**Marking Scheme**
**Strictly Confidential**
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**Senior School Certificate Examination,2024**

**ECONOMICS (SUBJECT CODE – 030)**

**(PAPER CODE – 58/2/2)**
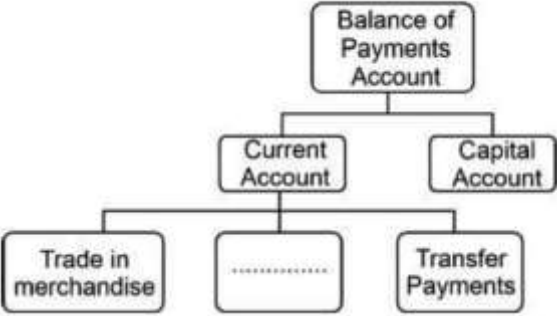
<u>**General Instructions: -**</u>

| | |
|---|---|
| 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 delibration 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 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 | Ensure that you do not make the following common types of errors committed by the Examiner in the past:- Giving more marks for an answer than assigned to it.<br><br>● Wrong totaling of marks awarded on an answer.<br>● Wrong transfer of marks from the inside pages of the answer book to the title page.<br>● Wrong question wise totaling on the title page.<br>● Leaving answer or part thereof unassessed in an answer book.<br>● Wrong totaling of marks of the two columns on the title page.<br>● Wrong grand total.<br>● Marks in words and figures not tallying/not same.<br>● Wrong transfer of marks from the answer book to online award list.<br>● 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.)<br>Half or a part of answer marked correct and the rest as wrong, but no marks awarded. |
| 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. |

# ECONOMICS (Subject Code–030)

### [Paper Code : 58/2/2]

**Maximum Marks: 80**

| Q. No. | EXPECTED ANSWER / VALUE POINTS | Marks |
|---|---|---|
| | **SECTION -A** **(Macro Economics)** | |
| 1. | Identify the *incorrect* statement with reference to Cash Reserve Ratio (CRR): <br> (A) It is a certain percentage of demand and time deposit liabilities that every bank must keep as cash reserves with the Central Bank. <br> (B) It is fixed by the Central Bank. <br> (C) It is not binding on the commercial banks. <br> (D) It is a tool used by the Central Bank to control the credit creation in the economy. <br> **Ans. (C) It is not binding on the commercial banks.** | 1 |
| 2. | Identify which of the following will appear on the debit side in the Capital Account of India's Balance of Payments. <br> (A) An Indian sending remittances from England <br> (B) Investing in assets abroad by Indians <br> (C) An American company purchasing shares of an Indian company <br> (D) Export of spices from India <br> **Ans. (B) Investing in assets abroad by Indians** | 1 |
| 3. | Read the following statements carefully: <br> *Statement 1:* Economic territory and political frontier of a nation are one and the same thing. <br> *Statement 2:* American Embassy in India is a part of the economic territory of India. <br> In the light of the given statements, choose the correct alternative from the following : <br> (A) Statement 1 is true and statement 2 is false. <br> (B) Statement 1 is false and statement 2 is true. <br> (C) Both statements 1 and 2 are true. <br> (D)Both statements 1 and 2 are false. <br> **Ans. (D) Both statements 1 and 2 are false.** | 1 |
| 4. | Identify which of the following is *not* one of the merits of fixed exchange rate system. <br> (A) Ensures stability in exchange rate <br> (B) Possibility of under or over valuation of foreign currency <br> (C) Prevents speculations in foreign exchange market <br> (D) Coordination of macroeconomic policies becomes convenient <br> **Ans. (B) Possibility of under or over valuation of foreign currency** | 1 |
| 5. | Read the following statements carefully: <br> *Statement 1:* A consumption function describes the relationship between consumption and savings. <br> Statement 2: Consumption function consists of two components - autonomous consumption and induced consumption. <br> In the light of the given statements, choose the correct alternative from the following: <br> (A) Statement 1 is true and Statement 2 is false. <br> (B) Statement 1 is false and Statement 2 is true. <br> (C) Both Statements 1 and 2 are true. <br> (D) Both Statements 1 and 2 are false. <br> **Ans. (B) Statement 1 is false and Statement 2 is true**. | 1 |

| | | |
|---|---|---|
| 6. | Suppose in an imaginary economy, autonomous consumption = ₹ 500 crore and marginal propensity to consume = 0.8. The saving function for the economy would be _____.<br><br>(Choose the correct alternative to fill in the blank)<br><br>(A) 500 + 0.8Y (B) (-) 500 + 0.8Y<br>(C) 500 + 0.2Y (D) (-) 500 + 0.2Y<br><br>**Ans. (D) (-) 500 + 0.2Y** | **1** |
| 7. | Study the following figure carefully and choose the correct alternative to fill in the blank:<br><br><br>Alternatives:<br>(A) Investments (B) Trade of Services<br>(C) External Borrowings (D) External Assistance<br><br>**Ans. (B) Trade of Services** | **1** |
| 8. | Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below :<br><br>*Assertion (A):* The equilibrium level of income is determined, when ex-ante spending and ex-ante output are equal.<br><br>*Reason (R):* The equilibrium level of income may or may not be the same as the full employment level of output.<br><br>Alternatives :<br>(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).<br>(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).<br>(C) Assertion (A) is true, but Reason (R) is false.<br>(D) Assertion (A) is false, but Reason (R) is true.<br><br>**Ans. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).** | **1** |
| 9. | Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below:<br><br>*Assertion (A):* The maximum value of Marginal Propensity to Save (MPS) can be unity.<br><br>*Reason (R):* At the break-even level of income, savings are zero.<br><br>Alternatives:<br>(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).<br>(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).<br>(C) Assertion (A) is true, but Reason (R) is false.<br>(D) Assertion (A) is false, but Reason (R) is true.<br><br>**Ans. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).** | **1** |

| | | |
|---|---|---|
| **10.** | Read the following statements carefully:<br>*Statement 1:* Money is a commodity which is generally accepted as a medium of exchange.<br>*Statement 2:* Money solved the problem of double coincidence of wants.<br>In the light of the given statements, choose the correct alternative from the following:<br>(A) Statement 1 is true and statement 2 is false.<br>(B) Statement 1 is false and statement 2 is true.<br>(C) Both statements 1 and 2 are true.<br>(D) Both statements 1 and 2 are false.<br>**Ans. (C) Both statements 1 and 2 are true.** | **1** |
| **11.**<br>**(a)** | "Accommodating transactions are undertaken to maintain stability in the Balance of Payments Account."<br>Justify the given statement with valid explanation.<br>**Ans. Accommodating transactions are commonly undertaken to maintain stability in Balance of Payments (BOP) account. Accommodating transactions are independent of any economic motive. These transactions are determined by the net result of autonomous items such as surplus or deficit in BOP.**<br>**Hence, accommodating transactions play a crucial role in maintaining stability in Balance of Payments account by providing a mechanism to address imbalances in international transactions.** (To be marked as a whole) | **3** |
| | **OR** | |
| **(b)** | "Depreciation of currency may promote exports of a nation."<br>Defend or refute the given statement with valid arguments.<br>**Ans. The given statement is defended. When the domestic currency of an economy depreciates, domestic goods become relatively cheaper in the international markets. Thereby, increasing the demand of domestic goods globally. Hence, depreciation of currency may promote exports of a nation.**<br>(To be marked as a whole) | **3** |
| **12.** | On the basis of the data given below, estimate the value of Gross National Product at Factor Cost (GNP$_{FC}$): | |

| S. No. | Items | Amount<br>*(in ₹ crore)* |
|---|---|---|
| (i) | Wages and Salaries | 2,000 |
| (ii) | Rent and Interest | 800 |
| (iii) | Corporate Tax | 500 |
| (iv) | Undistributed Profit | 300 |
| (v) | Dividend | 200 |
| (vi) | Depreciation | 150 |
| (vii) | Net factor income from abroad | (-) 50 |

| | | |
|---|---|---|
| | **Ans.**<br>**Gross National Product at Factor Cost (GNP$_{FC}$) = (i)+ (ii)+(iii)+(iv)+(v)+(vi)+(vii)**<br>**=2,000+800+500+300+200+150+(-50)**<br>**= ₹ 3900 crore** | **1 ½**<br>**1**<br>**½**<br><br>**3** |
| **13.** | Reserve Bank of India undertakes the important function of managing the government's banking transactions.<br>Discuss the above stated function performed by the Reserve Bank of India.<br>**Ans. The Reserve Bank of India (RBI) acts as a banker to both central as well as state governments. The RBI maintains account, accepts receipts and makes payments for the government and carries out exchange, remittance and other banking operations. It** | **4** |

| | advances credit/loan to the government to meet its requirements in case of crisis. | |
|---|---|---|
| | **(To be marked as a whole)** | |
| 14. | For a hypothetical economy, assume the government increased an infrastructural investment by ₹ 20,000 crore. 80% of additional income is consumed in the economy. Estimate the increase in income and the corresponding increase in consumption expenditure in the economy. | |

**Ans. Given, Δ I = ₹ 20,000 crore**

**Marginal Propensity to Consume(MPC)=80% of additional income consumed i.e. 0.8**

**As we know,**

$$K = \frac{1}{1-MPC}$$                                                                                                    **1**

$$= \frac{1}{1-0.8} = 5$$                                                                                                       **½**

**Increase in Income (ΔY) = K x ΔI**                                                                      **1**

**= 5 x 20,000**

**= ₹ 1,00,000 crore**                                                                                                **½**

$$MPC = \frac{\Delta C}{\Delta Y}$$

$$0.8 = \frac{\Delta C}{1,00,000}$$                                                                                          **½**

**ΔC = ₹ 80,000 crore**                                                                                               **½**

|  |  | **4** |
|---|---|---|

| 15.<br>(a) | "If actual demand for final goods falls short of the actual output of final goods corresponding to full employment level, it may lead to an unintended accumulation of inventories."<br>Do you agree with the given statement? Give valid reasons in support of your answer.<br>**Ans. Yes. If the actual demand for final goods falls short of the actual output corresponding to full employment level, it implies that demand by all the consumers and firms is less than the level of output produced at full employment level. Consequently, it may lead to an increase in the stock of unsold goods lying with the firms. Thereby, it may lead to an unintended accumulation of inventories.** **(To be marked as a whole)** | **4** |

**OR**

| (b) | Complete the following table. Construct the Consumption function at ₹ 200 crore level of income. | |
|---|---|---|

| Income (Y)<br>(in ₹ Crore) | Savings<br>(in ₹ Crore) | Average Propensity to Consume (APC) | Marginal Propensity to Save (MPS) |
|---|---|---|---|
| 0 | (-) 50 | - | - |
| 100 | ……. | 1 | ……. |
| 200 | ……. | 3/4 | ……. |
| 300 | ……. | 2/3 | ……. |

**Ans.**

| Income (Y)<br>(in ₹ Crore) | Saving<br>(in ₹ Crore) | Average Propensity to Consume (APC) | Marginal Propensity to Save (MPS) | |
|---|---|---|---|---|
| **0** | **(-) 50** | **-** | **-** | |
| **100** | **0** | **1** | **0.5** | **½ x 6** |
| **200** | **50** | **3/4** | **0.5** | **= 3** |
| **300** | **100** | **2/3** | **0.5** | |

**Consumption function, C = c̄ + bY**

**C = 50 + 0.5 Y**                                                                                                        **1**

(Alternate answer for which marks may be awarded-Consumption at ₹ 200 crore level of income = ₹ 150)

| | | | |
|---|---|---|---|
| | <u>Working Note:</u><br>At an income level of ₹ 200 crore, Marginal Propensity to Save (MPS) = 0.5 and<br>Marginal Propensity to Consume (MPC) = 1- MPS ⇒1- 0.5 = 0.5<br><div align="right">(Marks not to be deducted if working note is not given)</div> | | |
| | | | **4** |
| **16.**<br>**(a)**<br>**(i)** | Distinguish between direct tax and indirect tax with the help of examples.<br>**Ans. Direct taxes are those taxes whose impact and incidence lies on the same entity. In other words, the liability of paying direct taxes can't be shifted. For example: income tax.**<br><div align="center">**Whereas;**</div><br>**Indirect taxes are those taxes whose impact and incidence may lie on different entities. In other words, the liability of paying indirect taxes can be shifted. For example: GST.** | | **1 + ½**<br><br><br><br>**1 + ½** |
| **(ii)** | Explain the 'reallocation of resources' objective of Government Budget.<br>**Ans. Reallocation of resources - Government through its budgetary policies tries to reallocate resources to ensure fulfillment of various socio-economic objectives.**<br>**The government may influence the allocation of resources through:**<br>   • **Taxation policy - Heavy taxes may be imposed on harmful products to discourage their production and subsidies may be provided on the production of socially useful products to encourage their production.**<br>   • **Government may directly undertake production of certain goods and services in the areas where private sector may not be willing to participate in production activities.**<br><div align="right">**(To be marked as a whole)**</div> | | **3** |
| | | | **6** |
| | <div align="center">**OR**</div> | | |
| **(b)**<br>**(i)** | Suppose the following data is presented for an imaginary economy: | | |

| S. No. | Items | Amount (in ₹ crore) |
|---|---|---|
| (i) | Tax Receipts | 1,200 |
| (ii) | Revenue Expenditure | 3,700 |
| (iii) | Non-Tax Receipts | 2,000 |
| (iv) | Recovery of Loans | 145 |
| (v) | Capital Expenditure | 500 |
| (vi) | Disinvestment | 120 |
| (vii) | Interest Payments | 1,070 |

| | | | |
|---|---|---|---|
| | Calculate Revenue Deficit and Fiscal Deficit.<br>**Ans. Revenue Deficit = (ii) – {(i) + (iii)}**<br>                       **= 3,700 – 1,200 – 2,000**<br>                       **= ₹ 500 crore**<br>**Fiscal Deficit = {(ii) + (v)} – {(i) + (iii) + (iv) + (vi)}**<br>               **= 3,700 + 500 – 1,200 – 2,000 – 145 – 120**<br>               **= ₹ 735 crore** | | **1**<br>**½**<br>**½**<br>**1**<br>**½**<br>**½** |
| **(ii)** | Differentiate between public provision and public production.<br>**Ans. Public provision refers to those goods that are financed through the government budget and can be used without any direct payment by public.**<br><div align="center">**Whereas;**</div> | | **1** |

| | | |
|---|---|---|
| | **Public production relates to those goods which are directly produced by the government.** | **1** |
| | | **6** |
| **17.** | Read the following text carefully:<br><br>Decisions taken by factors of production in the production process often may affect the stakeholders indirectly. Such impacts at times are huge but are not accounted for, while estimating national income. Economists call them as externalities and they can be positive or negative.<br><br>In this regard, many economists suggest carbon pricing as an important tool to ensure ecological balance.<br><br>Carbon pricing tries to control greenhouse gas emissions by either placing a fee on emitting or offering subsidies on lesser emission. Through instruments like carbon tax, green cess, eco tax, etc. economists suggest moving towards greener technology eliminating such negative externalities.<br><br>On the basis of the given text and common understanding, answer the following questions: | |
| **(i)** | Define externalities.<br>**Ans. Externalities refer to benefits/harms which are caused by one entity to another without being paid/ penalised for it.** | **1** |
| **(ii)** | Differentiate between positive and negative externalities.<br>**Ans. Positive externalities refer to benefits caused by one entity to another, without being paid for it.**<br>**Whereas;**<br>**Negative externalities refer to the harms caused by one entity to another, without being penalised for it.** | **1**<br><br>**1** |
| **(iii)** | Elaborate how and why carbon pricing should be promoted.<br>**Ans. Carbon pricing should be promoted by either placing a fee on emitting or offering subsidies on lesser emission. Through instruments like carbon tax, green cess, eco tax, etc. economy moves toward greener technology, eliminating negative externalities. Hence, carbon pricing is an important tool to ensure ecological balance.** | **3** |
| | **(To be marked as a whole)** | **6** |

### SECTION – B
### (Indian Economic Development)

| | | |
|---|---|---|
| **18.** | _____ farming is a system that is helpful in restoring, maintaining and enhancing the ecological balance. (Choose the correct alternative to fill in the blank)<br>(A) Conventional (B) Organic<br>(C) Chemical (D) Multi-layered<br>**Ans. (B) Organic** | **1** |
| **19.** | The present day rapid industrial growth in China can be traced back to the economic reforms introduced in 1978, where_____. (Choose the correct alternative to fill in the blank)<br>(i) initially reforms were initiated in agriculture, foreign trade and investment sectors<br>(ii) the policy of dual pricing was adopted<br>(iii) the Government revoked the policy of Special Economic Zones<br>Alternatives:<br>(A) Only (i) (B) only (ii)<br>(C) (i) and (ii) (D) (i), ( ii) and (iii)<br>**Ans. (C) (i) and (ii)** | **1** |

| 20. | During the British rule, India's foreign trade had various features except_____. <br><br> (Choose the correct alternative to fill in the blank) <br> (A) Restrictive policies of commodity production, trade and tariff <br> (B) British monopoly over India's exports and imports <br> (C) Free trade from India to the rest of the world <br> (D) Large export surplus <br> **Ans. (C) Free trade from India to the rest of the world** | 1 |
|---|---|---|
| 21. | Modernization is an important economic planning objective that focuses on _____. <br><br> (Choose the correct alternative to fill in the blank) <br> (i) Adoption of innovative technology <br> (ii) Equal distribution of income and wealth <br> (iii) Bringing positive changes in the social outlook <br> Alternatives: <br> (A) Only (i)                      (B) (i) and (ii) <br> (C) (i) and (iii)             (D) (i), (ii) and (iii) <br> **Ans. (C) (i) and (iii)** | 1 |
| 22. | China was able to control its rapid population growth rate owing to _____ . <br><br> (Choose the correct alternative to fill in the blank) <br> (A) Economic reforms <br> (B) One-Child Policy <br> (C) Great Proletarian Cultural Revolution <br> (D) Special Economic Zones <br> **Ans. (B) One-Child Policy** | 1 |
| 23. | Identify the sources of Human Capital Formation and choose the correct alternative to fill in the blanks. <br><br>  <br><br> Alternatives: <br> (A) Expenditure on Health and Expenditure on Schools <br> (B) Expenditure on Technology and Expenditure on Knowledge <br> (C) Expenditure on Migration and Expenditure on Knowledge <br> (D) Expenditure on Health and Expenditure on Migration <br> **Ans. (D) Expenditure on Health and Expenditure on Migration** | 1 |
| 24. | After the implementation of economic reforms, Pakistan experienced slowdown of growth due to various reasons including _____. <br><br> (Choose the correct alternative to fill in the blank) <br> (i)       Volatile performance of the agriculture sector <br> (ii)      Over-dependence on remittances from abroad <br> (iii)     Political instability <br> Alternatives: <br> (A) (i) and (ii)                  (B) (ii) and (iii) <br> (C) (i), (ii) and (iii)       (D) (i) and (iii) <br> **Ans. (C) (i), (ii) and (iii)** | 1 |

| | | |
|---|---|---|
| 25. | Read the following statements carefully:<br>*Statement 1:* India, Pakistan and China have similar physical endowments, but totally different political systems.<br>*Statement 2:* Both India and Pakistan laid great emphasis on creating a large private sector.<br>In the light of the given statements, choose the correct alternative from the following:<br>(A) Statement 1 is true and Statement 2 is false.<br>(B) Statement 1 is false and Statement 2 is true.<br>(C) Both Statements 1 and 2 are true.<br>(D) Both Statements 1 and 2 are false.<br>**Ans. (A) Statement 1 is true and Statement 2 is false.** | 1 |
| 26. | Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below:<br>*Assertion (A):* In the recent past, Indian economy has been facing the problem of jobless growth.<br>*Reason (R):* Jobless growth refers to a situation where an economy is able to produce more goods and services without generating additional employment.<br>Alternatives:<br>(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).<br>(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).<br>(C)Assertion (A) is true, but Reason (R) is false.<br>(D) Assertion (A) is false, but Reason (R) is true.<br>**Ans. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).** | 1 |
| 27. | From the type of workers given in Column I, identify the correct nature of work in Column II:<br><br>| | Column I | | Column II |<br>|---|---|---|---|<br>| 1. | Cement shop owner | (i) | Regular salaried |<br>| 2. | Construction worker | (ii) | Casual wage workers |<br>| 3. | Civil engineer | (iii) | Self-employed |<br><br>(A) 1-(i); 2-(ii); 3-(iii)         (B) 1-(ii); 2-(i); 3-(iii)<br>(C) 1-(iii); 2-(ii); 3-(i)         (D) 1-(iii); 2-(i); 3-(ii)<br>**Ans. (C) 1-(iii); 2-(ii); 3-(i)** | 1 |
| 28.<br>(a) | "Recently the Government of India launched Jan-Dhan-Yojana."<br>In the light of the given statement, discuss briefly the objectives of this scheme.<br>**Ans. The Government of India launched Jan-Dhan Yojana with an objective to promote thrift habit and efficient allocation of financial resources. The scheme was launched to provide access to financial services to all households in India, especially the underprivileged sections of society and encourage savings among low-income households, thereby fostering economic development.**<br><div align="right">**(To be marked as a whole)**</div><div align="center">**OR**</div> | 3 |
| (b) | "The Government of India has taken various measures to align the agricultural marketing system with the growing production activities in the rural areas.",<br>Do you agree with the given statement? Give any two valid reasons in support of your answer.<br>**Ans. Yes. The Government of India has taken various measures to align the agricultural marketing system such as:** | |

| | | |
|---|---|---|
| | • **For the welfare of farmers as well as consumers, various market regulations were initiated to create orderly and transparent marketing conditions.** | 1½ |
| | • **The government took measures to enhance infrastructural amenities such as roads, railways, warehouses, cold storage facilities, and processing units to meet the growing demand.** | 1½ |
| | | 3 |

**29.** Interpret the given picture and explain any one strategy to control it from becoming an ecological disaster.



**Ans. The given picture illustrates the problem of air pollution caused due to swift industrial development. The release of contaminants like noxious gases, particulate matter, and other substances in the atmosphere leads to health issues and environmental degradation.**   1½

**In order to control air pollution it becomes imperative to switch to cleaner sources of energy. The use of non-conventional sources of energy such as solar power, wind power maintains ecological balance.**   1½

**(Any other valid strategy to be awarded marks)**

Note :
The following question is for the *Visually Impaired Candidates* only, in lieu of Q. No. *29*
State any two strategies to achieve the objective of sustainable development.

**Ans. Two strategies to achieve the objective of sustainable development are:**

- **Use of wind energy: In areas where speed of wind is usually high, windmills can be used to generate electricity without any adverse impact on the environment.**   1½

- **Use of solar energy: With the help of photovoltaic cells/solar panels, solar energy can be converted into electricity. This technology is extremely useful for remote areas and is free from pollution.**   1½

**(Any other valid strategy to be awarded marks)**   3

**30.** On the basis of the data given below, discuss the shift in output and employment sector-wise, in India and China:

**Sectoral share of Employment and GVA (%) in 2018 – 2019**

| *Sector* | *Contribution to GVA* | | | *Distribution of Workforce* | | |
|---|---|---|---|---|---|---|
| | *India* | *China* | *Pakistan* | *India* | *China* | *Pakistan* |
| Agriculture | 16 | 7 | 24 | 43 | 26 | 41 |
| Industry | 30 | 41 | 19 | 25 | 28 | 24 |
| Service | 54 | 52 | 57 | 32 | 46 | 35 |
| **Total** | **100** | **100** | **100** | **100** | **100** | **100** |

Source: Human Development Report 2019: Key Indicators of Asia and Pacific, 2019

**Ans. The given data shows the data pertaining to the sectoral share of employment and Gross Value Added (GVA). Due to topographic and climatic conditions, the**

| | | |
|---|---|---|
| | cultivable area in China is relatively smaller than that of India. Hence, the contribution of the agricultural sector to the GVA in China is 7% employing 26% of its workforce, whereas in India it is 16% employing 43% of its workforce. | 4 |
| | Owing to rapid industrialisation in China, the contribution of the industrial sector to GVA stands at 41% with 28% of the workforce as against corresponding figures of 30% and 25% in India. | |
| | Both the nations have similar contribution of the Service sector to GVA standing at 54% and 52% with corresponding 32% and 46% to the workforce, respectively in India and China. **(To be marked as a whole)** | |
| 31. (a) | Discuss any two factors that lead to stagnating Indian agriculture sector during British rule. | |
| | **Ans. During British rule, the agriculture sector experienced stagnation due to the following factors:** | |
| | • **The colonial government introduced the Land Settlement system. The zamindars used to exploit cultivators by extracting a major portion of the produce in the form of rent leading to misery among the farmers.** | 2 |
| | • **Lack of irrigation facilities and low level of technology contributed to the dismal level of agricultural productivity, which aggravated the plight of the farmers.** **(Any other valid factor to be awarded marks)** | 2 |
| | **OR** | 4 |
| (b) | Discuss any two liberalization measures pertaining to the tax reforms, introduced by the government, during the economic reform process of 1991. | |
| | **Ans. Two liberalization measures pertaining to the tax reforms introduced by the government, during the economic reform process of 1991 were:** | |
| | • **There has been a reduction in taxes as high tax rates were an important reason for tax evasion.** | 2 |
| | • **To encourage better compliance on the part of taxpayers many tax paying procedures have been simplified.** | 2 |
| | | 4 |
| 32. | Discuss any two benefits accruing from human capital formation. | |
| | **Ans. The benefits accruing from human capital formation are:** | |
| | • **Investment in human capital formation enhances efficiency, skill, and capabilities contributing to higher productivity which in turn leads to economic growth.** | 2 |
| | • **Healthy and educated people may provide an uninterrupted labour supply for a long period. Thereby, increasing the income which may improve the quality of life.** | 2 |
| | | 4 |
| 33. (a) (i) | "Amita is a regular worker in a private firm that employs twelve hired workers." | |
| | Is she working in the formal/informal sector? Give valid reasons in support of your answer. | |
| | **Ans. Amita is working in the formal sector.** | 1 |
| | **As formal sector includes all the public sector and private sector establishments that employ 10 hired workers or more.** | 1 |
| (ii) | State any two sources of data on unemployment in India. | |
| | **Ans. Two sources of data on unemployment in India are:** | |
| | • **Reports of Census of India** | ½ |
| | • **National Statistical Office's Reports of Employment and Unemployment Situation** **(Any other valid source to be awarded marks)** | ½ |
| (iii) | Elaborate the need to promote women's education in India. | |

| | | | |
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| | **Ans. Promoting women's education in India is imperative for societal progress and gender equality. Educated women contribute to economic growth by entering the workforce and making informed decisions about their lives. Moreover, educating women makes a favourable impact on the fertility rate and health care of women and children. Hence, investing in women's education uplifts communities and drives sustainable development across India.** (To be marked as a whole) | | **3** |
| | **OR** | | **6** |
| **(b)** **(i)** | "The participation rate of people in economic activities in rural areas is more than that in urban areas." Justify the given statement. **Ans. People in rural areas have limited resources. To earn higher income people participate more in the employment market.** **As compared to rural areas, a large section in the urban areas can attain formal education and have a variety of employment opportunities at their disposal. Thus, people in urban areas look for appropriate job to suit their qualifications and skills. Hence, participation rate of people in economic activities in rural areas is more than that in urban areas.** (To be marked as a whole) | | **3** |
| **(ii)** | Define disguised unemployment. State its implications on output and employment in a country. **Ans. Disguised unemployment refers to a situation when the person seems to be employed but is not contributing to the output i.e., the marginal productivity of labour is zero.** | | **1 ½** |
| | **People who are disguisedly unemployed do not contribute anything to the output. Hence, there is no change in the output and employment in a country.** | | **1 ½** |
| | | | **6** |
| **34.** | Read the following text carefully: India's industrial policy since independence has been shaped broadly in terms of the Industrial Policy Resolution of 1948. It emphasized on the sole responsibility of the government in the matter of promoting, assisting and regulating the development of industries in the national interest. It envisaged an active and dominant role of public sector. The next Industrial Policy Resolution was placed before the Parliament by the Prime Minister on 30th April, 1956. It suggested that, "There is a need for adoption of the socialist pattern of economy as the national objective, along with the need for planned and rapid development. It required that all industries of basic and strategic importance, or in public utility services, should be in the public sector. Other industries which are essential and require investment on a massive scale (which only the State could provide) have also to be in the public sector. Thus, the State has to assume direct responsibility for the future development of industries." This Resolution classifies industries into three categories: <br>• The first category given in Schedule A, consists of industries the future development of which will be the exclusive responsibility of the State. <br>• In the second category given in Schedule B, are industries which will be progressively State-owned. However, in them, private enterprise will also be expected to participate. <br>• The third category comprises all the remaining industries, the further development of which will be left to the initiative and enterprise of the private sector. | | |

| | | |
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| | On the basis of the given text and common understanding, answer the following questions: | |
| **(i)** | "The Government of India, in the initial years of economic development, emphasized on a greater role of the public sector in the industrial development."<br>Justify the statement, giving reasons in support of your answer.<br>**Ans. In the initial years of economic development, the Government of India emphasized on a greater role of the public sector in the industrial development as industrialists did not have the capital to undertake the investment in industrial ventures. The market was not big enough to encourage industrialists to undertake major projects.** **(To be marked as a whole)** | **3** |
| **(ii)** | Outline and discuss the classification of industries into various categories as per Industrial Policy Resolution, 1956.<br>**Ans. Industrial policy Resolution 1956 classifies industries into three categories:**<br>• **The first category given in Schedule A, consists of industries the future development of which will be the exclusive responsibility of the State.**<br>• **In the second category given in Schedule B, are industries which will be progressively State-owned. However, in them, private enterprise will also be expected to participate.**<br>• **The third category comprises all the remaining industries, the further development of which will be left to the initiative and enterprise of the private sector.** | **1**<br><br>**1**<br><br>**1** |
| | | **6** |

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