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

Maximum Marks: 80

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
	SECTION -A **(Macro Economics)**	
1.	In order to discourage any fall in Aggregate Demand, the Government of India may _____ the _____ (Choose the correct alternative to fill in the blanks) (A) decrease, repo rate (B) increase, reverse repo rate (C) decrease, government expenditure (D) decrease, tax rate **Ans. (D) decrease, tax rate**	1
2.	Choose the correct alternative to complete the given schedule :	

Round	Deposits	Loans (90%)	Reserve Ratio (10%)
I	2000	1800	200
II	...(i)...	...(ii)...	180
...	...	...	...
...	...	...	...
Total	...(iii) ...	...(iv) ...	2000

Alternatives:
(A) 2000, 1620, 20000, 18000   (B) 1800, 180, 2000, 18000
(C) 1620, 180, 2000, 18000   (D) 1800, 1620, 20000, 18000
Ans. (D) 1800, 1620, 20000, 18000

		1

3.	Identify the correct pair of statements given in Column I with the related terms in Column II:	

	Column I		*Column II*
1.	Remittances from abroad to the nation	(i)	Accommodating Transaction
2.	Government's policy of decreasing the value of the nation's currency against foreign currencies	(ii)	Devaluation
3.	Difference between visible exports and visible imports of a nation	(iii)	Balance of Payments
4.	Government as sole authority of determining foreign exchange rates	(iv)	Flexible Exchange Rate System

Alternatives:
(A)1 → (i)   (B) 2 → (ii)
(C) 3 → (iii)   (D) 4 → (iv)
Ans. (B) 2 → (ii)

		1

| 4. | Read the following statements carefully:
 Statement 1: Constant rate of change of consumption (ΔC) with respect to change in income (ΔY), is the reason for the straight line consumption curve.
 Statement 2: Marginal rate of change between consumption and income is defined as Average Propensity to Consume (APC).
 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. **Ans. (A) Statement 1 is true and Statement 2 is false.**	**1**
5.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below: *Assertion (A):* In case of an unfavourable Balance of Trade, the Current Account of the nation may be in surplus. *Reason (R):* Net invisible receipts of a nation can exceed the Net visible receipts. Alternatives: (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of the Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is ***not*** the correct explanation of the Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. **Ans. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of the Assertion (A).**	**1**
6.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below: *Assertion (A):* Voluntarily unemployed people are those able bodied people who are not willing to work at the prevailing wage rate. *Reason (R):* There exists zero involuntary unemployment at full employment level of equilibrium. Alternatives: (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of the Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is ***not*** the correct explanation of the Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. **Ans. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the Assertion (A).**	**1**
7.	Identify which of the following statements is ***incorrect*** with reference to an economy. (A) Excess of Gross National Product (GNP) over Gross Domestic Product (GDP) is possible. (B) Excess of Gross Domestic Product (GDP) over Gross National Product (GNP) is possible. (C) Equality between Gross National Product (GNP) and Gross Domestic Product (GDP) is possible. (D) Sum of Gross National Product (GNP) and Gross Domestic Product (GDP) is always equal to zero (0). **Ans. (D) Sum of Gross National Product (GNP) and Gross Domestic Product (GDP) is always equal to zero (0).**	**1**
8.	Inflationary gap in an economy may exist when _____ at full employment level. (Choose the correct alternative to fill in the blank) (A) Actual Aggregate Demand > Potential Aggregate Demand (B) Actual Aggregate Demand < Potential Aggregate Demand (C) Actual Aggregate Demand ≤ Potential Aggregate Demand (D) Actual Aggregate Demand = Potential Aggregate Demand **Ans. (A) Actual Aggregate Demand > Potential Aggregate Demand**	**1**
9.	According to the Reserve Bank of India's (RBI's) Statistical Supplement released on 19th May, 2023: "India's foreign exchange reserves grew for the third straight week and reached near an approximate level of $ 600 billion." The above situation will _____ the _____ side of Balance of Payments account of India. (Choose the correct alternative to fill in the blanks)	

	(A) Increase, Credit (B) Decrease, Credit (C) Decrease, Debit (D) Increase, Debit	
	Ans. (D) Increase, Debit	1
10.	Read the following statements carefully: *Statement 1:* Reserve ratio and Credit creation process are inversely related. *Statement 2*: Central Bank of an economy performs the vital function of controlling the credit creation process. In 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. **Ans. (C) Both Statements 1 and 2 are true.**	1

11.
(a) On the basis of the given data, estimate the value of National Income:

S.No.	Items	Amount (in ₹ crore)
(i)	Government Final Consumption Expenditure	110
(ii)	Private Final Consumption Expenditure	200
(iii)	Gross Domestic Fixed Capital Formation	30
(iv)	Net Exports	(-) 40
(v)	Increase in stock	20
(vi)	Consumption of Fixed Capital	15
(vii)	Indirect Taxes	60
(viii)	Subsidies	15
(ix)	Net Factor Income from Abroad	(-) 40

Ans. National Income (NNP$_{FC}$) = (ii) + (i) + (iii) + (v) + (iv) - (vi) − {(vii) - (viii)} + (ix)   1 ½
                                   = 200 + 110 + 30 + 20 + (-40) - 15 - 60 + 15 + (-40)   1
                                   = ₹ 220 crore   ½

OR   3

(b) State any three precautions to be taken while estimating National Income by Value Added Method.

Ans. Three precautions to be taken while estimating National Income by Value Added Method are:
- **Value of intermediate goods should not be included.**   1
- **Sale and purchase of second-hand goods should not be included.**   1
- **Sale and purchase of financial instruments (shares, bonds, debentures etc.) should not be included.**   **(Any other valid precaution to be awarded marks)**   1

   3

12. Discuss any two factors which directly affect the demand for foreign exchange of a nation.

Ans. Two factors which directly affect the demand of foreign exchange of a nation are:
- **Imports: When a country imports goods and services, it needs to pay for these imports in the foreign currency. Therefore, higher imports result in higher demand for foreign exchange.**   1 ½
- **Investments abroad: When domestic investors make investments abroad, the payment is to be made in the foreign currency. This increases the demand for foreign exchange.**   **(Any other valid factor/explanation to be awarded marks)**   1 ½

   3

13.
(a) For a hypothetical economy, the government incurs an additional investment expenditure of ₹ 5,000 crore. Assuming that the Marginal Propensity to Save (MPS) becomes half from its present level of 20%, estimate the change in income due to this fall in Marginal Propensity to Save (MPS).

Ans. Given, Change in Investment (ΔI) = ₹ 5,000 crore

MPS	Investment Multiplier $K = \frac{1}{MPS}$	Change in Income (ΔY) $\Delta Y = K \times \Delta I$ (₹ in crore)	
0.20	$\frac{1}{0.2} = 5$	$5 \times 5,000 = 25,000$	1
0.10 ($\frac{1}{2} \times 20\%$)	$\frac{1}{0.1} = 10$	$10 \times 5,000 = 50,000$	1

Hence, with the change in MPS from 0·20 to 0·10,
Increase in Income (ΔY) = 50,000 – 25,000 = ₹ 25,000 crore — 1

(b) State the meaning of autonomous investment.
Ans. Investments which are independent of the level of income in an economy, are known as Autonomous Investment. — 1

— 4

14. Elaborate the two components of Aggregate Supply in a two-sector economy.
Ans. In a two-sector economy, Aggregate Supply comprises of:
● **Consumption (C): It refers to the total value of final goods and services that the household sector is planning to buy, during a given period of time. There exists a direct relationship between Consumption (C) and Income (Y).** — 2
● **Savings (S): Savings is that part of income which is not consumed. There exists a direct relationship between Savings (S) and Income (Y).** — 2

— 4

15.
(a) "Open Market Operations by Reserve Bank of India (RBI) help in regulating money supply in the economy."
Justify the given statement with valid arguments.
Ans. The Reserve Bank of India (RBI) can regulate the money supply in the economy by the sale/ purchase of government securities in the open market.
When RBI sells government securities, the availability of funds with commercial banks reduces, which in turn curtails their lending capacity. Consequently, the money supply in the economy falls.
On the contrary, when RBI buys government securities, the availability of funds with commercial banks rises, which in turn increases their lending capacity. Consequently, the money supply in the economy rises. (To be marked as a whole) — 4

OR

(b) Elaborate the "Banker's Bank" function of the Central Bank of a nation.
Ans. The Central Bank 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.
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. (To be marked as a whole) — 4

16.
(a)
(i) Explain the concept of circular flow of income in a two-sector economy.
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.
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. (To be marked as a whole) — 3

(ii) "Gross Domestic Product (GDP) and sum of Gross Value Added (GVA) in an economy are always equal."
Justify the given statement with valid arguments.

	Ans. Gross Domestic Product (GDP) measures the market value of all the final goods and services produced within the domestic territory of a country, during an accounting year. **Gross Value Added (GVA)** measures the value addition by each production unit in an economy, during an accounting year. Therefore, the sum of Gross Value Added (GVA) by the three sectors is always equal to the Gross Domestic Product of the economy. **(To be marked as a whole)**	3
	OR	6
(b) **(i)**	"Gross Domestic Product (GDP) Deflator is represented by the ratio of Real GDP and Nominal GDP." Do you agree with the given statement? Justify your answer with valid arguments and a hypothetical numerical example. **Ans. No. GDP deflator is the ratio of Nominal GDP to Real GDP.**	1

Year	Price (in ₹)	Output (in units)	Real GDP	Nominal GDP	GDP Deflator $\frac{\text{Nominal GDP}}{\text{Real GDP}}$ x 100
2010	10	100	1,000	1,000	$\frac{1,000}{1,000}$ x 100 = 100
2015	15	100	1,000	1,500	$\frac{1,500}{1,000}$ x 100 = 150

	As indicated in the above example, the value of GDP is changing due to change in the prices only, the volume of output being unchanged. **(Any other valid example to be awarded marks)**	3
(ii)	State the meaning of 'Income from Property and Entrepreneurship'. **Ans. Factor income earned in the form of rent, royalties, interest and profits are together called 'Income from Property and Entrepreneurship'**	2
		6

17. **(a)**	On the basis of the given information, calculate the values of the following: (i) Fiscal Deficit (ii) Primary Deficit	

S. No.	Items	Amount (in ₹ crore)
(i)	Capital Expenditure	60
(ii)	Revenue Receipts	50
(iii)	Revenue Deficit	55
(iv)	Interest Payments	20
(v)	Non - Debt Creating Capital Receipts	50% of Revenue Receipts

	Ans. Non- Debt Creating Capital Receipts = 50% of Revenue Receipts <center>$= \frac{50}{100}$ **x 50 = ₹ 25 crore**</center>	½
	Fiscal Deficit = (iii) + (i) - Non-Debt Creating Capital Receipts	½
	<center>**= 55 + 60 - 25**</center>	½
	<center>**= ₹ 90 crore**</center>	½
	Primary Deficit = Fiscal Deficit – (iv)	½
	<center>**= 90 – 20 = ₹ 70 crore**</center>	½
(b)	State any two examples of public goods. **Ans. Examples of public goods are:**	
	• **National Defence**	½
	• **Public parks**	½
	<center>**(Any other valid example to be awarded marks)**</center>	
(c)	Distinguish between 'Public Provision' and 'Public Production'. **Ans. Public provision refers to those goods that are financed through the government budget and can be used without any direct payment by public.**	1

		Whereas;	
		Public production relates to those goods which are directly produced by the government.	**1**
			6

SECTION – B
(Indian Economic Development)

18.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative given below: *Assertion (A):* Goods and Services Tax (GST) was implemented by the Government of India on 8th November, 2016. *Reason (R):* GST was introduced to implement a unified indirect tax system in India. Alternatives: (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of the Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is *not* the correct explanation of the Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. **Ans. (D) Assertion (A) is false, but Reason (R) is true.**	**1**
19.	Identify which of the following is *not* a member nation of G20. (A) Argentina (B) Australia (C) Brazil (D) Bangladesh **Ans. (D) Bangladesh**	**1**
20.	Production of varied forms of crops against one specialised crop is called diversification of _____. (Choose the correct alternative to fill in the blank) (A) sectoral occupation (B) employment structure (C) crops (D) industrial production **Ans. (C) crops**	**1**
21.	Identify which of the following is *not* a Human Development Indicator (HDI). (A) Life Expectancy at Birth (B) Adult Literacy Rate (C) Maternal Mortality Rate (D) Unemployment **Ans. (D) Unemployment**	**1**
22.	Read the following statements carefully: *Statement 1:* Human development is based on the idea that education and health are integral to human well-being. *Statement 2:* Human capital treats humans as a means to an end. In 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. **Ans. (C) Both Statements 1 and 2 are true.**	**1**
23.	On the basis of the data given below, identify the *incorrect* statement with reference to annual growth of GDP (%):	

Annual Growth of Gross Domestic Product (%), 1980 - 2017

Country	1980 - 90	2015 - 2017
India	5.7	7.3
China	10.3	6.8
Pakistan	6.3	5.3

Alternatives:
(A) Pakistan and China experienced a fall in growth rate during 2015-17.

	(B) China achieved double-digit growth rate in 1980-1990. (C) GDP of India accelerated moderately in 2015-2017 period. (D) Pakistan was ahead of India during 1980-2017 in terms of GDP. **Ans. (D) Pakistan was ahead of India during 1980-2017 in terms of GDP.**	**1**
24.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below: *Assertion (A):* The agricultural sector under the British rule was primarily the base of the sectoral growth of India *Reason (R):* British rulers wanted to take maximum advantage of the Indian agricultural output, for growth of industries in England. Alternatives: (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of the Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is *not* the correct explanation of the Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. **Ans. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the Assertion (A).**	**1**
25.	Identify which of the following alternatives are *not* true with reference to the Chinese economy. (i) In 1958, communes were established. (ii) In the foreign sector, Special Economic Zones (SEZ) were set up. (iii) Better health facilities reduced mortality rate in China. Alternatives: (A) (i) and (ii) (B) (ii) and (iii) (C) (i), (ii) and (iii) (D) (i) and (iii) **Ans. One mark to be awarded to all the candidates attempting the question**	**1**
26.	Which of the following is/are *not* an objective of regulated agricultural market? (i) To discourage improvement of marketing infrastructure for farmers. (ii) To make marketing systems efficient and effective for farmers to get best price for their products. (iii) To discourage farmers to improve the quantity and quality of their produce. Alternatives: (A) (i) and (iii) (B) (ii) and (iii) (C) (i) only (D) (ii) only **Ans. (A) (i) and (iii)**	**1**
27.	Read the following statements carefully: *Statement 1:* Land ceiling was one of the Government policies to promote equity in the agriculture sector. *Statement 2:* Land reforms resulted in abolition of the Zamindari system in the post independence period. In 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. **Ans. (C) Both Statements 1 and 2 are true.**	**1**

28.	"In India, National Education Policy 2020 has stressed a lot on in-service training of the teachers."	
(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.**	**1**
(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.**	**2**
		3
29. (a)	Discuss any two salient features of Indian industrial sector during the period of 1950-1990. **Ans. Two salient features of Indian Industrial Sector during the period of 1950-1990 are:**	
	• **Public sector was assigned a predominant role in the process of industrial development of the economy.**	**1 ½**
	• **Small scale industries were promoted with an objective to generate employment opportunities in the economy.**	**1 ½**
	(Any other valid feature to be awarded marks)	
	OR	**3**
(b)	Describe any two purposes for the founding of World Trade Organisation (WTO) in 1995. **Ans. World Trade Organisation (WTO) was founded in 1995 to:**	
	• **administer all multilateral trade agreements by providing equal opportunities to all countries in the international market for trading purposes.**	**1 ½**
	• **establish a rule-based trading regime in which nations cannot place arbitrary restrictions on trade.**	**1 ½**
	(Any other valid purpose to be awarded marks)	
		3
30.	From the given data, compare and analyse India and China's sectoral contribution towards Gross Value Added (GVA).	

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
Services	54	52	57	32	46	35
Total	**100**	**100**	**100**	**100**	**100**	**100**

Ans. The given data shows the sectoral contribution in Gross Value Added (GVA) of India and China. In China, due to topographic and climatic conditions, the cultivable area is relatively smaller to that of India. Hence, the contribution of the agricultural sector to the GVA in China is 7%, whereas in India it is more than double to that of China i.e. 16%.
Owing to rapid industrialisation in China, the contribution of industries to GVA stands at 41% as against 30% in India. In both the countries, India and China, service sector contributes highest share of GVA at 54% and 52% respectively.

(To be marked as a whole) — **4**

31.	Study the given image carefully: Identify the situation depicted in the image and suggest the impact of the indicated situation in the Indian economy.	

Ans. The given image represents the situation of employment in informal sector.
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.
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. **(To be marked as a whole)**

Note: The following question is for the *Visually Impaired Candidates* only in lieu of Q. No. **31.**
"It is necessary to generate employment in the formal sector rather than in the informal sector."
Justify the given statement.
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.
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. **(To be marked as a whole)**

32. **(a)** **(i)**	State and elaborate whether the following statements are *true* or *false*, with valid arguments: In the recent past, the Government of India has taken crucial steps, like Jan-Dhan Yojana, for efficient allocation of financial resources. **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.**	2
(ii)	Cooperatives play a vital role in the credit availability in rural India. **Ans. True. Cooperatives play a pivotal role in the availability of credit in rural India. They offer accessible financial services to farmers, small businesses, and individuals, bridging gaps left by formal banking institutions. With lower transaction costs, resource pooling and risk-sharing, they provide vital credit support, empowering rural communities and fostering economic growth.**	2
	OR	4
(b) **(i)**	Define worker - population ratio and describe its usefulness. **Ans. Worker Population Ratio is defined as the total number of workers in a country divided by population. It is represented in percentage.**	1
	Worker Population Ratio is an indicator which is used for analysing the employment situation in the country. This ratio is useful in knowing the proportion of population that is actively contributing to the production of goods and services of a country. Higher the worker population ratio, higher the engagement of people in economic activities and vice versa.	2

(ii)	State the meaning of 'Disguised Unemployment'. **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	
			4

33. **(a)** **(i)**	"India's inward looking trade policy during the post independence period was well supported by various tariff and non-tariff barriers." Do you agree with the given statement? Justify your answer with valid arguments. **Ans. Yes. India's inward looking trade policy focused on promoting domestic production and reducing reliance on imports. This was achieved through the imposition of tariffs on imported goods, making imports expensive and thereby reducing their demand in the domestic market. Furthermore, non-tariff barriers were levied to restrict the quantity of imported goods, with an aim to shield the domestic firms from foreign competition.** **(To be marked as a whole)**	3	
(ii)	"Navratna policy has facilitated the maintenance, promotion and disinvestment of Public Sector Undertakings (PSUs)." Justify the given statement with valid explanation. **Ans. In the post-reform period, Government of India devised Navratna Policy for Public Sector Undertakings (PSUs) with an objective to improve efficiency, infuse professionalism and enable them to compete more effectively in the liberalised global environment. Under this policy, the government partly disinvested some PSUs. However, some PSUs were granted greater managerial and operational autonomy and allowed PSUs to raise resources by themselves from financial markets.** **(To be marked as a whole)**	3	
	OR		6
(b) **(i)**	"Every coin has two sides - debate over farm subsidies is one such classic example of the same." Justify the given statement with two arguments each in favour of and against the continuation of the farm subsidies. **Ans. The introduction of farm subsidies had been an opinionated step taken by the Government of India.** **Arguments in favour of continuing farm subsidies:** • **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.** **Arguments against farm subsidies:** • **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.**	3	
(ii)	"Suez Canal was used as a highway between India and Britian." Justify the given statement with valid arguments. **Ans. Opening of the Suez Canal provided a direct and shorter trade route for ships operating between Britain and India and avoided the need to sail around Africa. It intensified British control over India's foreign trade as it reduced the cost of transportation and made access to the Indian market easier. Hence, the Suez Canal was used by the colonial government as a highway to transport goods between India and Britain.** **(To be marked as a whole)**	3	
			6

34.	Read the following text carefully:	
	In the contemporary world with a lot of sustainable development concerns, green growth, and net zero emissions are two important concepts which are generally discussed together. These two concepts are essential for the future of the Earth, as by working together on them we can create a more sustainable future for ourselves and for the generations to come.	
	Green growth refers to, "the economic growth that is achieved in a way that minimizes environmental impact", whereas, "net zero emission is the state of achieving balance between anthropogenic emission of greenhouse gases and removal of such emissions from the atmosphere."	
	There exists a robust connection between the two concepts:	
	(1) Green growth can help to reduce greenhouse gas emissions, which is essential for achieving net zero emissions.	
	(2) Green growth can help to create jobs and boost economic growth, which can help to make it more affordable for countries to invest in net zero emissions technology.	
	A nation can do a lot to promote these two factors together, like:	
	(a) Investing in renewable energy sources which do not produce greenhouse gases.	
	(b) Adopting energy efficient measures, such as insulation and other such appliances which can help to reduce energy consumption.	
	(c) Altering transportation habits, like adopting walking, biking and using public transportation as they are lower-carbon ways to travel.	
	On the basis of the given text and common understanding, answer the following questions:	
(i)	State the meaning of green growth and net zero emissions.	
	Ans. Green growth refers to the economic growth that is achieved in a way that minimizes environmental impact.	**1**
	Net zero emission refers to the state of achieving balance between anthropogenic emission of greenhouse gases and removal of such emissions from the atmosphere.	**1**
(ii)	Discuss briefly the interconnection between green growth and net zero emissions.	
	Ans. There exists a robust connection between green growth and net zero emissions:	
	• **Green growth can help to reduce greenhouse gas emissions, essential for achieving net zero emissions.**	**1 ½**
	• **Green growth can help to create jobs and boost economic growth, to make it more affordable for countries to invest in net zero emissions technology.**	**1 ½**
(iii)	Illustrate any one factor to promote net zero emission.	
	Ans. A nation can invest in renewable energy sources which do not produce greenhouse gases.	**1**
	(Any other valid factor to be awarded marks)	
		6

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