

Marking Scheme
Strictly Confidential
(For Internal and Restricted use only)
Senior School Certificate Examination, 2025
ECONOMICS (SUBJECT CODE – 030)
(PAPER CODE – 58/2/2)

General Instructions: -

1	You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully.
2	“Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, Evaluation done and several other aspects. Its’ leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in News Paper/Website etc may invite action under various rules of the Board and IPC.”
3	Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one’s own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed. However, while evaluating, answers which are based on latest information or knowledge and/or are innovative, they may be assessed for their correctness otherwise and due marks be awarded to them. In Class XII, while evaluating competency-based questions, please try to understand given answer and even if reply is not from marking scheme but correct competency is enumerated by the candidate, due marks should be awarded.
4	The Marking scheme carries only suggested value points for the answers. These are in the nature of Guidelines only and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the due marks should be awarded accordingly.
5	The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. If there is any variation, the same should be zero after deliberation and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
6	Evaluators will mark(✓) wherever answer is correct. For wrong answer CROSS ‘X’ be marked. Evaluators will not put right (✓) while evaluating which gives an impression that answer is correct and no marks are awarded. This is most common mistake which evaluators are committing.
7	If a question has parts, please award marks on the right-hand side for each part. Marks awarded for different parts of the question should then be totalled 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 Evaluation Guidelines). This is in view of the reduced syllabus and number of questions in question paper.
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 totalled 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 School Certificate Examination 2025
ECONOMICS (Subject Code–030)
[Paper Code: 58/2/2]

Maximum Marks: 80

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
SECTION -A (Macro Economics)		
1.	As the Banker to the Bank, Reserve Bank of India performs all functions except _____. (Choose the correct option to fill up the blank) (A) Purchase and sale of securities on behalf of general public (B) Maintaining current account for Commercial Banks (C) Clearing and settlement of Interbank transactions (D) Facilitating governmental transactions Ans. (A) Purchase and sale of securities on behalf of general public	1
2.	Suppose for an economy, autonomous consumption stands as ₹ 100 crore and total consumption is ₹ 130 crores. The value of induced consumption would be ₹ _____ crore. (Choose the correct option to fill up the blank) (A) 30 (B) 80 (C) 100 (D) 130 Ans. (A) 30	1
3.	Value Addition = _____ – Value of Intermediate Consumption. (Choose the correct option(s) to complete the stated formula.) (i) Domestic sales (ii) Sales – change in stock (iii) Value of output (iv) (Number of units produced) × (Price per unit) Options: (A) (i) and (ii) (B) (ii) and (iii) (C) (ii), (iii) and (iv) (D) (iii) and (iv) Ans. (D) (iii) and (iv)	1
4.	Read the following statements: Assertion (A) and Reason (R). Choose one of the correct options given below : Assertion (A): In case of public goods no one can be excluded from enjoying the benefits. Reason (R): Public goods are non-rivalrous and non-excludable in nature. Options : (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. Ans. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1
5.	In the Keynesian Economics, _____ starts from the origin and is always drawn at an angle of 45°. (Choose the correct option to fill up the blank)	

	(A) Consumption curve (B) Aggregate demand curve (C) Reference line (D) Investment curve Ans. (C) Reference line	1
6.	Identify, which of the following is not to be considered while estimating Revenue Deficit of a country. (Choose the correct option) (A) Wages and salaries paid by the government (B) Interest payments made by the Central Government (C) Direct Tax Collection (D) Expenditure incurred on construction of flyover Ans. (D) Expenditure incurred on construction of flyover	1
7.	The monetary policy is formulated by the _____ in the Indian economy. (Choose the correct option to fill up the blank) (A) Central Government (B) State Governments (C) Reserve Bank of India (D) World Bank Ans. (C) Reserve Bank of India	1
8.	To arrive at the value of equilibrium level of income, there must exist an equality between ex-ante _____ and ex-ante _____. (Choose the correct option to fill up the blank) (i) Aggregate Demand, Aggregate Supply (ii) Aggregate Demand, Savings (iii) Aggregate Demand, Investment (iv) Savings, Investment Options: (A) (i) and (ii) (B) (i) and (iv) (C) (ii) and (iii) (D) (iii) and (iv) Ans. (B) (i) and (iv)	1
9.	Read the following statements: Assertion (A) and Reason (R). Choose one of the correct options given below: Assertion (A): If the value of Marginal Propensity to Save is 0.5, Marginal Propensity to Consume will be equal to Marginal Propensity to Save. Reason (R): Sum of Marginal Propensity to Consume and Marginal Propensity to Save always equals to unity. Options : (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. Ans. (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1
10.	The budget under, which the government may spend an amount equal to the revenue it collects is referred as _____ Budget. (Choose the correct option to fill up the blank) (A) Surplus (B) Deficit (C) Balanced (D) Deflationary Ans. (C) Balanced	1
11. (a)	“The government generally levies higher Goods and Services Tax (GST) on socially undesirable products like cigarettes, tobacco, liquor etc.” Identify and explain the indicated government budget objective in the above statement.	

(b)	Ans. The highlighted government budget objective is the ‘allocation function’. The government may influence the allocation of resources by imposing higher taxes on the production of socially undesirable products like cigarettes, tobacco, liquor etc. Consequently, the resources will be withdrawn from the production of these undesirable products and reallocated to the production of goods which are beneficial for the society.	1
		2
	OR	3
	Two friends Ramesh (a software engineer) and Pihu (a bakery owner) are discussing their contribution to the nation’s economy through tax payments. Ramesh earns ₹ 8,00,000 per year, which makes him liable to pay income tax. Pihu pays Goods and Service Tax (GST) on the sale of cakes and pastries. On the basis of the given text, identify whether Ramesh is paying a direct tax or an indirect tax. Explain valid differences between two types of taxes. Ans. Ramesh is paying a direct tax. Direct taxes are those taxes whose impact and incidence lies on the same entity. In other words, the liability of paying direct taxes can’t be shifted.	1
	Whereas; Indirect taxes are those taxes whose impact and incidence may lie on different entities. In other words, the liability of paying indirect taxes can be shifted.	1
		3
12.	Define Real Gross Domestic Product. How is it different from Nominal Gross Domestic Product? Ans. Real Gross Domestic Product (GDP) is the money value of all the final goods and services produced in the domestic territory of an economy, measured at base year prices.	1 ½
	Whereas; Nominal Gross Domestic Product (GDP) is the money value of all the final goods and services produced in the domestic territory of an economy, measured at current year prices.	1 ½
		3
13.	Justify the following statements with valid arguments:	
(a)	(i) Money supply in an economy is an example of a stock variable. Ans. Money Supply is a stock variable as it is the total volume of money held by the public at a particular point of time.	2
	(ii) The Central Bank provides several Banking services to the government. Ans. The Central Bank as a banker to the Government maintains accounts of the government. It accepts receipts, makes payments, carries out exchange, remittance and other banking operations on behalf of the government. It also provides loans to the government to meet its requirements.	2
	OR	4
(b)	Assuming for a hypothetical economy, Central Bank increases the Reserve Ratio from 20% to 25% and the total primary deposits stand at ₹ 1,000. Explain the effect of rise in Reserve Ratio on credit creation by commercial banks. Ans. Given, Primary Deposits = ₹ 1,000	

	<table><tr><th>Case</th><th>Reserve Ratio (RR)</th><th>Credit Multiplier ($\frac{1}{RR}$)</th><th>Credit Creation (Primary Deposits x Credit Multiplier)</th></tr><tr><td>I</td><td>20% = 0.2</td><td>$\frac{1}{0.2} = 5$</td><td>1,000 x 5 = ₹ 5,000</td></tr><tr><td>II</td><td>25% = 0.25</td><td>$\frac{1}{0.25} = 4$</td><td>1,000 x 4 = ₹ 4,000</td></tr></table> With the increase in Reserve Ratio from 20% to 25%, the amount of credit creation falls from ₹ 5,000 to ₹ 4,000. Hence, there exists an inverse relationship between Reserve Ratio and the amount of credit creation.	Case	Reserve Ratio (RR)	Credit Multiplier ($\frac{1}{RR}$)	Credit Creation (Primary Deposits x Credit Multiplier)	I	20% = 0.2	$\frac{1}{0.2} = 5$	1,000 x 5 = ₹ 5,000	II	25% = 0.25	$\frac{1}{0.25} = 4$	1,000 x 4 = ₹ 4,000	1 ½ 1 ½ 1 4
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14.	(A) On the basis of the given image, explain the steps which may be taken by the Government of India to control the indicated macroeconomic issue.  Ans. The highlighted issue is inflation. To control inflation, the government may: - increase the tax rates which may decrease the disposable income (purchasing power) in the hands of the general public. Consequently, it may lead to a fall in Aggregate Demand, thereby correcting the situation of inflation. - decrease the public expenditure which may decrease the level of income in the economy. Consequently, it may lead to a fall in Aggregate Demand, thereby correcting the situation of inflation. (B) Define ‘Open Market Operations’. Ans. Open Market Operations refers to buying/selling of government securities by the Central Bank from/to the general public in the open market. Note : The following questions are for the Visually Impaired Candidates only in lieu of Q. No. 14. (A) Explain any one fiscal policy measure that can be taken up by the Government to control the situation of inflation prevailing in an economy. Ans. To control the situation of inflation prevailing in an economy, the government may increase the tax rates, which may decrease the disposable income (purchasing power) in the hands of the general public. Consequently, it may lead to a fall in Aggregate Demand, thereby correcting the situation of inflation. (Any other relevant measure to be awarded marks) (B) Define ‘Open Market Operations’. Ans. Open Market Operations refers to buying/selling of government securities by the Central Bank from/to the general public in the open market.	1 ½ 1 ½ 1 4 3 1 4												
15.	Suppose for an economy, government proposes investment projects for construction of expressways with an incremental investment of ₹ 2400 crore. Assuming, 80% of increase in income is spent on consumption. Estimate the following on the basis of above information :													

	Change in income (ΔY). Change in consumption (ΔC). Ans. Given, Change in Investment (ΔI) = ₹ 2,400 crore Marginal Propensity to Consume (MPC) = 0.8 (a) As we know, Investment Multiplier (K) = $\frac{1}{1-MPC}$ $= \frac{1}{1-0.8}$ $= 5$ Change in Income (ΔY) = K × Change in Investment (ΔI) $= 5 \times 2400$ Change in Income (ΔY) = ₹ 12,000 crore (b) Marginal Propensity to Consume (MPC) = $\frac{\text{Change in Consumption } (\Delta C)}{\text{Change in Income } (\Delta Y)}$ $0.8 = \frac{\text{Change in Consumption } (\Delta C)}{12,000}$ Change in Consumption (ΔC) = ₹ 9,600 crore	$\frac{1}{2}$ $\frac{1}{2}$ $\frac{1}{2}$ $\frac{1}{2}$ 1 $\frac{1}{2}$ $\frac{1}{2}$ 4																											
16.	(i) On the basis of the data given below, estimate the value of Domestic Income (NDP_{FC}): <table border="1"> <thead> <tr> <th>S. No.</th><th>Items</th><th>Amount (₹ in crore)</th></tr> </thead> <tbody> <tr> <td>(1)</td><td>Private final consumption expenditure</td><td>2,000</td></tr> <tr> <td>(2)</td><td>Government final consumption expenditure</td><td>1,500</td></tr> <tr> <td>(3)</td><td>Gross domestic fixed capital formation</td><td>1,000</td></tr> <tr> <td>(4)</td><td>Addition to stock</td><td>400</td></tr> <tr> <td>(5)</td><td>Consumption of fixed capital</td><td>50</td></tr> <tr> <td>(6)</td><td>Net factor income from abroad</td><td>100</td></tr> <tr> <td>(7)</td><td>Net indirect Taxes</td><td>200</td></tr> <tr> <td>(8)</td><td>Net Exports</td><td>700</td></tr> </tbody> </table> Ans. Domestic Income (NDP_{FC}) = (1) + (2) + (3) + (4) + (8) – (5) – (7) $= 2,000 + 1,500 + 1,000 + 400 + 700 - 50 - 200$ $= ₹ 5,350 \text{ crore}$ (ii) Differentiate between factor income and transfer income. Ans. Factor income is the income earned by the factors of production for rendering their services to the production units. Whereas; Transfer income is unilateral income received without rendering any goods and services. OR	S. No.	Items	Amount (₹ in crore)	(1)	Private final consumption expenditure	2,000	(2)	Government final consumption expenditure	1,500	(3)	Gross domestic fixed capital formation	1,000	(4)	Addition to stock	400	(5)	Consumption of fixed capital	50	(6)	Net factor income from abroad	100	(7)	Net indirect Taxes	200	(8)	Net Exports	700	2 1 $\frac{1}{2}$ $\frac{1}{2}$ 1 1 6
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(b)	(i) “In a two sector economy, National Income is always less than Domestic income.” Defend or refute the given statement with valid reasons. Ans. The given statement is refuted. National Income = Domestic Income + Net Factor Income from Abroad In a two sector economy, due to no interaction with the external sector, Net Factor Income from Abroad has no significance. Hence, National Income is always equal to Domestic Income. (To be marked as a whole)	2																											

	(ii) Gauhar, has recently completed her fashion designing studies and started a boutique. To produce dresses for sale, she purchased various materials, including a sewing machine, fabric, buttons and thread. These items are essential for producing the dresses. Classify the material purchased by Gauhar as Final or Intermediate goods, giving valid reasons in support of the classifications. Ans. Sewing machine purchased by Gauhar for her boutique can be classified as a Final Good. As the same will be used for investment purposes. Fabric, buttons and thread can be classified as intermediate goods. As they are completely used up in the further production of goods and services in the same year.	1 1 1 1 6
17.	Read the following text carefully : Balance of Payments (BoP) systematically summarise, the economic transactions of an economy with the rest of the world, over a given period of time. The BoP can be broadly divided into two accounts namely: • current account • capital account The current account measures the transfer of goods, services, income and transfers between an economy and rest of the world. The current account may be sub-divided into merchandise account and invisible account. Merchandise account consists of transactions related to export and import of goods. In the invisible account, there are three broad categories : • Non-factor services such as travel, transportation, insurance etc. • Transfer which do not involve any value in exchange. • Income which includes compensation of employees and investment income. The capital account reflects the net changes in financial claims on rest of the world. The capital account can be broadly broken up into two categories : • Non-debt flows such as direct and portfolio investments. • Debt flows such as external assistance, commercial borrowings, non-resident deposits etc. The sum of the two accounts indicates the overall balance, which could be either be in surplus or deficit. The movement in overall balance is reflected in changes in international reserves of the country. Source: https://mospi.gov.in/109-balance-payments (adopted and modified) On the basis of the given text and common understanding, answer the following questions : (a) Define Balance of Payments. Ans. Balance of Payments (BoP) systematically summarise, the economic transactions between the residents of a country and the rest of the world, over a given period of time. (b) Differentiate between the two accounts of Balance of Payments. Ans. The two accounts of Balance of Payments are Current Account and Capital Account. Current Account records the trade in goods & services and transfers payments to/from abroad. The current account may be sub-divided into merchandise account and invisible account. Whereas;	1 1 ½

	Capital Account records the net changes in financial claims on rest of the world. The capital account can be subdivided into Non-debt flows and Debt flows. (c) Give the meaning of Balance of Payments deficit with formula. Ans. Balance of Payments (BoP) Deficit refers to a situation when, during the year, inflows of foreign exchange falls short of outflows of foreign exchange on account of autonomous transactions. Autonomous outflows of foreign exchange > Autonomous inflows of foreign exchange	1 ½ 2 6																																							
SECTION – B (Indian Economic Development)																																									
18.	_____ is based on the idea that education and health are integral to human well-being. (Choose the correct option to fill up the blank) (A) Human Resource (B) Human Development (C) Human Capital (D) Economic Development Ans. (B) Human Development	1																																							
19.	In recent years, all the adults are encouraged to open bank accounts as a part of a scheme known as _____. (Choose the correct option to fill up the blank) (A) Jan-Dhan Yojana (B) Jan-Aushadhi Yojana (C) Jan-Soochna Yojana (D) Jan-Arogya Yojana Ans. (A) Jan-Dhan Yojana	1																																							
20.	The given chart indicates the problem of _____ in the Indian Economy, post 1990-92. (Choose the correct option to fill up the blank) <table border="1"> <caption>Growth of Employment and Gross Domestic Product, 1951-2012 (%)</caption> <thead> <tr> <th>Period</th> <th>GDP (%)</th> <th>Employment (%)</th> </tr> </thead> <tbody> <tr><td>1951-56</td><td>3.6</td><td>0.39</td></tr> <tr><td>1956-61</td><td>4.2</td><td>0.85</td></tr> <tr><td>1961-66</td><td>2.8</td><td>2.03</td></tr> <tr><td>1966-74</td><td>3.3</td><td>1.99</td></tr> <tr><td>1974-79</td><td>4.8</td><td>1.84</td></tr> <tr><td>1980-85</td><td>5.7</td><td>1.73</td></tr> <tr><td>1985-90</td><td>5.8</td><td>1.89</td></tr> <tr><td>1990-92</td><td>3.4</td><td>1.5</td></tr> <tr><td>1997-2000</td><td>6.1</td><td>0.98</td></tr> <tr><td>1999-2003</td><td>6.1</td><td>2.28</td></tr> <tr><td>2003-10</td><td>8.7</td><td>0.28</td></tr> <tr><td>2010-2012*</td><td>7.8</td><td>1.12</td></tr> </tbody> </table> Options : (A) Informalisation of Workforce (B) Casualisation of Workforce (C) Jobless Growth (D) Formalisation of Workforce Ans. (C) Jobless Growth Note : The following question is for the Visually Impaired Candidates only in lieu of Q. No. 20. The situation under which an economy attains economic growth without corresponding rise in employment is known as _____. (Fill up the blank with correct option) Options : (A) Informalisation of Workforce (B) Casualisation of Workforce (C) Jobless Growth (D) Formalisation of Workforce Ans. (C) Jobless Growth	Period	GDP (%)	Employment (%)	1951-56	3.6	0.39	1956-61	4.2	0.85	1961-66	2.8	2.03	1966-74	3.3	1.99	1974-79	4.8	1.84	1980-85	5.7	1.73	1985-90	5.8	1.89	1990-92	3.4	1.5	1997-2000	6.1	0.98	1999-2003	6.1	2.28	2003-10	8.7	0.28	2010-2012*	7.8	1.12	1 1
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21.	Read the following statements carefully : Statement 1 : Environmental concerns of waste generation and pollution have become critical, due to reversal of demand and supply relationship.																																								

	Statement 2 : Environmental crisis happens, when the rate of resource extraction is less than that of regeneration of resource. In the light of the given statements, choose the correct option 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
22.	_____ of agriculture refers to production of crops for sale in the open market rather than for self consumption purpose. (A) Commercialisation (B) Diversification (C) Digitisation (D) Modernisation Ans. (A) Commercialisation	1
23.	Read the following statements carefully : Statement 1: In 1978, commune lands were divided into small plots to the individual households for cultivation. Statement 2: Under commune system, professionals were sent to work and learn from the country side. In the light of the given statements, choose the correct option 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
24.	Identify, the options that emphasize the role of information and technology. (i) Achieving sustainable development (ii) Attainment of food security (iii) Disseminates information regarding emerging technologies. Options : (A) Only (i) (B) Only (ii) (C) (i) and (ii) (D) (i), (ii) and (iii) Ans. (D) (i), (ii) and (iii)	1
25.	Read the following statements : Assertion (A) and Reason (R). Choose one of the correct options given below : Assertion (A) : Under the land reforms, Indian government fixed the minimum land size which could be owned by an individual. Reason (R) : The purpose of land ceiling was to avoid the concentration of land ownership in a few hands. Options : (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. Ans. (D) Assertion (A) is false, but Reason (R) is true.	1
26.	_____ are the people who operate their own farms / enterprises. (Choose the correct option to fill up the blank)	

	(A) Hired Workers (C) Regular Salaried Employees Ans. (D) Self-Employed (B) Casual Wage Workers (D) Self-Employed	1
27.	Agricultural marketing is a process that involves the _____ of agricultural commodities. (Choose the correct option to fill up the blank) (i) Privatisation (iii) Assembling Options : (A) (i) and (ii) (C) (i), (ii) and (iii) (ii) Processing (iv) Grading (B) (ii) and (iii) (D) (ii), (iii) and (iv) Ans. (D) (ii), (iii) and (iv)	1
28 (a)	Medhya and Danish both had their own farms. Medhya invested in a few agricultural courses, learnt modern farming techniques and trained her labourers on best practices related to soil fertility, crop management, pest control etc. Whereas, Danish invested heavily in, by purchasing advanced farming machinery, irrigation systems, and high quality seeds. Do you agree that, Danish had made investment in human capital? Give valid reason in support of your answer. Ans. No, Danish has not made investment in human capital. As investment in human capital increases, the stock of knowledge, skill and ability imbibed in the owner of the same. However, Danish's investment in purchasing advanced farming machinery, irrigation systems, and high-quality seeds is made in physical capital. Physical capital includes assets which are tangible in nature. It is separable from its owner and can be transacted in the market. (To be marked as a whole)	3
(b)	OR “Expenditure on preventive medicine, curative medicine and social medicine helps in building human capital and economic development.” Do you agree with the given statement ? Give valid arguments in support of your answer. Ans. Yes. Expenditure on health as a source of human capital formation, in an economy, may take different forms like expenditure on preventive medicine, curative medicine and social medicine, etc. A healthy person provides uninterrupted labour supply for a longer period of time. Thus, such expenditure leads to human capital formation contributing towards economic development. (To be marked as a whole)	3
29.	Briefly explain the dual pricing policy adopted by China. Ans. Under the reforms introduced, China adopted the dual pricing policy. Dual pricing means fixing the prices in two ways, i.e., farmers and industrial units were required to buy and sell fixed quantities of inputs and outputs on the basis of prices fixed by the government and the rest were purchase and sold at market prices. (To be marked as a whole)	3
30.	Explain, the volume and direction of foreign trade during the British rule. Ans. During the British rule, India became an exporter of primary products and an importer of finished goods. Britain maintained a monopoly control over India's exports and imports. As a result, more than half of India's foreign trade was restricted to Britain while the rest was allowed with a few other countries like China, Ceylon (Sri Lanka) and Persia (Iran). (To be marked as a whole)	4
31.	On the basis of the given data, compare and analyse the Distribution of workforce and its contribution to Gross Value added in India and China.	

Sectoral Share of Employment and GVA (%) in 2018-2019						
Sector	Contribution to GVA			Distribution of Workforce		
	India	China	Pakistan	India	China	Pakistan
Agriculture	16	7	24	43	26	41
Industry	30	41	19	25	28	24
Services	54	52	57	32	46	35
Total	100	100	100	100	100	100

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

Ans. The given data shows the data pertaining to the sectoral share of employment and Gross Value Added (GVA). Due to topographic and climatic conditions, the cultivable area in China is relatively smaller than that of India. Hence, the contribution of the agricultural sector to the GVA in China is 7% employing 26% of its workforce, whereas in India it is 16% employing 43% of its workforce.

Owing to rapid industrialisation in China, the contribution of the industrial sector to GVA stands at 41% with 28% of the workforce as against corresponding figures of 30% and 25% in India.

Both the nations have similar contribution of the Service sector to GVA standing at 54% and 52% with corresponding 32% and 46% to the workforce, respectively in India and China.
(To be marked as a whole)

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| 32. | **(a)** “In recent times through various schemes and policies, the Government of India has taken vital initiatives to generate employment directly/indirectly.” Justify the statement giving valid arguments. **Ans. Since independence the government has played an important role in generating employment directly / indirectly. Various government departments/enterprises employ people and increase their output of goods and services, leading to direct employment. When the output of goods and services from government enterprises increases, then private enterprises which receive raw materials from government enterprises will also raise their output. Subsequently, private enterprises using these output are indirectly benefitted with increase in scale of production. This leads to an increase in the employment opportunities indirectly in the economy.** (To be marked as a whole) **OR** **(b)** “Micro credit programmes have been very helpful in supporting rural development and improving livelihoods in India.” Do you agree with the given statement ? Give valid reasons in support of your answer. **Ans. Yes. Micro-credit programmes have emerged to fill the gap in the formal credit system. The formal credit delivery mechanism has not been fully integrated into the rural social structure. Due to non-availability of collateral, a vast proportion of poor rural households go out of the credit network. Micro-credit system has brought these poor households in the ambit of formal credit system by providing them loans at a concessional rate of interest.** (To be marked as a whole) | | | | | | 4 |
| 33. | **(a)** (i) “To promote green revolution, the Indian government provided fertilizer subsidies to the farmers.” Briefly explain any two arguments in favour of such subsidies. **Ans. Two arguments in favour of subsidies are:** - **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.** | | | | | | 1 ½ 1 ½ |

	(ii) As per a news report dated, 8th Oct. 2021, the Government of India sold its entire 100% stake in Air India. Tata sons, the original founder of Air India won the bid and purchased the airline for ₹ 18,000 crore. (1) Identify the step taken by the Government of India. Ans. The step taken by the Government of India is Privatisation. (2) State any two ways in which identified step can be executed by the government. Ans. Government companies are converted into private companies in two ways: • By withdrawal of the government from ownership and management of public sector companies • By outright sale of public sector companies. OR (b) (i) “After 1991, reforms in external sector led to an increase in foreign exchange inflows”. Justify the given statement with valid argument. Ans. Post 1991, as an important reform in the external sector, rupee was devalued against foreign currencies. As a result, India is seen as a successful exporter of auto parts, pharmaceutical goods, engineering goods, IT software and textiles. This led to an increase in the inflow of foreign exchange. Moreover, a sharp rise in foreign direct investment led to a manifold increase in the foreign exchange reserves. (To be marked as a whole) (ii) “During the planning period, public sector was given a dominant role in Indian Economy.” Justify the rationale behind this step taken by the Government of India. Ans. At the time of independence, the Indian industrialists lacked 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. Moreover, the decision to develop the Indian economy on socialist lines made it essential for the public sector to take the leading role. (To be marked as a whole)	1 1 1 6 3 3 6
34.	Read the following text carefully: Climate change and sustainability of environment are two pressing issues that have captured global attention. In recent years, the world has witnessed a surge in extreme weather events including severe droughts, cloud bursts, floods, land slides, receding coastlines and the alarming melting of arctic ice and Himalayan Glaciers. Wildfires have become more frequent and intense. In this context, sustainable agriculture emerges as a crucial solution. This refers to those farming practices that meet today’s requirements while preserving resources for the future generation. This means adopting methods that protect the environment, reduce dependence on chemical inputs, efficiently use water and land and ensuring socio-economic equity for farmers. On one hand sustainable agricultural practices are necessary, on the other, they are often more expensive to implement compared to conventional methods. Sustainable practices like organic farming, climate-smart technologies, modern irrigation system may seem costly upfront, but they offer long-term benefits by improving productivity, and environmental stewardship. Without accessible and affordable financing options, the much-needed shift to sustainable farming practices will remain a distant dream for many. Therefore, sustainable finance should not only promote eco-friendly practices but also ensure that financial resources are available to the farmers who need it. Source: https://website.vbi.org.in/web/rbi/-speeches-interview/financing-for-sustainable-agriculture (adopted and modified)	6

	On the basis of the given text and common understanding, answer the following questions: (a) Give the meaning of Sustainable Agriculture. Ans. Sustainable agriculture refers to those farming practices that meet today's requirements while preserving resources for future generations. (b) "Sustainable Agriculture emerges as a crucial solution to the problem of climate change." Do you agree with the given statement? Give valid explanation in support of your answer. Ans. Yes. Sustainable Agriculture emerges as a crucial solution to the problem of climate change. Adopting sustainable practices helps to protect the environment. Such practices help to avoid extreme weather events, including severe droughts, cloud bursts, floods, landslides, receding coastlines and the alarming melting of arctic ice and Himalayan Glaciers. (To be marked as a whole) (Any other valid explanation to be awarded marks) (c) State any two ways to achieve sustainable development. Ans. Two ways to achieve sustainable development are: • Use of Solar Power • Use of Mini-Hydel Plants (Any other relevant way to be awarded marks)	1 3 1 1 6
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