

Marking Scheme
Strictly Confidential
(For Internal and Restricted use only)
Senior School Certificate Examination, 2024
ECONOMICS (SUBJECT CODE – 030)
(PAPER CODE – 58/1/3)

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 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:- Giving more marks for an answer than assigned to it.</p> <ul style="list-style-type: none"> ● 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. ● Leaving answer or part thereof unassessed in an answer book. ● 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.) ● 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.

MARKING SCHEME

Senior Secondary School Examination 2024

ECONOMICS (Subject Code–030)

[Paper Code : 58/1/3]

Maximum Marks: 80

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks																								
SECTION -A (Macro Economics)																										
1.	Identify the <i>incorrect</i> feature(s) of money supply (M_1) from the following: (i) It is measured at a point of time. (ii) It does not include stock of money held by the government. (iii) It is always the currency in the hands of the Central Bank of a nation. Alternatives: (A) (i) and (ii) (B) (ii) and (iii) (C) (ii) only (D) (iii) only Ans. (D) (iii) only	1																								
2.	Total consumption expenditure by households under Keynesian Economics is a combination of _____ and _____. (Choose the correct alternative to fill in the blanks) (A) Autonomous Consumption, Autonomous Investments (B) Autonomous Investments, Induced Consumption (C) Induced Investments, Autonomous Investments (D) Autonomous Consumption, Induced Consumption Ans. (D) Autonomous Consumption, Induced Consumption	1																								
3.	Find the missing figures and choose the correct alternative: <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="padding: 5px;"><i>Round</i></th> <th style="padding: 5px;"><i>Deposits</i></th> <th style="padding: 5px;"><i>Loans (80%)</i></th> <th style="padding: 5px;"><i>Reserve Ratio (20%)</i></th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">I</td> <td style="padding: 5px;">5000</td> <td style="padding: 5px;">4000</td> <td style="padding: 5px;">..(i)..</td> </tr> <tr> <td style="padding: 5px;">II</td> <td style="padding: 5px;">4000</td> <td style="padding: 5px;">..(ii)..</td> <td style="padding: 5px;">800</td> </tr> <tr> <td style="padding: 5px;">...</td> <td style="padding: 5px;">...</td> <td style="padding: 5px;">...</td> <td style="padding: 5px;">...</td> </tr> <tr> <td style="padding: 5px;">...</td> <td style="padding: 5px;">...</td> <td style="padding: 5px;">...</td> <td style="padding: 5px;">...</td> </tr> <tr> <td style="padding: 5px;">Total</td> <td style="padding: 5px;">..(iii)..</td> <td style="padding: 5px;">..(iv)..</td> <td style="padding: 5px;">5000</td> </tr> </tbody> </table> Alternatives: (A) 1000, 800, 20000, 25000 (B) 5000, 3200, 25000, 20000 (C) 1000, 3200, 25000, 20000 (D) 1000, 800, 20000, 25000 Ans. (C) 1000, 3200, 25000, 20000	<i>Round</i>	<i>Deposits</i>	<i>Loans (80%)</i>	<i>Reserve Ratio (20%)</i>	I	5000	4000	..(i)..	II	4000	..(ii)..	800	Total	..(iii)..	..(iv)..	5000	1
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...																							
Total	..(iii)..	..(iv)..	5000																							
4.	Surplus in Balance of Payments (BOP) refers to the excess of _____. (Choose the correct alternative to fill in the blank) (A) Autonomous payments over Autonomous receipts (B) Current Account payments over Autonomous receipts (C) Capital Account receipts over Capital Account payments (D) Autonomous receipts over Autonomous payments Ans. (D) Autonomous receipts over Autonomous payments	1																								
5.	Suppose for a hypothetical economy: $C = 100 + 0.75Y$ (where C = Consumption and Y = Income)																									

	<p>$I_0 = 400$ ($I_0 =$ Autonomous Investment) Value of Investment Multiplier (K) would be _____. (Choose the correct alternative to fill in the blank)</p> <p>(A) 5 (B) 4 (C) 6 (D) 3</p> <p>Ans. (B) 4</p>	1
6.	<p>Suppose, the Balance of Trade of an imaginary economy shows a favourable balance of ₹ 500 crore. The values of merchandise exports are ₹ 1200 crore and transfer payments are ₹ 400 crore. The value of merchandise imports would be ₹ _____ crore. (Choose the correct alternative to fill in the blank)</p> <p>(A) 1700 (B) 750 (C) 700 (D) 900</p> <p>Ans. (C) 700</p>	1
7.	<p>Read the following statements carefully: <i>Statement 1:</i> If in an economy the level of income increases (ΔY), it will always proportionately increase the level of consumption (ΔC). <i>Statement 2:</i> Marginal Propensity to Consume (MPC) and Marginal Propensity to Save (MPS) are always equal to each other. 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 Statements 1 and 2 are true. (D) Both Statements 1 and 2 are false.</p> <p>Ans. (D) Both Statements 1 and 2 are false.</p>	1
8.	<p>Identify the correct equation from the following: (A) $GDP_{MP} = NNP_{FC} + \text{Depreciation}$ (B) $NDP_{FC} = NNP_{FC} + \text{Net Indirect Taxes}$ (C) $GNP_{MP} = GDP_{MP} + \text{Net Factor Income from Abroad}$ (D) $NNP_{FC} = NDP_{MP} + \text{Depreciation}$</p> <p>Ans. (C) $GNP_{MP} = GDP_{MP} + \text{Net Factor Income from Abroad}$</p>	1
9.	<p>Read the following statements - Assertion (A) and Reason (R). Choose the correct alternative given below: <i>Assertion (A):</i> Full employment situation refers to absence of involuntary unemployment. <i>Reason (R):</i> Under full employment situation, all the willing and able bodied people get employment at the prevailing wage rate. Alternatives: (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, but Reason (R) is <i>not</i> 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. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p>	1
10.	<p>“As per the National Stock Exchange (NSE) data, dated 9th June, 2023, there was a net selling off worth ₹ 309 crore by Foreign Institutional Investors (FIIs) over the period of one month i.e., 9th May, 2023 - 9th June, 2023.”</p>	

	The above mentioned transactions will be recorded on _____ side of _____ account of Balance of Payments of India. (Choose the correct alternative to fill in the blanks) (A) Debit, Current (B) Credit, Capital (C) Credit, Current (D) Debit, Capital Ans. (D) Debit, Capital	1																														
11.	Distinguish between fixed exchange rate system and flexible exchange rate system. Ans. Under the Fixed Exchange Rate System, the foreign exchange rate is fixed by the government. This exchange rate system helps in maintaining stability in the value of the domestic currency vis-à-vis foreign currencies. Whereas; Under the Flexible Exchange Rate System, the foreign exchange rate is determined by the interaction of market forces of demand and supply. Flexible exchange rate keeps fluctuating according to the demand and supply.	1 ½ 1 ½																														
		3																														
12. (a)	On the basis of the data given below for an imaginary economy, estimate the value of Net Domestic Product at Factor Cost (NDP _{FC}): <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>S.No.</th> <th>Items</th> <th>Amount (in ₹crore)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Gross Domestic Fixed Capital Formation</td> <td>400</td> </tr> <tr> <td>(ii)</td> <td>Exports</td> <td>80</td> </tr> <tr> <td>(iii)</td> <td>Government Final Consumption Expenditure</td> <td>500</td> </tr> <tr> <td>(iv)</td> <td>Consumption of Fixed Capital</td> <td>70</td> </tr> <tr> <td>(v)</td> <td>Household Final Consumption Expenditure</td> <td>640</td> </tr> <tr> <td>(vi)</td> <td>Inventory Investment (Net)</td> <td>(-80)</td> </tr> <tr> <td>(vii)</td> <td>Imports</td> <td>90</td> </tr> <tr> <td>(viii)</td> <td>Net Indirect Taxes</td> <td>60</td> </tr> <tr> <td>(ix)</td> <td>Net Factor Income from Abroad</td> <td>50</td> </tr> </tbody> </table> Ans. Net Domestic Product at Factor Cost (NDP_{FC}) = (v)+(iii)+(i)+(vi)+(ii-vii)-(iv)-(viii) =640+500+400+(-80)+(80-90)-70-60 = ₹ 1,320 crore OR	S.No.	Items	Amount (in ₹crore)	(i)	Gross Domestic Fixed Capital Formation	400	(ii)	Exports	80	(iii)	Government Final Consumption Expenditure	500	(iv)	Consumption of Fixed Capital	70	(v)	Household Final Consumption Expenditure	640	(vi)	Inventory Investment (Net)	(-80)	(vii)	Imports	90	(viii)	Net Indirect Taxes	60	(ix)	Net Factor Income from Abroad	50	1½ 1 ½
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		3																														
(b)	Elaborate the concept of Externalities with the help of suitable example.																															
(i)	Ans. Externalities refer to benefits/harms which are caused by one entity to another without being paid/ penalised for it. For example: Newly developed public park (Any other relevant example to be awarded marks)	1 ½ ½																														
(ii)	Define Operating Surplus. Factor income earned in the form of rent, royalties, interest and profits are together called ‘Operating Surplus’.	1																														
		3																														
13. (a)	“In an economy, ex-ante Aggregate Supply is more than ex-ante Aggregate Demand.” Explain its impact on the level of output, income and employment. Ans. In an economy, if ex-ante Aggregate Supply is more than ex-ante Aggregate Demand, it implies that households are planning to consume less than what the firms expected them to. This will lead to an unintended rise in inventories. To restore the desired level of inventories, producers may plan to reduce production. As a result, there may be a decrease in the level of output, employment and income in the economy. (To be marked as a whole)	4																														

OR

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

Income (Y) (in ₹ Crore)	Savings (in ₹ Crore)	Average Propensity to Consume (APC)	Marginal Propensity to Save (MPS)
0	(-) 30	-	-
100	1
200	0.85
300	0.8

Ans.

Income (Y) (in ₹ Crore)	Saving (in ₹ Crore)	Average Propensity to Consume (APC)	Marginal Propensity to Save (MPS)
0	(-) 30	-	-
100	0	1	0.3
200	30	0.85	0.3
300	60	0.8	0.3

Consumption function, $C = \bar{c} + bY$

$$C = 30 + 0.7Y$$

(Alternate answer for which marks may be awarded-Consumption at ₹ 200 crore level of income = ₹ 170)

Working Note:

At an income level of ₹ 200 crore, Marginal Propensity to Save (MPS) = 0.3 and Marginal Propensity to Consume (MPC) = 1- MPS \Rightarrow 1- 0.3 = 0.7

(Marks not to be deducted if working note is not given)

$\frac{1}{2} \times 6$
= 3

1

4

14. Read the following text carefully from 'The Economic Times' dated 8th June, 2023:
The Reserve Bank of India's (RBI's) rate setting panel unanimously decided to keep the benchmark lending rate unchanged at 6.5%. The committee voted to remain focused on the withdrawal of accommodating monetary policy.

On the basis of given text and common understanding, answer the following questions:

- (a) Identify and discuss the economic issue indicated in the above text.

Ans. Inflation in the economy may be the economic issue indicated in the above text.

**The situation of excess demand may be the underlying cause behind the decision taken by the Reserve Bank of India (RBI) to keep the benchmark lending rate unchanged at 6.5%.
(Any other valid economic issue may be awarded marks)**

1

1

- (b) Discuss the likely consequence on money supply if the rate setting panel would have decreased the said rate.

Ans. If the rate setting panel would have decreased the benchmark lending rate, the commercial banks may reduce their lending rates. Consequently, it may encourage the borrowings by the general public leading to an increase in the money supply in the economy.

2

4

15. Justify the following statements with valid arguments:

- (a) Money serves as a 'store of value' in an economy.



	<p>Ans. Money in the form of wealth can be stored easily for future use. Money is the most convenient and economical way to transfer purchasing power from present to future use. It is durable in nature and occupies less space for storage.</p>	2															
(b)	<p>The Central Bank acts as ‘Government’s Bank’ in an economy.</p> <p>Ans. The Central Bank acts as a banker to both central as well as state governments. The Central Bank maintains account, accepts receipts and makes payments for the government and carries out exchange, remittance and other banking operations. It advances credit/loan to the government to meet its requirements in case of crisis.</p>	2															
		4															
16.	<p>Discuss briefly the concept of circular flow of income in a two-sector model.</p>																
(a)	<p>Ans. In a two-sector economy model, households are the owners of factors of production (Land, Labour, Capital, Entrepreneur). Firms combine these factors of production to produce goods and services. They make factor payments (Rent, wages, Interest, Profits) to households, which in turn, are spent by the households on the consumption of final goods and services.</p> <p>Thus, the income earned by the factors of production flows back to the production units in the form of aggregate consumption expenditure. Thereby, completing the circular flow of income.</p> <p style="text-align: right;">(To be marked as a whole)</p>	3															
(b)	<p>“Real Gross Domestic Product (GDP) is a better indicator of economic growth of a nation as compared to the Nominal Gross Domestic Product (GDP).”</p> <p>Do you agree with the given statement? Justify your answer with a valid hypothetical numerical example.</p> <p>Ans. Yes. Real Gross Domestic Product (GDP) is the money value of all the final goods and services produced in the domestic territory of an economy, measured at base year prices. Whereas, Nominal Gross Domestic Product (GDP) is money value of all the final goods and services produced in the domestic territory of an economy, measured at current year prices.</p> <p>For example:</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Year</th> <th>Price (in ₹)</th> <th>Output (in units)</th> <th>Real GDP (P_0Q_1)</th> <th>Nominal GDP (P_1Q_1)</th> </tr> </thead> <tbody> <tr> <td>2010 (Base Year)</td> <td>10</td> <td>100</td> <td>1,000</td> <td>1,000</td> </tr> <tr> <td>2011 (Current Year)</td> <td>15</td> <td>100</td> <td>1,000</td> <td>1,500</td> </tr> </tbody> </table> <p>Real GDP is a better indicator to make comparison in terms of physical output and it eliminates the effect of price change.</p> <p style="text-align: right;">(To be marked as a whole)</p>	Year	Price (in ₹)	Output (in units)	Real GDP (P_0Q_1)	Nominal GDP (P_1Q_1)	2010 (Base Year)	10	100	1,000	1,000	2011 (Current Year)	15	100	1,000	1,500	3
Year	Price (in ₹)	Output (in units)	Real GDP (P_0Q_1)	Nominal GDP (P_1Q_1)													
2010 (Base Year)	10	100	1,000	1,000													
2011 (Current Year)	15	100	1,000	1,500													
		6															
17.	<p>Classify the following as Revenue receipts or Capital receipts. Give valid arguments in support of your answer:</p>																
(a)	<p>(i) Interest received on loan.</p> <p>(ii) Disinvestment receipts from the sale of a government company.</p> <p>(iii) Financial assistance by the Government of USA for promoting girl education in India.</p> <p>Ans.</p> <p>(i) Interest received on loan is a revenue receipt because it neither creates any liability nor causes a reduction in assets of the government.</p>	2															

(ii) Disinvestment receipts from sale of a government company are capital receipts as it causes a reduction in assets of the government.

2

(iii) Financial assistance by the Government of USA for promoting girl education in India is a revenue receipt as it neither creates any liability nor causes a reduction in assets of the government.

2

OR

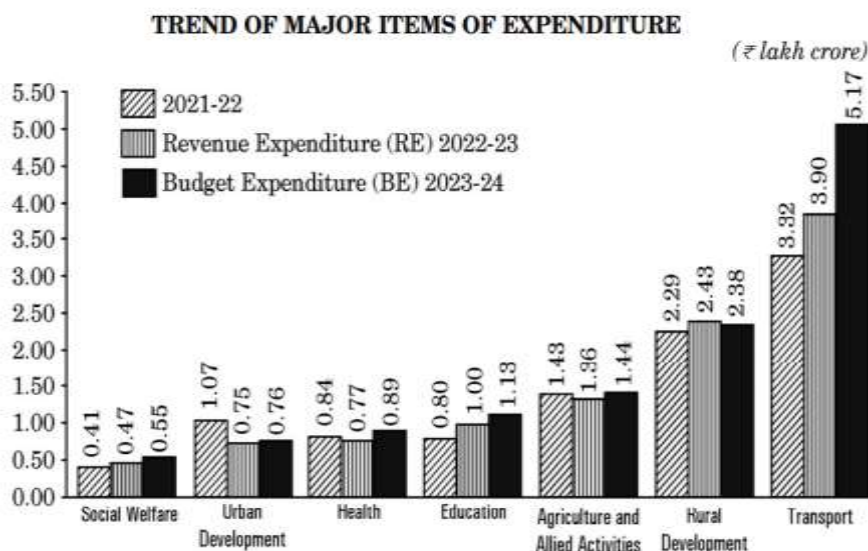
6

(b) Study the following chart carefully and analyse the changing trends in the government expenditure on:

(i)

(I) Urban Development

(II) Rural Development



Ans. As indicated in the given chart:

(I) Urban Development: The expenditure on urban development accounted for ₹ 1.07 lakh crore in the year 2021-22. In the year 2022-23, revenue expenditure of ₹ 0.75 lakh crore was allocated for this sector. Out of the total budget expenditure in the year 2023-24, ₹ 0.76 lakh crore was allocated for the development of this sector.

2

(II) Rural Development: In the year 2021-22, the expenditure on rural development accounted for ₹ 2.29 lakh crore. In the year 2022-23, of the total revenue expenditure ₹ 2.43 lakh crore was allocated for rural development. ₹ 2.38 lakh crore was allocated for the development of rural sector from the total budget expenditure in the year 2023-24.

2

(b) Distinguish between 'fiscal deficit' and 'primary deficit'.

(ii) Ans. Fiscal deficit refers to excess of the government's total expenditure over its total receipts excluding borrowing for a fiscal year.

1

Whereas;

Primary Deficit refers to the difference between fiscal deficit and interest payments

1

Note: The following question is for the *Visually Impaired Candidates* only in lieu of Q. No. 17 b (i).

Explain the stabilisation function of the Government Budget.

Ans. If an economy is facing fluctuations in income, employment and prices (inflation/deflation), the government may push for correction of the situation using budgetary (taxes/public expenditure) policies. The same may be undertaken by working on the level of Aggregate Demand, relating to the spending decisions of households and firms.

4

(To be marked as a whole)

6



SECTION – B
(Indian Economic Development)

18.	<p>In the decade of the 1970s, Pakistan nationalized its _____ industries. (Choose the correct alternative to fill in the blank)</p> <p>(A) Medical infrastructure (B) Consumer goods (C) Capital goods (D) Foreign trade</p> <p>Ans. (C) Capital goods</p>	1
19.	<p>Read the following statements carefully: <i>Statement 1:</i> Under the colonial rule, basic infrastructure (like railways, post and telegraph etc.) was developed. <i>Statement 2:</i> The real motive behind the infrastructural development in India was to strengthen the British interests.</p> <p>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 Statements 1 and 2 are true. (D) Both Statements 1 and 2 are false.</p> <p>Ans. (C) Both Statements 1 and 2 are true.</p>	1
20.	<p>Identify which of the following alternatives indicate the <i>incorrect</i> components combination of Agriculture Marketing System:</p> <p>(A) Assembling, Storage, Processing, Packaging (B) Production, Assembling, Processing, Grading (C) Assembling, Processing, Packaging, Transportation (D) Processing, Packaging, Grading, Distribution</p> <p>Ans. (B) Production, Assembling, Processing, Grading</p>	1
21.	<p>Read the following statements- Assertion (A) and Reason (R). Choose the correct alternative given below: <i>Assertion (A):</i> World Trade Organization (WTO) is expected to establish the rule-based trading regime, to avoid unilaterally placed arbitrary restrictions by member nations. <i>Reason (R):</i> It is imperative to enlarge world production and ensure optimum utilization of world resources along with environmental protection.</p> <p>Alternatives: (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, but Reason (R) is <i>not</i> 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. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p>	1
22.	<p>Read the following statements- Assertion (A) and Reason (R). Choose the correct alternative given below: <i>Assertion (A):</i> China has used the market mechanism to create additional social and economic opportunities for its citizens. <i>Reason (R):</i> Social infrastructure creation by the government has brought positive results in human development indicators in China.</p> <p>Alternatives:</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, but Reason (R) is <i>not</i> 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> <p>Ans. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p>	1
28.	<p>“In India, National Education Policy 2020 has stressed a lot on in-service training of the teachers.”</p> <p>(i) Identify the source of Human Capital Formation (HCF) indicated in the aforesaid statement. Ans. On-the-job training is the source of Human Capital Formation (HCF) indicated in the aforesaid statement.</p> <p>(ii) Elaborate the likely impacts of this source on the economic development of India. Ans. On-the-job training has become an integral part of work environment in the recent times as it enhances the productive capacity of employees. It enables employees to develop skills and adapt to modern technologies. As a result of on-the-job training, an employee is likely to contribute more productively leading to the economic development of India.</p>	1 2
		3
29.	<p>“During the colonial period the agricultural sector showed massive stagnation.”</p> <p>(a) Do you agree with the given statement. Justify your answer with valid arguments. Ans. During British rule, the agriculture sector showed massive stagnation due to the following reasons:</p> <ul style="list-style-type: none"> • 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. • Lack of irrigation facilities and low level of technology contributed to the dismal level of agricultural productivity, which added up to aggravate the plight of the farmers. <p style="text-align: right;">(To be marked as a whole) (Any other valid reason to be allotted marks) OR</p> <p>(b) Elaborate the reasons owing to which the private sector was regulated under the Industrial Policy Resolution, 1956. Ans. The Industrial Policy Resolution, 1956 regulated the private sector through a system of licenses. This policy aimed at achieving regional equality. The government made it relatively easier to obtain an industrial license, for industrial units to be established in economically backward areas. Moreover, to ensure judicious use of resources owned by the private sector, licenses were needed for expanding/diversifying output by existing industrial units. (To be marked as a whole)</p>	3 3
30.	<p>(a) State any two advantages of micro-credit system of financing in rural areas of India. Ans. Two advantages of micro-credit system of financing in rural areas of India are:</p> <ul style="list-style-type: none"> • Women empowerment • Easy availability of credit (Any other valid advantage to be awarded marks) 	1/2 1/2

(b)	<p>“In the current situation, Information Technology plays a vital role in achieving food security in a nation like India.” Justify the given statement.</p> <p>Ans. In India, Information Technology (IT) plays a crucial role as government can predict areas of food insecurity and vulnerability using appropriate information and software tools. It helps in disseminating information regarding emerging technologies and their applications, prices, weather and soil conditions for growing different crops etc. Hence, IT plays a vital role in achieving sustainable development and food security in a nation like India.</p> <p style="text-align: right;">(To be marked as a whole)</p>	<p style="text-align: center;">3</p> <hr/> <p style="text-align: center;">4</p>
31. (a)	<p>“United Nations Department of Economic and Social Affairs indicated that India has overtaken China as the world’s most populous country in the month of April 2023.” Explain the consequences of one-child policy adopted by China in the 1970s.</p> <p>In the late 1970’s, owing to the population explosion and the subsequent socio-economic concerns, China adopted the One Child Norm. This policy led to a sharp decline in its population growth rate. In addition to this, the sex ratio declined. Furthermore, the implementation of the one-child norm led to increase in the population of elderly people in proportion to young people.</p>	<p style="text-align: center;">2</p>
(b)	<p>Discuss the impacts of Special Economic Zones (SEZs) on the economic growth of China.</p> <p>Ans. The setting up of Special Economic Zones (SEZs) in China led to a substantial increase in foreign direct investment in the economy. With the massive inflow of foreign capital and technology in China, the productive capacity increased thereby contributing to the rapid economic growth of China.</p>	<p style="text-align: center;">2</p> <hr/> <p style="text-align: center;">4</p>
32. (a)	<p>State and elaborate whether the following statements are <i>true</i> or <i>false</i>, with valid arguments:</p> <p>(i) In the recent past, the Government of India has taken crucial steps, like Jan-Dhan Yojana, for efficient allocation of financial resources.</p> <p>Ans. True, the Government of India has implemented schemes like Jan-Dhan Yojana, which has promoted thrift habits and efficient allocation of financial resources. The formal banking system has been benefitted by mobilization of a substantial amount under this yojana.</p>	<p style="text-align: center;">2</p>
(ii)	<p>Worker-population ratio is an indicator, used for analyzing the employment situation in a nation.</p> <p>Ans. True. Worker-population ratio is useful in knowing the proportion of population that is actively contributing to the production of goods and services of a country. If the ratio is higher, it means that a greater number of people are employed and vice versa.</p>	<p style="text-align: center;">2</p> <hr/> <p style="text-align: center;">4</p>
OR		
(b)	<p>Elaborate the need to promote women’s education in India.</p> <p>(i) 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.</p>	<p style="text-align: center;">3</p>
(ii)	<p>Mention any two examples of diversification activities in the non-agro processing industries.</p> <p>Ans. Examples of diversification activities in the non-agro processing industries are:</p>	

	<ul style="list-style-type: none"> • Fisheries • Animal Husbandry <p>(Any other valid example to be awarded marks)</p>	<p>1/2</p> <p>1/2</p> <p>4</p>
33.	<p>“Under the liberalisation measures taken by the Government of India, Trade and Investment Policy reforms were extremely crucial.”</p> <p>(a)</p> <p>(i) Reject or support the given statement with valid arguments.</p> <p>Ans. The given statement is supported. Trade and Investment Policy of India were extremely crucial and had undergone comprehensive changes in the post reforms period of 1991. Liberalisation of this policy led to an increase in international competitiveness of industrial production and inflow of foreign investments and technology. These policy reforms aimed at dismantling the structure of quantitative restrictions, reducing tariffs and relaxation in licensing procedure in foreign trade. Export duties were rationalised with an objective to promote exports of Indian goods in international markets. (To be marked as a whole)</p> <p>(ii) “Despite the implementation of Green Revolution, 65 per cent of India’s population continued to be engaged in the agriculture sector till the 1990s.”</p> <p>Justify the given statement with valid explanation.</p> <p>Ans. Some economists argue that Green Revolution did not make much impact on the occupational structure of the country, as 65% of India’s population continued to find its livelihood in agriculture. A major reason for this fairly large proportion of population in agricultural sector as the industrial and service sector were not able to absorb the people working in the agricultural sector. (To be marked as a whole)</p> <p style="text-align: center;">OR</p> <p>(b)</p> <p>(i) “Every coin has two sides - debate over farm subsidies is one such classic example of the same.”</p> <p>Justify the given statement with two arguments each in favour of and against the continuation of the farm subsidies.</p> <p>Ans. The introduction of farm subsidies had been an opinionated step taken by the Government of India.</p> <p>Arguments in favour of continuing farm subsidies:</p> <ul style="list-style-type: none"> • Eliminating subsidies may increase inequalities of income between rich and poor farmers. • Most farmers (small and marginal) may not be able to afford expensive agricultural inputs without subsidies. <p>Arguments against farm subsidies:</p> <ul style="list-style-type: none"> • It is often argued that farm subsidies have helped the fertilizer industry much more than helping the needy farmers. • Economists argue that subsidies are a huge burden on government’s finances. <p>(ii) State the importance of “Growth with equity” as the objective of Indian economic planning.</p> <p>Ans. For a nation, both growth of Gross Domestic Product (GDP) and equity in distribution of income are equally important. Growth refers to an increase in a country’s capacity to produce goods and services. Equity refers to reductions in inequality of income and wealth.</p> <p>Growth with equity ensures that the fruits of economic development are enjoyed by all sections of society equitably. Hence, achieving equitable growth is an important objective that was taken into consideration in the Indian economic planning.</p>	<p>3</p> <p>3</p> <p>6</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>2</p> <p>6</p>

