

Marking Scheme
Strictly Confidential
(For Internal and Restricted use only)
Senior School Certificate Examination, 2023
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-X, while evaluating two competency-based questions, please try to understand given answer and even if reply is not from marking scheme but correct competency is enumerated by the candidate, due marks should be awarded.
4	The Marking scheme carries only suggested value points for the answers These are in the nature of Guidelines only and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the due marks should be awarded accordingly.
5	The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. If there is any variation, the same should be zero after deliberation and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
6	Evaluators will mark(√) wherever answer is correct. For wrong answer CROSS ‘X’ be marked. Evaluators will not put right (✓) while evaluating which gives an impression that answer is correct and no marks are awarded. This is most common mistake which evaluators are committing.
7	If a question has parts, please award marks on the right-hand side for each part. Marks awarded for different parts of the question should then be totaled up and written in the left-hand margin and encircled. This may be followed strictly.
8	If a question does not have any parts, marks must be awarded in the left-hand margin and encircled. This may also be followed strictly.

9	If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out with a note “Extra Question” .
10	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
11	A full scale of marks 80 (example 0 to 80/70/60/50/40/30 marks as given in Question Paper) has to be used. Please do not hesitate to award full marks if the answer deserves it.
12	Every examiner has to necessarily do evaluation work for full working hours i.e., 8 hours every day and evaluate 20 answer books per day in main subjects and 25 answer books per day in other subjects (Details are given in Spot Guidelines).
13	Ensure that you do not make the following common types of errors committed by the Examiner in the past:- ● Leaving answer or part thereof unassessed in an answer book. ● Giving more marks for an answer than assigned to it. ● Wrong totaling of marks awarded on an answer. ● Wrong transfer of marks from the inside pages of the answer book to the title page. ● Wrong question wise totaling on the title page. ● Wrong totaling of marks of the two columns on the title page. ● Wrong grand total. ● Marks in words and figures not tallying/not same. ● Wrong transfer of marks from the answer book to online award list. ● Answers marked as correct, but marks not awarded. (Ensure that the right tick mark is correctly and clearly indicated. It should merely be a line. Same is with the X for incorrect answer.) 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 2023
ECONOMICS (Subject Code-030)
[Paper Code: 58/3/3]

Maximum Marks: 80

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
SECTION – A MACRO ECONOMICS		
1. (i)	If in an economy, the value of Investment Multiplier is 5 and dissavings (-)100 crore, the relevant savings at income level of ₹1,400 crore would be ₹ ____ crore. (Choose the correct alternative to fill up the blank) (a) 80 (b)180 (c) 140 (d) 240 Ans. (b) 180	1
(ii)	OR The range of value of Investment Multiplier is always between ____ and ____ (Choose the correct alternative to fill up the blanks) (a) zero (0), infinity (∞) (b) one (+ 1), infinity (∞) (c) zero (0), one (+ 1) (d) minus one (-1), plus one (+ 1) Ans. (b) one (+ 1), infinity (∞)	1
2.	Read the following statements carefully: <i>Statement 1:</i> Savings function can be derived from Consumption function. <i>Statement 2:</i> Consumption curve must always start from the point of origin. 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. (a) Statement 1 is true and Statement 2 is false.	1
3.	Keeping other factors constant, if the price of crude oil falls in the international market, it may lead to _____. (Choose the correct alternative to fill up the blank) (a) increase in trade deficit (b) decrease in trade deficit (c) no change in trade deficit (d) no change in the foreign exchange reserves Ans. (b) decrease in trade deficit	1
4.	Identify, which of the following is <i>not</i> a function of the Reserve Bank of India. (Choose the correct alternative) (a) Controller of money supply (b) Credit provider to commercial banks (c) Central agency preparing the annual budget of the Government (d) Issuer of currency Ans. (c) Central agency preparing the annual budget of the Government	1
5.	Read the following statements carefully: <i>Statement 1:</i> Import of gold from Dubai will be recorded on the debit side of the current account in Balance of Payments of India.	

	<i>Statement 2:</i> Outflow of Foreign Institutional Investment (FII) from Indian stock markets will be recorded on the credit side of the capital account. 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. (a) Statement 1 is true and Statement 2 is false.	1																				
6.	Read the following statements carefully: (A) <i>Statement 1:</i> Stock variables are measured at a point of time. <i>Statement 2:</i> Flow variables and stock variables are same. 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. (a) Statement 1 is true and Statement 2 is false. OR (B) Identify, flow variable from the following: (Choose the correct alternative) (a) Distance between Delhi and Amritsar (b) Annual expenditure of a school (c) Bank balance of Mr. Mukesh as on 31st March, 2022 (d) Investments of Mr. Mohit as on 31st December, 2021 Ans. (b) Annual expenditure of a school	1																				
7.	Identify, which of the following is <i>not</i> a source of supply of foreign exchange for India. (Choose the correct alternative) (a) Exports of goods and services abroad (b) Remittances by Indian workers working abroad (c) Imports of goods and services from abroad (d) Foreign Direct Investment (FDI) by a German automobile manufacturer Ans. (c) Imports of goods and services from abroad OR (B) Read the items given in Columns I and II carefully and choose the correct pair of statements from the given alternatives. <table><tr><td></td><td><i>Column I</i></td><td></td><td><i>Column II</i></td></tr><tr><td>i.</td><td>Export of software by an Indian company</td><td>1.</td><td>Demand of foreign currency</td></tr><tr><td>ii.</td><td>Accommodating nature of transactions</td><td>2.</td><td>Profit motive</td></tr><tr><td>iii.</td><td>Autonomous nature of transactions</td><td>3.</td><td>Non-profit motive</td></tr><tr><td>iv.</td><td>Loan forwarded to Sri Lanka during its economic crisis</td><td>4.</td><td>Supply of foreign exchange</td></tr></table> Alternatives: (a) i- 1 (b) ii -2 (c) iii – 3 (d) iv - 4 Ans. One mark to be allotted to all the candidates		<i>Column I</i>		<i>Column II</i>	i.	Export of software by an Indian company	1.	Demand of foreign currency	ii.	Accommodating nature of transactions	2.	Profit motive	iii.	Autonomous nature of transactions	3.	Non-profit motive	iv.	Loan forwarded to Sri Lanka during its economic crisis	4.	Supply of foreign exchange	1
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8.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below. <i>Assertion (A):</i> The value of Average Propensity to Consume (APC) can never be zero or negative. <i>Reason (R):</i> Average Propensity to Consume (APC) is independent of the level of income. 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 <i>not</i> 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. (c) Assertion (A) is true, but Reason (R) is false.	1
9.	If the central bank wants to reduce money supply in the economy, it may _____. (Choose the correct alternative to fill up the blank) (a) increase Bank Rate (b) reduce Cash Reserve Ratio (c) sell securities in the open market (d) buy securities in the open market Alternatives: (a) (i) and (iii) (b) (ii), (iii) and (iv) (c) (i), (iii) and (iv) (d) (i), (ii), (iii) and (iv) Ans. (a) (i) and (iii)	1
10.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below. <i>Assertion (A):</i> Ex-ante savings and Ex-ante investments are never equal to each other. <i>Reason (R):</i> At equilibrium level of income, aggregate demand may not be equal to the aggregate supply. 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 <i>not</i> 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. One mark to be allotted to all the candidates	1
11. (a)	Discuss briefly, the concept of 'Mixed Income of Self-Employed' under the Income Method. Ans. Mixed Income refers to the combined income earned by self-employed people rendering their productive services. This income cannot be separated into sub-component factor incomes – rent, wages, interest and profits. For example, income earned by a chartered accountant running his firm from his own residence. (To be marked as a whole)	3
(b)	OR Defend or refute the following statement, with valid argument: "Depreciation is fall in the value of an asset due to unexpected obsolescence". Ans. This given statement is refuted as depreciation is the continuous fall in the value of an asset due to normal wear and tear or expected obsolescence. Value of fixed assets may fall owing to normal wear and tear or change in technology over a period of time. (To be marked as a whole)	3
12.	Discuss briefly the determination of exchange rate under the flexible exchange rate system. Ans. Equilibrium rate of exchange is established at a point where the quantity demanded and quantity supplied of foreign exchange are equal. In the foreign	3

The market mechanism will drive the exchange rate back to the equilibrium level. This implies that the free market forces of demand and supply will operate in such a manner that the equilibrium rate of exchange is automatically restored.

13.	Using a suitable numerical example, explain the credit creation process of the banking system, in a hypothetical economy.
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- **entire banking system is a single unit.**
- **all transactions are routed through the bank only.**

Round	Deposits	Loans	Reserves (20%)
1	1000	800	200
2	800	640	160
3	640	512	128
...	...	...	...
...	...	...	...
Total	5000	4000	1000

Hence, total deposits of ₹ 5000 are created. (To be marked as whole)

(Any other valid explanation to be allotted marks)

"The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI), recently increased the Repo Rate by 50 basis points. The Rate stands today at 5.40%, whereas Reverse Repo Rate was left unchanged at 3.35%."

(i) Identify the nature of the two monetary policy measures mentioned in the above text.

(ii) Elaborate the likely economic rationale behind the increase in Repo Rate by the Monetary Policy Committee.

(To be marked as a whole)

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(b)	Suppose an imaginary economy is facing a situation of deficient demand in the short run time period. Discuss briefly, the probable impacts of the same on the economy. Ans. Deficient Demand may have an adverse impact on output, employment and income level. As Aggregate Demand is less than Aggregate Supply at full employment level of income, this may lead to unintended accumulation of inventories. To restore desired/intended level of inventories, producers may contract production which in turn may reduce the employment, output, and income level in the economy. Lack of demand for goods and services may also lead to a fall in the general price level in the economy. (To be marked as a whole)	4
15.	Suppose the following information is given about a hypothetical economy: $C = 300 + 0.80 Y$ (where, C = Consumption and Y = Income) $I_o = 200$ (I_o = Autonomous Investment) Calculate the following on the basis of the given information: (a) Equilibrium Level of Income (b) Aggregate Demand at Equilibrium Level of Income (c) Marginal Propensity to Save Ans. Given, $C = 300 + 0.80Y$; $I_o = 200$ (a) We know that; At equilibrium level of income $Y = C + I$ $Y = (300 + 0.80Y) + 200$ $0.20Y = 500$ $Y = 2,500$ (b) At the Equilibrium level of income $AD = Y$ $\therefore AD = 2,500$ (c) $MPS = 1 - MPC$ $MPS = 1 - 0.80 = 0.20$ (Any other valid method to be allotted marks)	4 1/2 1/2 1/2 1/2 1/2 1/2 1/2
16.	Read the following text carefully: In India, after Covid-19 period, household and private sector consumption, as measured by Private Final Consumption Expenditure (PFCE), was ₹ 39.7 trillion in nominal terms in Q1 FY23, compared with ₹ 28.4 trillion for the same period last year, and ₹ 39.2 trillion in the fourth quarter (Q4) of 2021-22 (FY22). As a percentage of Nominal GDP, PFCE was 61.1 per cent, compared with 55.5 per cent in Q1 FY22. However, in real terms at constant prices, PFCE grew just 9.88 per cent, compared with Q1 of 2019-20-the year before the Covid-19 pandemic. "Recovery in domestic demand is reflected in the growth rates of PFCE and Gross Fixed Capital Formation (GFCF) over the corresponding quarter of the previous year," said D.K. Srivastava. GFCF came in at ₹ 19 trillion in Q1 FY23, compared	4

	with ₹ 14.4 trillion in Q1 FY22. However, it was slightly lower than ₹20.2 trillion in Q4 FY22. In the media briefing after the GDP numbers, Finance Secretary T.V. Somanathan said this trend was expected as GFCF in present Q1 was usually lower than the previous year's Q4. On the basis of the given text and common understanding, answer the following questions: (a) Compare and analyse the trends of change in PFCE as a percentage of GDP, both in real and nominal terms. Ans. Household and private sector consumption, as measured by Private Final Consumption Expenditure(PFCE) was at ₹ 39.7 trillion in nominal term in Q 1 FY 23 compared with ₹ 28.4 trillion for the same period last year and ₹ 39.2 trillion in the fourth quarter of 2021-22. As a percentage of nominal GDP, PFCE was 61.1 %, compared with 55.5% in Q 1 FY 22. In real terms, PFCE grew just 9.88%, compared with Q1 of 2019-20. (To be marked as a whole) (b) "Private Final Consumption Expenditure is an important factor determining Gross Domestic Product at Market Price." Justify the given statement. Ans. Private final consumption expenditure (PFCE) refers to the expenditure incurred by the household sector on all types of consumer goods. It is a measure of total amount spent by consumers on the purchase of final goods and services. Therefore, it is an important factor determining Gross Domestic product at Market Price. (To be marked as a whole)	4 2 6
17. (a)	(i) "In the recent times, the Government of India has incurred a lot of expenditure on acquisition of indigenous defence items under 'Make-in-India' programme." Identify and discuss the two types of budget expenditures which may be undertaken by the Government as suggested in the above statement. Ans. Two types of budget expenditures on the acquisition of indigenous defence items under 'Make-in-India' programme which may be undertaken by the government are as follows : • Capital Expenditure- This refers to that expenditure of the government which either leads to creation of assets or reduction in liabilities. • Revenue Expenditure- This refers to that expenditure of the government which neither leads to creation of assets nor reduction in liabilities. (ii) State any two examples of revenue expenditure of the Government. Ans. • Salaries paid to public sector employees. • Subsidies provided to households and firms. (Any other relevant example to be allotted marks)	$\frac{1}{2} + 1\frac{1}{2}$ $\frac{1}{2} + 1\frac{1}{2}$ 1 1
(b)	(i) Two friends, Deepak and Krish were discussing the impact of increase in GST rates on luxury items, as recently undertaken by the Government. Krish was of the view that most of the luxury items (like foreign travel, imported cigarettes, etc.) should be taxed exorbitantly, while the items related to daily consumption of poor and middle class should be tax-free. Identify and explain the objective of the Government budget Krish is suggesting.	

	Ans. Krish is suggesting the objective of ‘Re-distribution of income’ to reduce income inequalities in the economy. To ensure equitable distribution of income, the government may impose higher taxes on luxury items. This will reduce the purchasing power in the hands of rich. On the other hand, lower/no taxes may be imposed on commodities purchased by poorer section of society. They may also be provided with subsidies on the essential commodities. This may increase their disposable income. These steps may promote economic welfare through re-distribution of income in the economy.	1 3
(ii)	State the meaning of ‘primary deficit’ in the government budget. Ans. Primary deficit refers to the excess of fiscal deficit over interest payments. Primary Deficit = Fiscal Deficit – Interest Payments	1 ½ ½ 6
	SECTION – B Indian Economic Development	
18.	Identify the correct alternative with reference to the following statement: (A) "Between 1966 - 76, Mao introduced this movement under which professionals and students were asked to work and learn from real life situations prevailing in the countryside of China." (a) Commune System (b) Great Leap Forward (c) Open Door Policy (d) Great Proletarian Cultural Revolution Ans. (d) Great Proletarian Cultural Revolution OR (B) Read the following statements carefully: <i>Statement 1:</i> In the agricultural sector, communes were established, where land holdings were allocated to individual households for ownership. <i>Statement 2:</i> Special Economic Zones (SEZs) were established to attract foreign investments and technology. 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. (b) Statement 1 is false and Statement 2 is true	1 1
19.	(A) Micro credit programmes play a vital role in ensuring an overall development of the rural economy as they_____. (Choose the correct alternative to fill up the blank) (i) provide financial support (ii) lead to women empowerment (iii) enhance the reach of formal credit system Alternatives: (a) Only (i) and (ii) (b) Only (ii) and (iii) (c) Only (i) and (iii) (d) (i), (ii) and (iii) Ans. (d) (i), (ii) and (iii) OR	1

(B)	_____ revolution was the harbinger of major changes in the credit system as it led to diversification of the portfolio of rural credit towards production-oriented lending. (Choose the correct alternative to fill up the blank) (a) White (b) Silver (c) Blue (d) Green Ans. (d) Green	1
20. (A)	From the following alternatives, identify the correct full form of 'NITI' in NITI Aayog: (a) National Institution for Tribal India. (b) National Institution for Technical India (c) National Institution for Transforming India (d) National Institution for Training India Ans. (c) National Institution for Transforming India OR (B) In a _____ economy, resources are owned and operated by both public and private sectors. (Choose the correct alternative to fill up the blank) (a) Socialist (b) Capitalist (c) Democratic (d) Mixed Ans. (d) Mixed	1
21.	"Multiple reasons for economic slowdown and re-emergence of poverty in Pakistan may be enumerated." Identify which of the following might <i>not</i> be one of them. (i) Rising dependence on foreign loans (ii) Stable macroeconomic indicators (iii) Unstable agricultural growth Alternatives: (a) (i), (ii) and (iii) (b) (ii) and (iii) (c) (i) and (iii) (d) Only (ii) Ans. (d) Only (ii)	1
22.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below. <i>Assertion (A):</i> Government can try to reduce unemployment through special poverty removal programmes. <i>Reason (R):</i> Such poverty removal programmes directly or indirectly lead to employment generation. 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

23. (A)	_____ adopted the resolution to ban the use of Chlorofluorocarbon (CFC) compounds along with other ozone depleting chemicals. (Choose the correct alternative to fill up the blank) (a) Kyoto Protocol (b) Paris Protocol (c) Montreal Protocol (d) Brundtland Commission Report Ans. (c) Montreal Protocol OR (B) According to Herman Daly (an environmental economist), which of the following is not an essential step towards achieving sustainable development? (a) Limiting human population to carrying capacity of the environment (b) Input inefficient technological progress (c) Rate of extraction of renewable resources should not exceed rate of regeneration (d) Correction of inefficiencies arising from pollution Ans. (b) Input inefficient technological progress	1
24.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below. <i>Assertion (A):</i> Post independence, public sector was given a prominent role, due to requirement of huge investments in the secondary sector. <i>Reason (R):</i> Industrial sector is the backbone of any economy. 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
25.	Identify which of the following does not reflect a direct relationship between human capital formation and economic growth. (a) Employability of an educated person is higher than that of an uneducated person. (b) On-the-job training will reduce the skills of labour. (c) Healthy workforce is a boon to the economy. (d) Digital information helps in taking real time decisions. Ans. (b) On-the-job training will reduce the skills of labour.	1
26.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below. <i>Assertion (A):</i> Lower child mortality rate is a better indicator of gender equality. <i>Reason (R):</i> Preference for a male child exists in India, Pakistan and China. 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.	

	Analyse the output growth trend in the three sectors over the given years between India and Pakistan. Ans. In the last few decades, output growth in the agriculture sector has declined for both India and Pakistan. Output growth in the industrial sector has also declined for both the nations. India witnessing decline from 7.4% in 1980s to 5% during 2011-15. Whereas, in Pakistan, decline has been from 7.7% to 3.4% during the same period. In case of service sector, India has a rise in output from 6.9% in 1980s to 8.4% in the period 2011-15. However, Pakistan's service sector witnessed a decline from 6.8% to 4.4%. During the given period of time, India's growth was mainly contributed by the service sector whereas Pakistan experienced deceleration in all the three sectors. (To be marked as a whole)	4
31.	(a) State whether the following statements are true/false with valid arguments: Indian economy has shown satisfactory progress towards formalisation of the workforce in the recent past. Ans. False. As in the recent years, India has witnessed an unprecedented shift of the workforce from the formal sector to informal sector. This may be primarily due to decline in job opportunities in formal (both public and private) sector.	2
	(b) Economic participation of women as homemakers is not accounted for in the Gross Domestic Product. Ans. True. Activities performed by women as homemakers are not recognized as productive work. They are not paid for it and hence not accounted for in the Gross Domestic Product.	2
		4
32.(a)	"Many economists believe that the economic reforms process of 1991 had adversely affected the agricultural sector." Do you agree with the given statement? Quote valid arguments in favour of your answer. Ans. Yes. The agricultural sector was adversely affected by the reform process as public investment in agriculture sector especially in infrastructure had fallen. Further, the partial removal of fertiliser subsidy had led to increase in the cost of production, which had severely affected the small and marginal farmers. Moreover, there had been a shift from production for the domestic market towards production for the export market focusing on cash crops putting pressure on prices of food grains. (To be marked as a whole) OR	4
(b)	(i) Explain any two shortfalls of the industrial policy under the British rule. Ans. • Discriminatory tariff policy followed under the British rule led to the systematic de-industrialisation. • Due to the lack of public investment, India could not develop a sound industrial base under the colonial rule. (Any other valid explanation to be allotted marks)	1
	(ii) Quote the four goals of the five year plans process of India. Ans. The four goals of the five year plans process of India were – • Growth • Modernisation • Self-reliance • Equity	1
		$\frac{1}{2}$
		$\frac{1}{2}$
		$\frac{1}{2}$
		4

33.	Read the following text carefully: With independence, India chose the closed economy model in pursuit of its objective of industrial self-sufficiency. As a result, industrial structure has become considerably important. In the post-independence era, the industrial growth was rapid during the first two decades, especially during the Second and Third Plan period. The Second Plan introduced 'Industrial Revolution' in the country. The main reasons for high rates of industrial growth witnessed during this period were due to: (i) Emphasis on industrialisation in economic policies. (ii) Making industrial growth the main objective in the industrial policy and planning. (iii) Huge investments being made to support capacity creation in industrial sector (iv) Growing demands for a variety of new products on the part of the urban consumers and the relatively better-off sections of the society. (v) Pace of economic expansion supported by domestic savings and inflow of resources from abroad. On the basis of the given text and common understanding, answer the following questions: (a) State the time period of the Second Five Year Plan of India. Ans. 1956 to 1961 (b) Who is considered as the Father of the Second Five Year Plan of India? Ans. P.C Mahalanobis (c) Discuss briefly any two reasons behind the industrial growth during the Second and Third Five Year Plans of India. Ans. Two reasons behind the industrial growth during the Second and Third Five Year Plans of India were:- • Growing demands for a variety of new products on the part of the urban consumers and the relatively better-off sections of the society. • Pace of economic expansion supported by domestic savings and inflow of resources from abroad. (Any other valid argument to be allotted marks)	1 1 2 2 6
34.	(i) Explain the role of education in the economic development of the nation. Ans. Education provides knowledge to understand changes in society and scientific advancements. It stimulates inventions and innovations in the economy. Similarly, the availability of educated labour force facilitates adaptation to new technologies. Technical skills acquired through education provide an opportunity to make better use of given resources thereby promoting economic development of the nation. (Any other valid explanation to be allotted marks) (ii) State the importance of rural banking in an economy like India. Ans. Rural banking is important for an economy like India as it ensures - • Availability of adequate credit to the farmers. • Provision of loans to the rural population for productive needs at cheaper rate of interest. (Any other valid point to be allotted marks) OR	4 1 1

(b)	(i) Who is a casual wage labourer? Ans. A casual wage labourer is a person who is casually engaged in others' farm or non-farm enterprises.	1
	(ii) State and discuss any one recommendation of the Education Commission (1964-66). Ans. The Education Commission (1964–66) had recommended that at least 6 % of GDP should be spent on education.	1
	This is required to make a noticeable rate of growth in educational achievements. This was expected to raise the academic standard in the post-independence era. (iii) In the light of the given image, identify and explain any one strategy to ensure sustainable development.	1
	Ans. One of the strategies to ensure sustainable development depicted in the given image is the usage of wind energy. Wind power is a popular source of sustainable renewable energy. In the areas where speed of wind is usually high, wind mills can provide electricity without any adverse impact on environment. (Any other valid argument to be allotted marks) Note: The following question is for the Visually Impaired Candidates only in lieu of Q. No. 33 (b) (iii): Explain any one function of the environment. Ans. The environment supplies resources, both renewable and non-renewable. Example of Renewable resources is solar energy and non-renewable resources is Fossil fuels. (Any other valid argument to be allotted marks)	3
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