

**Table 1 :** Identify the right statements regarding the meaning of "Economy."

- a) The word "Economy" comes from the Greek oikonomia, meaning household management.
- b) Because resources are scarce, economics is fundamentally about making choices.
- c) The three core activities are Production → Exchange → Consumption.
- d) Lionel Robbins gave the "growth" definition of economics.

**Table 2 :** Fill in the key idea / contribution of each foundational thinker.

Thinker	Key idea / contribution
Adam Smith	
Lionel Robbins	
Paul Samuelson	
J.M. Keynes	

**Table 3 :** Fill in what each branch of economics studies.

Branch	Studies
Microeconomics	
Macroeconomics	
Welfare Economics	
Econometrics	

**Table 4 :** Fill in the table comparing Micro- and Macroeconomics.

Microeconomics	Macroeconomics
Individual unit	
	Employment, public finance, national income
Price analysis	
	"Income Theory"

**Table 5 :** Identify the right statements regarding the Micro/Macro divide.

- ✓ The terms "micro-" & "macroeconomics" were coined by Ragnar Frisch (1933).
- ✓ Keynes is regarded as the father of modern macroeconomics.

- ✓ Microeconomics studies the general price level of the whole economy.

**Table 6 :** Fill in who decides resource allocation under each economic system.

System	Who decides
Traditional	
Command / Planned (Socialist)	
Market / Capitalist	
Mixed	
Open	
Closed	

**Table 7 :** Identify the right statements regarding economic systems.

- a) Karl Marx is called the Father of Socialist Economy.
- b) The term "Mixed economy" was coined by Pat Mullins.
- c) India is a Mixed + Open economy.
- d) North Korea is the textbook example of a pure market / capitalist economy.

**Table 8 :** Identify the right statements regarding economy classification.

- a) A developing country has not achieved industrialisation and is not a free-market economy.
- b) Jacob Viner defined underdevelopment by development prospects.
- c) Niger is the world's least developed country by HDI.
- d) An NIC is less advanced than other developing nations.

**Table 9 :** Identify the right statements regarding money and barter.

- a) Money's three functions are medium of exchange, store of value, and unit of account.
- b) Barter's fatal flaw was the "double coincidence of wants."
- c) The store-of-value function is eroded by inflation.
- d) Money acts as a "measuring rod of value" through its medium-of-exchange function.

**Table 10 :** Fill in the basis and examples for each type of money.

Type	Basis & examples
Commodity money	
Fiat money	
Digital money	
Crypto money	

**Table 11 :** Identify the right statements regarding fiat money and legal tender.

- Coins up to ₹1,000 face value are issued by the Govt of India under the Coinage Act 2011.
- Notes (except ₹1) are issued by the RBI under the RBI Act 1934.
- All legal tender is fiat money, but not all fiat money is legal tender.
- The ₹1 note is issued by the RBI and signed by the Governor.

**Table 12 :** Fill in the examples and limit for each kind of legal tender.

Type	Examples & limit
Unlimited legal tender	
Limited legal tender	

**Table 13 :** Fill in the reverse design on each Mahatma Gandhi (New) Series note.

Note	Reverse design
₹10	
₹20	
₹50	
₹100	
₹200	
₹500	
₹2000	

**Table 14 :** Identify the right statements regarding Indian currency.

- The ₹ symbol was designed by D. Udaya Kumar (IIT Guwahati), adopted in 2010.
- The National Emblem is the Sarnath Lion Capital; "Satyamev Jayate" is from the Mundaka Upanishad.
- The 8th Schedule lists 22 languages, of which notes carry 17.
- The e-Rupee (CBDC) pilot began in December 2021.

**Table 15 :** Fill in what each sector of the economy covers.

Sector	Covers
Primary	
Secondary	
Tertiary	
Quaternary	
Quinary	

**Table 16 :** Fill in the GDP share & employment of India's three sectors.

Sector	GDP share & jobs
Primary (Agri & allied)	
Secondary (Industry)	
Tertiary (Services)	

**Table 17 :** Identify the right statements regarding India's sectors.

- ✓ Industry is India's biggest tax-payer.
- ✓ Services contribute the largest GDP share.
- ✓ The unorganised sector is India's largest employer (~90% of workers).
- ✓ The organised sector employs about 90% of India's workforce.

**Table 18 :** Identify the right statements regarding GDP.

- GDP is the market value of final goods & services produced within a country's borders in a year.
- The expenditure method is  $C + I + G + (X - M)$ .
- $GVA + \text{net taxes on products} = \text{GDP}$ .
- GNP equals GDP minus depreciation.

**Table 19 :** Fill in the definition / formula of each national-income aggregate.

Aggregate	Definition / formula
GDP	
GNP	
GVA	
NDP	
Per Capita Income	

**Table 20 :** Fill in the cause / example of each type of inflation.

Type	Cause / example
Demand-Pull	
Cost-Push	
Structural	
Imported	
Core	
Stagflation	

**Table 21 :** Identify the right statements regarding inflation measurement.

- a) CPI base is 2012=100, compiled by MoSPI.
- b) WPI base is 2011-12, compiled by DPIIT (Commerce).
- c) RBI's inflation target is  $4\% \pm 2\%$  under Section 45ZA of the RBI Act.
- d) Core inflation includes food and fuel prices.

**Table 22 :** Fill in the description / India example of each type of unemployment.

Type	Description / India example
Structural	
Cyclical	
Disguised	
Frictional	
Seasonal	

**Table 23 :** Identify the right statements regarding the Balance of Payments.

- a) The current account includes merchandise, services, primary and secondary income.
- b) India is the world's largest recipient of remittances (\$120 bn, FY24).
- c) FDI, FPI and external loans fall under the financial account.
- d) India's CAD in FY24 rose to 2.1% of GDP.

**Table 24 :** Fill in the rate / role of each monetary-policy tool.

Tool	Rate / role
Repo	
Reverse Repo	
CRR	
SLR	
MSF	

**Table 25 :** Identify the right statements regarding fiscal & exchange-rate policy.

- a) The FRBM Act 2003 caps the fiscal deficit at 3% of GDP.
- b) GST was introduced in 2017.
- c) India follows a Managed Float ("Dirty Float") exchange-rate system.
- d) Rupee depreciation makes imports cheaper and exports costlier.

**Table 26 :** Identify the right statements regarding macro theories and models.

- a) Keynesian theory (1936) boosts aggregate demand in recessions via fiscal policy.
- b) The multiplier =  $1/(1 - MPC)$ .
- c) The Phillips Curve shows a short-run inverse relation between inflation and unemployment.
- d) Rostow placed "Take-off" as the final stage of growth.

**Table 27 :** Identify the right statements regarding core microeconomics.

- ✓ The Theory of Demand was first explained by Alfred Marshall.
- ✓ The PPC ("Line of Transformation") is concave to the origin.
- ✓ Opportunity cost is the value of the second-best sacrifice.
- ✓ Fisher used the term "Util" for utility.
- ✓ The total cost curve is shaped like an inverted-U.

**Table 28 :** Fill in the key facts for each development / social index.

Index	Key facts
HDI	
IHDI	
Gini	
MPI	
GNH	
PQLI	
GHI	

**Table 29 :** Identify the right statements regarding the HDI and related indices.

- a) HDI components are life expectancy, expected & mean years of schooling, and GNI.
- b) HDI's four pillars are Equity, Productivity, Empowerment and Sustainability.

- c) The first Indian state HDR (by Amartya Sen) was Madhya Pradesh (2000).
- d) The MPI was first published by the IFPRI in 2006.

**Table 30 :** Identify the right statements regarding sustainable development.

- a) The SDGs were set by the UNGA and comprise 17 goals.
- b) India targets 500 GW renewables by 2030.
- c) The International Solar Alliance is headquartered in Gurugram (India + France).
- d) India has committed to Net Zero by 2050 under COP26.

**Table 31 :** Fill in the country at each Top-10 nominal GDP rank (2022).

Rank	Country
1	
2	
3	
4	
5	
6	
7	

**Table 32 :** Identify the right statements regarding India-specific macro issues.

- a) The Twin Balance Sheet Problem combined stressed banks with over-indebted corporates.
- b) The IBC 2016 helped cut gross NPAs to a decade-low 2.8% (Mar 2024).
- c) India's demographic dividend features ~65% under 35 and a median age of 28.4.
- d) "Jobless growth" means jobs grow faster than GDP.

**Table 33 :** Fill in the table pairing India's developing and developed traits.

Developing trait	Developed trait
MSP & PDS (food security)	
	Digital India / Startup India
Monsoon dependence	
	UPI — world's most-used real-time payments
11% multidimensional poor (2023)	

**Table 34 :** Fill in the table contrasting Economic Growth and Economic Development.

Economic Growth	Economic Development
Rise in GDP/PCI (quantitative)	
	Focus: health, education, freedom, equality
Measured by GDP, PCI	
	Kerala model — high literacy despite lower GDP

**Table 35 :** Fill in India's connection to each global institution.

Institution	India's connection
IMF	
World Bank	
WTO	
ADB	
BRICS NDB	
G20	

**Table 36 :** Fill in the meaning of each "colour" of the economy.

Colour	Meaning
Green	
Blue	
Orange (Creative)	
Brown	
Grey	
Black	
White	
Red	
Silver	
Pink	
Purple	

**Table 37 :** Fill in the meaning of each new-age economy form.

Type	Meaning
Creator Economy	
Gig Economy	
Informal/Shadow	
Bio-economy	

# IYACHAMY ACADEMY

Token/Crypto

Behavioural

**Table 38** : Identify the right statements regarding challenges and pricing concepts.

- a) India's top 1% held 40.1% of national wealth (2024).
- b) "Exchange" is the process of determining price.
- c) India is the 3rd-largest CO<sub>2</sub> emitter but the 4th-largest renewables builder.
- d) Instrument pricing is also known as competition pricing.

**Table 42** : Fill in the contribution of each Indian economic thinker.

Thinker	Contribution
Dadabhai Naoroji	
M.G. Ranade	
G.K. Gokhale	
J.C. Kumarappa	
B.R. Ambedkar	
P.C. Mahalanobis	
Manmohan Singh	
Abhijit Banerjee	

**Table 39** : Fill in the title earned by each "father" of economics.

Economist	Title
Adam Smith	
Alfred Marshall	
J.M. Keynes	
David Ricardo	
T.R. Malthus	
Karl Marx	
Milton Friedman	
Amartya Sen	
Simon Kuznets	

**Table 43** : Identify the right statements regarding economic thinkers.

- a) Ricardo gave the theory of comparative advantage (1817).
- b) Schumpeter coined the phrase "creative destruction."
- c) Simon Kuznets invented the GDP framework and the Kuznets Curve.
- d) Malthus argued food grows geometrically while population grows arithmetically.

**Table 40** : Match each economist to the famous quote attributed to them.

Economist	Famous quote
J.M. Keynes	
Karl Marx	
Milton Friedman	
Amartya Sen	
Joseph Schumpeter	

**Table 41** : Fill in the key thinkers & core belief of each school of thought.

School	Key thinkers & core belief
Classical	
Marxist / Socialist	
Neo-Classical	
Keynesian	
Monetarist	
Supply-Side	
Development	

## ANSWER KEY

### BASICS OF THE ECONOMY

Table 1 — Answer		
Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	✗	Robbins gave the SCARCITY definition — ends and scarce means with alternative uses.

Table 2 — Answer	
Thinker	Key idea / contribution
Adam Smith	“Father of Modern Economics”; wrote Wealth of Nations (1776)
Lionel Robbins	Scarcity definition — ends & scarce means with alternative uses
Paul Samuelson	Economics = “queen of all social sciences”
J.M. Keynes	Coined “Paradox of Thrift”; backed a Mixed Economy with large govt role

Table 3 — Answer	
Branch	Studies
Microeconomics	Individual units — firms, consumers, prices
Macroeconomics	The whole economy — national income, output, employment, price level
Welfare Economics	Link between economic activity and social welfare
Econometrics	Applies statistical & mathematical methods to economic problems

Table 4 — Answer	
Microeconomics	Macroeconomics
Individual unit	Whole economy / large groups
Marginal analysis	Employment, public finance, national income
Price analysis	Income analysis
“Price Economy”	“Income Theory”

Table 5 — Answer		
#	Statement	Mark
1	The terms “micro-” & “macroeconomics” were coined by Ragnar Frisch (1933).	✓
2	Keynes is regarded as the father of modern macroeconomics.	✓
3	Microeconomics studies the general price level of the whole economy.	✗

**Table 6 — Answer**

System	Who decides
Traditional	Custom & ancestry; barter, no formal money
Command / Planned (Socialist)	Government owns & controls everything
Market / Capitalist	Supply & demand; minimal government
Mixed	Private + Government share control
Open	Domestic + foreign entities trade in products
Closed	Entirely self-sufficient, no external trade

**Table 7 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	✗	North Korea is a command/planned (socialist) economy; the USA (pre-New Deal) typifies the market system.

**Table 8 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	✗	A Newly Industrialised Country (NIC) is MORE advanced than other developing nations.

**Table 9 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	✗	The “measuring rod of value” is the unit-of-account function.

**Table 10 — Answer**

Type	Basis & examples
Commodity money	Intrinsic value — gold coins, salt, cowrie shells
Fiat money	Government trust (no backing) — Rupee, Dollar, Euro
Digital money	Numbers on a screen — NEFT/RTGS, RBI e-Rupee (CBDC, 2022)
Crypto money	Decentralised — Bitcoin, Ethereum (not legal tender in India)

**Table 11 — Answer**

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Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	✗	The ₹1 note is issued by the Govt of India and signed by the Finance Secretary.

**Table 12 — Answer**

Type	Examples & limit
Unlimited legal tender	All RBI notes (₹10–₹500) — no ceiling
Limited legal tender	Coins ₹1+ up to ₹1,000; 50-paise up to ₹10

**Table 13 — Answer**

Note	Reverse design
₹10	Sun Temple, Konark
₹20	Ellora Caves
₹50	Hampi Chariot (Vittala Temple)
₹100	Rani ki Vav, Patan
₹200	Sanchi Stupa
₹500	Red Fort, Delhi
₹2000	Mangalyaan (Mars Orbiter, 2013)

**Table 14 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	✗	The e-Rupee (CBDC) pilot began in December 2022.

**Table 15 — Answer**

Sector	Covers
Primary	Extraction from nature — agriculture, dairy, mining, fishing
Secondary	Adds value to natural resources (manufacturing) — Blue-Collar
Tertiary	Production + exchange of services — largest GDP contributor
Quaternary	Specialised knowledge — R&D, IT, consultancy
Quinary	Top decision-makers — senior officials, universities, media

**Table 16 — Answer**

Sector	GDP share & jobs
Primary (Agri & allied)	15% GDP / 45% jobs
Secondary (Industry)	26% GDP
Tertiary (Services)	55% GDP

**Table 17 — Answer**

#	Statement	Mark
1	Industry is India's biggest tax-payer.	✓
2	Services contribute the largest GDP share.	✓
3	The unorganised sector is India's largest employer (~90% of workers).	✓
4	The organised sector employs about 90% of India's workforce.	X

**Table 18 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	X	GNP = GDP + net factor income from abroad; GDP – depreciation = NDP.

**Table 19 — Answer**

Aggregate	Definition / formula
GDP	Output produced inside India
GNP	GDP + net factor income from abroad
GVA	GDP – net taxes on products
NDP	GDP – depreciation
Per Capita Income	GDP ÷ Population

**Table 20 — Answer**

Type	Cause / example
Demand-Pull	Excess demand (post-COVID boom; festive spikes)
Cost-Push	Rising input costs (crude, Russia-Ukraine 2022)
Structural	Supply rigidities (vegetable spikes; cold-chain)
Imported	INR depreciation (crude, edible oil)
Core	Excludes food & fuel (RBI watches)
Stagflation	High inflation + stagnant growth + high unemployment

**Table 21 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct

c	✓	Correct
d	✗	Core inflation EXCLUDES food & fuel.

**Table 22 — Answer**

Type	Description / India example
Structural	Skill mismatch; needs education reform
Cyclical	Downturns (COVID hospitality/aviation)
Disguised	More workers than needed; marginal productivity = 0 (agriculture)
Frictional	Transitional, between jobs
Seasonal	Off-harvest idleness

**Table 23 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	✗	CAD fell to ~\$23 bn (0.7% of GDP) in FY24, down from 2.1% in FY23.

**Table 24 — Answer**

Tool	Rate / role
Repo	6.25% (Feb 2025) — RBI lends to banks
Reverse Repo	3.35% — absorbs liquidity
CRR	4% — cash with RBI (no interest)
SLR	18% — liquid assets (gold, G-secs)
MSF	Emergency overnight at Repo + 0.25%

**Table 25 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	✗	Depreciation makes exports cheaper and imports costlier (worsening the CAD).

**Table 26 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	✗	“Mass Consumption” is the final stage; India's take-off is dated post-1991.

**Table 27 — Answer**

#	Statement	Mark
1	The Theory of Demand was first explained by Alfred Marshall.	✓
2	The PPC (“Line of Transformation”) is concave to the origin.	✓
3	Opportunity cost is the value of the second-best sacrifice.	✓
4	Fisher used the term “Util” for utility.	✓
5	The total cost curve is shaped like an inverted-U.	X

**Table 28 — Answer**

Index	Key facts
HDI	UNDP; first under Mahbub-ul-Haq (1990); scale 0–1; India 0.644, rank 134/193 (2024)
IHDI	Inequality-adjusted; if no disparity, IHDI = HDI
Gini	0 = equality, 1 = inequality; India 0.35 (2021)
MPI	Oxford OPHI + UNDP; 10 indicators; India 11.28% poor (2023)
GNH	Coined by Jigme Singye Wangchuck (Bhutan), 1972
PQLI	Coined by Morris David Morris
GHI	Concept by IFPRI; first published 2006

**Table 29 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	X	The MPI was first published by Oxford OPHI + UNDP in 2010; IFPRI/2006 refers to the GHI.

**Table 30 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	X	India's Net Zero target is 2070 (announced at COP26).

**Table 31 — Answer**

Rank	Country
1	USA
2	China
3	Japan
4	Germany
5	Britain (UK)

6	India
7	France

**Table 32 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	✗	Jobless growth means GDP rises but job creation lags.

**Table 33 — Answer**

Developing trait	Developed trait
MSP & PDS (food security)	PLI (high-tech manufacturing)
MGNREGA (rural job guarantee)	Digital India / Startup India
Monsoon dependence	Space tech (ISRO, Chandrayaan, Gaganyaan)
90% informal workforce	UPI — world's most-used real-time payments
11% multidimensional poor (2023)	5th-largest economy (\$3.9 trn)

**Table 34 — Answer**

Economic Growth	Economic Development
Rise in GDP/PCI (quantitative)	Improvement in quality of life (qualitative)
Focus: income, output, production	Focus: health, education, freedom, equality
Measured by GDP, PCI	Measured by HDI, MPI, Gini, GNH
India GDP grew 7.2% (FY23)	Kerala model — high literacy despite lower GDP

**Table 35 — Answer**

Institution	India's connection
IMF	Quota 2.75% (12th-largest); SDR ~\$17 bn (2021)
World Bank	Funds PM Gati Shakti, MGNREGA, NRLM, PMGSY
WTO	Founding member (1995)
ADB	Major borrower; HQ Manila
BRICS NDB	Founder member; HQ Shanghai
G20	2023 Presidency — “Vasudhaiva Kutumbakam”

**Table 36 — Answer**

Colour	Meaning
Green	Low-carbon, resource-efficient, sustainable growth (UNEP)
Blue	Sustainable use of ocean & marine resources
Orange (Creative)	Arts, music, film, design, fashion, media, gaming
Brown	Traditional fossil-fuel-based, carbon-intensive economy

Grey	Unreported-but-legal transactions; also the elderly economy
Black	Illegal/underground, untaxed (parallel economy)
White	Formal, legal, taxed economy; also health/wellness
Red	State-controlled/communist; also a war economy
Silver	Goods & services for the elderly (60+)
Pink	LGBTQ+ consumer market ("pink money")
Purple	The care economy (paid + unpaid caregiving)

**Table 37 — Answer**

Type	Meaning
Creator Economy	Individuals monetising their own content/skills online
Gig Economy	Short-term, freelance, on-demand platform work (Uber, Swiggy)
Informal/Shadow	Unregulated, untaxed but often legal (~90% of workforce)
Bio-economy	Based on biological resources / biotech
Token/Crypto	Blockchain-based value exchange

**Table 38 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	✗	Instrument pricing is also known as distribution; commodity pricing relates to competition & monopoly.

**Table 39 — Answer**

Economist	Title
Adam Smith	Father of Modern Economics / Capitalism
Alfred Marshall	Father of Microeconomics / Neo-Classical
J.M. Keynes	Father of Macroeconomics
David Ricardo	Father of Trade Theory
T.R. Malthus	Father of Demography
Karl Marx	Father of Socialism / Communism
Milton Friedman	Father of Monetarism
Amartya Sen	Father of Development / Welfare Economics
Simon Kuznets	Father of National Income Accounting

**Table 40 — Answer**

Economist	Famous quote
J.M. Keynes	"In the long run, we are all dead"
Karl Marx	"Workers of the world, unite!"

Milton Friedman	"Inflation is always and everywhere a monetary phenomenon"
Amartya Sen	"Development is freedom"
Joseph Schumpeter	"Creative destruction is the essential fact about capitalism"

**Table 41 — Answer**

School	Key thinkers & core belief
Classical	Smith, Ricardo, Mill — markets self-correct; laissez-faire
Marxist / Socialist	Marx, Engels, Lenin — capitalism exploitative; state ownership
Neo-Classical	Marshall, Pigou, Walras — marginal utility; equilibrium
Keynesian	Keynes, Hicks, Samuelson — AD drives output; fiscal policy
Monetarist	Friedman, Phelps — money supply drives prices
Supply-Side	Laffer — tax cuts boost growth
Development	Sen, Rostow, Myrdal — growth ≠ development
Behavioural	Kahneman, Thaler — people aren't fully rational; nudge

**Table 42 — Answer**

Thinker	Contribution
Dadabhai Naoroji	Drain of Wealth; Poverty and Un-British Rule in India (1901)
M.G. Ranade	Economic nationalism; Bombay School
G.K. Gokhale	Free & compulsory primary education; influenced Gandhi
J.C. Kumarappa	Gandhian economics; "Economy of Permanence"
B.R. Ambedkar	The Problem of the Rupee (1923); RBI's monetary groundwork
P.C. Mahalanobis	Architect of the 2nd Plan; heavy-industry model
Manmohan Singh	1991 LPG reforms; dismantled the Licence Raj
Abhijit Banerjee	RCTs for poverty; Poor Economics (Nobel 2019)

**Table 43 — Answer**

Option	Mark	Remark
a	✓	Correct
b	✓	Correct
c	✓	Correct
d	✗	Malthus argued population grows geometrically while food grows arithmetically.