



CUET 2026 May 31 Shift 1 Economics

Question Paper (Memory-Based)

Conducted by National Testing Agency (NTA)

1. In a country, the total population is 1200 million. Out of this, 300 million are below 15 years of age and 100 million are above 60 years of age. The labour force consists of 480 million persons. The Labour Force Participation Rate (LFPR) is:

- (A) 40%
- (B) 50%
- (C) 60%
- (D) 75%

2. The working-age population of an economy is 800 million. Out of these, 520 million are employed and 80 million are unemployed. The Worker-Population Ratio of the economy is:

- (A) 55%
- (B) 60%
- (C) 65%
- (D) 75%

3. The marginal propensity to consume (MPC) in an economy is 0.75. If autonomous investment increases by 400 crore, the total increase in national income will be:

- (A) 1200 crore
- (B) 1400 crore
- (C) 1600 crore
- (D) 2000 crore

4. The fiscal deficit of an economy is 8,500 crore and the interest payments on previous borrowings amount to 2,000 crore. The Primary Deficit of the economy is:

- (A) 10,500 crore
- (B) 8,500 crore
- (C) 6,500 crore
- (D) 5,500 crore

5. The price of a commodity decreases from 100 to 80. As a result, its quantity demanded increases from 200 units to 260 units. Using the percentage method, the price elasticity of demand is closest to:

- (A) 1.0
 - (B) 1.5
 - (C) 2.0
 - (D) 3.0
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6. Read the following statements regarding Special Economic Zones (SEZs):

- 1. SEZs are treated as foreign territory for trade operations and duties.
- 2. SEZs were introduced to promote exports and attract investment.
- 3. Goods moving from SEZs to the Domestic Tariff Area are generally subject to customs duties.

Which of the following is correct?

- (A) Only 1 and 2 are correct
 - (B) Only 2 and 3 are correct
 - (C) Only 1 and 3 are correct
 - (D) 1, 2 and 3 are correct
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7. Arrange the following events of Indian Economic Development in chronological order and choose the correct answer.

- 1. Establishment of the National Bank for Agriculture and Rural Development (NABARD)
- 2. Launch of the New Economic Policy (LPG Reforms)
- 3. Introduction of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
- 4. Green Revolution in India

- (A) 4 → 1 → 2 → 3
- (B) 1 → 4 → 2 → 3

(C) $4 \rightarrow 2 \rightarrow 1 \rightarrow 3$

(D) $1 \rightarrow 2 \rightarrow 4 \rightarrow 3$

8. Which of the following employment programmes guarantees at least 100 days of wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work?

(A) PMKVY

(B) SGSY

(C) MGNREGA

(D) NRLM

9. Read the following case carefully and answer the question.

An economy experiences a rise in investment expenditure by 500 crore. The Marginal Propensity to Consume (MPC) is 0.8. Assume there are no leakages other than savings.

What will be the total increase in national income?

(A) 1,500 crore

(B) 2,000 crore

(C) 2,500 crore

(D) 3,000 crore

10. Read the following passage carefully and answer the question.

India adopted a new economic policy in 1991 in response to a severe balance of payments crisis. The reforms were based on Liberalisation, Privatisation and Globalisation (LPG). Liberalisation aimed at reducing government controls and restrictions on economic activities. Privatisation encouraged greater participation of the private sector in economic activities. Globalisation integrated the Indian economy with the world economy through trade, foreign investment and technology transfer. These reforms increased competition, improved efficiency and accelerated economic growth.

Which of the following statements best explains the objective of Liberalisation under the New Economic Policy?

(A) To increase government control over industries

(B) To reduce restrictions and allow market forces greater freedom

(C) To nationalise private enterprises

(D) To prohibit foreign investment in India

