers, rural entrepreneurs, and rural financial institutions. The establishment of NABARD was a significant step in enhancing credit availability and improving agricultural and rural development in India.

Question 2. From which state SEWA is related?

Answer. Gujarat
Solution. SEWA (Self-Employed Women's Association) is an organization based in the state of Gujarat, India. It was founded in 1972 by Ela Bhatt, a prominent social worker and activist. SEWA is a trade union and a women's cooperative that aims to empower and improve the lives of women working in the informal sector, particularly in rural and semi-urban areas. It provides various services, such as financial assistance, healthcare, childcare, and skill development, to support women in their economic and social well-being.

Question 3. Industrial reform of China took place in which year?

Answer. 1978
Solution. The industrial reforms in China took place starting in the late 1970s. The period of economic reform and opening up in China, commonly known as the "Reform and Opening-Up" policy, was **initiated by Deng Xiaoping in 1978.** These reforms aimed to transform China's centrally planned economy into a more market-oriented system. The reforms introduced various changes, including the establishment of Special Economic Zones, relaxation of foreign investment regulations, decentralization of economic decision-making, and encouragement of private enterprise. These reforms played a crucial role in China's economic transformation, leading to rapid industrialization and the emergence of China as a global economic powerhouse.

Question 4. What is the importance of Government Budget?

Answer. Reallocation of resources , Allowance or Tax concessions, Direct production of goods and services, Minimize inequalities in income and wealth, Economic stability, Manage public enterprises, Economic growth, Decrease regional differences
Solution. The government budget holds great importance in the functioning of a country's economy. Here are some key reasons why the government budget is important:

1. Allocation of Resources: The budget allows the government to allocate resources efficiently and effectively. It helps determine the allocation of funds to different sectors such as education, healthcare, defense, infrastructure, and social welfare programs. This allocation has a significant impact on the country's development and the well-being of its citizens.

2. Economic Stability and Growth: The budget plays a crucial role in promoting economic stability and fostering sustainable economic growth. It allows the government to manage fiscal policies, such as taxation and government spending, to control inflation, reduce unemployment, and stimulate economic activities.

3. Public Revenue and Expenditure: The budget serves as a blueprint for the government's revenue collection and expenditure. It outlines how the government will generate revenue through taxes, duties, and other sources and how it plans to spend those funds on public services and infrastructure development.

4. Redistribution of Wealth: The government budget facilitates the redistribution of wealth and promotes social equity. Through budgetary measures, the government can implement progressive taxation and allocate resources to provide social welfare programs, subsidies, and assistance to disadvantaged sections of society. This helps reduce income inequality and improve the overall well-being of the population.

5. Fiscal Discipline and Accountability: The budget provides a framework for fiscal discipline and accountability. It sets limits on government spending and ensures that expenditures are in line with revenue generation. This helps maintain fiscal stability, avoid excessive borrowing, and promote responsible financial management.

6. Policy Priorities and Planning: The budget reflects the government's policy priorities and long-term planning. It enables the government to align its objectives and allocate resources accordingly. The budgetary process involves analyzing the needs of various sectors, assessing policy implications, and formulating strategies to achieve economic and social objectives.

Overall, the government budget serves as a powerful tool for economic management, resource allocation, and social development. It helps guide the country's economic policies, promotes equitable growth, and ensures transparency and accountability in the use of public funds.

Question 5. When was the suez canal opened?

Answer. 17 November 1869
Solution. The Suez Canal was officially opened on November 17, 1869. It is an artificial waterway located in Egypt that connects the Mediterranean Sea to the Red Sea, providing a shorter route between Europe and Asia.

The construction of the canal was a significant engineering achievement and had a major impact on international trade and navigation.

Question 6. What will happen if the domestic currency rate is increased?

Answer. If the domestic currency rate is increased, it means that the value of the domestic currency strengthens relative to other currencies. This situation, often referred to as currency appreciation or an increase in the exchange rate, can have several impacts on the economy:

1. Imports become cheaper: A stronger domestic currency makes imports less expensive. This can lead to lower prices for imported goods and services, which benefits consumers and businesses that rely on imports. Cheaper imports can also put pressure on domestic producers to remain competitive.

2. Exports become more expensive: On the other hand, a stronger domestic currency makes exports more expensive for foreign buyers. This can result in reduced demand for domestically produced goods and services in international markets. Export-oriented industries may face challenges and may need to adjust their strategies to remain competitive.

3. Current account balance may be affected: Changes in the domestic currency rate can impact the current account balance, which is the difference between a country's exports and imports. If imports become cheaper and exports become more expensive, it may lead to a widening trade deficit, as more imports are purchased and fewer exports are sold.

4. Tourism and international investments: A stronger domestic currency can affect tourism and international investments. It may make the country a more expensive destination for tourists, potentially reducing the number of visitors. Additionally, foreign investors may find it relatively less attractive to invest in a country with a stronger currency, as their returns may be reduced when converted back into their own currencies.

5. Inflation and price levels: A stronger domestic currency can contribute to lower inflationary pressures. Cheaper imports can result in lower prices for imported goods, which can help control inflation. However, it can also lead to disinflation or deflation if domestic producers face increased competition and are forced to reduce prices.

6. Government and debt: A stronger domestic currency can have implications for the government and its debt. If the government has borrowed in foreign currencies, the increased value of the domestic currency can reduce the debt burden, as it becomes relatively cheaper to repay foreign currency-denominated debt.

It's important to note that the effects of a stronger domestic currency can be complex and vary depending on several factors, such as the country's economic structure, trade patterns, monetary policy, and overall global economic conditions.

Question 7. Which of the following years is famously known as the Great Divide in the demographic history of India?

Answer. The year 1921 is famously known as the "Great Divide" in the demographic history of India. This term refers to a significant change in the population growth trend of India. Before 1921, India had experienced a long period of stagnation or slow population growth. However, starting from 1921, there was a noticeable shift with an upward trend in population growth rates, which continued to increase in subsequent decades. This shift was attributed to various factors, including improved healthcare, sanitation, reduced mortality rates, and advancements in medical science. The year 1921 marks a crucial turning point in India's demographic history, hence the term "Great Divide."

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Question 9. MGNREGA is related to?

Answer. MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) is a social welfare program implemented in India. It is a significant government initiative that aims to provide guaranteed employment opportunities to rural households and promote rural development. The primary objective of MGNREGA is to enhance livelihood security in rural areas by providing at least 100 days of wage employment per year to eligible individuals or households.

Under the MGNREGA program, rural households can seek employment in various public works projects, such as construction of roads, water conservation, irrigation projects, rural infrastructure development, and afforestation. The program also focuses on empowering rural women, ensuring transparency, and promoting sustainable development practices.

MGNREGA is designed to address rural unemployment, poverty, and improve the overall well-being of rural communities. It provides income support, enhances rural infrastructure, and creates durable community assets, while also encouraging the participation of marginalized sections of society.