

Time: 1 Hours

Maximum Marks: 40

General Instructions

All questions are compulsory.

Marks for each question are indicated against it.

Read the questions carefully before answering.

Draw diagrams wherever necessary.

Section A – Multiple Choice Questions

(10 × 1 = 10 Marks)

- Human capital refers to: a) Physical assets of a country b) Stock of skills, education and health embodied in people c) Natural resources d) Financial capital
- Which of the following is an investment in human capital? a) Construction of highways b) Expenditure on education c) Purchase of machinery d) Construction of factories
- Which institution is mainly responsible for providing long-term credit for higher education in India? a) RBI b) NABARD c) Banks and Financial Institutions d) SEBI
- (Application Based)  
A state government increases expenditure on school education, teacher training and digital classrooms. This is likely to: a) Reduce labour productivity b) Increase human capital formation c) Increase inflation only d) Reduce literacy rate
- (Assertion-Reason)  
Assertion (A): Education increases the productivity and efficiency of workers.  
Reason (R): Education helps people acquire knowledge and skills.

a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A. c) A is true but R is false. d) A is false but R is true.

- Which of the following is not a source of human capital formation? a) Education b) Health c) Migration d) Deforestation
- (Application Based)  
A skilled software engineer migrates from India to another country for better employment opportunities. This situation is known as: a) Human Development b) Brain Drain c) Physical Capital Formation d) Capital Gain
- (Assertion-Reason)  
Assertion (A): Health expenditure is considered an investment in human capital.  
Reason (R): Healthy people are generally more productive and contribute more effectively to economic growth.

a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A. c) A is true but R is false. d) A is false but R is true.

- Which indicator is commonly used to measure the educational level of a country? a) Literacy Rate b) Inflation Rate c) Repo Rate d) Fiscal Deficit
- Investment in health mainly helps to: a) Increase absenteeism b) Improve productivity and life expectancy c) Reduce labour efficiency d) Increase unemployment

Section B – Short Answer Questions