

Marking Scheme

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Senior School Certificate Examination, 2023

ECONOMICS (SUBJECT CODE – 030)

(PAPER CODE – 58/4/3)

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

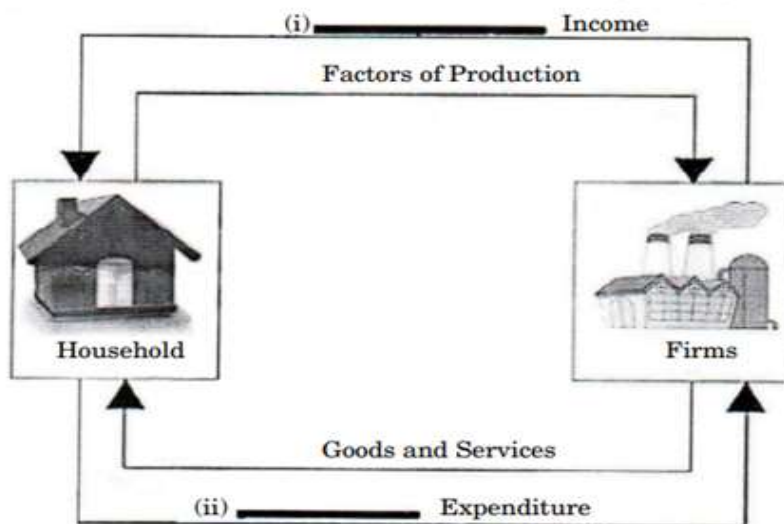
	encircled. This may also be followed strictly.
9	If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out with a note “ Extra Question ”.
10	No marks to be deducted for the cumulative effect of an error. It should be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

MARKING SCHEME
Senior Secondary School Examination 2023
ECONOMICS (Subject Code–030)
[Paper Code : 58/4/3]

Maximum Marks: 80

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
SECTION – A (MACRO ECONOMICS)		
1.	An Indian company receives a loan from a company located abroad. This transaction would be recorded on the _____ side of _____ account in India's Balance of Payment. (Choose the correct alternative to fill up the blanks) (a) Credit, Current (b) Debit, Current (c) Credit, Capital (d) Debit, Capital Ans. (c) Credit, Capital	1
2.	Read the following statements carefully: Statement 1: Investment is defined as addition to the physical capital and changes in the inventory. Statement 2: At equilibrium level of income, ex-post investments and ex-post savings are always equal. 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
3.	The Reserve Bank of India (RBI) _____ government securities in a bid to _____ the stock of money in the economy. (Choose the correct alternative to fill up the blanks) (a) sells, decrease (b) purchases, decrease (c) sells, increase (d) purchases, not change Ans. (a) sells, decrease	1
4.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative given below. Assertion (A): Rich people have lower Marginal Propensity to Consume (MPC) as compared to poor people. Reason (R): Consumption curve makes an intercept on the y-axis at a point above the origin.	

	<p>Alternatives:</p> <p>(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of the Assertion (A).</p> <p>(b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the 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. (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is <i>not</i> the correct explanation of Assertion (A).</p>	1
<p>5.</p>	<p>Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative given below.</p> <p>Assertion (A): Excess demand does not lead to any increase in the level of real output.</p> <p>Reason (R): Excess demand creates a gap between actual demand and desired demand corresponding to full employment level.</p> <p>Alternatives:</p> <p>(a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of the Assertion (A).</p> <p>(b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of the 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. (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is <i>not</i> the correct explanation of Assertion (A).</p>	1
<p>6.</p>	<p>Read the following statements carefully:</p> <p>Statement 1: Balance of Payment account is always balanced in accounting sense.</p> <p>Statement 2: Autonomous transactions, restore balance in Balance of Payment account.</p> <p>In light of the given statements, choose the correct alternative from the following:</p> <p>(a) Statement 1 is true and Statement 2 is false.</p> <p>(b) Statement 1 is false and Statement 2 is true.</p> <p>(c) Both Statements 1 and 2 are true.</p> <p>(d) Both Statements 1 and 2 are false.</p> <p>Ans. (a) Statement 1 is true and Statement 2 is false.</p>	1
<p>7. (A)</p>	<p>Choose the correct alternative to fill in the blanks (i) and (ii) in the figure.</p>	



Alternatives:

- (a) National, Production
- (b) Factor, Production
- (c) Factor, Consumption
- (d) National, Consumption

Ans. (c) Factor, Consumption

1

OR

(B) Operating Surplus does not include _____.

(Choose the correct alternative to fill up the blank)

- (a) Interest
- (b) Rent
- (c) Profit
- (d) Compensation of employees

Ans. (d) Compensation of employees

1

8. Demand Deposits include _____. (Choose the correct alternative to fill up the blank)

- (a) Currency and coins held with the public.
- (b) Other deposits with the Government
- (c) Savings Account Deposits and Fixed Deposits
- (d) Current Account Deposits and Fixed Deposits

Ans. (c) or (d)

1

9. If the Marginal Propensity to Save (MPS) is 0.5, what will be the value of investment multiplier? (Choose the correct alternative)

- (a) 1
- (b) 2
- (c) 1.6
- (d) 1.45

Ans. (b) 2

1

OR

(B) An increase in National Income occurs by ₹ 3,000 crore, as investments increased by ₹1,200 crore. The value of investment multiplier would be _____.

(Choose the correct alternative to fill up the blank)

- (a) 2
- (b) 2.5
- (c) 4
- (d) 5

Ans. (b) 2.5

1

<p>10.</p> <p>(A)</p> <p>(B)</p>	<p>Read the following statements carefully:</p> <p>Statement 1: Depreciation of domestic currency may lead to a rise in exports.</p> <p>Statement 2: Due to the depreciation of Indian National Rupee (₹), purchasing power of US Dollar (\$) may increase.</p> <p>In light of the given statements, choose the correct alternative from the following:</p> <p>(a) Statement 1 is true and Statement 2 is false.</p> <p>(b) Statement 1 is false and Statement 2 is true.</p> <p>(c) Both Statements 1 and 2 are true.</p> <p>(d) Both Statements 1 and 2 are false.</p> <p>Ans. (c) Both statements 1 and 2 are true.</p> <p style="text-align: center;">OR</p> <p>Identify, which one of the following is an intangible item in Balance of Payment (BoP).</p> <p>(a) Export of food grains</p> <p>(b) Imports of crude oil</p> <p>(c) Export of Information Technology (IT) services to U.S.A.</p> <p>(d) Import of coal by steel company in India</p> <p>Ans. (c) Exports of Information Technology to U.S.A.</p>	<p style="text-align: center;">1</p> <p style="text-align: center;">1</p>
<p>11.</p>	<p>Suppose, the Gross Domestic Product (GDP) at market price of a country in a particular year was ₹ 1,500 crore. Net Factor Income from abroad was ₹ 100 crore. The value of Net Indirect Taxes was ₹180 crore and the National Income was ₹1,050 crore. Calculate the value of depreciation for the economy.</p> <p>Ans. National Income (NNP_{FC}) = GDP_{MP} -Depreciation – NIT+NFIA</p> $1,050 = 1,500 - \text{Depreciation} - 180 + 100$ $\text{Depreciation} = 1,500 + 100 - 180 - 1,050$ $\text{Depreciation} = ₹ 370 \text{ crore}$	<p style="text-align: center;">1½</p> <p style="text-align: center;">½</p> <p style="text-align: center;">½</p> <p style="text-align: center;">½</p> <p style="text-align: center;">3</p>
<p>12.</p> <p>(a)</p> <p>(b)</p>	<p>"The central bank needs to intervene under the managed floating system."</p> <p>Do you agree with the given statement? Support your answer with valid reasons.</p> <p>Ans. Yes. Under the managed floating system, the central bank allows the exchange rate to be determined by market forces of demand and supply. It may buy and sell foreign exchange to moderate exchange rate fluctuations. This intervention is undertaken to keep the exchange rate within the desired range.</p> <p style="text-align: right;">(To be marked as a whole)</p> <p style="text-align: center;">OR</p> <p>Differentiate between Surplus in Balance of Trade and Current Account Surplus.</p> <p>Ans. Surplus in the Balance of trade arises when the value of exports of visibles is more than the value of imports of visibles.</p> <p style="text-align: center;">Whereas,</p> <p>The current account surplus arises when receipts from exports of visibles, invisibles and unilateral transfers are more than payments for imports of visible, invisibles and unilateral transfers.</p> <p style="text-align: right;">(To be marked as a whole)</p>	<p style="text-align: center;">3</p> <p style="text-align: center;">1 ½</p> <p style="text-align: center;">1 ½</p> <p style="text-align: center;">3</p>

13.	<p>“In an economy, an increase in investment leads to doubling of the national income.” Calculate the marginal Propensity to consume (MPC) for the given economy. Ans. We know that, Investment Multiplier (K) is;</p> $K = \frac{\Delta Y}{\Delta I}$ <p>Also, $K = \frac{1}{1-MPC}$ Given; $K = \frac{\Delta Y}{\Delta I} = 2$</p> $2 = \frac{1}{1-MPC}$ $2 MPC = 1$ $MPC = \frac{1}{2} = 0.5 \quad (\text{Any other valid calculation/method to be marked as correct})$	<p>1</p> <p>1</p> <p>½</p> <p>½</p> <p>½</p> <p>½</p> <hr/> <p>4</p>
14.	<p>Read the following text carefully: "After setting up a working group to study the possibility of a Central Bank Digital Currency (CBDC) in India in 2020, the RBI revealed a concept note on digital rupee (e-Rupee) on 7th October, 2022." "The e-Rupee will provide an additional option to the currency available forms of money. It is substantially not different from bank notes, but being digital it is likely to be easier, faster and cheaper." RBI said that it broadly defines CBDC as the legal tender issued by a central bank in a digital form. It is akin to paper currency in a different form.</p> <p>(a) On the basis of the above text and common understanding, answer the following questions: Identify and discuss the function of central bank indicated above text. Ans. The function being discussed here is the Bank Of issue or Currency Authority. In India, the Central bank has the sole authority for issuing currency in the economy. This ensures uniformity in the issue of currency and it gives the central bank, control over the money supply.</p> <p>(b) State any two advantages of digital rupee. Ans. Two advantages of Digital Rupee:</p> <ul style="list-style-type: none"> • Easier • Cheaper • Faster <p style="text-align: right;">(Any two)</p> <p style="text-align: center;">(Any other valid explanation to be allotted marks)</p>	<p>1</p> <p>2</p> <p>1</p> <hr/> <p>4</p>
15.	<p>Discuss briefly, how the government can control the situation of deflation using the following:</p> <p>(a) Taxation Policy</p> <p>(b) Government Expenditure Policy</p>	

	<p>Ans. (a) Taxation Policy: To control deflation, the government may reduce the tax rates. This step may increase the disposable income (purchasing power) in the hands of the general public. Consequently, it may lead to a rise in Aggregate Demand, thereby controlling the situation of deflation.</p> <p>(b) Government Expenditure Policy: To control deflation, the government may raise public expenditure. This step may result in an increase in the level of Aggregate Demand in the economy by raising the income of people.</p>	2
		2
		4
16.	<p>State the meaning of:</p> <p>(a) Problem of Double Counting</p> <p>(b) Operating Surplus</p> <p>(c) Compensation of Employees</p> <p>Ans.</p> <p>(a) Problem of Double Counting – Counting of the value of a good or service more than once while estimating National Income.</p> <p>(b) Operating Surplus – Operating Surplus is the sum total of rent, royalties, interest and profits. It is also known as non-wage income.</p> <p>(c) Compensation of employees - Compensation of employees is the sum total of remuneration paid by employers, to their employees, in the form of cash/ kind/ social security contributions.</p>	2
		2
		2
		6
17.	<p>"Government provides essential items like food grains almost free to the families below poverty line."</p> <p>(a) (i) Identify and explain the objective of the government budget indicated.</p> <p>Ans. The government budget objective of 'Redistribution of Income' is indicated in the given statement.</p> <p>Government can influence inequalities of income through taxes and public expenditure. It can impose taxes on the rich reducing their disposable income. It can spend on free goods and services like food grains to the families below poverty line to ensure their welfare/ raising their standard of living.</p> <p>(ii) Define the following:</p> <p>(1) Revenue deficit</p> <p>(2) Primary deficit</p> <p>Ans. (1) Revenue deficit is defined as the excess of revenue expenditure of the government over its revenue receipts.</p> <p>(2) Primary deficit is defined as the difference between fiscal deficit and interest payments.</p> <p style="text-align: center;">OR</p> <p>(b) State whether the following statements are <i>true</i> or <i>false</i>, with valid reasons:</p> <p>(i) High tax on higher income groups aims to achieve the 'reallocation of resources' objective of the Government.</p> <p>(ii) Borrowings are a revenue receipt of the government.</p>	1
		3
		1
		1

	(iii) Fiscal deficit always leads to inflation. Ans. (i) False. The government uses its taxation policy to improve the distribution of income and wealth. It indicates the objective of redistribution of income of the government budget. (ii) False. It is a capital receipt as it creates liability for the government. (iii) False. If the borrowings (i.e. fiscal deficit) are to be used for some developmental purposes, it may not be inflationary in nature. However, in other cases, it may be inflationary.	2 2 2
SECTION B Indian Economic Development		
18.	Under the British Rule, commercialisation of agriculture resulted in shifting of agricultural production from _____ crops to _____ crops. (Choose the correct alternative to fill up the blanks) (a) Cash, Food (b) Cotton, Jute (c) Food, Cash (d) Jute, Food Ans. (c) Food, Cash	1
19.	_____ markets were organised to protect the farmers from malpractices in mandis. (Choose the correct alternative to fill up the blank) (a) Regulated (b) Periodic (c) Daily (d) Weekly Ans (a) Regulated	1
20.	Carrying Capacity implies that _____ (A) (i) Resource extraction should remain below the rate of regeneration. (ii) Resource extraction should remain above the rate of regeneration. (iii) Generation of waste should remain within the absorption capacity of the environment. (iv) Generation of waste should be more than the absorption capacity of the environment. (Choose the correct alternative) Alternatives: (a) (i) and (iv) (b) (i) and (iii) (c) (ii) and (iii) (d) (ii) and (iv) Ans. (b) (i) and (iii) OR _____ system restores, maintains and enhances the ecological balance. (B) (Choose the correct alternative to fill up the blank) (a) Chemical farming (b) Organic farming (c) Conventional farming (d) Multi-layered farming Ans. (b) Organic farming.	1 1

<p>21 (A)</p>	<p>Identify, which of the following alternative is <i>not</i> associated with goals of economic planning in India.</p> <p>(a) Ensuring equitable standard of living (b) Technological advancement (c) Increase in economic growth (d) Promoting imports of luxury goods</p> <p>Ans. (d) Promoting imports of luxury goods.</p> <p style="text-align: center;">OR</p> <p>(B) In 1951, agricultural contribution to India's National Income was _____. (Choose the correct alternative to fill up the blank)</p> <p>(a) Highest among the three sectors (b) Lowest among the three sectors (c) Lower than the industrial sector (d) Lower than the service sector</p> <p>Ans. (a) Highest among three sectors.</p>	<p style="text-align: center;">1</p> <p style="text-align: center;">1</p>
<p>22 (A)</p>	<p>Economic reforms were introduced in the year _____ in India and in the year _____ in Pakistan. (Choose the correct alternative to fill up the blank)</p> <p>(a) 1978, 1988 (b) 1988, 1978 (c) 1978, 1991 (d) 1991, 1988</p> <p>Ans. (d) 1991, 1988</p> <p style="text-align: center;">OR</p> <p>(B) Pakistan is ahead of India in the case of _____. (Choose the correct alternative to fill up the blank)</p> <p>(a) HDI value (b) Per capita income (c) Access to sanitation facilities (d) Life expectancy at birth</p> <p>Ans. (c) Access to sanitation facilities</p>	<p style="text-align: center;">1</p> <p style="text-align: center;">1</p>
<p>23.</p>	<p>Arrange the following events of China in chronological order and choose the correct alternative:</p> <p>(i) Great Proletarian Cultural Revolution (ii) Great Leap Forward Campaign (iii) Introduction of Economic Reforms (iv) First Five Year Plan</p> <p>Alternatives:</p> <p>(a) (ii), (iv), (iii), (i) (b) (iv), (ii), (i), (iii) (c) (ii), (iv), (i), (iii) (d) (iv), (i), (ii), (iii)</p> <p>Ans. (b) (iv), (ii), (i), (iii)</p>	<p style="text-align: center;">1</p>
<p>24.</p>	<p>Read the following statements carefully: Statement 1: Economic growth means the increase in real national income of a country.</p>	

	<p>Statement 2: Human capital formation and Human development are one and the same concepts.</p> <p>In light of the given statements, choose the correct alternative from the following:</p> <p>(a) Statement 1 is true and Statement 2 is false. (b) Statement 1 is false and Statement 2 is true. (c) Both Statements 1 and 2 are true. (d) Both Statements 1 and 2 are false.</p> <p>Ans. (a) Statement 1 is true and Statement 2 is false.</p>	1
25.	<p>Read the following statements carefully:</p> <p>Statement 1: 'Liberty indicators' measure the extent of constitutional protection given to the citizens.</p> <p>Statement 2: India provides fair constitutional protection to its citizens.</p> <p>In light of the given statements, choose the correct alternative from the following:</p> <p>(a) Statement 1 is true and Statement 2 is false. (b) Statement 1 is false and Statement 2 is true. (c) Both Statements 1 and 2 are true. (d) Both Statements 1 and 2 are false.</p> <p>Ans. (c) Both statements 1 and 2 are true.</p>	1
26.	<p>Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative given below.</p> <p>Assertion (A): China adopted the 'Open Door Policy' as a major economic reform initiative.</p> <p>Reason (R): It aimed at industrialising the country on a massive scale.</p> <p>Alternatives:</p> <p>(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.</p> <p>Ans. (b) Both Assertion (A) and Reason (R) are true, and Reason (R) is not the correct explanation of Assertion (A).</p>	1
27.	<p>Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative given below.</p> <p>Assertion (A): The nature of unemployment problem in India is multi-faceted.</p> <p>Reason (R): Worker-Population ratio is an indicator used for analysing the employment situation in a country.</p> <p>Alternatives:</p> <p>(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).</p>	

- **Dependence on informal credit system:** Since ages, this has been a perennial problem of Indian rural areas. In the absence of collateral, many small and marginal farmers and other rural poor do not have access to formal banking system pushing them into debt trap. As the last resort, they have to be dependent on the informal credit system. Thereby, falling into debt trap.

1½

(Any other valid explanation to be allotted marks)

OR

(b)

Analyse and compare the nature of the workforce distribution in India depicted in the diagram given below:



The given diagram shows that in the rural areas majority of employment is created under the self-employment (58%) and casual wage labourers (29%) category. This may be due to the fact that, in the rural areas, majority of people depend on farming on their own land and those who do not own land work on others' farms as casual labourers. Only 13% population is engaged in the regular salaried employment.

1½

However, the urban areas are dominated by the regular salaried employees (47%) as enterprises in these areas require employees on a regular basis.

1½

Self-employment category is the second largest one standing at 38% and the casual wage workers at 15%.

(any other valid explanation to be allotted marks accordingly)

3

30. "Human capital benefits only the owner and not the society". Defend or refute the given statement.

Ans. The given statement may be refuted, as the human capital primarily benefits the owner but in general also yields its advantages to the society as well.

For example: A healthy person, by maintaining personal hygiene and sanitation, prevents the spread of contagious diseases and epidemics. (To be marked as whole)

(any other valid explanation to be allotted marks accordingly)

4

31. From the data given below, compare and contrast India's and China's sectoral contribution towards GVA/GDP.

Sectoral Contribution to GVA/GDP (in %) (2018-19)

Sector	India	China
Agriculture	16	7
Industry	30	41
Services	54	52
Total	100	100

	<p>Ans. In both nations, the contribution of the agricultural sector to GDP is the least of the three sectors. Whereas; the service sector is the highest contributor to GDP in both nations.</p> <p>The contribution of the agriculture sector to the GDP in India stands at 16% which is approximately more than double of China, i.e. 7%.</p> <p>In China, the contribution of the industrial sector (41%) is way ahead of India (30%), owing to technological upliftment and rapid industrial growth in China in the 1970s.</p> <p>The service sector contributes more than half to the GDP in both India (54%) and China (52%) indicating the scale of economic growth in the two nations.</p> <p style="text-align: right;">(To be marked as a whole)</p>	4
32.	<p>Discuss any two liberalisation measures pertaining to the financial sector, introduced by the Government of India during the economic reform process of 1991.</p> <p>Ans. The financial sector witnessed a major revamp under the economic reform process of 1991. The two main measures in this direction may be quoted as:</p> <ul style="list-style-type: none"> • Redefining the role of RBI from regulator to facilitator of the financial sector. It implies that the financial sector could now take decisions on many matters without consulting the RBI. • The reform policies led to the establishment of private sector banks (Indian as well as foreign). <p style="text-align: right;">(Any other valid measure to be allotted marks)</p>	2 2
		4
33.	<p>Explain the need and types of land reforms implemented in the agriculture sector.</p> <p>(a) (i) Ans. At the time of independence, the Indian land tenure system was characterised by the intermediaries, stagnant growth rate and unequal distribution of land; making the land reforms inevitable.</p> <p>Major land reforms introduced by the government were:</p> <ul style="list-style-type: none"> • Abolition of intermediaries • Land ceiling <p style="text-align: right;">(Any other valid explanation to be allotted marks)</p>	1 2
(ii)	<p>Why was public sector given a leading role in industrial development during the planning period? Explain.</p> <p>Ans. At the time of independence, the Indian industrialists lack the financial and technical resources needed for the nation to be modernized and self-sufficient. Also, the market was not big enough to encourage industrialists to undertake major projects even if they had the capital to do so.</p> <p>Moreover, the decision to develop the Indian economy on socialist lines made it essential for the public sector to take the leading role.</p> <p style="text-align: right;">(To be marked as a whole)</p> <p style="text-align: right;">(Any other valid explanation to be allotted marks)</p> <p style="text-align: center;">OR</p>	3
(b) (i)	<p>Explain the reasons why the industrial sector has performed poorly in the reform period.</p> <p>Ans. Industrial sector performed poorly in the reform period because of</p>	

	<p>decreasing demand for industrial products due to various reasons such as cheaper imports, etc. Cheaper imports have, thus, replaced the demand for domestic goods. Moreover, the infrastructure facilities including power supply, remained inadequate due to lack of investment.</p> <p style="text-align: right;">(To be marked as a whole)</p> <p style="text-align: center;">(Any other valid explanation to be allotted marks)</p>	4
(ii)	<p>Distinguish between the Bilateral and Multilateral Trade.</p> <p>Ans. Bilateral Trade refers to the exchange of goods and services between two nations.</p> <p style="text-align: center;">Whereas;</p> <p>Multilateral Trade refers to exchange of goods and services between more than two nations.</p>	1
		1
		6
34.	<p>Read the following text carefully:</p> <p style="text-align: center;">Adoption of Village by Parliamentarians</p> <p>In October, 2014, the Government of India introduced a new scheme called Saansad Adarsh Gram Yojana (SAGY). Under this scheme, Members of India's Parliament need to identify and develop one village from their constituencies. To begin with, MPs can develop one village as a model village by 2016, and two more by 2019, covering over 2,500 villages in India. According to the scheme, the village can have a population of 3,000 - 5,000 in the plains and 1,000 -3,000 in the hills and should not be the MP's own or their spouse's village. MPs are expected to facilitate a village development plan, motivate villagers to take up activities and build infrastructure in the areas of health, nutrition and education.</p> <p>On the basis of the given text and common understanding, answer the following questions:</p>	
(a)	<p>State and discuss, any two objectives which the Government of India wanted to achieve through 'Saansad Adarsh Gram Yojana (SAGY)'.</p> <p>Ans. Two objectives of 'Saansad Adarsh Gram Yojana (SAGY)':</p> <ul style="list-style-type: none"> • Identify and develop one village: Under this scheme, Members of India's Parliament need to identify and develop one village from their constituencies. • Facilitate village development plan: To build infrastructure in the areas of health, nutrition and education. 	1/2+1 1/2
(b)	<p>State the yardsticks for selecting villages under the SAGY Scheme.</p> <p>Ans. As per the Saansad Adarsh Gram Yojana (SAGY):</p> <ul style="list-style-type: none"> • The village can have a population of 3,000 - 5,000 in the plains and 1,000 – 3,000 in the hills. • The village should not be the MP's own or their spouse's village. <p style="text-align: right;">(Any other valid explanation to be allotted marks)</p>	1
		1
		6
