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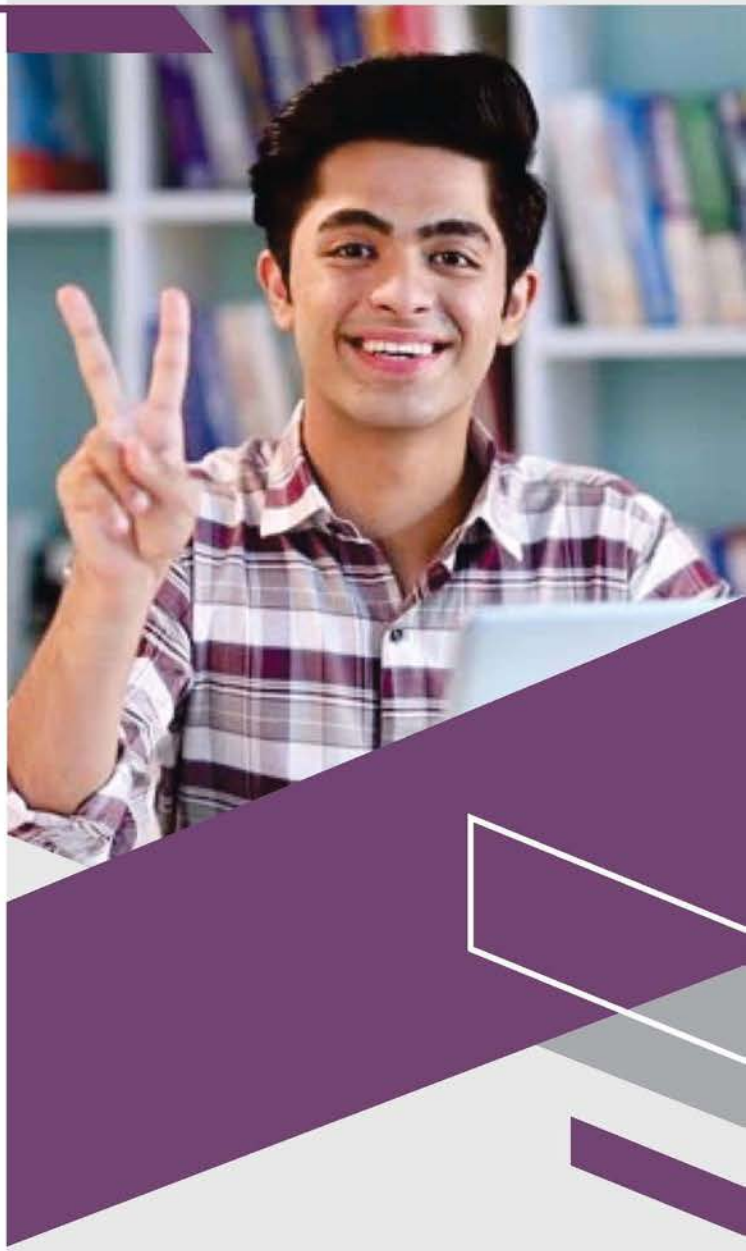

15 Mock Tests

Economics

(Section II Commerce Domain)

- With Latest Solved Papers 2023 & 2022
- Exactly Based on Latest NTA CUET (UG) Exam Pattern & Syllabus

Free 3 Online Mock Tests
See instructions inside

NTA

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Economics

(Section II Commerce Domain)

Author
Arshi Khan

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Free 3 Online Mock Tests

Visit www.examwitharihant.com

Note : *Free Mock Tests will be available only after 1st Nov, 2023*



Before preparing for Common Universities Entrance Test (CUET), a strong road map must be prepared, which includes what subject to cover, when, how many hours you should allocate for each subject, etc.

Most of you may not have clarity on your goals while in school, while a few plan it early!

If you have set your goal to get admission to one of the top central universities, you must start preparing early!

1 *Understand the Exam Pattern*

Though the number of questions is the same, the paper pattern differs for each college. Therefore, knowing the paper pattern for the particular college plays a vital role in qualifying for the entrance exam.

As per the CUET Exam Pattern, the entrance exam will include four sections:

- Section 1 A : 13 Languages
- Section 1 B : 20 Languages
- Section 2 : Domain-specific test
- Section 3 : General test

Knowing the specific exam pattern for the college you have applied to is also important. Visit the official website of the CUET to know the exam pattern for the respective colleges you have applied to. Only then start with your preparations.

2 *Know your Syllabus*

Once you understand your exam pattern, the second step is to list down the syllabus, so you know what to study. Visit the official website of CUET; it has the respective syllabus for the course and the college.

Note that the syllabus may differ for every college. Therefore, it is important to carefully review and double-check your syllabus before you start your preparations.

3 *Schedule a TimeTable*

Scheduling is something that will give fantastic results if you plan it properly. However, preparing a study plan is one of the most challenging tasks for most.

- Your everyday schedule should have time for CUET exam preparation.
- Initially, you can give 1-2 hours for the entrance exam and the rest for the board exams.
- Once the board exams get over, you can utilize the maximum of your time for the NTA CUET exam prep.

4 *Make a List of Colleges You wish to Target*

- Before starting your preparation, you must make a CUET Colleges and course list.
- Then, understand the previous year's cut-off and position of the counselling for the particular college.
- Doing this will help you understand the marks you must score in the CUET exam to get admission to a particular course in your desired college, thus helping you enhance your preparation levels for the upcoming exam.

5

Newspaper Should Be Your New Friend

- Reading the newspaper will help improve your vocabulary, grammar, and reading comprehension skills.
- To improve your English language, you can refer to the Hindu or the Time of India newspapers.
- You can prefer to read the Dainik Bharat newspaper to improve your Hindi language.
- You must spend at least 30 minutes analyzing and reading the newspaper's editorial page.

6

Practice Mock Tests

- Working on the concepts and writing mock tests based on the exam pattern is essential, as it will help you understand your strengths and weak areas, which can be improved.
- Take up at least one CUET Mock Test every week and try to analyze your performance after completing the mock test.
- Also, try to attempt as many MCQs as possible from your board exam topics. Gradually increase the number of mocks you take.

7

Revision

You should not pick a fresh topic to study at the last minute of preparations. The last days are meant for only revision, so you can revise and remember the topics you have already learned.

Revision is extremely important to have a good score. Studying without revision is "working hard, but without a plan"!

CUET Preparation Tips for the CUET Domain-Specific Test?

The domain specific-test of the CUET entrance exam will have 27 subjects, out of which you have to choose six domains that you wish to pursue in your UG course.

The standard of questions in this section is of class 12 level. Therefore, knowing the fundamental concepts of your chosen subject will help you score well in this section.

Also, you must choose the subjects you feel are very interesting and enjoy studying in the morning. Try to attempt easy, moderate, and challenging level MCQ questions from the NCERT textbooks.

CUET Preparation Tips for NTA CUET 2024 along with Board Exams?

You can succeed in both CUET and board exams if you are good at time management. Also, you can score better if you are consistent throughout your preparation.

A proper study plan and preparation strategies will help you Manage boards and CUET preparation together.

When preparing the timetable, focus on keeping separate time for board preparation, CUET domain-specific preparation, and lastly, allot separate time to solve the aptitude section.

Board exams must be your priority, and you should work on enhancing your domain subject knowledge during your board exam preparation. And do this till the board exams are over.

After completing your board exams, you will have roughly 30-40 days to prepare for the Common Universities Entrance Test. So, utilize this entire month to enhance your preparation levels for CUET.

CUET Preparation Tips 2024: Best Books

Opting for the right book is very important to understand the concepts in-depth and score good marks in the upcoming exam.

The following are some of the best CUET Preparation Books you can include during your preparation.

- Arihant's English Grammar & Composition by S.C. Gupta
- Arihant's Test of Arithmetic & General Knowledge by Manohar Pandey
- Arihant's CUET (UG) Self Study Guides

Is It Useful To Solve Mock Tests for CUET Exam 2024?

According to the CUET preparation tips 2024, attempting mock tests is one of the best methods to improve your speed and accuracy in the final exam.

- With the help of mock tests, you can know the difficulty level of the paper and the type of questions asked in the exam.
- You can test your preparation levels for the upcoming exam.
- Most importantly, it can help improve your confidence levels.

Conclusion

"Kya CUET bohot tough hai?", nahi bilkul bhi nahi. If you know and follow the right preparation strategy, there is nothing called as tough. In fact, CUET is in a nurturing phase, so it's not a very tough exam to crack. If you are willing and determined, you can easily crack the CUET 2024 exam. These CUET Preparation Tips are specially curated for CUET 2024 aspirants to help you use the right strategies for the exam.

Syllabus

SECTION : ECONOMICS

Unit I: Introduction to Microeconomics

- What is microeconomics?
- Central problems

Unit II: Consumer Behaviour and Demand

- Consumer's Equilibrium: meaning and attainment of equilibrium through Utility Approach: One and two commodity cases.
- Demand: market demand, determinants of demand, demand schedule, demand curve, movement along and shifts in the demand curve, price elasticity of demand, measurement of price elasticity of demand – percentage, total expenditure, and geometric methods

INTRODUCTORY MACROECONOMICS

Unit III: National Income and Related Aggregates — Basic Concepts and Measurement

- Macroeconomics: meaning.
- Circular flow of income, concepts of GDP, GNP, NDP, NNP (at market price and factor cost).
- Measurement of National Income –Value Added method, Income method, and Expenditure method.

Unit IV: Determination of Income and Employment

- Aggregate demand, aggregate supply, and their components
- Propensity to consume and propensity to save (average and marginal)
- Meaning of involuntary unemployment and full employment
- Determination of income and employment: two-sector model
- Concept of investment multiplier and its working
- Problems of excess and deficient demand
- Measures to correct excess and deficient demand – availability of credit, change in government spending

Unit V: Money and Banking

- Money: meaning, evolution, and functions
- Central bank: meaning and functions
- Commercial banks: meaning and functions

Unit VI: Government Budget and the Economy

- Government budget – meaning and its components
- Objectives of government budget
- Classification of receipts – revenue and capital; classification of expenditure – revenue and capital, plan and non-plan, and developmental and non-developmental
- Balanced budget, surplus budget, and deficit budget: meaning and implications
- Revenue deficit, fiscal deficit, and primary deficit: meaning and implications; measures to contain different deficits.

Unit VII: Balance of Payments

- Foreign exchange rate – meaning (fixed and flexible), merits and demerits; determination through demand and supply
- Balance of payments accounts – meaning and components
- A brief analysis of recent exchange rate issues

INDIAN ECONOMIC DEVELOPMENT

Unit VIII: Development Experience (1947-90) and Economic Reforms since 1991

A brief introduction of the state of the Indian economy on the eve of independence. Indian economic system and common goals of Five year Plans.

Main features, problems and policies of agriculture (institutional aspects and new agricultural strategy), industry (IPR 1956; SSI – role & importance) and foreign trade.

Unit IX: Current challenges facing the Indian Economy

Poverty – absolute and relative; Main programmes for poverty alleviation: A critical assessment;

Human Capital Formation – How many people become resource; Role of human capital in economic development;

Rural development: Key issues – credit and marketing – role of cooperatives; agricultural diversification;

Employment: Growth and changes in work force participation rate in formal and informal sectors; problems and policies

Infrastructure: Meaning and Types: Cases Studies: Health: Problems and Policies – A critical assessment;

Sustainable Economic Development: Meaning, Effects of Economic Development on Resources and Environment, including global warming

Unit X: Development Experience of India

- A comparison with neighbours
- India and Pakistan
- India and China
- Issues: economic growth, population, sectoral development and other Human Development Indicators

CUET (UG) Section II DOMAIN COMMERCE

SOLVED PAPER

(2023-22)

NTA CUET (UG)

ECONOMICS

SOLVED PAPER 2023*

Instructions

- Attempt any 40 out of the given 50 questions. No mark will be given to unanswered for review questions.
- Each question carries 5 marks. Negative marking of 1 mark for a wrong answer.

Time : 45 Min
MM : 200

1. Which specific Indian Five Year Plan emphasised the growth of heavy industries and the formation of public sector enterprises?

(a) First Five Year Plan (b) Second Five Year Plan
(c) Third Five Year Plan (d) Fourth Five Year Plan

2. Identify the poverty eradication programmes from the list provided.

A. Pradhan Mantri Garib Kalyan Yojana.
B. Pradhan Mantri Awas Yojana, 2022.
C. Ayushman Bharat National Health Protection Mission.
D. Pradhan Mantri Jan Dhan Yojana.
E. PowerTex India Scheme.

Choose the correct answer from the options given below

(a) A, B and D (b) A, B and C
(c) B, C and E (d) E, A and B

3. Consider the demand curve $D(p) = 10 - 3p$. What is elasticity of demand at price ₹ 5/3?

(a) 1 (b) 0.7 (c) (–) 1.5 (d) (–) 2

4. The trade policy reforms introduced in 1991 aimed at

(a) dismantling of quantitative restrictions on imports and exports
(b) reductions of tariff rates
(c) removal of licensing procedures for imports
(d) All of the above

5. Match List-I with List-II.

List-I	List-II
A. Mixed economy	(i) License Raj and permit system
B. Import substitution	(ii) Focus on heavy industries
C. Public sector dominance	(iii) Public and private sector participation
D. Five year plans	(iv) Encouraged domestic production

Choose the correct answer from the options given below

	A	B	C	D
(a)	(iii)	(i)	(ii)	(iv)
(b)	(iii)	(iv)	(i)	(ii)
(c)	(iv)	(iii)	(i)	(ii)
(d)	(ii)	(i)	(iv)	(iii)

6. Amartya Sen formulated his "p measure" of poverty. Indicate which statement accurately represents the characteristics of the p measure?

A. It includes the element of HCR (Head Count Ratio).
B. It integrates the elements of IGR (Income Gap Ratio).
C. The p measure is designed to account for the effects of relative poverty.
D. The p measure is designed to account for the effects of absolute poverty.

Choose the correct answer from the options given below

(a) A and B (b) A, B and C
(c) A, C and D (d) A, B and D

7. Match List-I with List-II.

List-I	List-II
A. Change in taxes	(i) reason for excess demand
B. Deficit financing	(ii) reason for deficient demand

*Memory Based Paper

List-I		List-II
C. Change in reverse repo rate	(iii)	fiscal policy measure to control aggregate demand
D. Fall in exports	(iv)	monetary policy measure to control aggregate demand

Choose the correct answer from the options given below

	A	B	C	D		A	B	C	D
(a)	(iii)	(i)	(iv)	(ii)	(b)	(iv)	(iii)	(i)	(ii)
(c)	(ii)	(iii)	(iv)	(i)	(d)	(iii)	(iv)	(ii)	(i)

8. In a certain economic scenario, Firm A vends its products to Firm B, which subsequently retails them to Firm C for a sum of ₹ 1,200. The value added by Firm B amounts to half of the value added by Firm A. Assuming that the inputs employed by Firm A are negligible, determine the volume of A's sales to B.
(a) ₹ 1,200 (b) ₹ 2,400
(c) ₹ 800 (d) ₹ 600

9. Which of the following choices best represents an instance of a contractionary monetary policy measure?
(a) Amplifying government expenditures
(b) Reducing tax rates
(c) Raising interest rates
(d) Enacting expansionary fiscal approaches

10. Among the given statements, select the accurate characteristics of indifference curves.
A. Higher indifference curve represents lower level of satisfaction than a lower indifference curve.
B. Indifference curves exhibit convexity towards the origin.
C. Indifference curves showcase concavity towards the origin.
D. Indifference curves slope downward to the right.
E. Indifference curves do not intersect each other.
Choose the correct answer from the options given below
(a) A, B and D (b) B, D and E
(c) A, D and E (d) A, B and D

11. From the data given below, identify the balance of trade if
Total exports of petrol, diesel and aviation fuel = ₹ 2,500 crore
Total imports of crude oil = ₹ 3,000 crore
Total exports of jewellries = ₹ 200 crore
Total imports of precious metals = ₹ 150 crore
(a) Surplus of ₹ 450 crore
(b) Deficit of ₹ 450 crore
(c) Surplus of ₹ 200 crore (d) Deficit of ₹ 200 crore

12. Which of the following is a key focus area of Pakistan's economic reform?
(a) Privatisation of state-owned enterprises
(b) Increase in government subsidies
(c) Expansion of fiscal deficit
(d) Currency devaluation

13. "In the realm of rural credit, institutional sources refer to established lending entities which extend financial services to rural communities." Which of the following is an institutional source of rural credit?
(a) Co-operative credit (b) Land development banks
(c) NABARD (d) All of these

14. Which of the following assertions accurately describes MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act)?
A. Provision of unemployment compensation if the government fails to provide employment within the designated time frame.
B. Offering complimentary LPG gas cylinders to the jobless.
C. The enactment of the Mahatma Gandhi National Rural Employment Guarantee Act by the Indian Government took place in September, 2005.
D. Guarantee of 100 days of waged work in a financial year.
E. Provision of essential provisions and payment of utility bills during employment tenure.
Choose the correct answer from the options given below
(a) A, B and D (b) B, C and E
(c) A, C and E (d) A, C and D

15. Which of the subsequent strategies is effective in countering demand driven inflation?
(a) Surge in public spending
(b) Reduction in personal income tax rates
(c) Raising interest rates
(d) Augmentation of transfer payments

16. Match List-I with List-II.

List-I		List-II
A. Great Proletarian Cultural Revolution	(i)	1949
B. Great Leap Forward Campaign	(ii)	2016
C. People's Republic of China	(iii)	1958
D. Abolishment of One-child Norm	(iv)	1965

Choose the correct answer from the options given below

	A	B	C	D		A	B	C	D
(a)	(iv)	(i)	(ii)	(iii)	(b)	(iv)	(iii)	(i)	(ii)
(c)	(iii)	(iv)	(ii)	(i)	(d)	(ii)	(iii)	(i)	(iv)

17. China has a relatively low infant mortality rate, whereas the highest infant mortality rate is observed in which country?
(a) Pakistan (b) India (c) Finland (d) Norway

18. Calculate the value of C, if autonomous consumption and Income (Y) are given as ₹ 50 and ₹ 1,000 respectively, where MPC is 0.6. What would be the value of C, if MPC is increased to 0.8?
(a) ₹ 600, ₹ 800 (b) ₹ 625, ₹ 825
(c) ₹ 650, ₹ 850 (d) ₹ 500, ₹ 700

19. What do we call the change in the amount of finished products, partially finished items and raw materials?
(a) Inventory investment (b) Gross investment
(c) Autonomous investment (d) Net investment

20. Choose the correct statement about balance of trade.
A. It excludes any dealings of a capital nature.
B. It includes visible items, invisible items, unilateral transfers and capital transfers.
C. It refers to difference between amount of exports and imports of visible items.
D. It is an accounting statement that records systematic record of all economic transactions, between residents of a country and rest of the world in a given period of time.
E. It solely comprises tangible goods in its calculation.
Codes
(a) A, C and D (b) A, C and E
(c) B, D and E (d) B, C and D

21. Which of the following is not taken into consideration in national income accounts?
(a) Government transfer payments
(b) Business investment
(c) Consumer spending (d) Exports and imports

22. Riya, a student of economics, observed some significant changes in the prices of goods and services over the past year. She noticed that the prices of essential commodities like groceries, fuel and transportation had risen noticeably, affecting her monthly budget. Which economic phenomenon is highlighted in the above case?
(a) Deflation (b) Stagflation
(c) Inflation (d) Hyperinflation

23. Which of the following statements accurately describes the role of a government budget?
A. Its primary aim is to decrease disparities in income and wealth.
B. It solely encompasses revenue receipts and expenditures.
C. It can be harnessed to shape economic growth and development.
D. It remains fixed and unchanging each fiscal year.
E. It has no impact on the economy.
Choose the correct answer from the options given below
(a) C, D and E
(b) A and C
(c) B, D and E (d) A, C and D

24. Which of the following statements best defines the Production Possibility Curve (PPC)?
(a) It shows the maximum combination of goods and services an economy can produce with available resources and technology.
(b) It demonstrates the relationship between the demand and supply of goods and services.
(c) It represents the distribution of wealth and income in an economy.
(d) It indicates the equilibrium price of goods and services.

25. When consumer income rises and the price of a product drops, the likely outcome is
(a) a rise in demand and a dip in the quantity demanded
(b) a decline in demand and a boost in the quantity demanded
(c) a decrease in demand and a drop in the quantity demanded
(d) increase in demand and increase in quantity demanded

26. Street light is an example of …… good.
(a) private (b) public
(c) government (d) None of these

27. If Average Propensity to Save (APS) of an economy is 0.3, then what should be the level of consumption when income is given as ₹ 20,000 crore?
(a) ₹ 15,000 crore (b) ₹ 14,500 crore
(c) ₹ 14,000 crore (d) ₹ 6,000 crore

28. From the options given below, identify which of the following are examples of monetary policy tools?
A. Interest rate adjustments
B. Reserve requirements
C. Government spending
D. Taxation
E. Open market operations
Codes
(a) B, C and D (b) A, B and E
(c) C and D (d) B and E

29. Combined factor income, which cannot be separated into various factor income components is known as
(a) net factor income
(b) mixed income of self-employed
(c) transfer payments
(d) None of the above

30. Match List-I with List-II.

List-I		List-II
A. Money creation	(i)	Repurchase rate
B. Money multiplier	(ii)	Credit creation
C. Repo rate	(iii)	Variable reserve ratio method
D. Legal reserve requirement	(iv)	Deposit multiplier

Choose the correct answer from the options given below

	A	B	C	D		A	B	C	D
(a)	(iii)	(i)	(iv)	(ii)	(b)	(ii)	(iv)	(i)	(iii)
(c)	(iv)	(iii)	(ii)	(i)	(d)	(iv)	(i)	(iii)	(ii)

31. In the context of a production possibility curve, a linear or straight line signifies
(a) constant opportunity cost
(b) increasing opportunity cost
(c) decreasing opportunity cost
(d) no opportunity cost

32. Identify the accurate sequence of historical events related to China's development experience.
A. In 1949, the establishment of the People's Republic of China (PRC) was announced by Chinese communist leader Mao Zedong.
B. The economic reforms in China were initiated in 1978.
C. China embraced a mixed socialist market economy.
D. China's adoption of the one-child policy dates back to the founding of the Republic of China.
E. People's Republic of China was established in 1945.
Choose the correct answer from the options given below
(a) A, B and C (b) B, C and D
(c) A and D (d) A, B and D

33. …….. refers to purchases or sales of government securities by the central bank from the general public in the bond market in a bid to increase or decrease the money supply in the economy.
(a) Money market (b) Open market operations
(c) Transfer of securities (d) CRR

34. In a nation's economy, the general price level of products and services has been steadily climbing over recent months, leading to a decrease in the buying power of consumers. Consequently, the central bank opts to raise the key interest rates as a measure to manage inflation.
Which principle from the realm of macroeconomics is being implemented in this particular scenario?
(a) Inflation (b) Deflation
(c) Monetary policy (d) Aggregate demand

35. In case of underemployment equilibrium, which of the following alternatives is not true?
(a) Aggregate demand is equal to aggregate supply
(b) There exist excess production capacity in the economy
(c) Resources are not fully and efficiently utilised
(d) Resources are fully and efficiently utilised

36. Which of the following scenarios will lead to an increase in Aggregate Demand (AD)?
(a) An increase in taxes
(b) A decrease in government spending
(c) A decrease in interest rates
(d) A decrease in exports

37. GNP exceeds NNP by
(a) amount of total taxes
(b) government expenditure
(c) transfer payments
(d) difference between gross and net investment

38. The foreign embassies of Japan situated in India fall under the jurisdiction of which country's domestic territory?
(a) India (b) Japan
(c) Both (a) and (b) (d) International area

39. Which of the following is an example of near money?
(a) Currency notes (b) Demand deposits
(c) Treasury bills (d) Gold coins

40. Choose the suitable element of the M_1 money measure from the options provided.
A. Savings deposits housed in the post office savings bank.
B. Other deposits stored with the Reserve Bank of India (RBI).
C. Net time deposits within banks.
D. Demand deposits maintained within commercial banks.
E. Currency and coins held by the public.
Codes
(a) A, C and D (b) B, D and E
(c) A, D and E (d) B, C and D

Direction *Read the following case study and answer Q. No. 41 to 45 on the basis of the same*

The Union Budget, 2023 presented by Finance Minister Nirmala Sitharaman builds on India's commitment to lead the global action against climate change, preserve biodiversity and support sustainable development. The promised capital outlay and policy frameworks to support a range of specific initiatives are aimed at accelerating clean transition and sustainable growth.

The budget further defines India's firm stance on green growth by articulating the government's strategy for economic development with a focus on sustainable development.