

Marking Scheme

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Senior School Certificate Examination, 2024

ECONOMICS (SUBJECT CODE – 030)

(PAPER CODE – 58/4/1)

General Instructions: -

1	You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully.
2	“Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, Evaluation done and several other aspects. Its’ leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in News Paper/Website etc may invite action under various rules of the Board and IPC.”
3	Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one’s own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed. However, while evaluating, answers which are based on latest information or knowledge and/or are innovative, they may be assessed for their correctness otherwise and due marks be awarded to them. In class-XII, while evaluating competency-based questions, please try to understand given answer and even if reply is not from marking scheme but correct competency is enumerated by the candidate, due marks should be awarded.
4	The Marking scheme carries only suggested value points for the answers These are in the nature of Guidelines only and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the due marks should be awarded accordingly.
5	The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. If there is any variation, the same should be zero after deliberation and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
6	Evaluators will mark(√) wherever answer is correct. For wrong answer CROSS ‘X’ be marked. Evaluators will not put right (✓) while evaluating which gives an impression that answer is correct and no marks are awarded. This is most common mistake which evaluators are committing.
7	If a question has parts, please award marks on the right-hand side for each part. Marks awarded for different parts of the question should then be totaled up and written in the left-hand margin and encircled. This may be followed strictly.

8	If a question does not have any parts, marks must be awarded in the left-hand margin and encircled. This may also be followed strictly.
9	If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out with a note “ Extra Question ”.
10	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
11	A full scale of marks 80 (example 0 to 80/70/60/50/40/30 marks as given in Question Paper) has to be used. Please do not hesitate to award full marks if the answer deserves it.
12	Every examiner has to necessarily do evaluation work for full working hours i.e., 8 hours every day and evaluate 20 answer books per day in main subjects and 25 answer books per day in other subjects (Details are given in Spot Guidelines).
13	<p>Ensure that you do not make the following common types of errors committed by the Examiner in the past:-</p> <ul style="list-style-type: none"> ● Leaving answer or part thereof unassessed in an answer book. ● Giving more marks for an answer than assigned to it. ● Wrong totaling of marks awarded on an answer. ● Wrong transfer of marks from the inside pages of the answer book to the title page. ● Wrong question wise totaling on the title page. ● Wrong totaling of marks of the two columns on the title page. ● Wrong grand total. ● Marks in words and figures not tallying/not same. ● Wrong transfer of marks from the answer book to online award list. ● Answers marked as correct, but marks not awarded. (Ensure that the right tick mark is correctly and clearly indicated. It should merely be a line. Same is with the X for incorrect answer.) <p>Half or a part of answer marked correct and the rest as wrong, but no marks awarded.</p>
14	While evaluating the answer books if the answer is found to be totally incorrect, it should be marked as cross (X) and awarded zero (0)Marks.
15	Any un assessed portion, non-carrying over of marks to the title page, or totaling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence, in order to uphold the prestige of all concerned, it is again reiterated that the instructions be followed meticulously and judiciously.
16	The Examiners should acquaint themselves with the guidelines given in the “ Guidelines for spot Evaluation ” before starting the actual evaluation.
17	Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.
18	The candidates are entitled to obtain photocopy of the Answer Book on request on payment of the prescribed processing fee. All Examiners/Additional Head Examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as given in the Marking Scheme.

6.	<p>Identify the incorrect feature(s) of the Money Supply in an economy, from the following:</p> <p>(i) It is measured during a period of time. (ii) It includes stock of money held by the government of a nation. (iii) It always represents the currency held with Central Bank of the Nation.</p> <p>Alternatives :</p> <p>(A) (i) only (B) (ii) and (iii) (C) (i) and (ii) (D) (i), (ii) and (iii)</p> <p>Ans. (D) (i), (ii) and (iii)</p>	1														
7.	<p>Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): Real Gross Domestic Product is a better indicator of economic growth of a nation as compared to Nominal Gross Domestic Product.</p> <p>Reason (R): Real Gross Domestic Product measures the value of goods and services at current year prices.</p> <p>Alternatives:</p> <p>(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true.</p> <p>Ans. (C) Assertion (A) is true, but Reason (R) is false.</p>	1														
8.	<p>From the given table, identify that level of income, where Average Propensity to Save (APS) becomes Zero. (Choose the correct alternative.)</p> <table border="1" data-bbox="188 1025 979 1211"> <tbody> <tr> <td>Income (₹ crore)</td> <td>0</td> <td>50</td> <td>100</td> <td>200</td> <td>300</td> <td>400</td> </tr> <tr> <td>Consumption (₹ crore)</td> <td>50</td> <td>75</td> <td>100</td> <td>150</td> <td>200</td> <td>250</td> </tr> </tbody> </table> <p>Alternatives:</p> <p>(A) 50 (B) 100 (C) 200 (D) 0</p> <p>Ans. (B) 100</p>	Income (₹ crore)	0	50	100	200	300	400	Consumption (₹ crore)	50	75	100	150	200	250	1
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9.	<p>Read the following statements carefully</p> <p>Statement 1: Consumption and Savings are the components of National output of an economy. Statement 2: Higher level of Income often leads to lower savings.</p> <p>In the light of the given statements, choose the correct alternative from the following :</p> <p>(A) Statement 1 is true and Statement 2 is false. (B) Statement 1 is false and Statement 2 is true. (C) Both Statements 1 and 2 are true. (D) Both Statements 1 and 2 are false.</p> <p>Ans. (A) Statement 1 is true and Statement 2 is false.</p>	1														
10.	<p>Arrange the following in the correct sequential order, if the government of a nation is trying to curtail the situation of inflationary gap:</p> <p>(i) Decrease in disposable income (ii) Increase in taxes (iii) Decrease in Aggregate Demand</p> <p>Alternatives:</p> <p>(A) (i), (ii), (iii) (B) (iii), (ii), (i) (C) (ii), (iii), (i) (D) (ii), (i), (iii)</p>															

	Ans. (D) (ii), (i), (iii)	1																														
11. (a)	<p>Estimate the value of Net National Product at Factor Cost (NNP_{FC}), using the following information:</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Items</th> <th>Amount (in ₹ crores)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Household Consumption Expenditure</td> <td>1,200</td> </tr> <tr> <td>(ii)</td> <td>Business Fixed Investment Expenditure</td> <td>800</td> </tr> <tr> <td>(iii)</td> <td>Government Final Consumption Expenditure</td> <td>500</td> </tr> <tr> <td>(iv)</td> <td>Excess of Imports over Exports</td> <td>100</td> </tr> <tr> <td>(v)</td> <td>Net Indirect Taxes</td> <td>150</td> </tr> <tr> <td>(vi)</td> <td>Change in Inventory</td> <td>(-) 50</td> </tr> <tr> <td>(vii)</td> <td>Consumption of fixed capital</td> <td>200</td> </tr> <tr> <td>(viii)</td> <td>Net factor Income from Abroad</td> <td>80</td> </tr> <tr> <td>(ix)</td> <td>Public fixed investment</td> <td>70</td> </tr> </tbody> </table> <p>Ans. Net National Product at Factor Cost (NNP_{FC}) = (i) + (iii) + (ii) + (ix) + (vi) - (iv) - (vii) - (v) + (viii) $= 1,200 + 500 + 800 + 70 + (-50) - 100 - 200 - 150 + 80$ $= ₹ 2,150 \text{ crore}$</p> <p style="text-align: center;">OR</p> <p>(b) “Disposition Phase of circular flow of Income involves flow of factor Income, which comprises of rent, wages, interest and profits from firms to households.” Defend or refute the statement, giving valid reasons in support of your answer. Ans. The given statement is refuted. Disposition phase of circular flow of income indicates the flow of spending by the households on purchase of goods and services produced by firms. Whereas, the aforesaid statement depicts the distribution phase which involves the flow of factor incomes, which comprises of rent, wages, interest and profits from firms to households.</p> <p style="text-align: right;">(To be marked as a whole)</p>	S. No.	Items	Amount (in ₹ crores)	(i)	Household Consumption Expenditure	1,200	(ii)	Business Fixed Investment Expenditure	800	(iii)	Government Final Consumption Expenditure	500	(iv)	Excess of Imports over Exports	100	(v)	Net Indirect Taxes	150	(vi)	Change in Inventory	(-) 50	(vii)	Consumption of fixed capital	200	(viii)	Net factor Income from Abroad	80	(ix)	Public fixed investment	70	<p>1½</p> <p>1</p> <p>½</p> <p>3</p> <p>3</p>
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12.	<p>State the meaning of autonomous and accommodating items, under Balance of Payments of India, with the help of an example.</p> <p>Ans. Autonomous transactions are those international economic transactions which are independent of the state of Balance of Payments (BOP). These transactions generally take place with some economic motive. For example, exports of goods.</p> <p>Accommodating transactions are those international economic transactions which are undertaken (by competent authorities) to cover the surplus/deficit in Balance of Payments (BOP). These transactions are independent of economic motive. For example, loan taken from the World Bank to cover the deficit in the BOP Account. (Any other valid example to be awarded marks)</p>	<p>1 + ½</p> <p>1 + ½</p> <p>3</p>																														
13.	<p>Suppose, the Indian Government decides to boost public investments with a defence project of ₹ 40,000 crore.</p>																															

	<p>Explain the likely impacts of the given situation on the Income, Employment and Output of the economy, assuming all other factors constant.</p> <p>Ans. Assuming all other factors constant, any increase in investments generally leads to multiple increase in final income which in turn leads to increase in employment.</p> <p>If the Indian government decides to infuse additional investment of ₹ 40,000 crore in the defence project, it would lead to increase in demand for goods and services leading to rise in output and employment, and consequent increase in income.</p> <p style="text-align: right;">(To be marked as a whole)</p>	4
14.	<p>Elaborate the 'Banker's Bank and Supervisor' function of the Reserve Bank of India.</p> <p>Ans. Reserve Bank of India (RBI) accepts the deposits from commercial banks and also advances loans to them as and when required. It maintains reserves of all commercial banks and utilizes it to settle inter-bank claims.</p> <p>Being the supreme authority of the banking system, it acts as the financier of last recourse to the commercial banks. It forwards short-term credit to the commercial banks against approved securities.</p> <p>The RBI supervises, regulates and controls the commercial banks. The regulation of banks may be related to their licensing, branch expansion, liquidity of assets, management, amalgamation and liquidation.</p> <p style="text-align: right;">(To be marked as a whole)</p>	4
15.	<p>Suppose an economy is in equilibrium. From the following data, calculate Investment Expenditure in the economy:</p> <p>(a)</p> <p>(i) National Income = ₹ 40,000 crore</p> <p>(ii) Marginal Propensity to Consume (MPC) = 0.8</p> <p>(iii) Autonomous Consumption (\bar{c}) = ₹ 100 crore</p> <p>Ans. Given, $Y = ₹ 40,000$ crore</p> <p>Marginal Propensity to Consume (MPC) = 0.8</p> <p>Autonomous Consumption = ₹ 100 crore</p> <p style="text-align: center;">At equilibrium level of income, $Y = C + I$</p> <p style="text-align: center;">$Y = \bar{c} + (MPC)Y + I$</p> <p style="text-align: center;">$40,000 = 100 + (0.8) \times 40,000 + I$</p> <p style="text-align: center;">Investment Expenditure (I) = ₹ 7,900 crore</p> <p style="text-align: center;">OR</p> <p>(b) "With the objective to correct deflation, Reserve Bank of India may decrease the Bank rate." Discuss the rationale behind the step taken by the Reserve Bank of India (RBI).</p> <p>Ans. To correct the situation of deflation, the Reserve Bank of India (RBI) may decrease the bank rate, which may lead to a reduction in the lending rates by the commercial banks. This may make borrowing cheaper for the general public. Thereby, encouraging them to borrow more. As a result, Aggregate Demand in the economy may increase, consequently correcting the situation of deflation in the economy.</p> <p style="text-align: right;">(To be marked as a whole)</p>	1 1 1½ ½ <hr/> 4 <hr/> 4
16.	<p>With valid reasons, classify the following into Capital receipts or Revenue receipts of the government:</p> <p>(a)</p> <p>(i) Dividend received by the government from a Maharatana company.</p> <p>(ii) Receipts of the government from sale of shares of a Public Sector Undertaking (PSU) in open market.</p> <p>(iii) Debt cleared by Sri Lanka Government to the Indian Government.</p> <p>Ans.</p> <p>(i) It is a revenue receipt as it neither creates any liability nor reduces any asset of the government.</p> <p>(ii) It is a capital receipt as it reduces the assets of the government.</p> <p>(iii) It is a capital receipt as it reduces the assets of the government.</p>	2 2 2 <hr/> 6

OR

(b)	<p>‘Government Budget can be a useful instrument in reducing inequalities in the distribution of income and wealth in an economy.’</p> <p>Do you agree with the given statement? Present valid arguments in favour of your answer.</p> <p>Ans. Yes. The government budget objective of ‘Redistribution of Income’ aims to bring about equality in the distribution of income. Government can reduce inequalities of income through taxes and public expenditure. It may impose high taxes on the rich to reduce their disposable income. Furthermore, government may incur more public expenditure for the welfare of the poor, like providing free services etc. By adopting these measures, the government tries to bridge the gap between the rich and the poor.</p> <p style="text-align: right;">(To be marked as a whole)</p>	4
(i)		
(ii)	<p>State the meaning and formula of Fiscal deficit.</p> <p>Ans. Fiscal deficit refers to excess of the government’s total expenditure over its total receipts excluding borrowing for a fiscal year.</p> <p style="text-align: center;">Fiscal Deficit = Total Expenditure – Total receipts excluding borrowings</p> <p style="text-align: center;">(Any other valid formula to be awarded marks)</p>	1
		1
		6
17.	<p>“In the past few decades, Indian economy has been fairly benefitted by positive externalities created by rapid rise in infrastructure.”</p> <p>Justify the given statement with valid arguments.</p> <p>Ans. In the past few decades, Indian economy has experienced a rapid rise in infrastructure. Infrastructural development is a core element in promoting economic growth and attracting foreign investment for sustainable production and productivity. The benefits of infrastructural development may be enjoyed by the people without paying for the same. Hence, such infrastructural development adds to the welfare in an economy and creates positive externalities.</p> <p style="text-align: right;">(To be marked as a whole)</p>	3
(a)		
(b)	<p>State the steps pertaining to the estimation of National Income by Value Added Method.</p> <p>Ans. Steps pertaining to the estimation of National Income under the Value Added method:</p> <ul style="list-style-type: none"> • Identify and classify production units into distinct heads namely into primary, secondary, and tertiary sector. • Estimate and add Gross Value Added of each sector to arrive at Gross Domestic Product at Market Price. • Finally, estimate and deduct the value of Depreciation, Net Indirect Taxes and add Net Factor Income from Abroad to arrive at National Income (NNP_{FC}). 	1
		1
		1
		6
<p>SECTION – B</p> <p>(Indian Economic Development)</p>		
18.	<p>Read the following statements — Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): License Permit Raj was a major obstacle for growth of private sector.</p> <p>Reason (R): Private sector wasted huge amount in obtaining licences, rather than on improving the product, quality and international competitiveness.</p> <p>Alternatives:</p> <p>(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>(B) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).</p> <p>(C) Assertion (A) is true, but Reason (R) is false.</p> <p>(D) Assertion (A) is false, but Reason (R) is true.</p>	

	Ans. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1
19.	Identify, which of the following alternative indicates towards incorrect components combination of Agricultural Marketing System? (A) Assembling, Storage, Processing, Packaging (B) Production, Assembling, Processing, Grading (C) Assembling, Processing, Packaging, Transportation (D) Processing, Packaging, Grading, Distribution Ans. (B) Production, Assembling, Processing, Grading	1
20.	Read the following statements carefully: Statement 1: China has used the market mechanism to create additional social and economic opportunities for its citizens. Statement 2: In China, Social Infrastructure created by the government brought positive results in human development indicators. In the light of the given statements, choose the correct alternative from the following: (A) Statement 1 is true and Statement 2 is false. (B) Statement 1 is false and Statement 2 is true. (C) Both Statement 1 and 2 are true. (D) Both Statement 1 and 2 are false. Ans. (C) Both Statement 1 and 2 are true.	1
21.	Read the following statements carefully Statement 1: As per National Sample Survey Organisation (NSSO) unemployment is a situation in which all those who, owing to lack of work, are not working, but seeking work from prospective employers, expressed their willingness to work under the prevailing condition of work and remuneration. Statement 2: Disguised unemployment is generally a massive problem in the highly populated country like India. In the light of the given statements, choose the correct alternative from the following: (A) Statement 1 is true and Statement 2 is false. (B) Statement 1 is false and Statement 2 is true. (C) Both Statement 1 and 2 are true. (D) Both Statement 1 and 2 are false. Ans. (C) Both Statement 1 and 2 are true.	1
22.	Under the British Rule, commercialization of agriculture resulted in shifting of agricultural production from _____ crops to _____ crops. (Fill up the blanks with correct alternative.) (A) Cash, Food (B) Cotton, Jute (C) Food, Cash (D) Jute, Food Ans. (C) Food, Cash	1
23.	Economic reforms were introduced in the year _____ in India and in the year _____ in Pakistan. (Fill up the blanks with correct alternative.) (A) 1978, 1988 (B) 1988, 1978 (C) 1978, 1991 (D) 1991, 1988 Ans. (D) 1991, 1988	1
24.	_____ farming is the system that restores, maintains and enhances the ecological balance. (Fill up the blank with correct alternative.) (A) Conventional (B) Chemical (C) Organic (D) Multi-layered Ans. (C) Organic	1

<p>30. (a) (i)</p>	<p>“National Education Policy 2020 of India stresses a lot on in-service teachers' training.” In the light of the given statement, state and explain any two advantages of such on-the-job trainings in upliftment of education sector of any nation. Ans. On-the-job training of teachers is important for the upliftment of the education sector of any nation:</p> <ul style="list-style-type: none"> • As an important source of human capital formation, such trainings help to bridge the gap between theoretical concepts and practical experiences. This enables teachers to adapt to latest technologies. • It enhances the professional skills of teachers by updating them about changing teaching pedagogies. 	<p>1½ 1½</p>
	OR	4
<p>(b) (i)</p>	<p>Elaborate any two reasons owing to which lesser number of women are found in regular salaried employment. Ans. Lesser women are found in regular salaried employment in India as –</p> <ul style="list-style-type: none"> • These jobs require a higher level of skills. Many women in India do not possess the required educational qualifications and professional skills. • Social constraints like family responsibilities add to the lack of mobility among women creating a hindrance to seek employment on a regular basis. 	<p>1½ 1½</p>
		1
		4
<p>31. (a)</p>	<p>“Scholars find son preference as a common phenomenon in India, Pakistan and China.” Justify the given statement in the light of skewed sex-ratio. Ans. Owing to traditional and socio-economic reasons, ‘son preference’ is common in India, Pakistan and China. Due to this, the sex ratio is skewed i.e. low and biased against females in all the three nations.</p>	2
		1
		1
		4
<p>32. (a) Agriculture sector (b) Industrial sector</p>	<p>Elaborate how the economic reforms process of India impacted the following: Ans. (a) The agricultural sector was adversely affected by the reform process due to reduction in the public investment in agriculture sector especially in infrastructure. Furthermore, the partial removal of fertiliser subsidy had led to increase in the cost of production, which had severely affected the small and marginal farmers. (b) Industrial sector performed poorly in the reform period as the demand for domestic industrial products decreased due to reasons like cheaper imports, etc. Moreover, the infrastructure facilities including power supply, remained inadequate due to lack of public investment. (Any other valid explanation to be awarded marks)</p>	<p>2 2</p>
		4

<p>33.</p> <p>(a)</p> <p>(b)</p>	<p>“We are One-Earth, One Family and we share One Future.” is the opening sentence of the G-20 New Delhi Leader's Declaration Statement.</p> <p>In this statement the leaders pledged to "resolve to fully and effectively implement the 2030 Agenda and the Sustainable Developmental Goals (SDG's)". The leader's commitments contained in the Declaration statement reflect, "the philosophy of living in harmony with our surrounding ecosystem".</p> <p>The Declaration recognises the "Cascading challenges and crisis that have reversed gains" on the 2030 Agenda of SDG's.</p> <p>The leaders "affirm that no country should have to choose between fighting poverty and fighting for our planet".</p> <p>The leaders resolved to act</p> <ul style="list-style-type: none"> • accelerate strong, sustainable, balanced and inclusive growth; • accelerate the full & effective implementation of 2030 Agenda • pursue low-carbon and environmentally sustainable development pathways; • Pursue reforms for better, comprehensive and more effective finance avenues. <p>The leaders commit to "taking collective actions for effective and timely implementation of the G-20 2023 Action Plan to accelerate progress on the SDG's; including through actions on eliminating hunger and malnutrition, strengthening global health and implementation of One Health approach, and delivering quality education.”</p> <p>Ans. Collective fight in achieving SDGs will be instrumental in the effective and timely implementation of the G-20 2023 Action Plan by eliminating hunger and malnutrition, strengthening global health, ensuring the implementation of One Health approach and delivering quality education. (To be marked as a whole)</p> <p>Ans. The action plan of G-20 leaders in promoting 'One Health' approach is to accelerate strong, sustainable, balanced & inclusive growth and full & effective implementation of 2030 Agenda. It also aims to pursue low-carbon & environmentally sustainable development pathways and reforms for better, comprehensive & more effective finance avenues. (To be marked as a whole)</p>	<p>3</p> <p>3</p> <p>6</p>
<p>34.</p> <p>(a)</p> <p>(i)</p> <p>(ii)</p>	<p>Discuss any two measures initiated by the government to improve Agricultural marketing in India.</p> <p>Ans. Two measures initiated by the government to improve Agricultural marketing in India are –</p> <ul style="list-style-type: none"> • For the welfare of farmers as well as consumers, various market regulations were initiated to create orderly and transparent marketing conditions. • The government took measures to enhance infrastructural amenities such as roads, railways, warehouses, cold storage facilities, and processing units to meet the growing demand. (Any other valid measure to be awarded marks) <p>Ans. Growth of rural economy depends primarily on infusion of capital, from time to time, to realise higher productivity in agriculture and non-agriculture sectors. As the gestation period (duration between crop sowing and realisation of income after production) is quite long, hence rural credit is required to meet their initial investment needs of seeds, fertilisers, implements, etc. Rural credit is also required for other expenses like improving soil quality, machinery, irrigation facilities, etc. (To be marked as a whole)</p> <p style="text-align: center;">OR</p>	<p>1½</p> <p>1½</p> <p>3</p> <p>6</p>

(b)	'India can transform itself knowledge-based economy by using information technology.'	3
(i)	<p>Justify the given statement.</p> <p>Ans. India can transform itself into a knowledge-based economy by using information technology (IT). IT acts as a tool for releasing the creative potential and knowledge embedded in the society. The use of emails even by the villagers, e-governance are some indicators of such transformations. Hence, with the successful use of IT, India can move its economy to a higher growth trajectory based on knowledge landscape.</p> <p style="text-align: right;">(To be marked as a whole)</p>	
(ii)	<p>“It is necessary to generate employment in the formal sector rather than the informal sector.”</p> <p>Justify the given statement with valid arguments.</p> <p>Ans. In the formal sector, workers can form trade unions and are entitled to fair wages and other social security measures. Whereas, workers in the informal sector do not get regular income. Also, they do not have any protection or regulation from the government. Many a time, workers may be dismissed without any compensation.</p> <p>Hence, formal sector employees are generally in a better position as compared to informal sector employees. Therefore, it is essential to generate employment in the formal sector rather than the informal sector.</p> <p style="text-align: right;">(To be marked as a whole)</p>	3

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