





National Income = Rs 900

Marginal Propensity to Save = 0.10

Investment Expenditure = Rs 80

15. Explain the lender of last resort function of the Central Bank. [4]

16. Answer the following questions: [6]

(i) i. Calculate sales from the following data [3]

S.no.	Contents	(Rs. in Lakhs)
(i)	Net Value Added at Factor Cost	560
(ii)	Depreciation	60
(iii)	Change in Stock	(-) 30
(iv)	Intermediate Cost	1,000
(v)	Exports	200
(vi)	Indirect Taxes	60

ii. Calculate Gross Value Added at Factor Cost. [3]

S.no.	Content	(Rs. in Lakhs)
(i)	Domestic Sales	3,000
(ii)	Change in Stock	(-) 1,00
(iii)	Depreciation	300
(iv)	Intermediate Consumption	2,000
(v)	Exports	500
(vi)	Indirect Taxes	250
(vii)	Net Factor Income from Abroad <sup>3</sup>	(-) 50

(ii) OR

i. State the various components of the Expenditure Method that are used to calculate national income. [3]

ii. Calculate Gross National Product at Market Price from the following data. [3]

S.no.	Contents	(Rs. in Crores)
(i)	Compensation of Employees	2,000
(ii)	Interest	500
(iii)	Rent	700
(iv)	Profits	800
(v)	Employer's Contribution to Social Security Schemes	200
(vi)	Dividends	300
(vii)	Consumption of Fixed Capital	100





(ii) **OR**

- i. Why do you attach so much importance to agriculture in present Indian economy? [3]
- ii. Discuss three problems of animal husbandry in India. [3]

34. **Read the following text carefully and answer the questions given below:** [6]

#### **SINO-PAK FRIENDSHIP CORRIDOR**

The China-Pakistan Economic Corridor (CPEC) relationship between the two nations. But it has also sparked criticism for burdening Pakistan with mountains of debt and allowing China to use its debt strategic assets of Pakistan.

The foundations of CPEC, part of China's Belt and Road Initiative, were laid in May 2013. At the time, Pakistan was reeling under weak economic growth. China committed to play an integral role in supporting Pakistan's economy.

Pakistan and China have a strategic relationship that goes back decades. Pakistan turned to China at a time when it needed a rapid increase in external financing to meet critical investments in hard infrastructure, particularly power plants and highways. CPEC's early harvest projects met this need, leading to a dramatic increase in Pakistan's power generation capacity, bringing an end to supply-side constraints that had made rolling blackouts a regular occurrence across the country.

Pakistan leaned into CPEC, leveraging Chinese financing and technical assistance in an attempt to end power shortages that had paralyzed its country's economy. Years later, China's influence in Pakistan has increased at an unimaginable pace.

**China As Pakistan's Largest Bilateral Creditor:** China's ability to exert influence on Pakistan's economy has grown substantially in recent years, mainly due to the fact that Beijing is now Islamabad's largest creditor.

According to documents released by Pakistan's finance ministry, Pakistan's total public and publicly guaranteed external debt stood at USD 44.35 billion in June 2013, just 9.3 percent of which was owed to China. By April 2021, this external debt had ballooned to USD 90.12 billion, with Pakistan owing 27.4 percent —USD 24.7 billion — of its total external debt to China, according to the International Monetary Fund (IMF).

Additionally, China provided financial and technical expertise to help Pakistan build its road infrastructure, expanding north-south connectivity to improve the efficiency of moving goods from Karachi all the way to Gilgit-Baltistan (POK). These investments were critical in better integrating the country's ports, especially Karachi, with urban centers in Punjab and KhyberPakhtunkhwa provinces.

Despite power asymmetries between China and Pakistan, the latter still has tremendous agency in determining its own policies, even if such policies come at the expense of the longterm socioeconomic welfare of Pakistani citizens.

#### **Questions:**

- i. Outline and discuss any two economic advantages of China Pakistan Economic Corridor (CPEC) accruing to the economy of Pakistan.
- ii. Analyse the implication of bilateral 'debt-trap' situation of Pakistan vis-à-vis the Chinese Economy.

**TO GET THE SOLUTION OF THIS PAPER AT RS 25 CLICK HERE**  
<https://cbsestudymaterial.myinstamojo.com/product/4764680/sp-2-solution-economics/>