

Dr. A. Venkita, Principal Kumbakonam - Thanjavur
District

HYM

XII - Std

HALF YEARLY EXAMINATION - 2024 ECONOMICS

Time : 3.15Hrs

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Marks : 90

PART - A

- 1 (i) Answer all the questions :- 20 X 1 = 20
- An Economic system where the Economic activities of a nation are done both by the private and the public sectors together is termed as
a) Capitalist Economy b) Socialist Economy c) Globalist Economy d) Mixed Economy
 - Identify the necessity of Economic policies
a) to solve the basic problems b) to overcome the obstacles
c) to achieve growth d) all the above
 - The value of national income adjusted for inflation is called
a) Inflation rate b) Disposal Income c) GNP d) Real National Income
 - PQLI is the indicator of
a) Economic growth b) Economic Welfare c) Economic progress d) Economic development
 - Classical theory advocates
a) Balanced budget b) Unbalanced budget c) Surplus budget d) Deficit budget
 - If every able bodied person who is willing to work at the prevailing wage rate is employed called
a) Full employment b) Under employment c) Unemployment d) Employment opportunity
 - The multiplier tells us how much changes after a shift in
a) Consumption, income b) Investment, output c) Savings, investment d) Output, aggregate demand
 - The relationship between total spending in consumption and the total income is the
a) Consumption function b) Savings function
c) Investment function d) Aggregate demand function
 - Money is
a) Acceptable only When it has intrinsic value b) Constant in purchasing power
c) The most liquid of all assets d) Needed for allocation of resources
 - inflation occurs when general prices of commodities increases due to increase in production costs such as wages and raw materials
a) Cost push b) Demand pull c) Running d) Galloping
 - A commercial Bank is an institution that provides services
a) Accepting deposits b) Providing loans c) Both a and b d) None of the above
 - Repo Rate means the
a) Rate at which the Commercial Banks are willing to lend to RBI
b) Rate at which the RBI is willing to lend to Commercial Banks
c) Exchange rate of the Foreign Bank d) Growth rate of the Economy
 - Benefits of FDI include, theoretically
a) Boost in Economic Growth b) Increase in the import and export of goods and services
c) Increased employment and skill levels d) All of these
 - SAARC Agricultural information centre (SAIC) works as a central information institution for agriculture related resources was founded on
a) 1985 b) 1988 c) 1992 d) 1998
 - The tax possesses the following characteristics
a) Compulsory b) No quid proquo c) Failure to pay is offence d) All the above
 - Which of the following responsible for protecting humans from harmful ultraviolet rays ?
a) UV - A b) UV - C c) Ozone layer d) None of the above

HYM 12 EM Economics P-1

17. Sarvodaya plan was advocated by
 a) Mahatma Gandhi b) J.P. Narayan c) S.N.Agarwal d) M.N.Roy
18. The raw materials of Econometrics are
 a) Data b) goods c) Statistics d) Mathematics
19. The father of statistics in India ..is.....
 a) Ronald Fisher b) M.S. Swaminathan c) P.C. Mahalanobis d) J.M .Keynes
20. During economic development was redefined
 a) 1960s b) 1970s c) 1980s d) 1990s

PART - B

- II (i) Answer any seven questions. (ii) Question number 30 is compulsory :- $7 \times 2 = 14$
21. What do you mean by "passive deposits" ?
22. Define 'Economic model':
23. Define GDP deflator.
24. What is the main feature of rural unemployment ?
25. Define marginal propensity to consume (MPC) ?
26. Define inflation
27. What is the main difference between Adamsmith and Ricardo with regard to the emergence of foreign trade ?
28. Write a short note on zero based budget ?
29. What are the kinds of statistics ?
30. Specify the meaning of seedball?

PART - C

- III (i) Answer any seven questions. (ii) Question number 40 is compulsory :- $7 \times 3 = 21$
31. Indicate the demerits of socialism
32. Write a short note on percapita income
33. Explain Keynes theory.
34. State the propositions of Keynes's psychological Law of consumption.
35. Write a note on metallic money.
36. What are the functions of NABARD ?
37. Write a brief note on flexible exchange rate
38. Mention any three lending programmes of IMF.
39. Explain different types of air pollution.
40. What are the functions of a modern state?

PART - D

- IV (i) Answer in Detail :- $7 \times 5 = 35$
41. a) Compare the features of capitalism and socialism. (OR)
- b) Discuss the various methods of estimating the national income of a country.
42. a) What are the difficulties involved in the measurement of national income? (OR)
- b) Critically explain says law of market
43. a) Explain the differences between classical theory and Keynes' theory. (OR)
- b) Illustrate the working of multiplier.
44. a) Describe the phases of Trade cycle. (OR)
- b) Describe the functions of Reserve Bank of India
45. a) Mention the advantages of Foreign Direct Investment. (OR)
- b) Bring out the functions of world Bank.
46. a) State and explain instruments of fiscal policy. (OR)
- b) Explain the concepts of externality and its classification.
47. a) Describe the different types of planning. (OR)
- b) Elucidate the nature and scope of statistics.

HALF YEARLY EXAM - DECEMBER -2024 – ANSWER KEY**XII STANDARD – ECONOMICS – ENGLISH MEDIUM****Dr.A.VENNILA****PRINCIPAL**MYDEEN MATRIC. HR.SEC. SCHOOL
MELACAUVERY – KUMBAKONAM.

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Time Allowed : 3 Hours

Maximum Marks : 90

I. Choose the most suitable from the given four alternatives and write the option code and the corresponding answer **20 x 1 = 20**

1	D	Mixed Economy	11	C	Both a and b
2	D	All the above	12	B	Rate at which the RBI is willing to lend to Commercial Banks
3	D	Real National Income	13	D	All of These
4	B	Economic Welfare	14	B	1988
5	A	Balanced Budget	15	D	All the Above
6	A	Full Employment	16	C	Ozone Layer
7	D	Output, aggregate demand	17	B	J.P. Narayan
8	A	Consumption Function	18	A	Data
9	C	The most liquid of all assets	19	C	P.C.Mahalanobis
10	A	Cost Push	20	B	1970s

II. Answer any seven questions. Question No.30 is compulsory. **7 x 2 = 14**

21) Passive Deposits (or) Primary Deposits:

- ✗ It is out of these primary deposits that the bank makes loans and advances to its customers.
- ✗ The initiative is taken by the customers themselves. In this case, the role of the bank is passive.
- ✗ So, these deposits are also called “Passive deposits”.

22) ‘Economic Model’:

- ✗ A model is a simplified representation of real situation.
- ✗ Economists use models to describe economic activities, their relationships and their behaviour.
- ✗ A model is an explanation of how the economy, or part of the economy, works.
- ✗ Most economic models are built with mathematics, graphs and equations, and attempt to explain relationships between economic variables.

23) GDP Deflator – Definition:

- ✗ GDP deflator is an index of price changes of goods and services.
- ✗
$$\text{GDP deflator} = \frac{\text{Nominal GDP}}{\text{Real GDP}} \times 100$$

24) The major feature of rural unemployment is the existence of unemployment in the form of -

- * Disguised unemployment
- * Seasonal unemployment.

25) Marginal Propensity to Consume (MPC) – Definition:

- ✘ The Marginal propensity to consume may be defined as the ratio of the change in the consumption to the change in income.
- ✘ $MPC = \Delta Y / \Delta C$
Where,
 ΔC = Change in Consumption
 ΔY = Change in Income
MPC is positive but less than unity

26) Inflation - Definition:

- Inflation refers to steady increase in general price level.
- Estimating the general price level by constructing various price index numbers such as Wholesale Price Index, Consumer Price Index, etc, are needed.

27) Main difference between Adam Smith and Ricardo with regard to the emergence of foreign trade:

- * According to Adam Smith, the basis of international trade was absolute cost advantage.
- * According to Ricardo a country can gain from trade when it produces at relatively lower costs.

28) Short note on Zero Based Budget:

- ✘ Zero base - budgeting involves fresh evaluation of expenditure in the government budget Assuming it as a new item.
- ✘ Indian Government presented ZBB first in 1987 - 88.
- ✘ The review has been made to provide justification or otherwise for the project as a whole in the light of the socio-economic objectives which have been already set up for this project and as well as in view of the priorities of the society.

29) There are two major types of statistics.

- 1) Descriptive statistics
- 2) Inferential statistics

30) Seed Ball Meaning:

- ✘ A seed ball (or seed bomb) is a seed that has been wrapped in soil materials, usually a mixture of clay and compost, and then dried.
- ✘ Seed balls are an easy and sustainable way to cultivate plants that provide a larger window of time when the sowing can occur.

PART - III**III. Answer any seven questions. Question No.40 is compulsory.****7 x 3 = 21****31) Demerits of Socialism****1. Red-tapism and bureaucracy:**

- ♣ Work cannot be started easily for its lengthy process.

2. Absence of Incentive:

- ♣ This system does not provide any incentive for efficiency. So, productivity also suffers.

3. Limited freedom of choice:

- ♣ consumers do not enjoy freedom of choice overconsumption of goods and services

32) Per Capital Income

- ♣ The average income of a person of a country in a particular year is called per capita income.
- ♣ Per capita income is obtained by dividing national income by Population.

National income

- ♣ Per capita income = $\frac{\text{National income}}{\text{Population}}$

33) Keynes' Theory: (Any 3)

1. Keynes' book, "The General Theory of Employment, Interest and Money" published in 1936 is a highly significant work that marked a turning point in the development of modern economic theory.
2. The theory of Keynes was against the belief of classical economists that the market forces in capitalist economy adjust themselves to attain equilibrium.
3. Keynes not only criticized classical economists but also advocated his own theory of employment.
4. Keynes' theory was a general theory as it tried to explain all types of situations, i.e. not only equilibrium level of employment but also the concept of full employment as well as the possibility of underemployment.
5. Keynes theory of employment was based on the view of the short run.

34) The propositions of keynes's psychological Law of consumption

- ✎ When **income** increases, consumption also increases but by a smaller amount.
- ✎ The increased income will be divided in some proportion between **consumption expenditure** and **saving**
- ✎ Increase in income always leads to an increase in both consumption and saving.

35) Short note on Metallic Money:

- Under metallic standard, some kind of metal either gold or silver is used to determine the standard value of the money and currency.
- Standard coins made out of the metal are the principal coins used under the metallic standard.
- These standard coins are full bodied or full weighted legal tender. Their face value is equal to their intrinsic metal value.

36) Functions of NABARD

- NABARD acts as a refinancing institution for all kinds of production and investment credit to **agriculture, small-scale industries, cottage and village industries, handicrafts and rural crafts**
- It provides short-term, medium term and long-term credit to **state cooperative Banks, RRB, LDBs and other financial institutions** approved by RBI.
- NABARD gives **long-term loans (upto 20 years)** to State government
- NABARD gives long-term loans to any institution approved by the Central Government.

37) Brief note on flexible exchange rate.

- * Under the flexible exchange rate (also known as floating exchange rate) system, exchange rates are freely determined in an open market by market forces of demand and supply.
- * The economic position of the country determines the market demand and supply for its currency.
- * The higher the demand for a particular currency, the higher is its exchange rate and the lower the demand, the lesser is the value of currency compared to other currencies.

38) Lending programmes of IMF**1. Basic Credit Facility :**

- ✎ The IMF provides financial assistance to its member nations to overcome their temporary difficulties relating to balance of payment.

2. Extended Fund Facility:

- ✎ Under this arrangement, the IMF provides additional borrowing facility up to 140% of the member's quota, over and above the basic credit facility.

3. Buffer Stock Facility:

- ✎ The Buffer Stock financing facility was started in 1969.
- ✎ The purpose of this scheme was to help the primary goods (food grains) producing countries to finance contributions to buffer stock arrangements for the stabilisation of primary product prices.

39) Types of air pollution**• Indoor Air pollution:**

- * It refers to the toxic contaminants we face in our daily lives at our homes, schools and work places.
- * e.g. Cooking and heating with solid fuels on open fires, etc.

• Outdoor Air pollution:

- It refers to ambient air caused by combustion processes from motor vehicles, solid fuel burning and industry.

40) Function of Modern State:

- (1) Creating economic and social overhead.
- (2) Ensuring stability in both internal and external.
- (3) Conserving resources for sustainable development.
- (4) Defense.
- (5) Judiciary.
- (6) Enterprises.
- (7) Social welfare.
- (8) Infrastructure.
- (9) Macro - economic policy
- (10) Social justice.
- (11) Control monopoly.

PART - IV**IV. Answer any seven questions. Question No.30 is compulsory.****7 x 5 = 35****41.a. Compare the feature of Capitalism and Socialism**

Sl.No	Features	Capitalism	Socialism
1	Ownership of means of Production	Private Ownership	Public Ownership
2	Economic Motive	Profit	Social Welfare
3	Solution of Central Problems	Free Market System	Central Planning System
4	Government Role	Internal Regulation only	Complete Involvement

[OR]**41.b. Various method of estimating the national income of a country:****Introduction**

★ National Income can be computed at any of three levels, viz., production, income and expenditure.

1. Production or value added method**2. Income method or factor earning method****3. Expenditure method**

Output = Income = Expenditure

1. Product Method

- Product method measures the output of the country.
- It is also called inventory method.
- The value of the final product is derived by the summation of all the values added in the productive process.
- To avoid double counting, either the value of the final output.

2. Income Method (Factor Earning Method)

- This method approaches national income from the distribution side.
- Under this method, national income is calculated by adding up all the incomes generated in the course of producing national product.
- National Income is calculated as domestic factors income plus net factor incomes from abroad.

$$Y = w + r + I + \bar{II} + (R - P)$$

w = wages, r = rent, i = interest, \bar{II} = profit, R = Exports and P = Imports

3. The Expenditure Method (Outlay Method)

- To calculate the expenditure of a society it includes personal consumption expenditure, net domestic investment, government expenditure on consumption as well as capital goods and net exports.
- $GNP = C + I + G + (X-M)$

C= Private consumption expenditure, I=Private Investment Expenditure,
G= Government Expenditure; X-M= Net Exports.

42.a. Difficulties involved in the measurement of national income

1. Transfer payments

- Government makes payments in the form of pensions, unemployment allowance, subsidies, etc.
- These are government expenditure. But they are not included in the national income.

2. Difficulties in assessing depreciation allowance

- The deduction of depreciation allowances, accidental damages, repair and replacement charges from the national income is not an easy task.

3. Unpaid services

- A housewife renders a number of useful services like preparation of meals, serving, tailoring, mending, washing, cleaning, bringing up children, etc.

4. Income from illegal activities

- Income earned through illegal activities like gambling, smuggling, illicit extraction of liquor, etc., is not included in national income.

5. Production for self-consumption and changing price

- Farmers keep a large portion of food and other goods produced on the farm for self consumption.

[OR]

42.b. The classical theory of employment is based on says law of market.

- He stated that **supply creates its own demand**
- It tells that supply is always equals to demand (S=D). A person receives his income from production which is spent in the purchase of goods and services produced by others for the economy as a whole total production equals total income.

Assumptions of the Say's law of market

The Say's Law of market is based on the following assumptions:

- 1) No single buyer or seller of commodity or an input can affect price.
- 2) Full employment.
- 3) People are motivated by self-interest and self-interest determines economic decisions.
- 4) The laissez faire policy
- 5) There will be a perfect competition in labour and product market.
- 6) There is wage-price flexibility.

Implications

There is no general over production or unemployment

- Automatic price mechanism
- Interest flexibility rate brings equality between savings and investment
- Money acts as only medium of exchange.

Criticisms

1. According to Keynes, supply does not create its demand.
2. Automatic adjustment process will not remove unemployment.
3. Money is not neutral.
4. Keynes said overproduction is possible the need for state intervention arises in case of general overproduction and Mass unemployment.

43.a.

Difference between classical theory and Keynes theory.

Sl.No	Basis of Difference	Classical Theory	Keynes Theory
1	Equilibrium	Long-run equilibrium.	Short-run equilibrium.
2	Savings and Investment	Saving and investment equilibrium through interest rate.	Saving and investment equilibrium through income level.
3	Money	The function of money is to act as a medium of exchange.	The function of money is a medium of exchange on the one side and a store of value on the other side.
4	Approach	Micro foundation to macro problems	Macro approach to national problems
5	Intervention	No government intervention	Government intervention is necessary for stabilization of economy.

[OR]

43.b. Working of Multiplier – Illustration

- Suppose the Government undertakes investment expenditure equal to Rs.100 crore on some public works, by way of wages, price of materials etc.
- Thus income of labourers and suppliers of materials increases by Rs.100 crore. Suppose the MPC is 0.8 that is 80 %. A sum of Rs.80 crores is spent on consumption (Rs.20 Crores is saved).
- As a result, suppliers of goods get an income of Rs.80 crores. They inturn spend Rs.64 crores (80% of Rs.80cr).
- In this manner consumption expenditure and increase in income act in a chain like manner.
- The final result is $\Delta Y = 100 + 100 \times \frac{4}{5} + 100 \times [\frac{4}{5}]^2 + 100 \times [\frac{4}{5}]^3 + \dots$

44.a. Phases of Trade cycle

- ✓ A Trade cycle refers to oscillations in aggregate economic activity particularly in employment, output, income, etc.

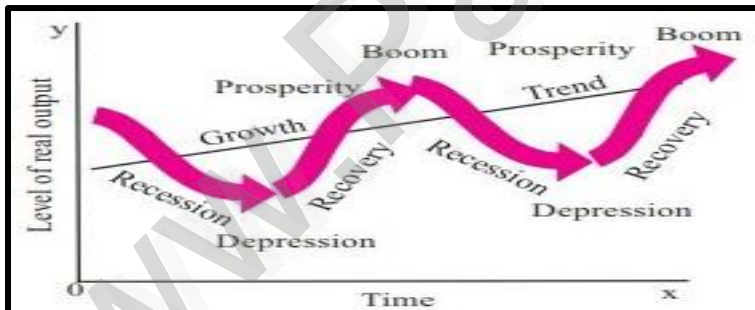
Definition:

- ✓ “A trade cycle is composed of periods of good trade characterised by rising prices and low unemployment percentages altering with periods of bad trade characterised by falling prices and high unemployment percentages’:

Phases of Trade Cycle:

The four different phases of trade cycle is referred to as

1. Boom
2. Recession
3. Depression
4. Recovery



(1) Boom (or) Prosperity Phase:

1. The full employment and the movement of the economy beyond full employment.
2. Money wages rise, profits increase and interest rates go up.
3. It is characterized as boom period.

(2) Recession:

1. The turning point from boom condition is called recession.
2. This happens at higher rate, than what was earlier.
3. Liquidity preference of the people rises and money market becomes tight.

(3) Depression:

1. During depression the level of economic activities becomes extremely low.
2. Firms incur losses and closure of business becomes a common feature and the ultimate result is unemployment.
3. Interest prices, profits and wages are low.
4. Depression is the worst phase of the business cycle.
5. Extreme point of depression is called as 'trough'

(4) Recovery:

1. After a period of depression, recovery sets in.
2. It begins with the revival of demand for capital goods.
3. Recovery may be initiated by innovation (or) investment (or) by government expenditure.

[OR]

44.b. Functions of RBI :**(1) Monetary Authority :**

- It controls the supply of money.
- To stabilize exchange rate, maintain healthy balance of payment;

(2) The issue of currency:

- (i) To maintain the currency and credit.
- (ii) It is the sole authority to issue currency.
- (iii) To control the circulation of fake currency.

(3) The issuer of banking licence:

- As per Sec 22 of Banking Regulation Act, every bank has to obtain a banking license from RBI to conduct banking business in India.

(4) Bankers to the Government:

- It acts as banker both to the Central and the State Government.

(5) Banker's Bank: RBI is the bank of all banks in India.**(6) Lender of last resort: The banks can borrow from the RBI by keeping eligible securities as collateral at the time of need or crisis.****(7) Act as clearing house : RBI manages 314 clearing houses.****(8) Custodian of foreign exchange reserves.****(9) Regulator of economy.****(10) Managing government securities.****(11) Regulator and supervisor of payment and settlement system.****(12) Developmental Role.****(13) Publisher of monetary data and other data.****(14) Exchange manager and controller.****(15) Banking Ombudsman Scheme.****(16) Banking Codes and Standards Boards of India.**

45.a. Foreign Direct Investment: (Any 5)

The important advantages of foreign direct investment are the following:

- 1) FDI may help to increase the investment level and thereby the income and employment in the host country.
- 2) Direct foreign investment may facilitate transfer of technology to the recipient country.
- 3) FDI may also bring revenue to the government of the host country when it taxes profits of foreign firms or gets royalties from concession agreements.
- 4) A part of profit from direct foreign investment may be ploughed back into the expansion, modernization or development of related industries.
- 5) It may kindle a managerial revolution in the recipient country through professional management and sophisticated management techniques.
- 6) Foreign capital may enable the country to increase its exports and reduce import requirements. And thereby ease BoP disequilibrium.
- 7) Foreign investment may also help increase competition and break domestic monopolies.
- 8) If FDI adds more value to output in the recipient country than the return on capital from foreign investment, then the social returns are greater than the private returns on foreign investment.
- 9) By bringing capital and foreign exchange FDI may help in filling the savings gap and the foreign exchange gap in order to achieve the goal of national economic development.
- 10) Foreign investments may stimulate domestic enterprise to invest in ancillary industries in collaboration with foreign enterprises.
- 11) Lastly, FDI flowing into a developing country may also encourage its entrepreneurs to invest in the other LDCs. Firms in India have started investing in Nepal, Uganda, Ethiopia and Kenya and other LDCs while they are still borrowing from abroad. Larger FDI to India comes from a small country (Mauritius).

[OR]

45.b. Functions of World Bank**1. Investment for productive purposes:**

- The World Bank performs the function of assisting in the reconstruction and development of territories of member nations through facility of investment for productive purposes.
- It also encourages the development of productive facilities and resources in less developed countries.

2. Balanced growth of international trade :

- Promoting the long range balanced growth of trade at international level and the maintaining equilibrium in BOPs of member nations by encouraging international investment.

3. Provision of loans and guarantees :

- Arranging the loans or providing guarantees on loans by various other channels so as to execute important projects.

4. Promotion of foreign private investment:

- The promotion of private foreign investment by means of guarantees on loans and other investment made by private investors.
- The Bank supplements private investment by providing finance for productive purpose out of its own resources or from borrowed funds.

5. Technical services :

- The World Bank facilitates different kinds of technical services to the member countries through Staff College and experts.

46.a. Fiscal Instruments

Fiscal Policy is implemented through fiscal instruments also called 'fiscal tools' or fiscal levers:

Government expenditure, taxation and borrowing are the fiscal tools.

i) Taxation:

- Taxes transfer income from the people to the Government.
- Taxes are either direct or indirect.
- An increase in tax reduces disposable income.
- So taxation should be raised to control inflation.

ii) Public Expenditure:

- Public expenditure raises wages and salaries of the employees and thereby the aggregate demand for goods and services.
- Hence public expenditure is raised to fight recession and reduced to control inflation.

iii) Public debt:

- When Government borrows by floating a loan, there is transfer of funds from the public to the Government.
- At the time of interest payment and repayment of public debt, funds are transferred from Government to public.

[OR]

46. b. Concepts of externality and its classification**Positive Consumption Externality**

- When some residents of a locality hire a private security agency to patrol their area, the other residents of the area also benefit from better security without bearing cost.

Negative Consumption Externality

- A person smoking cigarette gets maygives satisfaction to that person, but this act causes hardship (dissatisfaction) to the non-smokers who are driven to passive smoking.

Positive Production Externality

- The ideal location for beehives is orchards (first growing fields).
- While bees make honey, they also help in the pollination of apple blossoms.
- The benefits accrue to both producers (honey as well as apple).

Negative Production Externality

- Negative production externalities include pollution generated by a factory that imposes costs on others.
- The emissions and effluents of a factory cause air and water pollution.

47.a) Types of Planning: (Any 5)**Democratic Planning:**

- Democratic planning implies planning within democracy.
- People are associated at every step in the formulation and implementation of the plan.
- The plan prepared by the Planning Commission is not accepted as such.
- It can be accepted, rejected or modified by the Parliament of the country.

Totalitarian Planning:

- Under totalitarian planning, there is central control and direction of all economic activities in accordance with a single plan.

Centralized Planning:

- Under centralized planning, the entire planning process in a country is under a central planning authority.

Decentralized Planning:

- Under decentralized planning local organizations and institutions formulate, adopt, execute and supervise the plan without interference by the central authorities.

Planning by Direction:

- Under planning by direction, there is a central authority which plans, directs and orders the execution of the plan in accordance with predetermined targets and priorities.

Planning by Inducement:

- Under planning by inducement, the people are induced to act in a certain way through various monetary and fiscal measures.

Indicative Planning:

- Under this plan, the outline of plan is prepared by the Government.
- Then it is discussed with the representatives of private management, trade unions, consumer groups, finance institutions and other experts.
- The essential function of planning is coordination of different economic units.

Imperative Planning:

- Under imperative planning, the state is all powerful in preparation and implementation of the plan. Once a plan is drawn up, its implementation is a matter of enforcement.
- The Government policies and procedures are rigid. China and Russia follow imperative planning.

Short, Medium and Long term Planning:

- **Short-term plans** are also known as '**controlling plans**'. They encompass the period of one year, therefore, they are also known as 'annual plans'.
- The **medium-term plans** last for the period of **3 to 7 years**. But normally, the medium term plan is made for the period of five years.

- **Long-term plans** last for the period of **10 to 30 years**. They are also known as '**perspective plans**'. The basic philosophy behind long-term planning is to bring structural changes in the economy.

Financial Planning Vs Physical Planning :

- **Financial planning** refers to the technique of planning in which resources are allocated in terms of money while **physical planning** pertains to the allocation of resources in terms of men, materials and machinery.

Functional Planning:

- **Functional planning** refers to that planning which seeks to remove economic difficulties by directing all the planning activities within the existing economic and social structure.

Structural Planning:

- The **structural planning** refers to a good deal of changes in the socio-economic framework of the country.
- This type of planning is adopted mostly in under developed countries.

Comprehensive Vs Partial Planning:

- **General planning** which concerns itself with the major issues for the whole economy is known as **comprehensive planning**
- whereas **partial planning** is to consider only the few important sectors of the economy.

[OR]

47.b) Definition of Statistics

According to Croxton & Cowden "Statistics may be defined as the collection, organisation, presentation, analysis and interpretation of numerical data"

Nature of Statistics

- 1) Statistics are an aggregate of facts.
- 2) Statistics are numerically enumerated, estimated and expressed.
- 3) Statistics should be collected in a systematic manner for a predetermined purpose.
- 4) Should be capable of being used as a technique for drawing comparison
- 5) Statistics are numerated or estimated according to reasonable standard of accuracy.
- 6) Statistics are affected to a marked extent by a multiplicity of causes.

Scope of Statistics

- 1) Statistics and Economics
- 2) Statistics and Commerce
- 3) Statistics and Education
- 4) Statistics and Planning
- 5) Statistics and Medicine
- 6) Statistics and Modern applications

***** All The Best *****