2026

(FYUGP)

(7th Semester)

POLITICAL SCIENCE

(MINOR)

Paper Code : POL/H/M–7

(Indian Political Economy)

Full Marks : 75
Pass Marks : 40%

Time : 3 hours

The figures in the margin indicate full marks for the questions.

(PART : A—OBJECTIVE)

(*Marks* : 25)

SECTION—I

Choose the correct option : 1×15=15

1. Political economy is a branch of the social sciences that focus on

(a) the relationship between politics and the economy

(b) the relationship between political structures and social structures

(c) the relationship between politics and history

(d) the relationship between politics and culture

2. Which economic policy is closely associated with the political ideology of socialism?

(a) Complete privatization of all industries

(b) State ownership or control of major means of production

(c) Elimination of all income tariffs and taxes

(d) Strict adherence to laissez-faire markets

3. Economic factors can impact

(a) political stability and government

(b) inflation

(c) deflation

(d) hyperinflation

4. When was the Planning Commission set up in India?

(a) 1947

(b) 1950

(c) 1951

(d) 1965

5. Which major economic reform in 1991 is responsible for opening the Indian economy to the world?

(a) The Nationalization of Banks

(b) The First Five-Year Plan

(c) The LPG Reforms

(d) The Demonetization Policy

6. Which year marked the launch of India's First Five-Year Plan?

(a) 1950

(b) 1951

(c) 1956

(d) 1961

7. How do political parties primarily link development thinking in public policy in a democracy?

(a) By completely avoiding ideological debates during elections

(b) By framing programmes, manifestoes and ideological policies for societal and economic welfare

(c) By leaving all law-making strictly to non-elected bureaucrats

(d) By operating exclusively as localized pressure groups without governmental power

8. Which fiscal policy measure is most effective in reducing income inequality by taxing higher-income groups at a higher rate?

   (a) Regressive taxation

   (b) Flat-rate taxation

   (c) Progressive taxation

   (d) Indirect sales tax

9. Which of the following sectors is primarily owned and operated by the Government of India?

   (a) Public sector

   (b) Private sector

   (c) Cooperative sector

   (d) None of the above

10. The main reason for privatization of public sector enterprises in India is

   (a) to reduce government revenue

   (b) to improve efficiency and competitiveness

   (c) to nationalize private enterprises

   (d) to increase employment in public sectors

11. A national company becomes an MNC by

(a) starting company in a foreign country

(b) taking foreign loans

(c) importing foreign goods

(d) exporting a foreign product

12. Many Indian companies have gone global and now can be classified as MNCs. Which of the following MNCs is not Indian?

(a) Hindustan Unilever

(b) Asian Paints

(c) Piramal Health Care

(d) Infosys

13. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) aims to enhance livelihood security by providing at least how many days of guaranteed wage employment in a financial year?

(a) 50 days

(b) 100 days

(c) 150 days

(d) 200 days

14. FDI in India is allowed by two routes— government route and

(a) automatic route

(b) trade route

(c) bank route

(d) All of the above

15. Which international institution supported LPG reforms in India?

(a) The United Nations

(b) The IMF

(c) The Red Cross

(d) The UNESCO

SECTION—II

Answer any *five* of the following questions in brief : 2×5=10

1. What is the primary focus of political economy?

2. How does socialism influence government economic policies?

3. What is the role of the opposition party in development?

4. What was the original purpose of the Planning Commission?

5. What was the 'License Raj' system?

6. What are the main types of inequalities in India?

7. Differentiate between a multinational and a transnational corporation.

8. What are the types of FDI?

9. What is the main difference between public sector and private sector?

10. What are the limitations of private sector?

(PART : B—DESCRIPTIVE)

(*Marks* : 50)

1. *(a)* Discuss the Marxist concept of political economy. 10

Or

(b) Discuss the key economic factors and their relation to politics. 10

2. *(a)* How do political parties shape development thinking and policy formulation in a democracy? 10

* * *

Or

(b) Discuss the different phases of India's economic journey since Independence in 1947. 10

3. (a) Define inequality. Explain the contemporary causes of inequality. 3+7=10

Or

(b) What are the different ways through which inequality can be tackled? 10

4. (a) Explain in detail the components of the New Economic Policy of 1991 and its impact on Indian economy. 10

Or

(b) Discuss the impact of Foreign Direct Investment (FDI) on the economic growth of India. 10

5. (a) What are the major types of public institutions in India? Explain the challenges faced by the public institutions in India. 4+6=10

Or

(b) What is the concept of private sector? Explain the role of private sector in governance. 10

★ ★ ★