



KENDRIYA VIDYALAYA SANGATHAN

CHENNAI REGION

ECONOMICS ONE DAY WORKSHOP

28.09.2022



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OBJECTIVES OF ONE DAY WORKSHOP FOR PGT

ECONOMICS OF CHENNAI REGION :-

To familiarize the participants :-

- Regarding the latest CBSE syllabus (XI & XII)
- Discussion on difficult areas identified- need analysis
- MLL Learning and specific strategies
- Special Package for (MLL) Under Achievers
- Discussion on split up syllabus XI & XII
- Preparation of sample Question Papers XI & XII- based on new pattern

KENDRIYA VIDYALAYA SANGATHAN - CHENNAI REGION

DETAILS OF PGT (ECONOMICS) FOR WORKSHOP (ONLINE MODE)

28.09.2022

S.No.	Name of the KV	Name of the Teacher
1	ARAKKONAM	Smt.K.C.Lakshmi
2	CHENNAI AFS AVADI	Shri A Manoharan
3	CHENNAI ANNANAGAR	Smt.J UMA
4	CHENNAI ASHOK NAGAR	Dr.M.AMARNATH REDDY
5	CHENNAI CLRI	SHRI. MUTHUVIGNESH KUMAR M
6	CHENNAI CRPF AVADI	SMT. PAULAMI CHAKRABARTTI
7	CHENNAI DGQA	Smt. C.Padma
8	CHENNAI IIT	Smt. J Lakshmi Parvathi
9	CHENNAI ISLAND GROUNDS	Shri.MOHAMMED AAMIR FAIZEE P M
10	CHENNAI MINAMBAKKAM	Smt.S.Shanthi
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12	CHENNAI TAMBARAM NO.1	Smt DHIVYA R.
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14	DHARMAPURI	Shri.Thirunavukkarasu N
15	DINDIGUL	Shri.S.Soundaian
16	KARAIKUDI	Shri .V.Subramanian
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18	MADURAI NO.2	Smt.Leena Chellam
19	MANDAPAM	Shri. Naveen
20	NAGERCOIL	Smt.Yamuna Sathyan.S
21	SIVAGANGA	Ms. Kamalaeashwari
22	SULUR	Smt. Angelene Vanitha
23	TRICHY NO.1	Smt. S. PUSHPALATHA
24	TRICHY NO.2	Smt. Rashmi Agarwal
25	VIRUDHUNAGAR	SMT. MUTHUMARI
26	PONDICHERRY NO.1 (SHIFT I)	Shri .SIMON FERNANDES
27	PORT BLAIR NO.1	Shri.Paul Kishore Kunthan Bara
28	PORT BLAIR NO.2	Shri. MOJ KUMAR
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CBSE CURRICULAM 2022-23

ECONOMICS (Code No. 030) **(2022-23)**

Rationale

Economics is one of the social sciences, which has great influence on every human being. As economic life and the economy go through changes, the need to ground education in children's own experience becomes essential. While doing so, it is imperative to provide them opportunities to acquire analytical skills to observe and understand the economic realities.

At senior secondary stage, the learners are in a position to understand abstract ideas, exercise the power of thinking and to develop their own perception. It is at this stage, the learners are exposed to the rigour of the discipline of economics in a systematic way.

The economics courses are introduced in such a way that in the initial stage, the learners are introduced to the economic realities that the nation is facing today along with some basic statistical tools to understand these broader economic realities. In the later stage, the learners are introduced to economics as a theory of abstraction.

The economics courses also contain many projects and activities. These will provide opportunities for the learners to explore various economic issues both from their day-to-day life and also from issues, which are broader and invisible in nature. The academic skills that they learn in these courses would help to develop the projects and activities. The syllabus is also expected to provide opportunities to use information and communication technologies to facilitate their learning process.

Objectives:

- Understanding of some basic economic concepts and development of economic reasoning which the learners can apply in their day-to-day life as citizens, workers and consumers.
- Realisation of learners' role in nation building and sensitivity to the economic issues that the nation is facing today.
- Equipment with basic tools of economics and statistics to analyse economic issues. This is pertinent for even those who may not pursue this course beyond senior secondary stage.
- Development of understanding that there can be more than one view on any economic issue and necessary skills to argue logically with reasoning.

ECONOMICS (030) CLASS – XI (2022-23)

Theory: 80 Marks

3 Hours

Project: 20 Marks

Units		Marks	Periods
Part A	Statistics for Economics		
	Introduction	15	10
	Collection, Organisation and Presentation of Data		30
	Statistical Tools and Interpretation	25	50
		40	
Part B	Introductory Microeconomics		
	Introduction	04	10
	Consumer's Equilibrium and Demand	15	40
	Producer Behaviour and Supply	15	35
	Forms of Market and Price Determination under perfect competition with simple applications	06	25
		40	
			200
Part C	Project Work	20	20

Part A: Statistics for Economics

In this course, the learners are expected to acquire skills in collection, organisation and presentation of quantitative and qualitative information pertaining to various simple economic aspects systematically. It also intends to provide some basic statistical tools to analyse, and interpret any economic information and draw appropriate inferences. In this process, the learners are also expected to understand the behaviour of various economic data.

Unit 1: Introduction 10 Periods

What is Economics?

Meaning, scope, functions and importance of statistics in Economics

Unit 2: Collection, Organisation and Presentation of data 30 Periods Collection of data - sources of data - primary and secondary; how basic data is collected with concepts of Sampling; methods of collecting data; some important sources of secondary data: Census of India and National Sample Survey Organisation.

Organisation of Data: Meaning and types of variables; Frequency Distribution.
Presentation of Data: Tabular Presentation and Diagrammatic Presentation of Data: (i) Geometric forms (bar diagrams and pie diagrams), (ii) Frequency diagrams (histogram, polygon and Ogive) and (iii) Arithmetic line graphs (time series graph).

Unit 3: Statistical Tools and Interpretation 50 Periods

For all the numerical problems and solutions, the appropriate economic interpretation may be attempted. This means, the students need to solve the problems and provide interpretation for the results derived.

Measures of Central Tendency- Arithmetic mean, median and mode

Correlation – meaning and properties, scatter diagram; Measures of correlation - Karl Pearson's method (two variables ungrouped data) Spearman's rank correlation.

Introduction to Index Numbers - meaning, types - wholesale price index, consumer price index and index of industrial production, uses of index numbers; Inflation and index numbers.

Part B: Introductory Microeconomics

Unit 4: Introduction 10 Periods

Meaning of microeconomics and macroeconomics; positive and normative economics

What is an economy? Central problems of an economy: what, how and for whom to produce; concepts of production possibility frontier and opportunity cost.

Unit 5: Consumer's Equilibrium and Demand 40 Periods

Consumer's equilibrium - meaning of utility, marginal utility, law of diminishing marginal utility, conditions of consumer's equilibrium using marginal utility analysis.

Indifference curve analysis of consumer's equilibrium-the consumer's budget (budget set and budget line), preferences of the consumer (indifference curve, indifference map) and conditions of consumer's equilibrium.

Demand, market demand, determinants of demand, demand schedule, demand curve and its slope, movement along and shifts in the demand curve; price elasticity of demand - factors affecting price elasticity of demand; measurement of price elasticity of demand – percentage-change method and total expenditure method.

Unit 6: Producer Behaviour and Supply

35 Periods

Meaning of Production Function – Short-Run and Long-Run Total

Product, Average Product and Marginal Product.

Returns to a Factor

Cost: Short run costs - total cost, total fixed cost, total variable cost; Average cost; Average fixed cost, average variable cost and marginal cost-meaning and their relationships.

Revenue - total, average and marginal revenue - meaning and their relationship. Producer's equilibrium-meaning and its conditions in terms of marginal revenue and marginal cost. Supply, market supply, determinants of supply, supply schedule, supply curve and its slope, movements along and shifts in supply curve, price elasticity of supply; measurement of price elasticity of supply - percentage-change method.

Unit 7: Forms of Market and Price Determination under Perfect Competition with simple applications.

25 Periods

Perfect competition - Features; Determination of market equilibrium and effects of shifts in demand and supply.

Simple Applications of Demand and Supply: Price ceiling, price floor.

Part C: Project in Economics

20 Periods

Guidelines as given in class XII curriculum

Suggested Question Paper Design
Economics (Code No. 030)
Class XI (2022-23)
March 2023 Examination

Marks: 80

Duration: 3 hrs.

SN	Typology of Questions	Marks	Percentage
1	Remembering and Understanding: Exhibit memory of previously learned material by recalling facts, terms, basic concepts, and answers. Demonstrate understanding of facts and ideas by organizing, comparing, translating, interpreting, giving descriptions, and stating main ideas	44	55%
2	Applying: Solve problems to new situations by applying acquired knowledge, facts, techniques and rules in a different way.	18	22.5%
3	Analysing, Evaluating and Creating: Examine and break information into parts by identifying motives or causes. Make inferences and find evidence to support generalizations. Present and defend opinions by making judgments about information, validity of ideas, or quality of work based on a set of criteria. Compile information together in a different way by combining elements in a new pattern or proposing alternative solutions.	18	22.5%
	Total	80	100%

ECONOMICS
CLASS - XII (2022-23)

Theory: 80 Marks

3 Hours

Project: 20 Marks

Units		Marks	Periods
Part A	Introductory Macroeconomics		
	National Income and Related Aggregates	10	30
	Money and Banking	06	15
	Determination of Income and Employment	12	30
	Government Budget and the Economy	06	17
	Balance of Payments	06	18
		40	
Part B	Indian Economic Development		
	Development Experience (1947-90) and Economic Reforms since 1991	12	28

	Current Challenges facing Indian Economy	20	50
	Development Experience of India – A Comparison with Neighbours	08	12
	Theory Paper (40+40 = 80 Marks)	40	
			200
Part C	Project Work	20	20

Part A: Introductory Macroeconomics

Unit 1: National Income and Related Aggregates 30 Periods

What is Macroeconomics?

Basic concepts in macroeconomics: consumption goods, capital goods, final goods, intermediate goods; stocks and flows; gross investment and depreciation.

Circular flow of income (two sector model); Methods of calculating National Income - Value Added or Product method, Expenditure method, Income method.

Aggregates related to National Income:

Gross National Product (GNP), Net National Product (NNP), Gross Domestic Product (GDP) and Net Domestic Product (NDP) - at market price, at factor cost; Real and Nominal GDP.

GDP and Welfare

Unit 2: Money and Banking 15 Periods

Money – meaning and functions, supply of money - Currency held by the public and net demand deposits held by commercial banks.

Money creation by the commercial banking system.

Central bank and its functions (example of the Reserve Bank of India): Bank of issue, Govt. Bank, Banker's Bank, Control of Credit through Bank Rate, CRR, SLR, Repo Rate and Reverse Repo Rate, Open Market Operations, Margin requirement.

Unit 3: Determination of Income and Employment 30 Periods

Aggregate demand and its components.

Propensity to consume and propensity to save (average and marginal).

Short-run equilibrium output; investment multiplier and its mechanism.

Meaning of full employment and involuntary unemployment.

Problems of excess demand and deficient demand; measures to correct them - changes in government spending, taxes and money supply.

Unit 4: Government Budget and the Economy 17 Periods

Government budget - meaning, objectives and components.

Classification of receipts - revenue receipts and capital receipts;

Classification of expenditure – revenue expenditure and capital expenditure.

Balanced, Surplus and Deficit Budget – measures of government deficit.

Unit 5: Balance of Payments 18 Periods

Balance of payments account - meaning and components;

Balance of payments – Surplus and Deficit

Foreign exchange rate - meaning of fixed and flexible rates and managed floating.

Determination of exchange rate in a free market, Merits and demerits of flexible and fixed exchange rate.

Managed Floating exchange rate system

Part B: Indian Economic Development

Unit 6: Development Experience (1947-90) and Economic Reforms since 1991:

28 Periods A

brief introduction of the state of Indian economy on the eve of independence.

Indian economic system and common goals of Five Year Plans.

Main features, problems and policies of agriculture (institutional aspects and new agricultural strategy), industry (IPR 1956; SSI – role & importance) and foreign trade.

Economic Reforms since 1991:

Features and appraisals of liberalisation, globalisation and privatisation (LPG policy);

Concepts of demonetization and GST

Unit 7: Current challenges facing Indian Economy 60 Periods

Human Capital Formation: How people become resource; Role of human capital in economic development; Growth of Education Sector in India

Rural development: Key issues - credit and marketing - role of cooperatives; agricultural diversification; alternative farming - organic farming

Employment: Growth and changes in work force participation rate in formal and informal sectors; problems and policies

Sustainable Economic Development: Meaning, Effects of Economic Development on Resources and Environment, including global warming

Unit 8: Development Experience of India: 12 Periods

A comparison with neighbours

India and Pakistan

India and China

Issues: economic growth, population, sectoral development and other Human Development Indicators

Part C: Project in Economics 20 Periods

Prescribed Books:

1. Statistics for Economics, NCERT
2. Indian Economic Development, NCERT
3. Introductory Microeconomics, NCERT
4. Macroeconomics, NCERT
5. Supplementary Reading Material in Economics, CBSE

Note: The above publications are also available in Hindi Medium.

**Suggested Question Paper Design
Economics (Code No. 030)
Class XII (2022-23)
March 2023 Examination**

Marks: 80

Duration: 3 hrs.

SN	Typology of Questions	Marks	Percentage
1	Remembering and Understanding: Exhibit memory of previously learned material by recalling facts, terms, basic concepts, and answers. Demonstrate understanding of facts and ideas by organizing, comparing, translating, interpreting, giving descriptions, and stating main ideas	44	55%
2	Applying: Solve problems to new situations by applying acquired knowledge, facts, techniques and rules in a different way.	18	22.5%

3	<p>Analysing, Evaluating and Creating: Examine and break information into parts by identifying motives or causes. Make inferences and find evidence to support generalizations.</p> <p>Present and defend opinions by making judgments about information, validity of ideas, or quality of work based on a set of criteria.</p> <p>Compile information together in a different way by combining elements in a new pattern or proposing alternative solutions.</p>	18	22.5%
	Total	80	100%

Guidelines for Project Work in Economics (Class XI and XII)

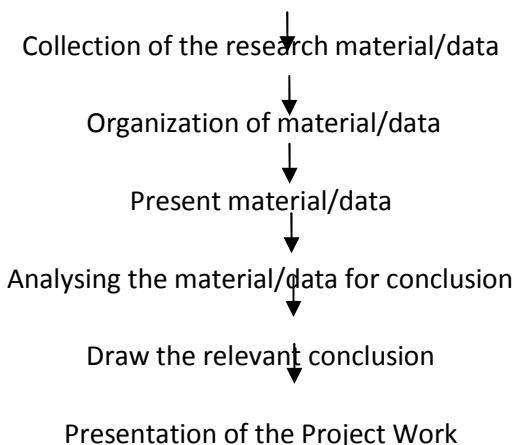
The objectives of the project work are to enable learners to:

- probe deeper into theoretical concepts learnt in classes XI and XII
- analyse and evaluate real world economic scenarios using theoretical constructs and arguments
- demonstrate the learning of economic theory
- follow up aspects of economics in which learners have interest
- develop the communication skills to argue logically The expectations of the project work are that:
 - learners will complete only ONE project in each academic session
 - project should be of 3,500-4,000 words (excluding diagrams & graphs), preferably hand-written
 - it will be an independent, self-directed piece of study Role of the teacher:

The teacher plays a critical role in developing thinking skills of the learners. A teacher should:

- help each learner select the topic based on recently published extracts from the news media, government policies, RBI bulletin, NITI Aayog reports, IMF/World Bank reports etc., after detailed discussions and deliberations of the topic
- play the role of a facilitator and supervisor to monitor the project work of the learner through periodic discussions
- guide the research work in terms of sources for the relevant data
- educate learner about plagiarism and the importance of quoting the source of the information to ensure authenticity of research work
- prepare the learner for the presentation of the project work
- arrange a presentation of the project file

Scope of the project: Learners may work upon the following lines as a suggested flow chart:
Choose a title/topic



Expected Checklist:

- Introduction of topic/title
- Identifying the causes, consequences and/or remedies
- Various stakeholders and effect on each of them
- Advantages and disadvantages of situations or issues identified
- Short-term and long-term implications of economic strategies suggested in the course of research
- Validity, reliability, appropriateness and relevance of data used for research work and for presentation in the project file
- Presentation and writing that is succinct and coherent in project file
- Citation of the materials referred to, in the file in footnotes, resources section, bibliography etc.

Mode of presentation/submission of the Project:

At the end of the stipulated term, each learner will present the research work in the Project File to the External and Internal examiner. The questions should be asked from the Research Work/ Project File of the learner. The Internal Examiner should ensure that the study submitted by the learner is his/her own original work. In case of any doubt, authenticity should be checked and verified.

Marking Scheme :

Marks are suggested to be given as –

S. No.	Heading	Marks Allotted
1.	Relevance of the topic	3
2.	Knowledge Content/Research Work	6
3.	Presentation Technique	3
4.	Viva-voce	8
	Total	20 Marks

Suggestive List of Projects:

Class XI	
<input type="checkbox"/> Effect on PPC due to various government policies	<input type="checkbox"/> Invisible Hand (Adam Smith)
<input type="checkbox"/> Opportunity Cost as an Economic Tool (taking real life situations)	<input type="checkbox"/> Effect of Price Change on a Substitute Good (taking prices from real life visiting local market)
<input type="checkbox"/> Effect on equilibrium Prices in Local Market (taking real life situation or recent news)	<input type="checkbox"/> Effect of Price Change on a Complementary Good (taking prices from real life visiting local market)
<input type="checkbox"/> Solar Energy, a Cost Effective Comparison with Conventional Energy Sources	<input type="checkbox"/> Bumper Production- Boon or Bane for the Farmer
<input type="checkbox"/> Any other newspaper article and its evaluation on basis of economic principles	<input type="checkbox"/> Any other topic

Class XII	
<input type="checkbox"/> Micro and Small Scale Industries	<input type="checkbox"/> Food Supply Channel in India
<input type="checkbox"/> Contemporary Employment situation in India	<input type="checkbox"/> Disinvestment policy of the government
<input type="checkbox"/> Goods and Services Tax Act and its Impact on GDP	<input type="checkbox"/> Health Expenditure (of any state)
<input type="checkbox"/> Human Development Index	<input type="checkbox"/> Inclusive Growth Strategy
<input type="checkbox"/> Self-help group	<input type="checkbox"/> Trends in Credit availability in India
<input type="checkbox"/> Monetary policy committee and its functions	<input type="checkbox"/> Role of RBI in Control of Credit
<input type="checkbox"/> Government Budget & its Components	<input type="checkbox"/> Trends in budgetary condition of India
<input type="checkbox"/> Exchange Rate determination – Methods and Techniques	<input type="checkbox"/> Currency War – reasons and repercussions
<input type="checkbox"/> Livestock – Backbone of Rural India	<input type="checkbox"/> Alternate fuel – types and importance
<input type="checkbox"/> Sarva Siksha Abhiyan – Cost Ratio Benefits	<input type="checkbox"/> Golden Quadrilateral- Cost ratio benefit
<input type="checkbox"/> Minimum Support Prices	<input type="checkbox"/> Relation between Stock Price Index and Economic Health of Nation
<input type="checkbox"/> Waste Management in India – Need of the hour	<input type="checkbox"/> Minimum Wage Rate – approach and Application
<input type="checkbox"/> Digital India- Step towards the future	<input type="checkbox"/> Rain Water Harvesting – a solution to water crises
<input type="checkbox"/> Vertical Farming – an alternate way	<input type="checkbox"/> Silk Route- Revival of the past
<input type="checkbox"/> Make in India – The way ahead	<input type="checkbox"/> Bumper Production- Boon or Bane for the farmer
<input type="checkbox"/> Rise of Concrete Jungle- Trend Analysis	<input type="checkbox"/> Organic Farming – Back to the Nature
<input type="checkbox"/> Any other newspaper article and its evaluation on basis of economic principles	<input type="checkbox"/> Any other topic

SAMPLE QUESTION PAPER (2022-23)
ECONOMICS (030) CLASS 12

TIME: 3 HOURS

M.M. – 80

GENERAL INSTRUCTIONS:

1. This question paper contains two sections:
 Section A – Macro Economics
 Section B – Indian Economic Development
2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.

Q.NO.	SECTION A – MACRO ECONOMICS	MARKS
1	<p>Read the following statements carefully:</p> <p>Statement 1: The consumption curve is an upward sloping straight line curve due to the direct relationship between income and consumption and the assumption of constant Marginal Propensity to Consume.</p> <p>Statement 2: Aggregate Demand curve and Consumption curve are parallel to each other.</p> <p>In the light of the given statements, choose the correct alternative from the following:</p> <ul style="list-style-type: none"> 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 	1
2	<p>‘Owing to the Russia-Ukraine crisis, the world is experiencing rising crude prices due to supply-side issues.’</p> <p>Identify the most likely impact on the Balance of Payment situation of the Indian economy from the following:</p> <ul style="list-style-type: none"> a) Production of cars in India will rise. b) Production and sale of cycles in India will rise. c) Inflow of US Dollars in India will rise. d) Outflow of US Dollars from India will rise. 	1

4	<p>Read the following statements carefully:</p> <p>Statement 1: Export of financial services by India will be recorded on credit side of current account.</p> <p>Statement 2: Foreign Direct Investments in India will be recorded on credit side of capital account.</p> <p>In the light of the given statements, choose the correct alternative:</p> <ol style="list-style-type: none"> Statement 1 is true and statement 2 is false Statement 1 is false and statement 2 is true Both statements 1 and 2 are true Both statements 1 and 2 are false 	1
5	<p>Read the following statements carefully:</p> <p>Statement 1 - Net investment is a stock concept.</p> <p>Statement 2 - Capital is a flow concept.</p> <p>In the light of the given statements, choose the correct alternative from the following:</p> <ol style="list-style-type: none"> Statement 1 is true and statement 2 is false Statement 1 is false and statement 2 is true Both statements 1 and 2 are true Both statements 1 and 2 are false <p style="text-align: center;">OR</p> <p>Read the following figure carefully and choose the correct pair from the alternatives given below:</p> <p>Alternatives:</p> <ol style="list-style-type: none"> Output, Production Value added, Production Output, Disposition Wealth, Development 	1

6	<p>If in an economy, the value of investment multiplier is 4 and Autonomous Consumption is ₹ 30 Crore, the relevant consumption function would be :</p> <p>a) $C=30+0.75Y$ c) $C=30-0.75Y$</p> <p>b) $C=(-)30+0.25Y$ d) $C=30-0.25Y$</p> <p>OR</p> <p>If increase in National Income is equal to increase in consumption, identify the value of Marginal Propensity to Save :</p> <p>a) Equal to unity c) Less than one</p> <p>b) Greater than one d) Equal to zero</p>	1																					
7	<p>Money supply in India may increase if, _____ (Choose the correct alternative)</p> <p>1. Reserve Bank of India(RBI) injects more money in circulation 2. the commercial banks expand their credit operation 3. tax rates are reduced by the Central Government 4. Reserve Bank of India increases the Bank Rate Alternatives:</p> <p>a) 1,2 and 3 are correct b) 2,3 and 4 are correct c) 1,3 and 4 are correct d) 1,2 and 4 are correct</p>	1																					
8	<p>Suppose, following data is presented, for an imaginary economy: (all figures in ₹ '000 Crore) Identify, which of the statement about the period 2010 to 2020 is correct?</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Visible Exports</th> <th>Visible Imports</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>280</td> <td>240</td> </tr> <tr> <td>2020</td> <td>580</td> <td>460</td> </tr> </tbody> </table> <p>a) Improvement in balance of trade b) Increase in trade deficit c) Improvement in balance in invisibles items d) Deterioration of balance of trade</p> <p>OR</p> <p>The following information is given for an imaginary country:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Current Account</th> <th>Amount (in ₹'000 Crore)</th> </tr> </thead> <tbody> <tr> <td>Visible Exports</td> <td>100</td> </tr> <tr> <td>Visible Imports</td> <td>150</td> </tr> <tr> <td>Invisible Exports</td> <td>70</td> </tr> <tr> <td>Invisible Imports</td> <td>30</td> </tr> <tr> <td>Net current transfer balance</td> <td>15</td> </tr> </tbody> </table>	Year	Visible Exports	Visible Imports	2010	280	240	2020	580	460	Current Account	Amount (in ₹'000 Crore)	Visible Exports	100	Visible Imports	150	Invisible Exports	70	Invisible Imports	30	Net current transfer balance	15	1
Year	Visible Exports	Visible Imports																					
2010	280	240																					
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	<p>Balance on current account will be _____ of ₹ _____ thousand Crore.</p> <p>a) deficit, 10 b) surplus, 5 c) deficit, 5 d) surplus, 10</p>	1
9	<p>Read the following statement -Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): Ex-post Investments represent planned Investments; whereas ex-ante Investments represent actual level of investments.</p> <p>Reason (R): At equilibrium level, Ex-ante Savings and Ex-ante Investments are always equal.</p> <p>Alternatives:</p> <ul style="list-style-type: none"> 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 and 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. 	1
10	<p>Read the following statement -Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): Saving curve makes a negative intercept on the vertical axis at zero level of income.</p> <p>Reason (R): Saving function refers to the functional relationship between saving and income.</p> <p>Alternatives:</p> <ul style="list-style-type: none"> 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 and 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. 	1
11	Suppose in a hypothetical economy there are only two Firms A and B, Firm A sold goods for ₹ 2,000 to Firm B and purchased goods for ₹ 1,000. Firm B exported goods for ₹ 2,500 and had domestic sales of ₹ 1,500. Calculate Net Domestic Product at market price, if consumption of fixed capital is ₹ 200.	3
12	<p>Explain, how exchange rate is determined under a free market exchange rate system.</p> <p>OR</p> <p>Distinguish between autonomous and accommodating transactions in Balance of Payments Accounts.</p>	3

13	If an economy plans to increase its income by ₹ 2,000 crore and the Marginal Propensity to Consume is 75%. Estimate the increase in investment required to achieve the targeted increase in income.	4																				
14	As per the following news published in The Economic Times on 26 th December, 2021: 'Reserve Bank of India has sold government securities worth ₹ 8,710 crore in the secondary market, over the last four weeks, to drain out excessive liquidity'. Identify the likely cause and the consequences behind, this type of action plan of the Reserve Bank.	4																				
15	Read the following text carefully, discuss briefly the relevant function of the Central Bank, indicated : Recently, Reserve Bank of India (RBI) conducted a statutory inspection for supervisory evaluation against a Commercial Bank. The commercial bank was imposed with stringent penalties, owing to deficiencies in regulatory compliances. As per the Central Bank, the inspection revealed non-compliances vis-à-vis different directions issued by RBI, on the following fronts: i. ATM Card frauds ii. Ensuring integrity and quality of data iii. Loans to small borrowers (adapted/moderated -livemint.com) OR 'Reserve Ratio and Credit Creation are inversely related.' Do you agree with the given statement? Justify your answer with a suitable numerical example.	4																				
16	a) Define Gross Domestic Product (GDP) deflator and discuss its importance. b) State and discuss any two precautions to be considered while estimating national income by Expenditure Method.	3 3																				
17	<p>a) Compare the trends depicted in the figures given below:</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Figure 1: Trends in Fiscal deficit and primary deficit</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Apr-Nov 2019</th> <th>Apr-Nov 2020</th> <th>Apr-Nov 2021</th> </tr> </thead> <tbody> <tr> <td>Fiscal Deficit</td> <td>8.1</td> <td>10.8</td> <td>7.0</td> </tr> <tr> <td>Primary Deficit</td> <td>4.7</td> <td>6.9</td> <td>2.4</td> </tr> </tbody> </table> <p>Source: CGA Monthly Accounts</p> </div> <div style="text-align: center;"> <p>Figure 2: Fiscal deficit as a per cent of Budget estimate</p> <table border="1"> <thead> <tr> <th>Period</th> <th>As a per cent of BE</th> </tr> </thead> <tbody> <tr> <td>Apr-Nov 2019</td> <td>114.8</td> </tr> <tr> <td>Apr-Nov 2020</td> <td>135.1</td> </tr> <tr> <td>Apr-Nov 2021</td> <td>46.2</td> </tr> </tbody> </table> </div> </div> <p>b) Elaborate the objective of 'allocation of resources' in the Government budget. OR</p> <p>a) Distinguish between revenue receipts and capital receipts of the government, with suitable examples. b) Distinguish between direct and indirect taxes, with suitable examples.</p>	Category	Apr-Nov 2019	Apr-Nov 2020	Apr-Nov 2021	Fiscal Deficit	8.1	10.8	7.0	Primary Deficit	4.7	6.9	2.4	Period	As a per cent of BE	Apr-Nov 2019	114.8	Apr-Nov 2020	135.1	Apr-Nov 2021	46.2	3 3 3 3
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SECTION B – INDIAN ECONOMIC DEVELOPMENT						
18	<p>Identify, which of the following indicates the adverse impact of British rule in India.</p> <ul style="list-style-type: none"> a) Introduction of communication networks in India b) Change in composition of India's foreign trade c) Introduction of modern administrative system in India d) Introduction of railways in India 	1				
19	<p>_____ committee was set up for the development and promotion of small scale industries in India.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">a) Karve</td><td style="width: 50%;">b) Tapas Majumdar</td></tr> <tr> <td>c) Mahalanobis</td><td>d) TRYSEM</td></tr> </table> <p>Or</p> <p>First Industrial Policy Resolution of Independent India was announced in the year _____ (Fill in the blank with the correct alternative)</p> <p>a) 1947 b) 1948 c) 1951 d) 1956</p>	a) Karve	b) Tapas Majumdar	c) Mahalanobis	d) TRYSEM	1
a) Karve	b) Tapas Majumdar					
c) Mahalanobis	d) TRYSEM					
20	<p>_____ and _____ are the reasons for the slowdown of the Pakistan economy since independence.</p> <ul style="list-style-type: none"> I. political instability II. over-dependence on remittances from abroad III. stable performance of agriculture sector IV. growth of service sector Alternatives: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">a) I and II</td><td style="width: 50%;">b) II and III</td></tr> <tr> <td>c) III and IV</td><td>d) I and IV</td></tr> </table> <p>OR</p> <p>'GLF' with respect to the People's Republic of China referred to as _____(Choose the correct alternative).</p> <p>a) Giant Leap Forward b) Great Lead Forum c) Great Leap Forward d) Giant Lead Forum</p>	a) I and II	b) II and III	c) III and IV	d) I and IV	1
a) I and II	b) II and III					
c) III and IV	d) I and IV					
21	<p>Identify which of the following is a source of non-institutional credit in the rural areas of India.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">a) NABARD</td><td style="width: 50%;">b) Regional Rural Banks</td></tr> <tr> <td>c) Money Lenders</td><td>d) Commercial Banks</td></tr> </table>	a) NABARD	b) Regional Rural Banks	c) Money Lenders	d) Commercial Banks	1
a) NABARD	b) Regional Rural Banks					
c) Money Lenders	d) Commercial Banks					

22	<p>From the set of the events given in column I and corresponding facts given in Column II, choose the correct pair of statement:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center; padding: 2px;">COLUMN I</th><th colspan="2" style="text-align: center; padding: 2px;">COLUMN II</th></tr> </thead> <tbody> <tr> <td style="width: 15%;">i</td><td style="width: 45%;">Dual Pricing</td><td style="width: 15%;">A</td><td style="width: 45%;">Economic Reforms of 1991</td></tr> <tr> <td>ii</td><td>Setting up of Special Economic Zones in China</td><td>B</td><td>To attract foreign Direct Investment</td></tr> <tr> <td>iii</td><td>Commune System</td><td>C</td><td>Backyard based Industrial production units</td></tr> <tr> <td>iv</td><td>Great Proletarian Cultural Revolution</td><td>D</td><td>Collective Farming</td></tr> </tbody> </table>	COLUMN I		COLUMN II		i	Dual Pricing	A	Economic Reforms of 1991	ii	Setting up of Special Economic Zones in China	B	To attract foreign Direct Investment	iii	Commune System	C	Backyard based Industrial production units	iv	Great Proletarian Cultural Revolution	D	Collective Farming	
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23	<p>Alternatives:</p> <ul style="list-style-type: none"> a) i – A b) ii – B c) iii – C d) iv - D 	1																				
24	<p>Read the following statements carefully.</p> <p>Statement 1: On-the-job trainings help to bridge a gap between theoretical concepts and practical experiences.</p> <p>Statement 2: On-the-job trainings update the employees, with the latest changes in their work field.</p> <p>In the light of the given statements, choose the correct alternative:</p> <ul style="list-style-type: none"> 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 	1																				
25	<p>_____ is not a cause for environmental degradation.</p> <ul style="list-style-type: none"> a) Waste management B)Deforestation C)Global warming b) Guarding green cover <p style="text-align: center;">OR</p> <p>_____ is not the strategy for Sustainable Development. (Choose the correct alternative)</p> <ul style="list-style-type: none"> a) Use of bio-gas B)Use of solar power C)Use of thermal power b) Use of hydel power 	1																				

26	<p>Read the following statement -Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): Unemployment and poverty are inseparable twins.</p> <p>Reason(R): Unemployment is the root cause of all socio-economic evils.</p> <p>Alternatives:</p>	
	<p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).</p> <p>c) Assertion (A) is true but Reason (R) is false.</p> <p>d) Assertion (A) is false but Reason (R) is true.</p>	1
27	<p>Read the following statement -Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): In the late 1970s, China's population growth rate had sharply declined.</p> <p>Reason(R): China has witnessed an increase in the proportion of elderly people owing to stringent family planning programmes.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).</p> <p>c) Assertion (A) is true but Reason (R) is false.</p> <p>d) Assertion (A) is false but Reason (R) is true.</p>	1
28	<p>Interpret the given picture on account of current environmental challenges.</p>  <p>The image shows an hourglass. The top bulb contains a polar bear standing on a small patch of icebergs. The bottom bulb contains a dense city skyline with numerous skyscrapers. The sand in the hourglass is clear and translucent. At the top of the hourglass, the text "we are running out of time" is written. At the bottom, the text "act now before it's too late" is written. A single bird is flying in the sky above the city skyline.</p> <p>Source: https://www.theenvironmentalblog.org/current-environmental-issues</p>	3

29	<p>Defend or refute the following statement with valid explanation:</p> <p>'Disguised unemployment is a common form of unemployment in rural India'</p> <p>Or</p> <p>Critically evaluate the role of rural banking system in the process of rural development in India.</p>	3 3
30	Compare and analyse the following information related to Imports and Exports of the three neighbouring nations:	

	Country	Exports from India (in ₹ Crore)			Imports to India (in ₹ Crore)			4
		200405	2018-19	Annual rate of growth (%)	2004-05	2018-19	Annual rate of growth (%)	
	Pakistan	2,341	14,426	3.7	427	3,476	5.1	
	China	25,232	1,17,289	2.6	31,892	4,92,079	10.3	
31	a) Name any one Maharatana company. b) 'Land ceiling promotes equity.' Support the given statement with valid explanation. OR Discuss briefly, how institutional reforms (land reforms) have played a significant role in transforming Indian agriculture.							1 3 4
32	State whether the following statements are true/false, with valid arguments: a) Human Capital and Human Development are one and the same thing b) India has a poor stock of technical manpower.							2 2
33	a) Define agricultural marketing. b) Discuss briefly the importance of micro-credit programmes in rural development. c) Enlist any two problems faced by farmers in the initial years of organic farming. OR a) "India has failed to implement the recommendations of Education Commission of 1964 -66." Give valid arguments in support of the given statement. b) 'Casual wage work is the major source of employment in rural India'. c) Defend or refute the given statement with valid reason.							2 2 2 3 3

<p>34</p> <p>Read the following text carefully and answer the given questions on the basis of the same and common understanding:</p> <p>The Green Revolution in India began in the mid-1960s marking a transition from traditional agriculture in India to high-yielding varieties of seeds and the associated modern agricultural techniques. The need for introduction of Green Revolution in India arose due to a shortage of food-grains in the post-independent period.</p> <p>The government in the post-independent India wanted to ensure self-dependence in terms of food-grain production. Such efforts coincided with the development of high-yielding varieties of seeds of wheat developed by Dr. Norman Borleng and his associates in Mexico. These seeds also necessitated changes in farming techniques such as the addition of fertilizers, pesticides and better irrigation facilities. High yielding varieties of seeds were first introduced in India in the states of Punjab, Haryana and parts of western Uttar Pradesh.</p>	
<p>In the early period of the green revolution in India, the focus was to acclimatise the new system with the more resource-intensive agricultural methods. The argument for introducing the new crop varieties was to increase agricultural production in terms of higher crop yields. The seeds introduced during the early period of the green revolution in Punjab were not highyielding by themselves. These high yields were possible due to the seeds being highly responsive to certain inputs such as irrigation water and fertilizers.</p> <p>The green revolution in India, thus, necessitated a resource-intensive process whereby, those who could make significant capital investments could benefit, whereas, those others became more marginalized in regions affected by practices of the green revolution in India. On one hand, the results derived from the green revolution helped farmers to increase their yield and income and on the other hand, it helped the government to procure and preserve more food grains through agencies like Food Corporation of India. These food grain reserves were helpful in creation of buffer stocks in India, which helped in the situations of adversities.</p> <p>a) Why was Green revolution implemented and how did it benefit the farmers?</p> <p>b) Justify the following statement with valid explanation:</p> <p>‘Green revolution enabled the government to procure sufficient food grains to build its stocks that could be used during time of shortage’.</p>	<p>3</p> <p>3</p>

Q.NO.	SECTION A – MACRO ECONOMICS				MARKS
1	c) Both statements 1 and 2 are true				1
2	d) Outflow of US Dollars from India will rise.				1
3	a) Commercial Banks				1
4	c) Both statements 1 and 2 are true				1
5	d) Both statements 1 and 2 are false OR c) Output, Disposition				1 1
6	a) $C=30+0.75 Y$ OR d) Equal to zero				1 1
7	a) 1,2 and 3 are correct				1
8	a) Improvement in balance of trade OR b) surplus,5				1 1
9	d) Assertion (A) is false but Reason (R) is true.				1
10	b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)				1
11		Value of Output (in ₹) A 2,000 (to B) B 2,500 (exports) 1,500(domestic sales) Total 6,000	Intermediate Consumption (in ₹) 1,000 (Purchases) 2,000 3,000	Value Addition (in ₹) 1,000 2,000 3,000	2 ½ ½
	Net Domestic Product at MP = Gross Domestic Product at Market price – Consumption of Fixed Capital = 3,000 – 200 = ₹ 2,800				

12	<p>Equilibrium rate of exchange is established at a point where the quantity demanded and quantity supplied of foreign exchange are equal. In the foreign exchange market, if disequilibrium occurs, it may lead to a situation of excess demand or excess supply.</p> <p>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.</p> <p style="text-align: center;">OR</p> <p>Autonomous transactions are those international economic transactions which are independent of the state of Balance of Payments (BOP). These transactions generally take place with ‘economic motive’. These transactions are called ‘above the line’ transactions in the Balance of Payments account.</p> <p style="text-align: center;">Whereas;</p>	3	1½
13	<p>Accommodating transactions are those international economic transactions which are undertaken (by competent authorities) to cover the surplus or deficit in Balance of Payments. These transactions are independent of any economic motive and are called ‘below the line’ transactions in the Balance of Payments account.</p> <p>Given, $MPC = 0.75$, $\Delta Y = ₹ 2,000$ Crore</p> $K = \frac{1}{1-MPC} = \frac{1}{1-0.75} = \frac{1}{0.25} = 4$ <p>According to the question:</p> $K = \frac{\Delta Y}{\Delta I}$ $4 = \frac{2000}{\Delta I}$ $\Delta I = \frac{2000}{4} = ₹ 500$ Crore <p>Therefore, increase in investment (ΔI) required = ₹ 500 Crore</p>	1 1 1 1 1	1½
14	<p>The given instance where, Reserve Bank of India has sold government securities in the secondary market indicates towards inflation as a possible cause behind the action taken by RBI.</p> <p>By selling off the government securities, RBI withdraws money from circulation and thereby reducing the lending capacity of the commercial banks. In this process, the economy will experience contraction of credit, leading to reduction in consumption and investment demand. Consequently, the inflationary pressure in the economy will get eased out.</p>	1 3	

15	<p>The given text indicates the ‘supervisory function’ of the Central Bank, under which the Reserve Bank of India (RBI) regulates and supervises routine functioning of the commercial banks.</p> <p>Under this function, the RBI may exercise periodic inspections/audits of commercial banks, filing of reports by commercial banks and other statutory compliances. Central bank may take necessary corrective and punitive actions against the banks owing to deficiencies in regulatory compliances.</p> <p>OR</p> <p>Yes, there exists an inverse relation between Reserve Ratio and Credit Creation in the economy. We know that:</p> $\text{Money Multiplier} = \frac{1}{\text{Reserve Ratio}}$ <p>Credit Creation = Initial Deposits x Money Multiplier</p> <p>Assuming that the value of initial deposits is ₹ 10,000 crore.</p> <p style="text-align: center;">(All figure in ₹ crore)</p> <table border="1" data-bbox="414 788 1356 961"> <thead> <tr> <th data-bbox="414 788 568 833">Reserve Ratio</th><th data-bbox="568 788 759 833">Money Multiplier</th><th data-bbox="759 788 949 833">Initial Deposits</th><th data-bbox="949 788 1356 833">Credit Creation (Initial Deposits x Money Multiplier)</th></tr> </thead> <tbody> <tr> <td data-bbox="414 833 568 900">10%</td><td data-bbox="568 833 759 900">$\frac{1}{0.1} = 10$</td><td data-bbox="759 833 949 900">10,000</td><td data-bbox="949 833 1356 900">1,00,000</td></tr> <tr> <td data-bbox="414 900 568 961">25%</td><td data-bbox="568 900 759 961">$\frac{1}{0.25} = 4$</td><td data-bbox="759 900 949 961">10,000</td><td data-bbox="949 900 1356 961">40,000</td></tr> </tbody> </table> <p>From the above calculation, we can conclude that higher the reserve Ratio, lesser credit will be created by Commercial Banks in the economy.</p>	Reserve Ratio	Money Multiplier	Initial Deposits	Credit Creation (Initial Deposits x Money Multiplier)	10%	$\frac{1}{0.1} = 10$	10,000	1,00,000	25%	$\frac{1}{0.25} = 4$	10,000	40,000	4 1/2 1/2
Reserve Ratio	Money Multiplier	Initial Deposits	Credit Creation (Initial Deposits x Money Multiplier)											
10%	$\frac{1}{0.1} = 10$	10,000	1,00,000											
25%	$\frac{1}{0.25} = 4$	10,000	40,000											
16	<p>a) GDP Deflator is the ratio of Nominal to Real GDP. It is a tool which is used to eliminate the effect</p> <p>b) of price fluctuations in the economy and to determine the real change in physical output of current year. GDP deflator helps in comparison of growth rate of the economy.</p> <p>i) Expenditure on second hand goods is not to be included in the final consumption expenditure as the production of these goods might not be attributed to the current year.</p> <p>ii) Expenditure on ‘intermediate goods’ are not to be taken into account, to avoid the problem of double counting of value of goods and services.</p>	3 1½ 1½												
17	<p>a) Considering the data represented in the given diagram, trend of year-on-year deficit (reporting for April to November) may be stated as follows:</p> <p>(i) Fiscal Deficit in 2020 increased to 10.8 lakh crore from 8.1 lakh crore in 2019. In 2021 it has gone down to 7 lakh crore.</p> <p>(ii) Primary Deficit in 2020 increased to 6.9 lakh crore from 4.7 lakh crore in 2019. In 2021 it has gone down to 2.4 lakh crore.</p> <p>(iii) Fiscal Deficit in 2020 increased to 135.1% of Budget Expenditure from 114.8% in 2019. In year 2021, it is 46.2% of Budget Expenditure</p> <p>Government seeks to allocate resources with a view to balance the goals of all sections of the society.</p> <p>Production of goods and services which are injurious to health may be discouraged through taxation policy. Similarly, production of goods of socially beneficial nature may be encouraged through subsidies. If the</p>	1												

	private sector does not take initiative in certain activities (Public Goods), the government may directly control them like water supply and sanitation etc.	
	<p style="text-align: center;">OR</p> <p>Revenue receipts are those receipts which neither creates any liabilities nor causes any reduction in the assets of the government. For example: taxes, dividends received from public enterprises etc.</p> <p style="text-align: right;">Whereas;</p> <p>Capital receipts are those receipts which either creates liabilities or causes reduction in the assets of the government. For example: borrowings, disinvestments etc.</p> <p>a)</p> <p>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. For example: income tax.</p> <p style="text-align: right;">Whereas;</p> <p>b) 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. For example: GST.</p>	1 1 3 1½ 1½ 1½ 1½

SECTION B – INDIAN ECONOMIC DEVELOPMENT

18	b) Change in composition of India's foreign trade	1
19	a) Karve Or b) 1948	1 1
20	a) I and II Or c) Great leap forward	1 1
21	c) Money Lenders	1
22	b) ii – B	1
23	c). Both statements 1 and 2 are true	1
24	d). Both statements 1 and 2 are false	1

25	d). Guarding green cover Or c) Use of thermal power	1 1
26	c) Assertion (A) is true but Reason (R) is false.	1
27	d) Assertion (A) is false but Reason (R) is true.	1
28	The given image indicates towards the environmental challenge of 'global warming'. Global warming is a gradual increase in the average temperature of the earth's lower atmosphere as a result in the increase in greenhouse gases.	3

	The statement given, ‘we are running out of time, act now before it’s too late’ represents the urgency of actions to be taken to control the situation. Various studies have shown that global warming is causing rise in sea level, loss of coastal land, increase risks of floods etc.	
29	<p>The given statement is true. Disguised unemployment is a situation where the marginal productivity of labour is zero. In India, this situation is often witnessed, as farming is more of a family affair in rural areas and most of the members are generally engaged on the farms without any direct contribution to the production process. This problem persists in rural India due to lesser availability of jobs.</p> <p style="text-align: center;">Or</p> <p>Rapid expansion of the banking system had positive effect on rural farm and non-farm output, income and employment. In spite of it, following problems have been faced in the rural banking such as-</p> <ul style="list-style-type: none"> ➤ The volume of rural credit in the country is still insufficient in comparison to its demand and institutional sources have failed to cover the entire rural farmers of the country. ➤ Less attention has been given on the credit requirements of needy (small and marginal farmers) and the problem of overdue in agricultural credit continues. 	3
30	<p>The above table shows that during the given periods the Exports from India to Pakistan have increased at an annualized rate of 3.7 % while the same with China shows 2.6% of growth. On the other hand, India’s import from China accounted for a massive 10.3 %. The corresponding figure with Pakistan witnessed an average of 5.1% respectively.</p> <p>The situation indicates that Indian imports from China are too high in comparison to the exports to China. This shows that Indian economy was over-dependent on Chinese economy for goods and services, over the given period of time. Whereas, in case of Pakistan gap is quite narrow, which may be due to various reasons.</p>	4

31	<p>a) Indian Oil Corporation Limited.</p> <p>b) Land ceiling means fixing the maximum size of land which could be owned by an individual, beyond which it would be taken over by the government and would be allotted to landless and small farmers. The purpose of land ceiling was to reduce the concentration of land ownership in few hands and promote equity.</p> <p style="text-align: center;">OR</p> <p>After independence the government of India took several institutional/land reforms to ensure transformation of Indian agriculture, such as:</p> <ul style="list-style-type: none"> i) Land ceiling – It ensured reduction of concentration of land ownership in few hands. ii) Abolition of Zamindari system – It focused on elimination of farmers' exploitation and promotion of agricultural growth. <p>These reforms have led to stability of farming as an occupation and promoted equity.</p>	1 3
32	<p>a) The given statement is not true to perfection. These two may sound similar but are not exactly same. Whereas, human capital considers education and health as a means to increase labour</p> <p>b) productivity, human development is based on the idea that education and health are integral to human wellbeing.</p> <p>The given statement is not true. India has a rich stock of scientific and technical manpower in the world. Also, India has taken a number of steps to improve it qualitatively and ensure that they are optimally utilized.</p>	2 2
33	<p>a) Agriculture marketing is a process that involves the assembling, storage, processing, transportation,</p> <p>b) packaging grading and distribution of different agricultural commodities across the country</p> <p>Self-help groups (SHG's) have emerged to fill the gap in the formal credit system in India as its delivery mechanism has not only proven inadequate but has also not been fully integrated into the overall rural social and community development. It came up as the micro finance program .Focus of</p>	2 2
	<p>SHGs is on those rural people, small and marginal farmers, agricultural and non-agricultural laborers who do not have sustainable access to formal banking system.</p>	
	<p>c) i) Inadequate infrastructure and marketing ii) Compared to conventional farm products, organic products have more shorter shelf life span</p> <p style="text-align: center;">OR</p> <p>The given statement is appropriate. Over the years India has not been able to raise the educational standards to the desired level. Education Commission of 1964-66 had recommended that at least 6 % of GDP should be spent on education so as to make a noticeable rate of growth in educational achievements. However, the current expenditure level has been</p>	1 1 3

		<p>quite inadequate. Thus, necessary steps must be taken by the government in this direction.</p> <p>The given statement is refuted. In rural areas, non-farm job opportunities are limited. People generally do not show preference to acquire skill and training for non-farm occupation .They prefer to stay on family farms and fields as self-employed.</p>	
34	a)	<p>Green revolution was implemented in India to overcome the shortage of food-grain availability in the</p>	
	b)	<p>post-independence period. Green revolution has increased the production and productivity in the agriculture sector which was otherwise very low. It helped in improving the income of the farmers by creating marketable surplus, increased employment and output.</p> <p>The given statement is appropriate as the Green Revolution helped government to procure and preserve more food grains through agencies like Food Corporation of India. Increase in food grain production has been so substantial that India not only started maintaining buffer stocks of food grains but also became a dominant player in food grain exports market.</p>	3 3

**KENDRIYA VIDYALAYA SANGATHAN,
CHENNAI REGION SPLIT-UP SYLLABUS
SUBJECT- ECONOMICS
CLASS XI
SESSION 2022-23**

Sr No	Month	Unit	Name of Lesson & Topic	TENTATIVE NO. OF TEACHING PERIODS REQUIRED	TENTATIVE NO. OF WORKING DAYS
1	August	Unit-1 Unit-4 Unit-2	STATISTICS Unit 1 Introduction What is Economics? Meaning, scope, functions and importance of statistics in Economics. INTRODUCTORY MICROECONOMICS Unit 4: Introduction Meaning of microeconomics and macroeconomics; positive and normative economics What is an economy? Central problems of an economy: what, how and for whom to produce; concepts of production possibility frontier and opportunity cost. STATISTICS Unit 2: Collection, Organization and Presentation of Data Collection of data - sources of data - primary and secondary; how basic data is collected with concepts of Sampling; methods of collecting data; some important sources of secondary data: Census of India and National Sample Survey Organization.	13+16=29	22
2	September	Unit-2 Unit-5	STATISTICS Organization of Data: Meaning and types of variables; Frequency Distribution. Presentation of Data: Tabular Presentation and Diagrammatic Presentation of Data: (i) Geometric forms (bar diagrams and pie diagrams), (ii) Frequency diagrams (histogram, polygon and Ogive) and (iii) Arithmetic line graphs (time series graph). INTRODUCTORY MICROECONOMICS Unit 5: Consumer's equilibrium and Demand Consumer's equilibrium- meaning	17+15=32	25

			of utility, marginal utility, law of diminishing marginal utility, conditions of consumer's equilibrium using marginal utility analysis.		
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			Indifference curve analysis of consumer's equilibrium-the consumer's budget (budget set and budget line), preferences of the consumer (Indifference curve, indifference map) and conditions of consumer's equilibrium. Periodic Test-1		
3	October	Unit-3 Unit-5	STATISTICS Unit3: Statistical Tools and Interpretation Measures of Central Tendency-Arithmetic Mean, Median & Mode Unit 5: Consumer's equilibrium and Demand (Contd...) Demand- market demand, determinants of demand, demand schedule, demand curve and its slope, movement along and Shifts in the demand curve; price elasticity of demand-factors affecting price elasticity of demand; measurement of price elasticity of demand – percentage-change method and total expenditure method.	24	14
4	November	Unit-6	INTRODUCTORY MICROECONOMICS Unit 6: Producer Behavior and Supply Meaning of Production Function – Short-Run and Long Run Total Product, Average Product and Marginal Product. Returns to a Factor Cost- Short run costs - total cost, total fixed cost, total variable cost; Average cost; Average fixed cost, average variable cost and marginal cost-meaning and their relationships. Half-Yearly Examination	18	24

5	December	Unit-6	Unit 6: Producer Behavior and Supply (Contd..) Revenue - total, average and marginal revenue - meaning and their relationship. Producer's equilibrium –meaning and its conditions in terms of marginal revenue – marginal cost Supply -market supply, determinants of supply, supply schedule, supply curve and its slope, movements along and Shifts in supply curve, price elasticity of supply; measurement of price elasticity of supply - percentage change method. Project Work in Economics	17+15=32	16
6	January 2023	Unit-3	STATISTICS Unit3: Statistical Tools and Interpretation (Contd..) Correlation – meaning and properties, scatter diagram; Measures of correlation - Karl Pearson's	25	17
		Unit-7	method (two variables ungrouped data), Spearman's rank correlation. INTRODUCTORY MICROECONOMICS Unit7: Forms of Market and Price Determination under Perfect Competition with simple application Perfect competition– Features; Determination of market equilibrium and effects of shifts in demand and supply. Simple Applications of Demand and Supply - Price ceiling, price floor.		
7	February 2023	Unit-3	Periodic Test-2 STATISTICS Unit3: Statistical Tools and Interpretation (Contd..) Introduction to Index Numbers - meaning, types - wholesale price index, consumer price index and index of industrial production, uses of index numbers; Inflation and index numbers. Revision & Submission of Project in Economics	20	22
8	March 2023		Annual Examination 2022-23		

MINIMUM LEVEL OF LEARNING

The strategies to ensure Minimum Level of Learning in Class XII Economics

1. Chapter wise Concepts/Topics identified to ensure that children learn them thoroughly with sufficient writing practice

Name of the Chapter	Concepts to Learn
National Income Accounting	<ol style="list-style-type: none"> 1. Components of Compensation of Employees, Operating Surplus, Final Expenditure 2. Meaning of circular flow of income 3. Difference between Stock & Flow, Final and intermediate goods, Value of output and Value added Real and money national income with examples. 4. Precatutions under each method 5. Calculating NDP, NNP through income and Expenditure method and NVA & GVA through value added method 6..Meaning and examples of positive externalities and non market activities
Money & Banking	<ol style="list-style-type: none"> 1. Meaning of money and functions of money 2. Meaning & concepts of Money supply 3. Credit creation process (Theory & simple Numerical) 4. Functions of Central Bank
Government Budget	<ol style="list-style-type: none"> 1. Meaning of Govt Budget, Functions of Budget (GEMS) 2. Difference between Revenue Receipts & Capital Receipts, Revenue expenditure and Capital expenditure with examples 3. Meaning of Deficit, Surplus & Balanced Budget, 4. Meaning and formula for Revenue deficit, Fiscal Deficit, and Primary deficit
Theory of Income Determination	<ol style="list-style-type: none"> 1. Meaning of Aggregate demand, consumption function, saving function, Inflationary gap & Deflationary gap 2. Meaning and calculation of MPC, MPS, Value of K(Investment Multiplier) 3. Working process of Investment Multiplier Single diagram showing Inflationary and Deflationary Gap & Consumption, Saving & Investment Curve 4. Measures to correct Excess demand & Excess Supply (In tabular form)
BOP & Foreign Exchange Rate	<ol style="list-style-type: none"> 1. Meaning of Foreign exchange rate, Equilibrium Exchange Rate 2. Meaning of Fixed, Floating Exchange rate system and Managed floating 3. Sources of demand for and supply of Foreign Exchange Meaning of Appreciation, Depreciation and Revaluation and Devaluation of Currency. 4. Meaning of BOP ,BOT, Visible Trade, Invisible trade Components of BOP current account and capital account
India On the Eve of Independence	<ol style="list-style-type: none"> 1. Reasons for Agriculture stagnancy during colonial rule 2. Two-fold objective of British Industrial policy 3. Status of Occupational structure 4. Volume and Direction of Foreign Trade during colonial rule 5. Demographic profile on the eve of Independence

India Between 150-1990	1. Long term objectives of Five year plans 2. Meaning of Land reforms and tenancy reforms –State in which failed, successful
	3. Meaning of Green Revolution ,for which crops, in which state it was introduced 4. Industrial policy Resolution 1956-Classification of industries 5. Inward looking trade strategy-meaning & two components
Economic Reforms	1. Meaning and need for Economic reforms in 1991 2. Meaning of Liberalization, privatization, Globalization, Disinvestment and Outsourcing 3. Any 3 positive and negative impacts of reforms 4. Meaning of GST, Demonetization and year of Introduction
Human Capital Formation	1. Meaning of Human Capital, Physical capital, Human capital formation 2. Role of Human capital in Economic development 3. Growth of Education Expenditure in India- Controlling agencies like, UGC, NCERT, AICTE, ICMR 4. Indicators of educational achievements.
Rural Development	1. Meaning and sources of Rural credit –Focus on Institutional Credit 2. Brief on NABARD and SHG(Micro credit) 3. Measures taken by government to strengthen Agricultural marketing in India 4. Meaning & Sources of Agricultural diversification 5. Meaning, Merits, Demerits of Organic farming.
Employment	1. Meaning of Formal & Informal employment 2. changes in work force participation rate in formal and informal sectors 3. Meaning of Unemployment and measures taken to increase the employment opportunities 3. Meaning of Jobless growth ,informalisation and Casualisation of employment 5. Charts and schedules may be thoroughly prepared.
Sustainable development	1. Meaning of Sustainable development 2. Strategies for sustainable development 3. Impact of Economic development on Environment –Select issues, Global Warming, Land degradation, Ozone depletion and Bio diversity loss
India & her neighbor	1. Comparison with India and Pakistan, India and China-dissimilarities 2. Economic Growth strategy of China & Pakistan 3. Comparison on the basis of economic growth, population, sectoral development and other Human Development Indicators

2. Reteach the identified concepts again during intensive revisions focusing answering skills and Objective based questions.
3. Identified under achievers must undergo repeated writing practice –can be developed by assigning daily 05 questions with answers –after syllabus completed
4. Conduct short duration tests/slip tests/Surprise tests on alternative days, evaluate the answers and give them diagnostics feedback on how to write correct answers as per questions .
5. Prepare chapter wise MCQ and test them through googleforms at weekends.
6. Ensure that at least three sample papers are solved under supervision by such children during the month of February 2023 .
7. Ensure that they don't refer multiple sources/study materials /guides to learn –Select the best and guide them to concentrate upon it .
8. Involve their bright classmates to help them to learn the concepts and remove misconception as peer learning motivates them .

9. During remediation guide them to learn and write, rather than teaching again.

10. TEACH, TEST, RE-TEACH AND RE-TEST TILL THE GOAL IS ACCOMPLISHED

11. Adopt the underachievers >>motivate them> >provide positive learning environment >>

>>encourage them to improve >> **t**o ensure that they secure 40 % marks with SMART WORK

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TIME LINE: INDIAN ECONOMIC DEVELOPMENT

1757	Battle of Plessey
1850	Introduction of railways
1852	First postal stamp was launched
1854	First railway bridge was constructed in India
1869	Opening of Suez canal
1881	First official census
1907	Tata iron and steel company started
1921	Year of great divide, first phase of demographic transition
1932	Private sector aviation launched by Tata & sons
1935	Reserve Bank of India
1948	First Industrial Policy Resolution
1948	GATT- General Agreement on Trade & Tariff
1950	Established planning commission
1950	Established World health organization
1951	First ,five year plan started in India
1951	Development and regulation Act
1953	First ,five year plan started in China
1955	Karve committee on village & small scale industry development
1956	Second Industrial Policy Resolution
1958	Great leap forward-China
1965	Proletarian culture -China
1966	First phase of Green Revolution started
1966	Adopted High Yield Variety Programme
1969	India institutional credit approach(social banking & multiagency approach)
1969	Monopolies and Restrictive Trade Policy Act
1969	Nationalization of commercial banks
1970	Beginning of white revolution
1970	Beginning of Atomic power generation
1973	Foreign Exchange Regulation Act
1974	Central pollution control board
1982	National bank for Agriculture and Rural Development
1986	Environment protection Act
1988	National Forest policy
1991	New Economic Policy(July 1991)
1991	New Industrial Policy

1992	Montreal Protocol
1995	World trade organization
1995	National social assistance programme
1998	Tapas Majumdar committee(expenditure in education)
1999	Foreign Exchange Management Act
1999	Swarnjyanti Gram swarojgar yojana
2001	Removal of quantitative restriction on import –export
2004	National food for work programme
2005	National Rural Employment Guarantee Act
2012	Established SEZ (Special Economic Zone)
2014	Pradhan mantra Jan-Dhan Yojna
2014	Make in India
2015	NITI Ayog(National Institute for Transforming India)
2016	Demonetization
2017	Goods & Service Tax (1 July 2017)

AISSE

Class XII - Plan of time Management - Economics

Timings:-

10:15 - 10:30 - Reading Time

10:30 - 1:30 - Writing Time

Total Time:-3 hrs

Total Marks:- 80

Type of Question	No of Qns x Time limit	Time Limit (total)
MCQs	20 Qns x 1min	20 minutes
3 Marks	04 Qns x 6mins	24 minutes
4 Marks	06 Qns x 10mins	60 minutes
6 Marks	04 Qns x 15mins	60 minutes
	TOTAL	2h 44 mins
	EXTRA TIME	16 mins

QUESTION BANK

INDIAN ECONOMY ON THE EVE OF INDEPENDENCE

1. What did the estimates of India's national income and Per capita Income reveal about the state of the economy?

The national income estimates reveal that during the British period, India's real national income growth rate was less than 2%. The growth rate of per capita income was less than 0.5%.

2. What was the focus of the economic policies pursued by the colonial government in India? What were the impacts of these policies?

The economic policies followed by the British government were aimed at converting India into a market for selling British goods and a source of raw materials for the British industries.

Impact of British policies on India.

- (i) Indian cottage industries declined and our artisans were impoverished.
- (ii) India became a major exporter of raw materials and an importer of finished goods.
- (iii) Indian farmers were forced to cultivate cash crops like cotton and indigo.
- (iv) The British established their monopoly over India's foreign trade. Indian traders were eliminated.
- (v) Economic development of India became slow.

2. Name some notable economists who estimated India's per capita income during the colonial period.

Dadabhai Naoroji, William Digby, Findlay Shirras, VKRV Rao and RK Desai made efforts to estimate per capita income.

3. What were the salient features of India's agricultural sector during the colonial period?

Indian Agriculture was backward and stagnant during the British period.

- (i) Agricultural productivity was very low. Subsistence agriculture was practiced in India. Methods of production were primitive.
- (ii) Farming was completely dependent on rainfall. Irrigation facilities were not developed. So, crop failures were common.
- (iii) Most of the fertile lands were owned by the Landlords. Most of the tillers were landless.
- (iv) Most of the farmers were poor. They did not have enough capital to invest in agriculture. Most of them were illiterates and ignorant. They did not know about the modern farming methods.
- (v) No investment was made in irrigation, flood control, terracing and desalinisation of soil.

4. What were the main causes of India's agricultural stagnation during the colonial period?

- (i) Land was owned by the Zamindars. They collected heavy rent from the farmers.
- (ii) The Government forced farmers to cultivate cash crops. The British paid very low prices for these crops.
- (iii) The profits earned from agriculture went in to the hands of the landlords. They used it for their luxurious life. So, there was no money to invest in the modernization of agriculture.
- (iv) The government did not take any step to provide irrigation facilities to farmers.
- (iv) Most of the farmers were illiterates and ignorant.
- (v) Farmers did not use chemical fertilizers and manures.
- (vi) Farmers did not use modern methods of cultivation. Agricultural productivity was very low.
- (vi) No investment was made in irrigation, flood control, terracing and desalinisation of soil.

5. What is Zamindari System? How did it lead to the backwardness of Indian Agriculture?

Zamindari System was a land revenue system introduced by the British Government in Bengal. Under this system Zamindar became the owner of the land. He had to pay a fixed amount as tax to the Government. Zamindar collected heavy rent from the peasants who cultivated his land.

- (i) Under this system, the life of peasants was miserable. They had to pay heavy rent to the Zamindars.
- (ii) Profits from agriculture went in to the hands of Zamindars. They did not use that money for the development of agriculture.
- (iii) Real cultivators did not enjoy ownership rights over their lands. They could be evicted at any time.

6. Do you think the Zamindari system has really been abolished in India? If not, suggest measures to banish it.

After Independence, State Governments were given power to make laws to abolish Zamindari system. Most of the State Governments made laws to abolish it. However, Zamindars used the loop holes in the laws to maintain their ownership rights over large areas of land. So, Zamindari System is not completely abolished in India

Measures to abolish Zamindari System

- (i) Laws against Zamindari System should be strictly implanted. Loop holes in the laws should be corrected.
- (ii) Tenants should be given security of tenure and rent should be fixed by the Government.
- (iii) Land ceiling should be implemented and surplus land should be distributed among the tillers.

6. What do you mean by Commercialisation of Agriculture? How did the introduction of Commercial Farming affect our farmers?

Cultivation of crops for selling in the market is called commercial farming. The British wanted raw materials for their industries. So, they encouraged the cultivation of

cash crops like indigo, cotton, sugarcane etc. The farmers were paid very low prices for their crops. As they stopped the cultivation of food crops like wheat and rice, they had to buy food from the market. They did not have enough money. So, starvation started.

8. What percentage of India's population depended on Agriculture during the British rule?

About 85% of India's population depended on Agriculture.

7. State the main features of India's industrial sector on the eve of Independence.

(i) The British followed a policy of 'de – industrialization' in India. Their aim was to use India as a market for their finished goods and as a source of raw materials to feed their industries.

(ii) The Indian traditional handicraft industry declined. The Indian goods lost their domestic and international demand.

(iii) Growth of modern industries was very slow in India. The government did not take any step for industrial development.

(iv) The role of public sector was limited to railways, power generation, communication and ports.

(v) Capital goods industries did not come up in India. We had to import all machines and tools from Britain.

8. What was the two-fold motive behind the systematic de-industrialisation effected by the British in pre-independent India?

The British made systematic efforts to de- industrialise India with the following aims: (i) They wanted to sell their finished goods in India. They did not want competition from Indian goods.

(ii) They wanted to collect raw materials in large quantities from India.

9. Critically appraise some of the shortfalls of the industrial policy pursued by the British colonial administration.

OR

How did the British economic policies prevent the growth of industries in India?

(i) The British followed a policy of 'de – industrialization' in India. Their aim was to use India as a market for their finished goods and as a source of raw materials to feed their industries.

(ii) The Indian traditional handicraft industry declined. The Indian goods lost their domestic and international demand.

(iii) Growth of modern industries was very slow in India. The government did not take any step for industrial development.

(iv) Capital goods industries did not come up in India.

10. The traditional handicrafts industries were ruined under the British rule. Do you agree with this view? Give reasons in support of your answer.

OR

Why did Indian Cottage and Village Industries decline during the British colonial rule?

Yes, the traditional handicrafts industries were ruined under the British rule.

(i) **Discriminatory Tariff Policy:** The British Government imposed heavy export duty on Indian goods. The raw materials were exempted from export duty. At the same time the

government allowed duty free import of foreign goods in to India. This policy helped the British Industries.

- (ii) **Competition from British Goods:** Low cost and better finished British goods were imported to India on a large scale. So, our goods faced stiff competition in the markets.
- (iii) **Loss of International Demand:** European countries made laws to prevent the entry of Indian goods in to their markets. They imposed heavy import duty on Indian goods. So, our goods lost their international market.
- (iv) **New Pattern of Demand:** The middle class was influenced by western culture. They favoured British goods.
- (v) **Introduction of Railways:** The railway network helped the British to take their goods even to the interior parts of India. Thus, Indian goods faced competition even in remote areas.
- (vi) **Loss of Patronage:** The end of the rule of Kings and Nawabs resulted in the loss of patronage to Indian handicrafts.

11. Which traditional industries were well developed in India before the arrival of the British?

India was well known for handicrafts like silk textiles, cotton textiles metal and precious stones works.

12. Which Indian Industry was most affected by Partition and why?

Jute textiles industry was badly affected due to partition because most of the jute growing areas became part of Eastern Pakistan (Modern Bangladesh). **13. Which important present day industrial unit was set up in 1907?**

Tata Iron and Steel Company (TISCO) was set up at Jamshedpur in 1907.

14. What are called Capital Goods Industries?

Industries that produce tools and machines needed for other industries are called capital goods industries.

15. The growth of which areas were under Public Sector during the British rule?

The Railways, Power Generation, Communication and Ports were under Public Sector during the colonial rule.

16. What was the effect of the systematic de industrialization policy followed by the British in India?

- (i) Indian cottage industries declined. Unemployment and poverty became severe in our country.
- (ii) British goods got good market in India. British industries developed.
- (iii) Industrial development became very slow in India. Capital goods industries did not come up.

17. Indicate the volume and direction of foreign trade at the time of Independence.

- (i) The British established monopoly over India's foreign trade. More than half of our trade was with Britain. Other trading partners were China, Srilanka and Persia.
- (ii) Before the colonial period, India was a major exporter of finished goods. The British rule converted India in to an exporter of raw materials and an importer of finished goods.

(iii) India exported primary products like raw silk, cotton, sugar, indigo, jute etc. We imported cotton, silk and jute clothes and capital goods.

(iii) India's balance of trade was favourable. There was export surplus.

18. *The export surplus did not bring any benefits to the Indian Economy. Why?*

India's balance of trade was favourable. There was export surplus. The export surplus did not bring gold or silver to India. It did not benefit India because:

- (i) the surplus was used to maintain the office set up by the colonial Government in Britain
- (ii) to meet the war expenditure.
- (iii) to import invisible items.

19. *Who were the trading partners of India during the British period?*

More than half of our trade was with Britain. Other trading partners were China, Srilanka and Persia.

20. *What was the cost that India had to bear for the Export Surplus during the British period?*

India exported primary goods. Several essential commodities like food grains, clothes and kerosene were not adequately available in India. The export surplus did not bring gold or silver to India.

21. *Give a quantitative appraisal of India's demographic profile during the colonial period.*

Population situation also showed backwardness.

- (i) Overall literacy rate was 16%. Female literacy rate was seven percent.
- (ii) Death rate was very high due to inadequate public health facilities.
- (iii) Infant Mortality Rate was nearly 218 per thousand.
- (iv) Life expectancy at birth was very low (44 years)
- (v) Large section of the population was under extreme poverty.

22. *When was the first official census operation undertaken in India?*

The first official census operation was undertaken in India in 1881.

23. *Which is regarded as the defining year to mark the demographic transition from its first to the second decisive stage?*

OR

Why is the year 1921 considered a Year of Great Divide?

1921 is considered as the year of Great Divide. Before 1921, the population of India was fluctuating, increasing in one census and decreasing in the other. After 1921, the population never decreased. It showed continuous increase.

24. *What was the overall literacy rate of India during the colonial period? What was female literacy rate?*

Overall literacy rate was 16%. Female literacy rate was seven percent.

25. *Explain the following terms:*

- (i) *Infant Mortality Rate:* It refers to the number of child deaths before attaining the age of one for every thousand live births.
- (ii) *Life Expectancy:* It refers to the average life span of an individual.
- (iii) *Commercial Agriculture:* It refers to cultivating crops for selling in the market.

(iv) Subsistence Agriculture: It refers to cultivation for self consumption. Major part of the output will be consumed by the farmer's family.

26. What was Infant mortality rate during the colonial period? Why was it very high?

Infant Mortality Rate was nearly 218 per thousand. It was very high because:

- (i) Public health facilities were very poor. Hospitals were not available in many villages.
- (ii) Most deliveries took place in houses without proper care.
- (iii) Food scarcity resulted in malnutrition among the children.

24. Highlight the salient features of India's pre-independent occupational structure.

Occupational structure refers to distribution of working population across primary, secondary and tertiary sectors of the economy.

- (i) 70 to 75 percent of Indian working population was engaged in primary sector.
- (ii) Less than 10% of the workers were in the secondary sector.
- (iii) Tertiary sector employed nearly 15 to 20% of the workers.
- (iv) In Madras, Bombay and Bengal Presidencies the dependence of workers on primary sector was low. In Orissa, Rajasthan and Punjab dependence of workers in primary sector was high.
- (v) Occupational structure also shows backwardness. In all developed countries secondary and tertiary sectors provide more employment.

25. What was the contribution of Industrial and service sectors in the employment of the work force during the British rule? What does it show?

- (i) Less than 10% of the workers were in the secondary sector.
- (ii) Tertiary sector employed nearly 15 to 20% of the workers.

Occupational structure also shows backwardness. In all developed countries secondary and tertiary sectors provide more employment. Value addition task is taking place in these sectors. People's income will be more. In India primary sector employs more workers. Income is low.

26. What objectives did the British intend to achieve through their policies of infrastructure development in India?

The British government took same steps to develop infrastructural facilities in India.

- (i) Railway was introduced in India. Railway helped the English to transport their goods to the interior parts of India. It also helped in the quick movement of their armed forces.
- (ii) A number of roads were constructed. Roads also helped them to transport their goods.
- (iii) Post and Telegraphs were developed. Communication facilities were needed for the easy administration of India.
- (iv) Seaports were developed to handle the export of raw materials to Britain and import of finished goods to India.

27. When was the Railway System introduced in India? How did the introduction of railways affect the structure of Indian economy?

Railways were introduced in 1850.

- (i) Railways helped people to travel long distances and break geographical and cultural barriers.
- (ii) It encouraged commercial farming. Villages lost their self sufficiency.
- (iii) India's export trade increased.

28. Why was the Inland Waterway along the coast of Orissa abandoned?

The Inland waterway was built along the coast of Orissa by spending huge amount of money. But it was uneconomic. It could not compete with the Railways.

29. What do you understand by the drain of India's wealth during the colonial period?

The British government in India served the British economic interests. India's wealth drained in to Britain.

- (i) India's export surplus was used for maintaining British Government Offices and to fight wars.
- (ii) The British government collected heavy taxes from the Indian people.
- (iii) India's treasures were taken to Britain. A lot of gold ornaments and precious stones were taken to Britain.
- (iv) They sold their goods in India and earned huge profits.
- (v) Raw materials were purchased at very low rates from Indians and exported to Britain.

30. Underscore some of India's most crucial economic challenges at the time of Independence.

- (i) Indian agricultural sector was backward. Productivity was very low. Primitive methods of cultivation and the unjust land tenure systems were responsible for the backwardness of agriculture.
- (ii) Traditional Indian cottage industries declined due to the economic policies of the British government. The growth of modern industries was very slow.
- (iii) A large section of the population suffered from poverty. Starvation deaths were reported from many places.
- (iv) Unemployment was another major problem. Large number of landless agricultural labourers remained unemployed.
- (v) Literacy rate was low, infant mortality rate was very high and life expectancy was low.
- (vi) Our occupational structure was unbalanced.

31. Were there any positive contributions made by the British in India? Discuss.

Following were the positive contributions made by the British in India

- (i) The British introduced commercial agriculture in India. This contributed to the modernization of agriculture.
- (ii) Development of Roads and Railways contributed to the socio-economic progress of the country.
- (iii) Barter system of exchange was replaced by monetary system. This contributed to economic progress.
- (iv) The British introduced an efficient system of administration in India.

(v) Introduction of modern education helped in the cultural and intellectual awakening of India.

32. Examine the salient features of the Indian economy on the eve of Independence.

(i) Indian agricultural sector was backward. Productivity was very low. Primitive methods of cultivation and the unjust land tenure systems were responsible for the backwardness of agriculture.

(ii) Traditional Indian cottage industries declined due to the economic policies of the British government. The growth of modern industries was very slow.

(iii) Population situation also showed backwardness. Both birth rate and the death rate were very high. Life expectancy was very low. Infant mortality rate was very high.

(iv) India's occupational structure was unbalanced. Major section of the workers was engaged in primary sector.

(v) The British rule converted India from the position of a major exporter of finished goods to a major importer of finished goods.

(vi) Our Balance of Trade was favourable. Most of our trade was with Britain.

ECONOMIC REFORMS

1. Why were reforms introduced in India?

OR

Explain the factors which forced the government to introduce economic reforms in 1991.
OR

Why did India adopt the New Economic Policy (LPG Policy) in 1991?

OR

Examine the background behind the launching of the New Economic Policy in 1991.

The economic crisis of 1991 forced the government to adopt the New Economic Policy.

(i) Fiscal deficit: The government's expenditure was much more than its income. So, the government was compelled to borrow money from international organizations. Public debt became very high. A huge amount had to be paid as interest every year.

(ii) Unfavourable Balance of Payments: Value of import became much more than the value of exports. The foreign exchange reserve became very low. The country was finding it very difficult to meet the import expenditure.

(iii) Gulf Crisis: A large number of Indians are working in Gulf countries. The Iraq war affected them badly. Many of them returned to India. So, the earnings from Gulf countries declined sharply.

(iv) Inflation: Prices of essential goods increased sharply. This affected the poor and salaried people very badly. Living standard of the people came down.

(v) Poor performance of the Public Sector Industries: Many of the PSUs became sick units. Inefficiency and corruption resulted in the downfall of the PSUs.

(vi) Role of IMF and World Bank: India got a loan of \$ 7 billion from IMF and World Bank. They instructed India to introduce economic reforms.

2. What are the two categories in to which the New Economic Policy (NEP) can be classified?

The NEP can be classified in to two categories:

- (i) Stabilisation measures: They are short term measures to increase foreign exchange reserve and to control Inflation.
- (ii) Structural Reforms: They are long term measures. Liberalisation, Privatisation and Globalisation are the structural reform measures.

3. What do you mean by Liberalisation? Mention the liberalization measures introduced in the Indian Economy.

Liberalisation refers to withdrawing all the control and restrictions imposed on the economy by the government.

Liberalisation in Industrial Sector (Industrial Sector Reforms)

- (i) ***Abolition of Industrial Licensing:*** Licensing has been abolished for all most all products except dangerous and harmful goods like alcohol, cigarettes, explosives etc. Licensing is also not needed for increasing production capacity.
- (ii) ***De- reservation of production areas:*** The goods which were earlier reserved for the small scale sector have now been opened for large scale units also.
- (iii) ***Freedom to import capital goods:*** All the restrictions on the import of machines, tools and equipments have been removed.
- (iv) ***Withdrawal of Price Restriction:*** The practice of Government fixing the prices of necessary goods was stopped. Market is given freedom to decide prices.

Financial Sector Reforms

- (i) The role of RBI has been changed from that of a regulator to a facilitator. Banks and other financial institutions are given freedom to take independent decisions.
- (ii) Permission was given to start private banks.
- (iii) Foreign Direct Investment in the banking sector is increased to 50%.
- (iv) Banks are given freedom to set up new branches without the permission of RBI.
- (v) Foreign Institutional Investors such as merchant bankers, mutual funds and pension funds are allowed to invest in India.

Tax Reforms

- (i) Income tax rates have been reduced. This was done to discourage tax evasion.
- (ii) Corporation tax has also been reduced to encourage investment.
- (iii) Goods and Services Tax (GST) was introduced to replace a large number of indirect taxes.
- (iv) Tax structure has been made simple.

Foreign Exchange Reforms

- (i) Rupee had been devalued. It was done to encourage exports and discourage imports.
- (ii) India changed from fixed exchange rate system to flexible exchange system.

Market forces are allowed to determine the exchange rates.

Trade and Investment Policy Reforms

- (i) Import licensing has been abolished except for dangerous and harmful goods.
- (ii) Import and export quotas have been abolished.
- (iii) Customs duties were reduced. Export duties have been abolished for most of the goods.

4. Why are tariffs imposed?

Tariffs are imposed to restrict foreign trade. High import duty will make foreign goods costly in India. This will help domestic industries to sell their goods in our markets. High export duty will discourage exports. This will help home consumers to get goods in sufficient quantities.

5. What is the most important function of the RBI?

Regulate and supervise the banks and other financial institutions.

6. Why did RBI have to change its role from controller to facilitator of financial sector in India?

Before 1991, RBI played the role of regulator of financial institutions. Banks and other financial institutions had to work under the supervision and directions of RBI. All those restrictions prevented the growth of financial sector. Foreign investors were discouraged. So, our Government decided to change the role of RBI from regulator to facilitator. Banks got more freedom to take decisions. Private Banks are allowed. Foreign investment is allowed.

7. How is RBI controlling the commercial banks?

- (i) A commercial bank can be started only after getting license from RBI. RBI can ask a bank to wind up.
- (ii) RBI conducts periodic inspection in commercial banks.
- (iii) It can issue guidelines to banks. It can ask commercial banks to give loans to farmers and other poor people.
- (iv) It fixes the Cash Reserve Ratio and Statutory Liquidity ratio.

8. Distinguish between strategic and minority sale.

Strategic sale refers to the sale of 51% or more of the shares of Public Sector Undertakings to private sector. Ownership and management of the company will pass on to the private sector.

Minority sale refers to the sale of less than 49% of the shares of PSUs to the private sector. Ownership and management will remain with the Government.

9. Distinguish between Bilateral and Multi – lateral Trade.

Bilateral Trade agreement is between two countries. They give most favoured nation status to each other. They frame rules and regulations and trade based on those rules.

Multi – lateral trade agreement is an agreement between several countries. All the members have most favoured nation status. Countries trade with each other as per the rules in the general agreement.

10. Distinguish between Tariff and Non Tariff barriers.

Tariff Barriers: Customs duties can be used as trade barrier. Heavy import duty can discourage import and heavy export duty can reduce exports. Countries used tariff barriers to protect domestic producers and domestic consumers.

Non Tariff Barriers: They are also called quantitative restrictions. The countries impose import quota and export quota. Quota refers to the maximum quantity that can be imported or exported. Quotas discourage import and export.

11. What is the meaning of quantitative restrictions?

Quantitative restrictions refer to import quota and export quota. Quota refers to the maximum quantity that can be imported or exported. Quotas discourage import and export.

12. What do you mean by Privatisation? Why did our government decide to privatise the Public Sector undertakings?

Privatisation refers to disinvestment in the public sector. The government decided to sell the shares of PSUs to the private individuals. The aim was to improve efficiency in the industrial sector.

REASONS FOR PRIVATISATION

- (i) Many of the PSUs became sick units. They became a social burden
- (ii) Industrial efficiency and productivity became low.
- (iii) The government wanted to raise money for social welfare programmes.
- (iv) Corruption became widespread in the Public Sector.
- (v) People were not able to get good quality goods and services.

13. State the merits and demerits of privatisation of Public Sector undertakings

MERITS OF PRIVATISATION

- (i) Efficiency and productivity of industrial sector improved.
- (ii) The government could get enough money for social welfare programmes.
- (iii) Industrial development became faster. The private enterprises earn profits and reinvest the profits.
- (iv) Consumers are able to get good quality goods and services.

DEMERITS OF PRIVATISATION

- (i) It is against the national goal of Socialism. It will take the country close to Capitalism.
- (ii) Private producers are aimed at maximization of profits. They will not give importance to socially desirable goods and services.
- (iii) Workers will be exploited. Their life will become difficult.

14. State the measures taken for Privatisation.

Government companies are converted in to private companies in two ways:

- (i) Government withdraws from the ownership and management of Public Sector Undertakings.
- (ii) Outright sale of PSUs to Private Sector.

15. Those public sector undertakings which are making profits should be privatised. Do you agree with this view? Why?

No, I do not agree with the privatization of profit making Public Sector Undertakings.

- (i) Profit making PSUs are assets of the government. The profit earned by them can be reinvested. This will help in industrial growth.
- (ii) Privatisation is against the national goal of Socialism. It will take the country close to Capitalism.
- (iii) Private producers are aimed at maximization of profits. They will not give importance to socially desirable goods and services.

(iv) In private sector the workers will be exploited. Their life will become difficult.

16. Define Globalisation. Mention the steps taken to globalise the Indian Economy.

Globalisation refers to the integration of our economy with the world economy. It is a system in which goods, services, investment and people move freely across the political boundaries.

Measures taken for the Globalisation of the Indian Economy

- (i) Restrictions on foreign investments have been removed. Now in many production areas 100% foreign direct investment is allowed.
- (ii) Import and export quotas have been removed. Customs duties have been reduced.
- (iii) Partial convertibility of Indian rupee is permitted. The rupee has been devalued.
- (iv) The country adopted a long term trade policy.

17. What is Outsourcing? Why is India a favourite destination for outsourcing?

Outsourcing is a practice in which a company hires regular services from external sources, mostly from other countries. Legal service, computer service, advertisement service, data entry, accounting service etc are outsourced by the companies of developed countries. The growth of Information Technology helped in the growth of outsourcing.

India is a favourite outsourcing destination because:

- (i) Wage rates are low in India. So, companies can reduce their cost of production.
- (ii) India has a lot of skilled manpower with good English knowledge.

18. Do you think that outsourcing is good for India? Why are developed countries opposing it?

Outsourcing is good for India because:

- (i) It provides employment opportunities to a large number of educated people.
- (ii) It enables India to earn a lot of foreign exchange.
- (iii) It improves the GDP of our country. Economic growth rate increases.

Developed countries are opposing outsourcing because:

- (i) It reduces employment opportunities in their countries.
- (ii) It leads to the outflow of foreign exchange.
- (iii) It affects their growth rate.

19. Write a note on WTO.

- (i) WTO (World Trade Organisation) was started in 1995 to replace General Agreement on Trade and Tariff (GATT).
- (ii) It is an international organization that promotes foreign trade and foreign investment.
- (iii) It aims at the removal of tariff and non tariff barriers to foreign trade.
- (iv) WTO discourages bilateral trade agreements and supports multi lateral trade agreements.

20. How many countries are members of WTO?

As on 14 July 2016, there are 164 members in WTO.

21. Why is it necessary to become a member of WTO?

- (i) All member countries get Most Favoured Nation status. This will help us to increase our trade with other countries.
- (ii) WTO promotes multi lateral trade agreements. It enables us to trade with several countries without any restrictions.

- (iii) Removal of trade barriers allow our goods to enter in to the markets of other countries.
- (iv) WTO also aims at increase in production capacity and protection of environment. It benefits India.

22. Do you think the Navaratna policy of the Government helps in improving the performance of public sector undertakings in India? How?

The Government has given Navaratna, Mahanavaratna and Mini Navaratna status to some of the important profit making Public Sector Companies.

- (i) They got financial, operational and managerial autonomy. They can take independent decisions.
- (ii) They can raise financial resources from the financial markets.
- (iii) This policy enabled them to improve their efficiency and to become internationally competitive.

23. What are the major factors responsible for the high growth of the service sector?

- (i) Globalisation resulted in the rapid growth of transport and communication facilities.
- (ii) Development of Information Technology resulted in the growth of new services like Software Technology Parks, BPOs etc.
- (iii) Foreign investment in Banking, Insurance and other financial institutions contributed to their growth.
- (iv) Increase in income of the people led to increase in demand for private schools, private hospitals etc.
- (v) Arrival of MNCs resulted in the growth of infrastructural facilities like transport, banking, insurance etc.
- (vi) Spread of educational and health care services also contributed to the growth of service sector.

24. Agriculture sector appears to be adversely affected by the reform process. Why?

- (i) Agricultural growth rate decreased in India during the reforms period.
- (ii) Public investment in infrastructure development such as irrigation, power, roads etc decreased.
- (ii) Removal of fertilizer subsidy affected the small and marginal farmers. Their cost of production increased.
- (iii) Reduction in import duty and the removal of import quota resulted in the arrival of foreign agricultural goods to our markets. Demand for our goods decreased.
- (iv) Removal of Minimum Support Price made the farmers vulnerable to market risks.
- (v) Farmers were encouraged to produce cash crops for export market. It resulted in the increase in prices of food grains.

25. Why has the industrial sector performed poorly in the reform period?

- (i) Industrial growth rate slowed down in India during the reform period.
- (ii) Demand for our industrial products decreased due to the arrival of foreign goods.
- (iii) Our markets are opened for foreign goods. However, the developed countries have not opened their markets for our goods.
- (iv) Reduction in public investment in infrastructural facilities also affected industrial growth.

26. Discuss economic reforms in India in the light of social justice and welfare.

- (i) Fall in agricultural production during the reform period added to poverty and unemployment in rural areas. Several farmers committed suicide.
- (ii) Cutting of subsidies increased the cost of production of farmers. Farming became a loss making business.
- (iii) Privatisation made the life of workers miserable. They lost job security.
- (iv) Profit became the only aim of production. So, the production of socially desirable goods and services is neglected.
- (v) International competition resulted in the decline of small scale industries. Several workers became unemployed.
- (vi) Coming up of MNCs created a lot of job opportunities for educated people, especially women.

27. How did the new economic policy (Economic Reforms) affect the economic growth of India?

- (i) Economic growth is measured in terms of GDP. India's GDP growth rate increased from 5.6% during 1980 – 91 to 8.2 % during 2007 – 12.
- (ii) The growth of agriculture declined.
- (iii) Industrial sector reported fluctuating growth rate.
- (iv) Service sector has grown rapidly. The growth rate of service sector reached 10.3% in 2014 – 15.

28. How did the new economic policy (Economic Reforms) affect Foreign Investment?

- (i) Foreign Direct Investment and Foreign Institutional Investment increased from US\$ 100 million in 1990 -91 to US\$36 billion in 2016 – 17.
- (ii) Foreign exchange reserve increased from US \$ 6 billion in 1990 – 91 to US \$360 billion in 2014 – 15.
- (iii) Today, India is one of the largest foreign exchange reserve holders in the world.
- (v) Farmers were encouraged to produce cash crops for export market. It resulted in the increase in prices of food grains.

29. How did the new economic policy (Economic Reforms) affect Industrial Sector?

- (i) Industrial growth rate slowed down in India during the reform period.
- (ii) Demand for our industrial products decreased due to the arrival of foreign goods.
- (iii) Our markets are opened for foreign goods. However, the developed countries have not opened their markets for our goods.

(iv) Reduction in public investment in infrastructural facilities also affected industrial growth.

30. Write a note on the disinvestment process during the reform period.

- (i) In 1991 -92 the target for disinvestment was to collect ` 2500 crores by disinvestment. The actual collection was ` 3040 crores.
- (ii) In 2017 – 18 the target was ` 1 lakh crores. The actual collection was ` 1 lakh 57 crores.

31. What are the criticisms against the disinvestment policy followed during the reform period?

- (i) Assets of Public Sector units were undervalued and sold to the private sector. It caused a lot of loss to the Government.
- (ii) The money collected from disinvestment was not used for welfare activities. It was used to overcome the revenue deficit of the Government,
- (iii) Mostly profit making PSUs were sold to private sector.

32. How did the new economic policy (Economic Reforms) affect the fiscal policy of the Government?

- (i) Public expenditure on social sectors reduced during reform period.
- (ii) Reduction in taxes affected the revenue receipts of the Government.
- (iii) Reduction in customs duties and tax concessions to foreign investors also affected Government's revenue.

33. Examine the merits and demerits of the New Economic Policy.

OR

Critically assess the achievements and short comings of the LPG policy.

MERITS OR POSITIVE IMPACT OF THE NEW ECONOMIC POLICY (LPG POLICY)

- (i) Economic growth is measured in terms of GDP. India's GDP growth rate increased from 5.6% during 1980 – 91 to 8.2 % during 2007 – 12.
- (i) Foreign Direct Investment and Foreign Institutional Investment increased from US\$ 100 million in 1990 -91 to US\$36 billion in 2016 – 17.
- (ii) Foreign exchange reserve increased from US \$ 6 billion in 1990 – 91 to US \$360 billion in 2014 – 15.
- (iv) Service sector developed. It provides employment to a large number of educated people.
- (v) Disinvestment enabled India to collect a lot of money and use it for welfare activities.

DEMERITS OR NEGATIVE IMPACT OF THE NEW ECONOMIC POLICY

- (i) Industrial growth rate slowed down in India during the reform period. Demand for our industrial products decreased due to the arrival of foreign goods.
- (ii) Agricultural growth declined. Our agricultural goods face competition from the goods of other countries.

- (iii) Public expenditure on social sectors reduced during reform period. Reduction in taxes affected the revenue receipts of the Government.

DEMONETISATION

1. What is called demonetization?

Withdrawal of a coin or currency note from its use as legal tender is called demonetization.

2. What are the objectives of demonetization?

OR

Why does a Government go for demonetization?

Objectives or goals of demonetization are:

- (i) *To eliminate black money:* Black money refers to unaccounted money. Those who hold black money cannot exchange the demonetized currency with legal tender currency. (ii) *To eradicate fake currency:* Fake currency notes will become useless due to demonetization.
- (iii) *To fight tax evasion:* The fear of demonetization will discourage tax evasion.
- (iv) *To fight Inflation:* The elimination of black money and fake currency will reduce money supply and control inflation.
- (vi) *To encourage cashless transactions:* The shortage of currency will encourage people to go for digital transactions.

3. How was demonetization implemented in India in 2016?

- (i) On 8th November 2016, the Government announced the demonetization of 500 and 1000 rupee notes. They constituted nearly 86% of India's cash supply.
- (ii) People were given time till 31 December 2016, to deposit demonetized notes with the Banks or post offices.
- (iii) The Banks and Post Offices were instructed to report all deposits above ` 2.5 lakhs in Savings Account and above ` 12.50 lakhs to income tax department. New 500 and 200 rupee notes were introduced.

4. Trace the history of Demonetisation before 2016 in India.

- (i) ` 10000 notes were demonetized in January 1946.
- (ii) ` 10000 notes were demonetized in January 1978.

5. State the merits of demonetization?

- (i) *It helps to eliminate black money:* Black money refers to unaccounted money. Those who hold black money cannot exchange the demonetized currency with legal tender currency. Either they have to pay tax and make it white money or dispose it off.
- (ii) *It helps to eliminate fake currency notes:* Fake currency notes cannot be deposited in Banks. So, such notes will be eliminated.

(iii) *Reduction in illegal activities:* Black money and fake currency notes are mostly used for illegal activities such as terrorism and smuggling. Elimination of black money and fake currency resulted in the decline of these activities.

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(iv) *Promotion of cash less transactions:* Demonetisation encouraged people to go for digital transactions. The use of payment applications, debit cards, credit cards and online transfer increased. India is moving towards efficient cash less economy.

(v) *Increase in tax revenue:* Demonetisation forced several people to disclose their actual income and pay taxes properly. Revenue from income tax, property tax, and wealth tax and land registration fees increased considerably.

(vi) *Reduction in Government's liability:* Black money holders who did not want to disclose their income had to dispose off their old currency notes. It reduced the liability of the Government.

6. What are the demerits or adverse effects of demonetization?

(i) Inconvenience to people: It caused a lot of inconvenience to the people. People had to stand in long queues to deposit, exchange or withdraw notes. Sudden announcement of demonetization created panic and fear among the people. Lack of sufficient currency in the hands created a lot of trouble.

(ii) Negative effect on Economic activities: Demonetisation had negative effect on trade, business and consumption activities. Economy slowed down. It affected the growth of the economy.

(iii) Costly for the Government: The Government had to spend a lot of money to print the new currency notes that replaced the old ones.

(iv) Difficulty in cash less transactions: A large number of people in the country are uneducated and ignorant. They found it very difficult to carry out cash less transaction. (v) Corruption: Several Bank officers illegally exchanged old notes for the new ones. They misused Jandhan accounts for that.

(vi) Loss to daily wage earners: Slow down of economy affected the daily wage earners. Job opportunities reduced and employers were unable to pay wages.

7. How did demonetization affect the money supply in the economy?

Money supply reduced due to demonetization. Elimination of black money and fake currency resulted in the decline of money supply. Delay in supplying new currency notes also resulted in the decline of money supply.

8. How did demonetization affect the liquidity position of Commercial Banks?

People deposited old currency notes in large quantities in their accounts. Banks got a lot of deposits. It increased the liquidity position of Banks.

9. How did demonetization affect Inflation?

Demonetisation helped in reducing the rate of inflation. Elimination of black money and fake currency resulted in reduction in money supply. This led to reduction in aggregate demand.

Prices started falling in the economy.

NCERT Solutions for Class 11 Economics Indian Economic Development

Chapter 7-Employment: Growth, Informalisation and Other Issue

Exercise : Solutions of Questions on Page Number : 134

Question 1 :

Who is a worker?

Solution :

People work for earning their livelihood. A person who is involved in production activity contributing to the flow of goods and services in the economy is called a worker. In other words, a worker is regarded as an economic agent who contributes to the production of goods and services, thereby, to the GDP during a particular year. A worker renders services to others and receives rewards in the form of wages, salaries or in kind. Hence, we can say that when an individual is engaged in a production activity or self employed and contributes to the generation of GDP, then, that person is referred to as a worker. For example, a doctor, an engineer working in a factory, etc.

Question 2 :

Define worker-population ratio.

Solution :

Worker-Population ratio is defined as the proportion of population that is actively contributing to the production of goods and services. It is measured by the ratio between the country's workforce and its total population. This ratio acts as an indicator for assessing the employment level in a particular country at any point of time. Higher the worker-population ratio higher is the engagement of people in the productive activities and vice-versa. Workerpopulation ratio is estimated by dividing the total work force by the total population and multiplying by 100. Algebraically,

$$\text{Worker-Population Ratio} = \frac{\text{Total Workforce}}{\text{Total Population}} \times 100$$

Question 3 :

Are the following workers- a beggar, a thief, a smuggler, a gambler? Why?

Solution :

No, a beggar, a thief, a smuggler, a gambler cannot be called as workers. A worker is involved in a production activity that contributes to the GDP of a country. As none of them (a beggar, a thief, a smuggler and a gambler) are involved in any legal economic production activity that contributes to the national income of the country, hence, none of them can be regarded as workers.

Question 4 :

Find the odd man out (i) owner of a saloon (ii) a cobbler (iii) a cashier in Mother Dairy (iv) a tuition master (v) transport operator (vi) construction worker.

Solution :

Tuition master and the owner of a saloon are the odd man out. This is because all others are hired while these two are self employed. Tuition master and the owner of a saloon are engaged in their own business and own profession, whereas, the cobbler, the construction worker, the transport operator and the cashier in the Mother Dairy are hired and render their services to others in exchange of rewards in the form of salaries or wages.

Question 5 :

The newly emerging jobs are found mostly in the _____ Sector (service/manufacturing).

Solution :

The newly emerging jobs are found mostly in the service sector.

The service sector is taking a lead over the manufacturing sector as a source of employment. It includes trade, commerce, banking, insurance, health and other services. These services are developing at a faster pace than the manufacturing and other allied production activities. This is because of the globalization of the economy.

Question 6 :

An establishment with four hired workers is known as _____(formal/informal) sector establishment.

Solution :

An establishment with four hired workers is known as informal sector establishment.

An informal sector is an unorganized sector of the economy. It includes all enterprises that hire less than 10 workers, except farming and self employment ventures. Therefore, an establishment with four hired workers is known as informal sector establishment.

Question 7 :

Raj is going to school. When he is not in school, you will find him working in his farm. Can you consider him as a worker? Why?

Solution :

Yes, Raj can be considered as a worker. This is because his work is contributing to the total output of the farm. Further, as implied by the definition of worker, a person who is engaged in an economic activity or is assisting anyone in an economic activity and, thereby, contributing to the GDP of the country is regarded as worker, so, Raj is a worker.

Question 8 :

Compared to urban women, more rural women are found working. Why?

Solution :

The percentage of female workforce in the rural areas is nearly 30 % while it is only 14 % in the urban areas. This depicts that as compared to the urban women more rural women accounts for higher share in the female workforce. While on the one hand, the rural women are less educated, unskilled and low productive, on the other hand, urban women being more educated and more skilled and productive have higher probability to get employment.

Ironically, the urban female accounts for lesser share in the female workforce as compared to their rural counterparts. The following are the reasons for low share of urban females in the total female workforce:

1. As in the agricultural and allied activities, high degree of skills and specialisations is not required, so, rural women engage themselves to support their family on farms.
2. As poverty in the rural areas is more widespread than in the urban areas, so, the rural women engage themselves in low productive jobs just to support the livelihood of their families.
3. As the urban families usually earn comparatively higher income than the rural families and, further, poverty in the urban areas is not as widespread as that of in the rural areas, so, there is lesser need for female members to get themselves employed.
4. The decision to take up jobs by the female members rests on the family's decision rather than her individual decision.
5. Although female literacy in India is improving, yet it has to get much better before urban female accounts for higher share in the total female workforce.

Question 9 :

Meena is a housewife. Besides taking care of household chores, she works in the cloth shop which is owned and operated by her husband. Can she be considered as a worker? Why?

Solution :

A person who is involved in the production activity and contributes to the generation of GDP is referred to as worker. As here Meena works in the cloth shop to support her husband and contributes to GDP by rendering her services, so, she can be considered as a worker.

Question 10 :

Find the odd man out (i) rickshaw puller who works under a rickshaw owner (ii) mason (iii) mechanic shop worker (iv) shoeshine boy.

Solution :

Shoeshine boy is a odd man out. All others (a rickshaw puller, a mason, and mechanic shop worker) are hired workers. They render their services to their employers and receive rewards in the form of salaries or wages in return. On the other hand, shoeshine boy is a self-employed worker and carries out his occupation himself.

Question 11 :

The following table shows distribution of workforce in India for the year 1972-73. Analyse it and give reasons for the nature of workforce distribution. You will notice that the data is pertaining to the situation in India 30 years ago!

Place of Residence	Workforce (in millions)		
	Male	Female	Total
Rural Urban	125 32	69 7	195 39

Solution :

(i) The total workforce in India in the year 1972-73 was 234 million that includes 195 million workforce of rural and 39 million of the urban population. This indicates a greater involvement of rural workforce comprising of 83 % of the total workforce as compared to 17% of the urban workforce. This is because a majority of rural population was engaged in agricultural and allied sectors.

(ii) The rural workforce comprises of 64% of the male workforce and 36% of female workforce. On the contrast, the urban workforce comprises of about 82% of male workforce and 18% of female workforce. The participation of males in both rural as well as in the urban areas is higher than the females because of the lack of opportunities available to women for acquiring education. Also, families often discouraged female members to take up job and, consequently, women were confined to household works only.

(iii) Comparing urban female work force with that of the rural female workforce, we can conclude that the females in the rural areas formed 36 % of the workforce, whereas, the females in the urban areas formed only 18% of the workforce. In the rural areas, despite a majority of the population was engaged in farming and allied activities, agricultural sector had low productivity. Consequent to the low productivity, rural people had low earnings that further led to widespread poverty in the rural areas.

Thus, it can be concluded by analysing the above data that Indian economy suffered from low productivity, acute unemployment and widespread poverty, disguised unemployment in agricultural sector and low female participation rate in the workforce 30 years ago

Question 12 :

The following table shows the population and worker population ratio for India in 1999-2000. Can you estimate the workforce (urban and total) for India?

Region	Estimates of population (in crores)	Worker Population Ratio	
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Solution :

Region	Estimates of Population (in crores)	Worker Population Ratio	Estimated No. of Workers (in crores)
Rural	71.88	41.9	$\frac{71.88}{100} \times 41.9 = 30.12$
Urban	28.52	33.7	$\frac{28.52}{100} \times 33.7 = 9.61124$
Total	100.40	39.5	$\frac{100.40}{100} \times 39.5 = 39.658$

Estimated no of workers in urban areas= $28.52 \times 33.7 / 100 = 9.61124$

Total workforce in India = $100.40 \times 39.5 / 100 = 39.658$

Question 13 :

Why are regular salaried employees more in urban areas than in rural areas?

Solution :

Regular salaried employees are those hired workers who are on the permanent payrolls of their employers. They are usually skilled workers and are entitled to all types of social security benefits. The concentration of these workers is higher in the urban areas as compared to the rural areas because such jobs require skilled and specialised workers. The opportunities to acquire and enhance such skills are available more in the urban areas. And these skills are acquired through the process of training and education that cannot be accessed in the rural areas due to the lack of investment, infrastructure and low literacy level of rural people. Further, the big companies are concentrated only in the urban areas due to the presence of infrastructure and availability of modern facilities like banks, transport and communication, etc. Therefore, the bulk of the jobs for the regular salaried employees are concentrated more in the urban areas resulting in the increase in number of the regular salaried employees.

Question 14 :

Why are less women found in regular salaried employment?

Solution :

Lesser women are found in regular salaried employment as compared to men because a larger proportion of women are engaged in the economic activities without stable contracts and steady income. The stable contracts and steady income are two features prevalent in the regular salaried employment. Women are engaged in informal segments of the economy, where they are not entitled to any social security benefits. Moreover, women work in more vulnerable situations than men and have lower bargaining power and, consequently, are paid lesser than the male workforce. Thus, the women workers are more likely to be found in the self-employment and casual work as compared to men rather than regular salaried employment.

Question 15 :

Analyse the recent trends in sectoral distribution of workforce in India.

Solution :

The three major sectors of an economy i.e. Primary, Secondary and Tertiary collectively are known as occupational structure of an economy. The primary sector is the main source of employment for majority of workers in India. Secondary sector provides employment to only about 24 per cent of workforce. About 27 per cent of workers in the service sector and about 67 percent of the workforce in rural India depends on agriculture, forestry and fishing. About 16 per cent of rural workers are working in manufacturing, construction and other industrial activities. In addition, the tertiary sector is taking a lead over the secondary sector as a source of employment and increasing share in India's GDP. As far as the distribution of male and female is considered, a high percentage of total female workforces are engaged in the primary sector than in the secondary and tertiary sectors. About 17 per cent of rural people are employed in service sector and about 60 per cent of urban workers are in service sector. The secondary sector gives employment to 30 per cent of urban work force. Though both men and women workers are concentrated in the primary sector, women workers concentration is very high there. About 63 per cent of the female workforce is employed in the primary sector whereas less than half of males work in that sector. Men get opportunity both in secondary and service sector.

Question 16 :

Compared to the 1970s, there has hardly been any change in the distribution of workforce across various industries. Comment.

Solution :

India being an agrarian economy has majority of population dependent on the agricultural sector to earn their livelihood. Although, the developmental strategies in India have aimed at the reduction of population dependent on agriculture, yet the reduction in the population engaged in agricultural sector has not been significant. In 1972-73, about 74 % of the work force was engaged in primary sector which reduced to 50% in 2011-12 . On the other hand, the shares of secondary and tertiary sectors in employment rose from 11 % to 24 % and 15 % to 27 % respectively. The work force distribution indicates that over the last three decades i.e. from 1972- 2000, people have moved from self-employment and regular salaried employment to casual wage worker. This particular pattern of movement from self employment and regular salaried employment to casual wage work is termed as casualization of work force. Thus, it can be concluded that although changes in the distribution of workforce have taken place, yet industrial and tertiary sector need to increase their share in the workforce distribution by generating more employment opportunities and absorbing excess labour from the agricultural sector.

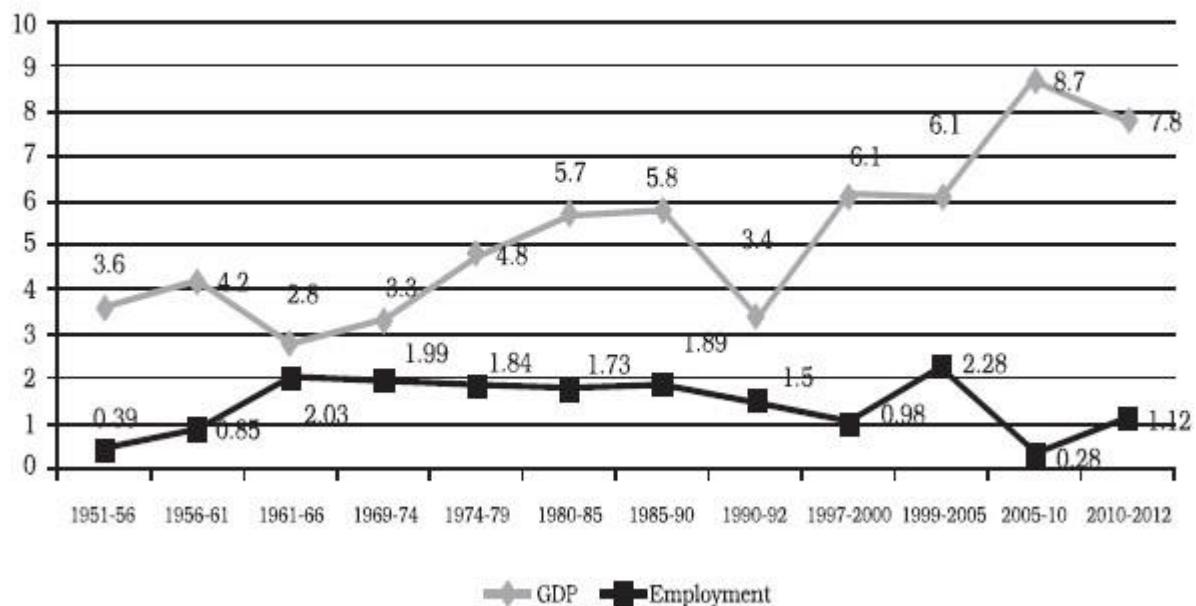
Question 17 :

Do you think that in the last 50 years, employment generated in the country is commensurate with the growth of GDP in India? How?

Solution :

In the last 50 years employment generation in the country is not commensurate with the growth of GDP in India.

Chart 7.3: Growth of Employment and Gross Domestic Product, 1951–2012 (%)



The GDP growth was about 3.6% during 1950s and it grew at a healthy rate of more than 8% in 2010. Employment generation was 0.39% in the 1950s and it maintained some semblance of growth between 1960s and 1990s. But by the second half of the 2010s, employment generation fallen drastically. Therefore, we can conclude that employment generated in the country is commensurate with the growth of GDP in India.

The reason is that the rise in GDP is caused by employing modern and improved technology that substituted labour for machines. This failed to generate new employment opportunities in the industrial and the tertiary sectors. Thus, the industrial and the tertiary sectors failed to absorb the excess labour from the agricultural sector. As a result, disguised unemployment in the agricultural sector continued along with low levels of productivity and massive poverty. In addition to this, MNCs that played an important role in India's economic growth provided employment only to the educated and specialised workforce. These MNCs aimed at achieving higher output levels by employing better technology rather than generating greater employment opportunities. Thus, employment generated in the country does not commensurate with the growth of GDP in India.

Question 18 :

Is it necessary to generate employment in the formal sector rather than in the informal sector ? Why?

Solution :

Yes, it is necessary to generate employment in the formal sector rather than in the informal sector because, employee benefits such as pension, provident fund, gratuity etc. are provided

in formal sector rather than in the informal sector. The workers and enterprises in the formal sector get regular salary and incentives as compared to informal sector. Formal sector uses modern technology and advanced machinery in the production process. Thus, generation of employment in the formal sector reduces poverty, income inequality and other social evils to some extent.

Question 19 :

Victor is able to get work only for two hours in a day. Rest of the day, he is looking for work. Is he unemployed? Why? What kind of jobs could persons like Victor be doing?

Solution :

Yes, Victor is an unemployed worker. He works for two hours a day but a major portion of the day he is looking for work and is unemployed. This implies that he is an underemployed worker. The situation of underemployment refers to a situation in which a person gets work for lesser time than the time he actually can and wants to work. According to the National Sample Survey Statistics, a person who is employed for less than 28 hours in a week is called underemployed. Victor could do jobs that are part time in nature like dropping news papers, working in a restaurant, delivering couriers, bank tellers, etc.

Question 20 :

You are residing in a village. If you are asked to advise the village panchayat, what kinds of activities would you suggest for the improvement of your village which would also generate employment.

Solution :

The following are the suggestions that can generate employment opportunities in village:

- i. ***Increase Production:*** It is of prime importance to increase production in the agricultural and industrial sectors in order to increase employment. For this purpose, small scale and cottage industries should be promoted. This will not only generate new employment opportunities but also assist the industrial sector, as the production of the small scale and cottage industries act as subsidiaries to the industrial sector.
- ii. ***Increase Productivity:*** The demand and productivity for labour are directly related to each other. The higher productivity generates higher profits that in turn implies higher investment and generates higher demand for labour. Rural workers should be imparted technical knowledge and modern know-how that will not only increase their productivity but also enhance their acceptability of modernisation.
- iii. ***Control over Population:*** Population explosion is one of the important concerns for India. It hinders economic growth prospects. The rising population leads to the rise in

unemployment and, therefore, poverty. Thus, rural people should be made aware of various birth control measures and also the benefits associated with family planning and nuclear-family.

iv. ***Creating Non-agricultural Employment:*** India being an agrarian economy employs a major proportion of workforce in the agricultural sector. The development of this sector is still a far cry and, consequently, suffers from disguised unemployment. Moreover, as agriculture is a seasonal occupation, so, many farmers remain unemployed for three to four months in a year. Thus, it is necessary to engage these people in non-agricultural sectors for the phase they are off from cultivation. Creation of non-agricultural job like pottery, handicrafts, not only reduces disguised unemployment but also contributes to enhanced income to the farmers in the offseason, which could be invested in the farm to improve farm productivity and farm products.

v. ***Easy Credit and Finance:*** Often, the rural people find it difficult to access finance due to the lack of sufficient financial institutions in the rural areas. Even if the finance or the credit is available, then this is provided at higher lending rates. The lack of credit acts as a bottleneck for the rural growth. Thus, financial institutions and banks should be set up to provide easy credit to the rural people.

vi. ***Education and Health Facilities:*** Rural areas have always lagged behind in education and health care facilities. This not only impedes their productivity but also reduces their life expectancy and quality of standard of living. Along with primary and secondary schools, night schools for adults, imparting technical education and technical know-how, proper sanitation and hospitals should be established in the rural areas.

Question 21 :

Who is a casual wage labourer?

Solution :

Casual workers refer to those workers who do not work throughout the year. They only work for few months. Employers on a regular basis do not hire casual workers. They do not enjoy social security benefits like provident fund, gratuity, etc. They are generally unskilled workers. For example: workers working at a construction site.

Question 22 :

How will you know whether a worker is working in the informal sector?

Solution :

The following features help to recognise a worker working in the informal sector:

- i. A worker working in an enterprise (other than the public sector establishments and the private sector establishments) hiring 10 or less than 10 workers.
- ii. This sector includes millions of farmers, agricultural labourers, owners of small enterprises and self employed. These sections of people are not hired worker.
- iii. A worker working in informal sector does not enjoy social security benefits such as provident fund, gratuity, pension, etc.
- iv. The economic interest of the workers working in the informal sector is not protected by any Labour Laws other than Minimum Wages Act. Therefore, workers in the informal sector are highly exposed to the uncertainties of the market and have low bargaining power.

SUSTAINABLE ECONOMIC DEVELOPMENT

Sustainable Economic Development (SED): is defined as the development that meets the needs and aspirations of the present without compromising the ability of future generations to meet their own needs. Thus, sustainable development is the organising principle for sustaining finite resource is necessary to provide for the needs of future generations of life on the earth.

Meaning: Sustainable Development has been described in terms of three pillars. These are seen as “economic, environmental and social” or “Ecology, Economy and Equity”. This has been expanded by some authors to include a four pillar of culture.

Effects of Economic Development on Resources:

- i. Economic development creates a systematic collapse of natural resources.
- ii. Economic development creates exploitation of natural resources.
- iii. Continuous high economic growth creates unsustainable and depleted resources.
- iv. Economic development through technological advances improves resources availability
- v. Economic development creates resource substitution.

Effects of Economic Development on Environment:

- i. Economic development and fast growth can create negative externalities example noise pollution and low air quality arising from air pollution and road congesting.
- ii. Economic development leads to environmental damage may lower the sustainable growth.
- iii. Destruction of rainforests through deforestation.
- iv. The over exploitation of fish stocks.
- v. Loss of natural habitat and biodiversity from the construction of new road hotels malls and industrial estates.

Global Warming:

Global warming is the increase of Earth's average surface temperature due to effect of greenhouse gases, such as carbon dioxide emissions from burning fossil fuels from deforestation.

Increased volumes of carbon dioxide and other greenhouse gases released by the burning of fossil fuels, land clearing, agriculture and other human activities, are believed to be the primary sources of the global warming.

Changes resulting from global warming include rising sea levels due to the melting of the polar ice caps, as well as increases in occurrence and severity of storms and other severe weather events.

QUESTION BANK

ONE MARK QUESTIONS:

1. What is meant by Sustainable Development?
2. What do you mean by Global Warming?

THREE & FOUR MARK QUESTIONS:

1. Keeping in view your locality, describe any four strategies of sustainable development.
2. What are the factors contributing to environmental degradation in India?
3. Give two examples of
 - a. Overuse of environmental resources.
 - b. Misuse of environmental resources.

SIX MARK QUESTIONS:

1. Explain the relevance of intergenerational equity in the definition of sustainable development.
2. Explain the supply-demand reversal of environmental resources.
3. Highlight any two serious adverse environmental consequence of development in India?
4. Outline the steps involved in attaining sustainable development in India.

ANSWERS OF ONE MARK QUESTIONS:

1. It is that process of development which meets the needs of present generation without reducing the ability of future generation to meet their own need.
2. Global warming is a gradual increase in the average temperature of the earth.

SOLUTIONS OF QUESTIONS – NCERT BOOK

1. What is meant by environment?

Environment means everything around us, which affects the lives of people. It's the sum total of the surroundings and resources that make up our existence and standard of living. Include Everything biotic and abiotic characteristics. Biological factors include all living things such as plants, animals, forests, etc. whereas abiotic things include all non-living things like air, water, earth, etc. are provided naturally free of cost. Both biotic and abiotic shape our environment and affect our appearance and quality of life. In other words, nature includes biotic and abiotic components and their relationships.

2. What happens when the rate of resource extraction exceeds renews it?

The environment performs many functions, but its vital role in maintaining health carries much importance. Nature provides us with life-sustaining resources such as sunlight, soil, water, and the spirit. In delivering resources at a faster rate than its renewal, the management capacity of nature is declining, leading to failure in its health-support function. This leads to environmental problems, one of the most common problems facing almost every country on earth.

3. Classify the following into renewable and non-renewable resources

- (i) trees (ii) fish (iii) petroleum (iv) coal (v) iron-ore (vi) water.

Renewable resources are those inexhaustible resources capable of being replenished easily. Water, trees and fish are the renewable resources.

Non-renewable resources are those resources that are likely to be exhausted or depleted on use. Petroleum, coal and iron ore are non-renewable resources. The pace of re-occurrence of these resources is slower than that of their exploitation.

4. Two major environmental problems facing the world today and then.

The two major environmental issues facing the world today are global warming and the depletion of the ozone layer. Global warming means an increase in the temperature on the Globe as a result of pollution and deforestation causes the release of greenhouse gases, especially carbon dioxide.

One Earth's surface temperature rises as carbon dioxide levels rise, accelerating Snow melting in the white field. Sea level is rising due to this, thus, disturbed ecosystems. There is an increase in natural disasters, which become a threat to human existence as ozone is the earth's most important source of nutrients for life. It prevents harmful ultraviolet rays from entering the earth. But The decline will be a global concern these days. This is due to the overuse of cooling items in air conditioners and refrigerators.

As ozone depletes, it is possible The ultra-violet radiation that enters the earth's surface is increasing, which is dangerous to the health of the earth.

5. How do the following factors contribute to an environmental crisis in India? What problems do they pose for the government?

- | | |
|--|--|
| (i) Rising Population | (vi) Industrialisation |
| (ii) Air Pollution | (vii) Urbanisation |
| (iii) Water Contamination | (viii) Reduction in forest coverage |
| (iv) Affluent Consumption Standards | (ix) Poaching |
| (v) Illiteracy | (x) Global warming |

- (i) **Rising Population** – Rising population has exerted an excessive burden on the environment in terms of two basic aspects. The intensive and extensive extraction of both renewable and non-renewable resources has led to exhaustion of the vital resources. Also, the explosive population size has triggered excessive demand for

- housing, thereby, resulting in widespread deforestation and fast depletion of other natural resources leading to ecological imbalances. Therefore, it is high time for the Indian government to take preventive measures to control population explosion.
- (ii) **Air Pollution** – Air contains oxygen which supports life. Air pollution means air pollution, e.g., Lack of oxygen to breathe. Various pollutants like CO₂, CO, SO₂, SO etc pollute the air. Air pollution causes high blood pressure, asthma, respiratory and blood vessel problems. Therefore, the Government of India should take various measures to control air pollution, avoid deforestation, increase health investments, and look for alternative sources of pollution-free technologies like CNG, etc.
- (iii) **Water Contamination** – Water contamination or water pollution is a serious threat to human health. Diarrhoeas is one of the main causes of all fatal diseases like Hepatitis, Cholera, etc. It is caused by waste disposal of industrial waste, agricultural waste, and sewage. Therefore, the Indian government should conduct a check on wastewater disposal. This requires a high-cost investment in the installation and maintenance of cleaning equipment.
- (iv) **Affluent Consumption** – Standards affluent consumption standards have placed a huge stress on the environment in terms of resource supply and assimilation of waste. The resources have become extinct, and wastes generated are beyond the absorptive capacity of the environment leading to environmental crises. The government is compelled to spend huge amounts on research and development to explore alternative environment friendly resources. Also, upgradation of environmental qualities entails huge cost.
- (v) **Illiteracy** – Man, if an illiterate person does not use resources wisely then eventually there will be overuse or misuse of scarce resources. Resources can be exploited wisely and efficiently (by small waste) only when people are skilled and know how to use the resources. Otherwise, lack of knowledge and skills can lead to excessive use of resources, and result in misuse. Therefore, the government should take steps to raise awareness and disseminate technical knowledge among the people in various practical and cost-effective ways.
- (vi) **Industrialisation** – Industrialisation improves our standard of living on one hand but, on the other hand, deforestation causes depletion of natural resources. Industrialization acts as an impetus in the blind race to achieve economic development. Environmental resources are increasingly used to speed up the industrial process. More trees are being cut again, an increase in the number of toxins from industries and pollutants are dumped into water bodies. All these findings are natural inequalities that threaten sustainable economic development. Therefore, the government should take steps to address the unnecessary and unnecessary industrial development to restore the environmental balance.
- (vii) **Urbanisation** – Urbanisation, on the other hand, affects the modern lifestyle but, on the other hand, leads to deforestation. To meet the growing demand for housing, more trees will be cut to reduce the individual rate. Moving to cities rapidly puts pressure on common resources, reducing them. Urban migration also reduces access to agricultural land and reduces agricultural outcomes. Therefore, the government should take steps to reduce the impact of urban sprawl by promoting small and rural industries, developing rural infrastructure, therefore reducing the migration of

- people from rural to urban areas. In addition, the government should promote deforestation and most importantly adopt measures to control human explosions.
- (viii) **Reduce of forest cover** – The need for reduction of forest cover or deforestation exists because of the increasing demand for land, timber, population growth, and river systems. Deforestation causes deforestation, oxygen levels in the air, soil erosion, climate change, and global warming. Due to the increase in CO₂ levels. Therefore, measures are needed to increase the forest, open shrines, and open parks like Jim Corbett National Park.
- (ix) **Poaching** – Poaching is the capture, killing, and poaching of poaching. As a result, many animals are in danger of extinction. Due to this, many animals are on the verge of extinction. The excessive hunting and killing of animals result in serious ecological imbalances. Thus, in order to save the rare species such as Tiger, Asian Elephants, Grevy's Zebra, etc., more sanctuaries and national parks are to be set up. There is also need for various environmental legislations like Endangered Species Act in the USA that imposes strict penalties on the law breakers.
- (x) **Global Warming** – Global Warming refers to the phenomenon of sustained increase in global temperature due to environmental pollution and deforestation. It is caused by the emission of Green House Gases that include, particularly, carbon dioxide. The increase in the level of carbon dioxide raises the temperature of the earth surface. This risen temperature accelerates the melting of polar ice that further leads to rise in the sea level. Thus, incidence of natural calamities rises due to disturbed ecological balance, therefore, posing threat to human life.

6. What are the functions of environment?

The environment performs the following four dynamic functions:

- i). **Offer Production Resources:** Environment provides us with wide tangible resources like minerals, water and soil. These are the gifts of nature. These resources act as an input for converting natural resources into productive and useful things. In other words, environment provides input for production that emphasis human life qualitatively.
- ii). **Sustains Life:** Environment provides us with vital ingredients like Sun, Soil, Water and Air that are necessary for the survival of life. Absence of these essential elements implies absence of life. It supports biodiversity.
- iii). **Assimilates Waste:** The activities of production and consumption generate waste. This waste in the form of garbage is absorbed by the environment automatically.
- iv). **Enhances Quality of Life:** Environment includes surroundings such as rivers, oceans, mountains and deserts. It provides scenic beauty that man admires in life and adds to the quality of human life.

7. Identify six factors contributing to land degradation in India.

Land degradation refers to the gradual but continuous loss of interest. This is a matter of major concern in the context of environmental problems in India.

The following factors play a role in land degradation in India:

- i). **Soil Erosion:** The removal of a layer of soil due to factors such as strong winds or floods is called erosion. The top layer of soil contains large and important nutrients such as nitrogen, phosphorus, and potassium. As a result, the destruction of this layer damages the quality and productivity of the land.

- ii). **Alkalinity and Soil Salt:** Salt and alkalinity are caused by the problem of waterlogging. Water entering the top layer of soil absorbs all the nutrients present in the soil, reducing its fertility.
- iii). **Deforestation:** Due to the increasing number of people and their ever-increasing demand, a large number of destructions of forest cover. Reduced deforestation causes soil erosion in rotation causes climate change
- iv). **Shifting Cultivation:** The practice of shifting cultivation and subsistence farming allows small and medium-sized farmers to replenish the nutrients of the soil, which is why breeding takes place.
- v). **Excessive use of fertilizers:** Excessive use of chemical fertilizers, insecticides and reducing soil quality and fertility.
- vi). **Desert:** The spread of desert into arid and semi-arid areas is called desertification. This is due to the overpopulation of animals. This results in a positive reduction in green areas thereby replenishing the soil fertility.

8. Explain how the opportunity costs of negative environmental impact are high.

Answer: Opportunity cost is the cost that we forego when making a choice or decision. If one piece of land is to be used for the production of wheat, then the production of rice is to be sacrificed. The disadvantage of rice production is the opportunity cost of producing wheat. Similarly, the cost of the negative environment is the opportunity cost of health and the huge expenditure on new options.

When resources are removed at a faster rate than their regeneration, we say that the carrying capacity of the environment is reduced. In such a situation, the environment fails to perform its function of sustaining life, resulting in an environmental crisis. Therefore, the need arises to search for new alternative eco-friendly resources to avoid environmental crises. In addition, environmental hazards lead to a higher incidence of respiratory and water-borne diseases, High health expenditure, and investment requirement cost of new discovery.

The greater health expenditure constitutes the opportunity cost of negative environmental impact, alternatively. Such opportunity cost is very high and requires huge financial commitments by the government. Thus, the opportunity expenditure of negative environmental impact is higher.

9. Outline the steps involved in attaining sustainable development in India.

Sustainable development refers to the achievement of economic development through care and flexible use of natural resources to meet the needs of the present generation without compromising for future generations. In line with the vision of the leadership, ecologist Herman Daly, India has taken the following steps to achieve this goal for sustainable development:

- i. **Human Control Measures-** India has developed various methods to bind people to the explosion. Different types of people control measures also include spreading awareness and knowledge of birth control methods. Literacy use of the environment is conducive to the environment- Since fuels like oil and gasoline emit large amounts of carbon dioxide which leads to global warming; Therefore, the Government of India has encouraged the use of CNG and LPG. It's a clean environment- Friendly fuels emit less smoke.

- ii. **Use of Solar and Wind Energy**- India being a balanced country is advised by sunlight and wind energy. These are both free endless natural gifts. It solves the problem of economic development with the right focus with continuous development.
- iii. **Reuse of recycled products and ban on plastic bags**- Industrial and household debris accumulates daily. There is a need to improve the practice of recycling waste to save the environment. Household waste can be used as manure for organic farming. The latest step was taken by the Government of India is to stop the use of plastic bags. This is a good move as plastic bags are not easily damaged and get contaminated when reused.
- iv. **Pollution Taxes and Penalties**- The government of India has taken several steps to control pollution. Some of the steps are general vehicle inspection, levying pollution tax on smoke-emitting industries. These are the steps that come with heavy fines and even arrests for offenders.
- v. **Using appropriate input technology**- effective installation methods are designed not only to make the product productive again but also for efficient operation. Proper use of inputs, on the one hand, leads to less use of natural resources and, on the other hand, improves future economic growth prospects in India.

10. India has abundant natural resources —substantiate the statement.

India is fortunate to have abundant natural resources. It has rich and fertile sand, many rivers and streams, lush green forests, deposits, mountains, etc. The Gangetic plains are the most fertile, densely populated, and cultivated plains in the world. The black soil of the Deccan plateau is ideal for growing cotton in the country. Indian lush green forests act as a natural cover for most people. India has a lot more than 20% of the global layers of steel resources. There are mountain peaks that make it easy to demonstrate small hydropower plants. It also contains a wide variety of 15,000 plant species. Earth is also rich in minerals like coal, natural gas, copper, diamonds, etc.

11. Is environmental crisis a recent phenomenon? If so, why?

Certainly, the environmental problem is very recent; never the spark of such devastation appears in the past. Population growth in the first centuries before industrialization was strong. The demand for natural resources was much less than what was offered. The environment has supported the world's population in the past because resource levels were low.

Also, the resource upgrade rate is higher than the level at which the resources were available for exploitation. In other words, the threat of environmental crisis has not been realized in the past because the exploitation of natural resources was under the control of the environment. But, today, due to heavy industry, urban migration, man has started exploiting the environment completely. Nuclear waste and industrial wastewater, land, and air pollution affect the environment three times.

At present, the level of exploitation of natural resources is lagging behind the rate of rehabilitation of natural resources. As a result, increasing pressure on the carrying capacity of nature gives way to environmental problems.

12. Give two examples of

- a) **Overuse of environmental resources**
- b) **Misuse of environmental resources.**

a) Overuse of environmental resources

- i. **Drying of rivers:** increasing irrigation and creation of flood storage reservoirs are as follows due to which the rivers are drying up.
- ii. **Excessive deforestation:** Increasing population and their ever-increasing demand is resulting in massive deforestation. This leads to soil erosion, which makes the soil barren.

b) Misuse of environmental resources.

- i. **Use of rivers to discharge waste:** Water is essential for life misuse of water as a resource is responsible for its pollution factors responsible for water pollution is the discharge of domestic sewage, industrial waste, and thermal power plants rivers.
- ii. **Use of wood for cooking:** Wood is a non-renewable source of energy. It is received from trees. Using wood instead of an eco-friendly alternative fuel for cooking about deforestation.

13. State any four pressing environmental concerns of India.

Answer: Air pollution, water pollution, soil erosion, deforestation, and wildlife extinction are the most pressing environmental concerns for India.

But priority issues include global warming, land degradation, ozone depletion, and freshwater management.

14. Correction for environmental damages involves opportunity costs — explain.

Opportunity cost is the cost we forgo when making a choice or decision. If a piece of land is to be used for the production of wheat, the production of rice would have to be sacrificed. The disadvantage of rice production is the opportunity cost of producing wheat. Similarly, the opportunity cost of improvements to make up for environmental damages refers to the enormous amount of expenditure incurred on the search for new efficient alternatives.

The enormously intensive and widespread extraction of resources, both renewable and non-renewable, demands expenditure for the search for new alternative resources to avoid environmental crises. Exploration of such resources requires huge investment by the government.

Furthermore, there is a very high cost involved in the implementation and maintenance of these alternative resources. The advent of CNG to reduce the growing problem of pollution in Delhi is the best example of this. The government has invested heavily to popularise CNG and make consumers aware of its use. Therefore, correction for environmental damage involves high opportunity costs.

15. Explain how the supply-demand reversal of environmental resources account for the current environmental crisis.

The rate of extraction from the beginning of civilization to the advent of industrialization the number of natural resources was far behind their rate of regeneration. That is, in other words, the demand for resources becomes less than the supply of resources. The exploitation of nature by man was within the absorption capacity of the environment.

But with the population explosion and industrial revolution, the requirement for resources for both production and distribution has grown very fast. However, their rate of regeneration

resources is relatively less than the rate of their extraction. In other words, the rate of consumption (demand) of natural resources exceeds their supply.

This is beyond the absorption capacity of the environment and has made the environmental crisis more probable. This reversal in the demand-supply relationship is known as the supply-demand reversal of environmental resources.

16. Highlight any two serious adverse environmental consequences of development in India. India's environmental problems pose a dichotomy — they are poverty induced and, at the same time, due to affluence in living standards — is this true?

Two serious issues or consequences of development in India are land degradation and biodiversity loss. Developmental activities in India put immense pressure on natural resources and also affected human health and well-being. Land degradation: The gradual but continuous decrease in the fertility of the land is called land degradation. It is emerging as a serious concern in the context of environmental issues in India.

Following below are the factors that pay the contribution to land degradation in India:

- a) **Soil Erosion:** The removal of the top layer of soil due to strong winds or floods is called soil erosion. This top layer of soil carries key nutrients like nitrogen, phosphorus, and potassium which are essential for plant growth. Therefore, the destruction of this layer reduces the productivity of the land.
- b) **Soil alkalinity and salinity:** Salinity and alkalinity are caused by water problems. The water stored on the top layer of the logging soil absorbs all the nutrients present in the soil. Due to which the fertility of the land is getting depleted.
- c) **Deforestation:** Due to the increasing population and their ever-increasing demand, there is the destruction of forests on a large scale. Removal of forest cover affects the ecological balance by reducing the level of oxygen in the air. This causes an increase in pollutants and various health hazards.
- d) **Shifted farming:** The practice of shifting cultivation along with subsistence farming carried out by small and marginal farmers resulted in the replenishment of soil nutrients and fertility. Environmental problems point to a contradictory situation in the country.

Deforestation in India is a rapid result of population explosion and widespread poverty. Poor people in rural areas are forced to fall trees to earn their livelihood. growing demand equally responsible for the current environmental degradation is the loss of natural resources for carrying out production activities in urban areas. There are two different views on the outcome of environmental activities. Another idea promotes India's prosperity through industrial production, and another sheds light on the danger of pollution caused by speed. A growing industrial sector. This is understandable in view of rapid urban development; the expansion of vehicles creates noise and air pollution.

17. What is sustainable development?

To meet the basic needs of everything that requires the allocation of a burden of our resources. However, it is well known that when the resources-(unavailable) are fully utilized they will be exhausted so quickly that they will not be able to meet the production capacity of the future generation. Thus, the economic development achieved today is unsupported as long as the production capacity of future generations is reduced due to a lack of production resources. So

thus, sustainable development is an economic process. It aims to meet the demand of the present generation without including the requirement of future generations. Sustainable development enhances the well-being of both present and future generations. In other words, it is the process of economic development that is sustained over a long period of time without deteriorating the quality of life of future generations.

18. Keeping in view your locality, describe any four strategies of sustainable development.

Sustainable development means efficient and effective use of resources, how the rate of economic growth continues, and equality between generations.

Here are four strategies for achieving sustainable development:

- i. **Fuel State Use-** Increase in consumption of fuels like petrol and diesel emits large amounts of carbon dioxide. The use of CNG and LPG should be consistent to control pollution and promote the greenhouse effect. These fuels are clean, smokeless, and air-conditioned.
- ii. **Use of non-renewable resources-** India is well represented by sunlight, water, and wind energy. These are natural gifts in that they are timeless and free from pollution. Therefore, efforts should be made to use solar energy forever through various technologies. It is not only about solving the development of the economic crisis but also the problem of sustainable economic development.
- iii. **Reuse-** Industrial and domestic waste should be collected daily. This waste requires that it be classified as easily perishable and indestructible. Perishable waste is the germ that can decompose and be used as organic farming therefore, waste like plastic, etc can be recycled and reused.
- iv. **Use of Active Installation Technology-** Appropriate installation methods and techniques should be developed for the additional product possible for each input unit. This efficient use of natural resources leads to less exploitation of natural resources.

19. Explain the relevance of intergenerational equity in the definition of sustainable development.

Meeting the basic needs of all that requires the distribution of resources is our moral obligation. It becomes an obligation to pass the earth on to the next generation in a positive way. However, it is known that if (non-recoverable) resources are fully utilized, it will be depleted very quickly and it will reduce the productive capacity of future generations. Thus, the economic growth achieved today cannot be supported unless the production capacity for future generations is reduced by the scarcity of production resources. Therefore, sustainable development is the process of economic development that aims to meet the needs of the present generation without including the needs of future generations. Sustainable development enhances the well-being of those present and future generations. This development does not mean looking at the current pace of economic development. It means smart or optimal use of resources in such a way that economic development continues at a crossroads between generations.

20. Account for the present environmental crisis.

Population explosion and affluent consumption have put undue and additional burdens on the environment. Resources are depleting fast day by day, but the regeneration of the resource is stable. Therefore, when resources are extracted at a faster rate than their regeneration, So the carrying capacity of the environment is reduced. Currently, there are two major global issues

we are facing, namely global warming and ozone depletion. Global warming is the result of rising temperatures globally due to the emission of greenhouse gases, especially carbon dioxide. An increase in temperature accelerates the melting of polar ice, leading to a rise in sea level. This creates an ecological imbalance. Ozone depletion is another major reason due to the excessive use of chlorofluorocarbons (CFCs) in air conditioners as well as refrigerators. As the ozone layer depletes, it is possible that ultraviolet radiation can penetrate Earth's global warming, posing a threat to biodiversity. The final result of these two reports on the serious concern of environmental problems in modern times.

HUMAN CAPITAL FORMATION IN INDIA

Human Capital Formation:

- Human capital refers to the stock of knowledge, skills, ability, education, motivation and health in a nation at a point of time.
- Human capital formation is the process of acquiring and increasing among the people of the country over a long period of time.

Sources of Human Capital Formation:

- 1) Expenditure on education
- 2) Expenditure on skill development
- 3) On the job training
- 4) Expenditure on migration
- 5) Expenditure on health
- 6) Expenditure on information

Problems facing human capital formation in India:

- 1) Pressure of rapidly growing population
- 2) Inadequate resources
- 3) Problem of Brain-Drain
- 4) Lack of proper management of human resources
- 5) Lack of quality education of technical and management
- 6) Inadequate development of health services.

Role of human capital in economic development of a country:

- 1) Increasing skill and the level of productivity
- 2) Bring positive change in attitude and behaviour
- 3) Increasing research and technical reforms
- 4) Raises life expectancy
- 5) Raises the level of life standard

Roles of education in Human Development:

- 1) Raise creativity and productivity of the people
- 2) Education produces good citizens

- 3) Develops science and technology
- 4) Helpful in proper civilization of resources of the country
- 5) Expands mental horizon of the people
- 6) Develop skills among the people.

Human Capital formation in India:

- 1) Human capital formation is the goal and factor of economic development. Human resource development is included in the directive principles of the state in India.
- 2) In India, Ministry of Education at the centre and state level. NCERT (National Council of Educational Research and Training), UGC (University Grant Commission), AICTE (All India Council of Technical Education) regulate the education sector.
- 3) In India, Ministry of Health at the Union and the state level and ICMRC (Indian Council of Medical Research) regulate the health sector.
- 4) Provision of drinking water and sanitation facilities are the basic needs of healthy life. State governments and local bodies are responsible to provide such facilities.

Growth of the Education Sector in India: Education is the main factor of the social and economic development of a country. A good education system produces not only skilled and trained people but also promotes science and technology. The following observations highlight the growth of education sector in India:

1) Elementary Education:

- a) El Elementary education includes primary and middle school education.
- b) In 1950-51, the number of primary and middle schools were 2.23 lakh. Which increased to 12.96 lakh in 2010-11.
- c) Now, elementary education is free and compulsory (Class 1to 8) for the age group of 6-14.
- d) Various policies such as Sarva Shiksha Abhiyan, Mid-day Meal Scheme, District primary education programme, Right to Education have been playing major role in enhancing primary education in India.

2) Secondary and Senior Secondary Education:

- a) In 1950-51, there were 7400 secondary schools with 14.8 lakh students. In 2009-10, the number of schools rose to 1.90 lakh with 441 lakh students.
- b) For the expansion of secondary education, the following institutions are working:
 - i. Navodaya and Kendriya Vidyalaya
 - ii. National Council of Educational Research and Training
 - iii. Commercialisation of Secondary Education
 - iv. Technical, Medical and Agricultural Education

3) Higher Education:

- a) Universities, colleges, professional and technical educational institutions are included in higher education.
- b) After independence, there has been a lot of development in the field of higher education in the country. As many as 749 (as on 31st March 2016) universities are providing higher education in the country of these, there are 46 central

universities, 345 state universities, 123 deemed universities and 235 private universities. Besides, there are about 37204 (2012-13) colleges in the country. The following main institutions are working in the field of higher education:-

- i. University Grant Commission (UGC)
 - ii. Indira Gandhi National Open University (IGNOU)
 - iii. All India Council for Technical Education (AICTE)
 - iv. Indian Council for Medical Research (ICMR)

Problems related to Development of Education in India:

- 1) Large Number of illiterates
 - 2) Inadequate Professional and Technical Education
 - 3) Gender Bias
 - 4) Low Rural Access Level
 - 5) Low government expenditure on the development of education

QUESTION BANK

ONE MARK QUESTIONS:

- 1) _____ five year plan recognized the importance of Human Capital.

 - a. Second
 - b. Eight
 - c. Seventh
 - d. Third

2) In India, which of the following organization regulate the health sector?

 - a. UGC
 - b. AICTE
 - c. ICMR
 - d. None of these

3) As per census roll, literacy rate in India is about:

 - a. 56%
 - b. 80%
 - c. 74%
 - d. 65%

4) Which one of the following is a reason for poor health capital formation in India?

 - a. Brain-Drain
 - b. High growth of population
 - c. Insufficient resources
 - d. All the above

- 5) What do you mean by human capital formation?
- 6) What is on the job training?
- 7) Why do we need to invest in human capital?

THREE & FOUR MARK QUESTIONS:

- 1) What are the 3 major sources of human capital formation?
- 2) Explain the concept of human capital formation.
- 3) Bring out the differences between human capital and physical capital.
- 4) Is rapidly growing population yeah constraint in the process of human capital formation? Explain.
- 5) Explain how educational planning is necessary for human capital formation.
- 6) What are the principle objectives of education in India?
- 7) How is health a source of human capital formation?
- 8) How migration promote human capital formation?
- 9) Explain how investment in education stimulate economic growth.
- 10) Trace the relationship between human capital and economic growth.

SIX MARK QUESTIONS:

- 1) What is human capital formation? Differentiate between human capital and physical capital?
- 2) How does investment in human capital contribute to economic growth?
- 3) What are the sources of human capital formation?
- 4) What is the need for government intervention in promoting health and education in India?
- 5) How does expenditure on “on the job training” and “information” act as a source of human capital?
- 6) Explain the growth of educational sector in India.
- 7) Explain how education is still a challenging preposition in India.
- 8) Discuss the need for promoting women's education in India.

ANSWER OF ONE MARK QUESTIONS:

- 1) C
- 2) C
- 3) C
- 4) D
- 5) Human capital formation is the process of acquiring and increasing the abilities skills education and experience among the people of the country over a long period of time.
- 6) On the job training refers to training providing to the workers by the firm to enhance their specialized skill. It makes them more efficient and productive.
- 7) because it develops man's ability and skills.

SOLUTIONS OF QUESTIONS – NCERT BOOK

1) What are the two major sources of human capital in a country?

Human capital is a stock of skill and expertise of a nation at a particular point of time. The importance of investment in enriching human capital is immense and long lasting. The following are the two prime ways o to develop human capital qualitatively:

- i). **Investment in Educational Sector:** Education not only raises the standard and quality of living but also encourages modern attitude of the people. Moreover, education increases the productive capacity and productivity of a nation's workforce by honing their skills. Further, education increases the acceptability of modern techniques and also facilitates a primitive economy to break the shackles of tradition and backwardness. An investment in educational sector has two-fold benefits. It not only increases the income earning capacity but also reduces the skewed distribution of income thereby forming an egalitarian society.
- ii). **Investment in Health Sector:** Investment in health sector increases efficiency, efficacy and productivity of a nation's workforce. Good health and medical facilities not only increase life expectancy but also improves quality and standard of life. Investment in health sector ensures the perennial supply of healthy workforce.

2) What are the indicators of educational achievement in a country?

Education provides a person with a wide range of skills. A well-educated individual is more skilled and productive than an illiterate individual. As a result, the former has a greater earning capacity than the latter. As a result, an individual's income earning capacity is the primary indication of educational accomplishment. Aside from this, there are other critical indications whose breadth is considerably broader. These are:

- **Adult Literacy Rate:** This rate represents the proportion of the literate adult population aged 15 and up. Literacy in this meaning refers exclusively to the ability to read and write. It gives a gauge of the adult population's stock of literate people. This rate is given in percentage form. The higher the percentage of adult literacy, the higher the educational attainment in a country. This rate is the most essential metric for a country since it represents the percentage of the population that is able to engage in the country's economic activity.
- **Youth Literacy Rate:** This rate is the proportion of literate people between the ages of 15 and 24 who can read and write. It denotes the proportion of the youth population who are literate. This is an essential indication of a country's educational achievement. This is due to the fact that the bulk of a country's people are unable to complete their schooling by this age. As a result, the higher a country's youth literacy rate, the higher its educational attainment.
- **Primary Education Completion Rate:** This rate represents the proportion of children who have completed their final year of primary school. Students in primary school range in age from 6 to 14 years old and are in class groups 1 to 8. It comprises fundamental skills in reading, writing, and mathematics, as well as a grasp of history, geography, natural sciences, social sciences, art, and music. Lower primary school completion rates result in lower youth literacy rates and, as a result, lower adult literacy rates.

3) Why do we observe regional differences in educational attainment in India?

India is a country with many different cultures, religions, and communities. Every location has its unique set of traditions and customs. Furthermore, as we travel from one state to another, we notice many distinctions in terms of language, habit, culture, need, climate, and so on.

Regional inequalities in educational attainment occur in our country as a result of these differences. There is a disparity in the educational pattern across India. Some regions lack educational facilities, while others place an overwhelming emphasis on education. States such as Bihar, Rajasthan, Uttar Pradesh, and

Arunachal Pradesh, for example, are educationally disadvantaged, but states such as Kerala, Tamil Nadu, and Uttaranchal have higher literacy rates.

In general, education is given less priority in states where there are few job prospects, and the standard of life is near to the subsistence level. People in such states work in the agricultural or informal sectors, which have little to do with schooling. The neglect of education in these areas is mostly due to the low standard of living and poverty. These people cannot afford to send their children to school and instead work in the fields or in the informal economy.

Furthermore, male children in India have a skewed access to schooling as compared to female youngsters. Aside from the aforementioned aspect, other factors such as custom, climate, and so on explain regional variances in educational attainment.

4) Bring out the differences between human capital and human development.

Human capital and human development are related but not identical ideas. While human capital refers to a country's store of human talents and expertise at a certain point in time, human development refers to the holistic development and well-being of a country's human capital. On the one hand, human capital views education and health as a means (skills and knowledge) to increase productive capacity, whereas human development views humans as an end in itself.

The significant gap between human capital and human development is related to a difference in investment motivation. While human capital focuses on investments in education and health to boost workforce productivity and efficiency, human development focuses on investments in education and health to improve human capital's overall well-being, standard of living, and quality of life. If an investment fails to boost efficiency and income earning potential, human capital considers it unproductive.

However, human development proponents support such investments, despite the fact that they have failed to increase production and efficiency. Human development safeguards everyone's right to an education and to live a healthy life.

5) How is human development a broader term as compared to human capital?

Human development is a broader phrase than human capital since human capital is a means to an end, whereas human development is a goal in and of itself. Human capital believes education and health to be means of transforming a person into a good productive person. Human capital is a means to an end, where means denotes talents used in the manufacturing process and end denotes the resulting improvement in productivity. Higher levels of output can be attained by making full use of human capital.

Human development, on the other hand, is an end in itself that refers to the holistic development of persons. Only by obtaining a good education and maintaining excellent health can development be possible. As a result, education and health are the two most important aspects of human development. Human development occurs when the majority of the population in an economy is educated and healthy. Thus, the end represents an individual's development through education and health. As a result, we might conclude that human development is a larger concept than human capital.

6) What factors contribute to human capital formation?

Human capital formation is the result of investments in education, health, transportation and communication, technological know-how, on-the-job training, and migration. These elements are discussed further below.

Education: Education not only enhances the standard and quality of living, but it also pushes individuals to adopt current ideas. Education raises the acceptability of contemporary technology while also allowing a primitive economy to break free from the chains of tradition and backwardness. An investment in the educational sector has two advantages. It not only enhances income generating ability but also minimizes income skewed distribution, resulting in an equal society. Investment in the educational sector yields long-term benefits. It not only helps a country's current economic situation, but it also improves its future chances. Education is important not only for educating individuals, but also for assisting an underdeveloped economy in resolving many yet interconnected macroeconomic problems such as poverty, income inequality, population, investments, and resource underutilization. As a result, a country's investment in education must be prioritized.

Health: There is a proverb that says, "The greatest wealth is health." A country's wealth can be increased through the efforts of a healthy workforce. Investment in the health sector boosts a country's workforce's efficiency, efficacy, and productivity. In comparison to a sick person, a healthy person can work more efficiently and so contribute substantially more to a country's GDP. Good health and medical facilities not only increase life expectancy but also improve quality of life and living standards. Some of the most common expenditures in the health sector are for better medical facilities, easier access to life-saving pharmaceuticals, common immunization, medical information dissemination, provision of sufficient sanitation and clean drinking water, and so on. As a result, health-care spending is critical in developing and sustaining a productive workforce.

On-the-Job Training: The act of learning the skills, information, and competencies required to do a specific profession efficiently and effectively is referred to as training. On-the-job training is the most effective type of training for a trainee since it teaches him technical skills and knowledge on the job. In this sort of training, a trainee is assisted (or trained hands-on) by a trainer (typically an experienced employee) while performing the task. This allows the trainee to not only learn theoretical and practical skills at the same time, but also to benefit from his trainer's experiences, increasing his efficiency and production. This is the most frequent sort of training program because the benefits in terms of enhanced production far outweigh the costs. Thus, such training investments improve the quality of human capital by increasing productivity, efficiency, and income earning potential.

Migration: The movement of people from poor or emerging countries to industrialized countries in quest of better opportunities is referred to as migration. Migration contributes to human capital building by allowing individuals to use inactive or underdeveloped abilities. The cost of migration includes the cost of transportation as well as the cost of living in the relocated location. The cost of migrating is typically very high due to the high cost of transportation and the high cost of living in industrialized countries. People continue to migrate in quest of better employment prospects and higher pay. Human capital migration assists developing countries in acquiring technological skills, labour-saving technologies, and efficient means of executing activities. These talents and know-how are conveyed by migrated people to their home country, which not only contributes to economic growth and development but also improves the home country's human capital.

Information: The degree of availability of jobs, salary, and admissions-related information are all relevant considerations.

7) How government organisations facilitate the functioning of schools and hospitals in India?

The following organizations are under the control of the Indian government when it comes to schools and hospitals:

NCERT (National Council of Education Research and Training): The organization is in charge of developing textbooks up to and including the 12th grade.

UGC (University Grants Commission): This organization is the primary source of funding for university education. It also enforces higher education standards and regulations.

AICTE (All India Council for Technical Education): It is in charge of enforcing rules and regulations governing technical engineering education in the country.

ICMR (Indian Council for Medical Research): This organization develops the norms and regulations governing education and research in the health industry. National Institute of Health and Family Welfare: The National Institute of Health and Family Welfare is in charge of promoting health and family welfare programs.

8) Education is considered to be an important input for the development of a nation. How?

Education is seen as a significant input for a nation's growth since the proportion of educated individuals in a country determines the country's progress. The following points explain the importance of education in a nation's economic development:

- i). **Imparts Quality Skills and Knowledge:** Education provides people with high-quality skills, increasing their productivity. As a result, it increases people's money generating capacity and opportunities. Furthermore, it enables human capital to make the most use of the existing physical capital.
- ii). **Develops Mental Abilities:** Education provides people with high-quality skills, increasing their productivity. As a result, it increases people's money generating capacity and opportunities. Furthermore, it enables human capital to make the most use of the existing physical capital.
- iii). **Acceptability of Modernisation:** Education provides people with high-quality skills, increasing their productivity. As a result, it increases people's money generating capacity and opportunities. Furthermore, it enables human capital to make the most use of the existing physical capital.
- iv). **Eradicates Skewed Income Distribution:** Education not only enhances income earning power but also reduces income inequality, resulting in the formation of an equitable society.
- v). **Raises Standard and Quality of Living:** Education increases people's income generating potential, enhancing their level of living and improving their quality of life.
- vi). **Increases the Participation Rate:** It promotes economic development by boosting people's participation in the growth and development process.
- vii). **One Solution for Other Economic Problems:** Education is important not only for educating individuals, but also for assisting an underdeveloped economy in resolving many yet interconnected macroeconomic problems such as poverty, income inequality, population, investments, and resource underutilization

9) Discuss the following as a source of human capital formation.

(i) **HealthExpenditure**
(ii) **Expenditure on Migration.**

- i). **HealthExpenditure:** There is a proverb that says, "The greatest wealth is health." A country's wealth can be increased through the efforts of a healthy workforce. Investment in the health sector boosts a country's workforce's efficiency, efficacy, and productivity. In comparison to a sick person, a healthy person can work more efficiently and so contribute substantially more to the country's GDP. Investing in the health sector assures a steady supply of healthy workers. Some of the most common expenditures in the health sector are for better medical facilities, easier access to life-saving pharmaceuticals, common immunization, medical information dissemination, provision of sufficient sanitation and clean drinking water, and so on. As a result, health-care spending is critical in developing and sustaining a productive workforce.
- ii). **Expenditure on migration:** The movement of people from poor or emerging countries to industrialized countries in quest of better opportunities is referred to as migration. Migration contributes to human capital building by allowing individuals to use inactive or underdeveloped abilities. The cost of migration includes the cost of transportation as well as the cost of living in the relocated location. The cost of migrating is typically very high due to the high cost of transportation and the high cost of living in industrialized countries. People continue to migrate in quest of better employment prospects and higher pay. Human capital migration assists developing countries in acquiring technological skills, labour-saving technologies, and efficient means of executing activities. These talents and know-how are conveyed by migrated people to their home country, which not only contributes to economic growth and development but also improves the home country's human capital. If the benefits of migration outweigh the costs of migration, it can be concluded that migration leads to improved utilization of human capital capabilities.

10) Establish the need for acquiring information relating to health and education expenditure for the effective utilisation of human resources.

The degree of availability of employment, salary, and admissions-related information is critical in determining human capital. The availability of job and admissions information not only assists students in making the best decision based on their interests, but it also contributes to the effective utilization of human abilities and expertise. Employment News (Rozgar Samachar), Employment Exchanges, numerous TV programs, and government and non-government websites are some of the key sources of information on jobs, eligibility criteria, vacancies, and salary. The investment on medical information and health awareness determines people's health.

People are often hesitant to choose various health measures due to a lack of adequate knowledge and information. People, for example, knew relatively little about polio and its vaccination a few years ago. People are now fully aware about polio thanks to the ongoing efforts of various government and non-government organizations as part of the Pulse Polio Immunization Program.

As a result of the continual advertising and different awareness initiatives, this program has achieved public awareness. As a result, the investment on information dissemination (education and health) impacts the effectiveness and efficacy of human capital.

11) How does investment in human capital contribute to growth?

Human capital and economic growth are inextricably linked. Human capital formation hastens economic growth, while economic growth hastens human capital formation. The following points can help to explain the correlation between economic growth and human capital formation.

- i). **Increase in the Productivity of Physical Capital:** The stock of manufactured means of production is referred to as physical capital. It is made up of machines, manufacturing plants, tools, and equipment. Skilled personnel manage productive assets in such a way that they not only increase productivity but also contribute to an efficient use of physical capital. When productivity rises, the rate of growth accelerates naturally.
- ii). **Innovation of Skills:** A well-educated individual is more productive and skilled. He has the capacity to learn new skills and practices that will make him more effective and productive. The bigger the quantity of talented and trained workers, the greater the likelihood of innovations.
- iii). **High Participation Rate and Equality:** Human capital with greater technical skills and inventive ability is more productive and efficient. The greater the rate of participation, the greater the degree of social and economic equality across the country. As a result, we might argue that human capital and economic growth are inextricably linked. Human capital formation increases economic growth, whereas economic growth also facilitates human capital formation.

12) ‘There is a downward trend in inequality world-wide with a rise in the average education levels’. Comment.

In theory, there is a negative link between educational attainment and the degree of inequality. In recent decades, this relationship has become virtually established all across the world. Education not only transmits technical abilities but also increases a person's productivity. A well-educated person with increased productivity and efficiency has a larger earning potential. The increased earning power and acceptance of contemporary techniques raises the standard and quality of living. Income distribution has become less lopsided, and the gap between affluent and poor has gradually narrowed. Gradually, the value of education is becoming more widely recognized around the world, and as a result, governments in various nations have increased their investments in the education sector. With an increase in average education levels, not only inequality but also other problems like poverty, underutilization of resources, and lower standards and quality of life have been reduced.

13) Examine the role of education in the economic development of a nation.

Economic development is defined as a growth in a country's level of production of goods and services combined with an improvement in the quality of life.

The following points illustrate the role of education in a country's economic development:

- i). **Imparts Quality Skills and Knowledge:** Education provides people with high-quality skills, which increases their productivity. As a result, it increases people's earning potential and prospects. Furthermore, it enables human capital to make the most use of the existing physical capital.
- ii). **Develops Mental Abilities:** People's mental capacities are developed through education, which allows them to make sensible and intellectual decisions. Education produces good people by instilling principles in them.
- iii). **Acceptability of Modernisation:** A nation's educated people is more accepting of modernisation and new technology. This not only helps the economy flourish, but it also allows a primitive economy to break free from the bonds of tradition and backwardness.

- iv). **Eradicates Skewed Income Distribution:** Education not only enhances money generating power, but it also minimizes skewed income distribution and so builds an equal society.
- v). **Raises Standard and Quality of Living:** Education not only enhances money generating power, but it also minimizes skewed income distribution and so builds an equal society.
- vi). **Increases the Participation Rate:** It promotes economic development by boosting people's participation in the growth and development process.
- vii). **A Possible Solution to Other Economic Issues:** The value of education extends beyond simply educating people to assisting an underdeveloped economy in addressing a variety of interconnected macroeconomic issues such as poverty, income disparity, population, and investment.

14) Explain how investment in education stimulates economic growth.

Economic growth is defined as a rise in a country's level of output of goods and services (national income) during a given time period. Higher levels of investment in the education sector would result in a stronger proportion of educated people working and participating in economic activities, resulting in higher economic growth. The different methods in which education investment fosters economic growth are as follows:

Imparts Quality Skills and Knowledge: Education provides people with high-quality skills, which increases their productivity. As a result, it increases people's money generating capacity and opportunities. Furthermore, it enables human capital to make the most use of the existing physical capital.

Develops Mental Abilities: People's mental capacities are developed through education, which allows them to make sensible and intellectual decisions. Education produces good people by instilling principles in them.

Acceptability of Modernisation: A nation's educated people is more accepting of modernisation and new technology. This not only helps the economy flourish, but it also allows a primitive economy to break free from the bonds of tradition and backwardness.

Eradicates Skewed Income Distribution: Education not only enhances income generating power but also minimizes income skewed distribution, forming an equal society.

Raises Standard and Quality of Living: Education increases people's income generating potential, raising their level of living and improving their quality of life.

Increases the Participation Rate: It promotes economic development by boosting people's participation in the growth and development process.

One Solution for Other Economic Problems: Education is important not only for educating people, but also for assisting an underdeveloped economy in resolving many but interrelated macroeconomic problems such as poverty, income disparity, population, investments, and resource underutilization.

15) Bring out the need for on-the-job-training for a person.

The act of learning the skills, information, and competencies required to do a specific profession efficiently and effectively is referred to as training. On-the-job training is the most effective type of training for a trainee since it teaches him technical skills and knowledge on the job. In this sort of training, a trainee is assisted (or trained hands-on) by a trainer (typically an experienced employee) while

performing the task. This allows the trainee to not only study theoretical and practical skills at the same time, but also to benefit from his trainer's experiences, which can boost his efficiency and production. This is the most frequent sort of training program because the benefits in terms of enhanced production far outweigh the costs. Thus, such training investments improve the quality of human capital by increasing productivity, efficiency, and income earning potential.

The following points emphasize the importance of on-the-job training:

- i). On-the-job training is the most prevalent way of training new employees or freshmen.
- ii). This style of training allows the pupil to learn both theoretical and practical abilities at the same time.
- iii). It allows a person to internalize an organization's beliefs, norms, and standards within the organization because the employee sees them in everyday activity.
- iv). Since it is done under the supervision of a professional or experienced worker, the trainee can benefit from the supervisor's experiences.
- v). It is a cost-effective strategy because the advantages of increased production outweigh the costs of such training.

16) Trace the relationship between human capital and economic growth.

Human capital and economic growth are inextricably linked. Human capital formation hastens economic growth, while economic growth hastens human capital formation. The following points can help to explain the correlation between economic growth and human capital formation.

- i). **Increase in the Productivity of Physical Capital:** The stock of manufactured means of production is referred to as physical capital. It is made up of machines, manufacturing plants, tools, and equipment. Skilled personnel manage productive assets in such a way that they not only increase productivity but also contribute to an efficient use of physical capital. When productivity rises, the rate of growth accelerates naturally.
- ii). **Innovation of Skills:** A well-educated individual is more productive and skilled. He has the opportunity to learn new talents and develop new procedures that will make him more efficient and productive. The bigger the quantity of talented and trained workers, the greater the likelihood of innovation.
- iii). **High Participation Rate and Equality:** Human capital that possesses advanced technical skills and the ability to innovate is more productive and efficient. This increases the number of people who participate in the process of economic growth and development. The greater the rate of participation, the greater the degree of social and economic equality across the country.

As a result, we might argue that human capital and economic growth are inextricably linked. Human capital formation hastens economic growth, while economic growth hastens human capital formation.

17) Discuss the need for promoting women's education in India.

Access to education has traditionally been skewed in favour of India's male population. Women have historically been underserved in the field of education. Women's weaker and lower status in India can be ascribed to a lack of education. Women have long been regarded as a liability in the household. Such ideas and customs have profound roots in traditional beliefs and customs. Women's economic and social roles must not be overlooked in order to achieve total economic development and growth. People have

realized the value of female education as educational levels and modernization have increased. In order to empower women, the importance of female education should be emphasized in India.

- i). The following are some key arguments in favour of promoting women's education:
- ii). Women's education is critical for increasing their economic independence and viability.
- iii). Women's education is critical for improving women's social and moral standing.
- iv). It is important in maintaining a healthy fertility rate.
- v). Education for women can improve health care for women and children.
- vi). An educated lady can instil moral principles in her children and provide them with a high-quality education.

18) Argue in favour of the need for different forms of government intervention in education and health sectors.

As India is a federal country, all three levels of government spend money on education and health. In India, both public and private institutions provide services in the education and health sectors. While private institutions are driven by the market and profit incentive, public institutions are driven by the primary goal of providing services and increasing human capital.

Because the cost of education and health care given by private institutions is higher, the bulk of the population finds it difficult to access these services due to economic inability. As a result, it is critical for the government to offer quality education and health care to this segment of the population. Furthermore, private institutions are unable to reach out to isolated and rural areas where individuals lack motivation to pursue education and health care. In this situation, the government's responsibility in encouraging them and making them aware of the benefits of education and health cannot be substituted.

Furthermore, there are some underprivileged groups of the population, such as ST, SC, and OBC, whose interests can only be preserved by government intervention. Furthermore, as individual customers, people lack accurate information about the quality of services and their associated costs. People are frequently exploited as a result of this. As a result, government action in the health and education sectors is required to improve the quality of human capital.

19) What are the main problems of human capital formation in India?

India is confronted with a slew of human capital formation issues.

These are the following:

- i). **Rising Population:** As the population grows, so does the demand on scarce resources. In other words, it reduces the availability of facilities such as housing, sanitation, education, and electricity supply per person. As a result, the strain on these facilities reduces the quality of life and limits one's ability to learn specialized skills and knowledge.
- ii). **Brain Drain:** People relocate from one location to another in quest of better work possibilities and higher pay. This poses a significant risk to the process of human capital building. It results in the loss of high-calibre individuals such as doctors, engineers, and others who are scarce in developing countries. The cost of such a loss of high-quality human capital is extremely expensive.
- iii). **Improper Manpower Planning:** India lacks in efficient manpower planning. There have been no major efforts to maintain the rising labour force's demand-supply balance. So, it leads to the wastage and misappropriation of human skills.

iv). Low Academic Standards: Regardless of deficiencies in their standards, many educational institutions are popping up in order to disseminate education. These institutions provide poor quality education and skills, which leads to a decrease in productivity and efficiency. This is one of the major impediments to the development of high-quality human capital.

20) In your view, is it essential for the government to regulate the fee structure in education and health care institutions? If so, why?

The education and health sectors are the two primary sectors responsible for the development of high-quality human capital. Almost all less developed countries place a premium on the development of these two sectors. In India, spending on education and health are carried out by all three levels of government as well as by private institutions. While commercial institutions are driven by market and profit motives, public institutions are driven by the primary goal of providing services and increasing human capital.

Because the cost of education and health care given by private institutions is higher, the bulk of the population finds it difficult to access these services due to financial constraints. As a result, it is critical that the government provide adequate education and health care to this segment of the population.

Furthermore, because the Indian constitution recognizes the right to free education and medical care as a fundamental right of citizens, it is the government's responsibility to offer education and health care to all. Furthermore, private institutions are unable to reach out to isolated and rural areas where individuals lack motivation to pursue education and health care. In this setting, the government's job is to encourage them and make them aware of the benefits of education and health care. Furthermore, there are some underprivileged groups of people, such as ST, SC, and OBC, whose interests can only be defended by the interference of the government. Furthermore, as individual customers, people lack accurate information about the quality of services and their associated costs. People are frequently exploited as a result of this.

As a result, government action in the health and education sectors to regulate fee structures is required in order to improve the quality of human capital.

MENTOR – MENTEE MAPPING

NAME OF THE KV	MENTOR
Avadi cluster - HVF KV, AFS, OCF , CRPF -	MR. A. Manoharan
KV Arakkonam	Smt. J. Uma , KV, Anna Nagar
KV CLRI , KV Dharmapuri	Smt.S.Shanthi
KV TBM 1 , Island Grounds	SMT.Lakshmi parvathy K.V.IIT
KV TBM 2	SMT. C.Padma K.V.DGQA
KV Dindugal , KV Virudhunagar	MR. V.Subramaniam KV, Karaikudi
KV NO.2.Madurai	DR. C. Selvaraj, KV NO.1. Madurai
KV NO.2.Trichy	SMT. S,Pushpalatha , KV NO.1.Trichy
KV Nagercoil	MR. V. Subramaniam , K.V.Karikudi
KV Sulur	Mr. Selvin Thevaraj , K.V.Couimbatore
KV Pondicherry	Dr.M.A.Reddy K.V.Ashok Nagar

KENDRIYA VIDYALAYA SANGATHAN, CHENNAI REGION
SAMPLE PAPER EXAMINATION - 2022-23
CLASS XII (030) ECONOMICS

Max Marks: 80

Duration: 03 Hrs

Blue print

S1 No	Name of the Unit	Marks Allotted	Competency Based Questions 1 Mark	SA I 3 Marks	SA II 4 Marks	LA 6 Marks	Total
PART- A MACRO ECONOMICS							
1	National Income and Related Aggregates	10	1*	1*	----	1	3
2	Money and Banking	6	2	---	1	----	3
3	Determination of Income and Employment	12	3	1		1*	5
4	Government Budget and the Economy	6	2*	----	1	----	3
5	Balance of Payments	6	2	----	1*	----	3
Part Total		40	10	2	3	2	17
PART B INDIAN ECONOMIC DEVELOPMENT							
6	Development Experience (1947-90) and Economic Reforms since	12	4*	----	2*	----	6
7	Current Challenges facing Indian Economy	20	4*	2*	1 (CBQ)	1*	8
8	Development Experience of India – A Comparison with Neighbours	8	2	----	----	1	3
Part Total		40	10	2	3	2	17
GRAND TOTAL		80	20	4	6	4	34

Note:

1. * Marked questions are Alternate/Choice questions.
2. CBQ is Case based questions. One Source based question each in section A and B to be prepared may be from 3 Marks.
3. The paper Design would be as follows:

Typology of Questions	Marks	Percentage
Remembering & Understanding	44	55
Applying	18	22.5
Analyzing, Evaluating & Creating	18	22.5

KENDRIYA VIDYALAYA SANGATHAN, CHENNAI REGION
SAMPLE PAPER 2022-23 **SET - I**
CLASS XII (030) ECONOMICS

Max Marks: 80

Duration:03 Hrs

GENERAL INSTRUCTIONS:

1. This question paper contains two sections: Section A – Macro Economics & Section B – Indian Economic Development
2. This paper contains 10 Multiple Choice Questions type questions of 1 mark each.
3. This paper contains 2 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
4. This paper contains 3 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
5. This paper contains 2 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.

सामान्य निर्देशः

1. इस प्रश्न पत्र में दो खंड हैं: खंड ए – मैक्रो अर्थशास्त्र और खंड बी – भारतीय आर्थिक विकास
2. इस पेपर में 10 बहुविकल्पीय प्रश्न हैं, जिनमें से प्रत्येक में 1 अंक के प्रश्न हैं।
3. इस प्रश्न-पत्र में 2 लघु उत्तरीय प्रश्न हैं, जिनमें से प्रत्येक के उत्तर 3 अंकों के हैं 60 से 80 शब्द।
4. इस प्रश्न-पत्र में 3 लघु उत्तरीय प्रश्न हैं, जिनमें से प्रत्येक के उत्तर 4 अंकों के हैं 80 से 100 शब्द।
5. इस प्रश्न-पत्र में 2 दीर्घ उत्तरीय प्रश्न हैं, जिनमें से प्रत्येक के उत्तर 6 अंकों के हैं 100 से 150 शब्द।

Q.no	SECTION-A MACRO ECONOMICS (40 marks)	Marks
1	<p>Read the following statements carefully:</p> <p>Statement 1: The value added of an Oil refinery will be counted as part of the GDP of the economy</p> <p>Statement2: Production by an oil refinery is a negative externality</p> <p>In the light of the given statements, choose the correct alternative:</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>निम्नलिखित कथनों को ध्यान से पढ़ें:</p> <p>कथन 1: एक तेल रिफाइनरी के मूल्यवर्धन की गणना किस अर्थव्यवस्था के सकल घरेलू उत्पाद के हिस्से के रूप में की जाएगी?</p> <p>कथन 2: एक तेल रिफाइनरी द्वारा उत्पादन एक नकारात्मक बाह्यता है</p> <p>दिए गए कथनों के आलोक में सही विकल्प का चयन कीजिए:</p>	1

- a) कथन 1 सत्य है और कथन 2 गलत है
 b) कथन 1 गलत है और कथन 2 सत्य है
 c) कथन 1 और 2 दोनों सत्य हैं
 d) कथन 1 और 2 दोनों असत्य हैं

(OR)

Read the following table carefully and fill in the blanks using alternatives given below it :

निम्नलिखित तालिका को ध्यानपूर्वक पढ़िए और उसके नीचे दिए गए विकल्पों का प्रयोग कर रिक्त स्थानों की पूर्ति कीजिए :

Domestic Factor Income	Compensation of employees Employees	Mixed Income of self Employed	Operating Surplus
₹ 600 Crores	₹ 200 Crores	₹ 150 Crores	...1..
₹ 900 Crores	...2..	₹ 200 Crores	₹ 250 Crores

- a) 1-250,2-450 b)1-450,2-250 c)1-200,2-350 d)1-150,2-400

2	<p>Read the following statement -Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): Currency held by the public is a monetary liability of the central bank.</p> <p>Reason (R) : Central bank controls credit, whereas commercial banks create credit with the currency held by the public</p> <p>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 and 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.</p> <p>निम्नलिखित कथनों को ध्यान से पढ़ें:</p> <p>अभिकथन (A) : जनता द्वारा धारित मुद्रा केंद्रीय बैंक का एक मौत्रिक दायित्व है।</p> <p>कारण (आर) : केंद्रीय बैंक क्रेडिट को नियंत्रित करता है, जबकि वाणिज्यिक बैंक क्रेडिट बनाते हैं</p> <p style="text-align: center;">जनता द्वारा आयोजित मुद्रा</p> <p>दिए गए कथनों के आलोक में सही विकल्प का चयन कीजिए:</p> <p>a) कथन 1 सत्य है और कथन 2 गलत है b) कथन 1 गलत है और कथन 2 सत्य है c) कथन 1 और 2 दोनों सत्य हैं d) कथन 1 और 2 दोनों असत्य हैं</p>	1
3	<p>RBI lowers the repo rate from 5.40% to 5.15% as a result household is expected to _____ more and purchase _____. (Choose the correct alternatives)</p> <p>a) Deposit , consumer Non durables b) Borrow ,consumer durables b) Lend, producer durables d) invest, producer non durables</p> <p>आरबीआई ने रेपो दर को 5.40% से घटाकर 5.15% कर दिया है, जिसके परिणामस्वरूप परिवार को _____ और खरीदने और _____ खरीदने की उम्मीद है (सही विकल्प चुनें)</p> <p>ए) जमा, उपभोक्ता गैर टिकाऊ बी) उधार, उपभोक्ता टिकाऊ वस्तुएं</p>	1

	बी) उधार, उत्पादक टिकाऊ डी) निवेश, उत्पादक गैर टिकाऊ	
4	<p>Read the following statements carefully:</p> <p>Statement 1 – If the investment multiplier is 1, the value of Marginal Propensity to Consume is 0</p> <p>Statement 2 - There is direct or positive relationship between MPS and multiplier.</p> <p>In the light of the given statements, choose the correct alternative from the following:</p> <ul style="list-style-type: none"> 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>निम्नलिखित कथनों को ध्यान से पढ़ें:</p> <p>कथन 1 - यदि निवेश गुणक 1 है, तो सीमांत उपभोग प्रवृत्ति का मान 0 है</p> <p>कथन 2 - MPS और गुणक के बीच सीधा या सकारात्मक संबंध है।</p> <p>दिए गए कथनों के आलोक में, निम्नलिखित में से सही विकल्प का चयन कीजिए:</p> <ul style="list-style-type: none"> a) कथन 1 सत्य है और कथन 2 गलत है b) कथन 1 गलत है और कथन 2 सत्य है c) कथन 1 और 2 दोनों सत्य हैं d) कथन 1 और 2 दोनों असत्य हैं 	1
5	<p>If MPC(Marginal Propensity to consume) = 0.5 and initial investment is 100 Rs crores, the income generation in the economy will be :</p> <p>(a) 5 crores Rs (b) 100 crores Rs (c) 200 crores Rs (d) 500 crores Rs</p> <p>यदि एमपीसी (सीमांत उपभोग प्रवृत्ति) = 0.5 और प्रारंभिक निवेश 100 करोड़ रुपये है, तो अर्थव्यवस्था में आय सृजन होगा:</p> <p>(a) 5 करोड़ रुपये (b) 100 करोड़ रुपये (c) 200 करोड़ रुपये (d) 500 करोड़ रुपये</p> <p>(OR)</p> <p>The Gap by which actual aggregate demand exceeds the aggregate demand required to establish full employment equilibrium is known as :</p> <p>(a) Deficient demand b) Deflationary Gap c) Excess demand d) Inflationary gap</p> <p>वह अंतर जिसके द्वारा वास्तविक समग्र मांग पूर्ण रोजगार संतुलन स्थापित करने के लिए आवश्यक कुल मांग से अधिक हो जाती है, को कहा जाता है:</p> <p>a) कमी की मांग b) अपस्फीति अंतराल c) अधिक मांग d) मुद्रास्फीति अंतराल</p>	1
6	<p>Read the following statement -Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): In the context of equilibrium, desired investment expenditure is assumed to be autonomous.</p> <p>Reason (R) : Autonomous investment is income inelastic.</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).</p> <p>c) Assertion (A) is true but Reason (R) is false.</p> <p>d) Assertion (A) is false but Reason (R) is true.</p> <p>निम्नलिखित कथनों को ध्यान से पढ़ें:</p>	1

	<p>अभिकथन (A) : संतुलन के संदर्भ में, वांछित निवेश व्यय को माना जाता है स्वायत्त रहें।</p> <p>कारण (आर) : स्वायत्त निवेश आय लोचहीन है।</p> <p>दिए गए कथनों के आलोक में सही विकल्प का चयन कीजिए:</p> <ul style="list-style-type: none"> a) कथन 1 सत्य है और कथन 2 गलत है b) कथन 1 गलत है और कथन 2 सत्य है c) कथन 1 और 2 दोनों सत्य हैं d) कथन 1 और 2 दोनों असत्य हैं 	
7	<p>In the context of government budget which of the following statement is correct</p> <p>I) Fees, Fine, Penalty, Interest on government loans and Dividend is a Revenue receipt.</p> <p>II) Surplus Budget shows excess of total expenditure over total receipts .</p> <p>III) The expenditure on conducting International Chess Olympiad is a Capital Expenditure.</p> <p>IV) Public goods are called non-excludable</p> <p>Options :</p> <p>a) III and IV b) II & III c) I & IV d) None of these</p> <p>सरकारी बजट के संदर्भ में निम्नलिखित में से कौन सा कथन सही है</p> <p>I) शुल्क, जुर्माना, जुर्माना, सरकारी ऋण पर ब्याज और लाभांश एक राजस्व रसीद है।</p> <p>II) अधिशेष बजट कुल प्राप्तियों पर कुल व्यय की अधिकता को दर्शाता है।</p> <p>III) अंतर्राष्ट्रीय शतरंज ओलंपियाड आयोजित करने पर होने वाला व्यय एक पूँजीगत व्यय है।</p> <p>IV) सार्वजनिक वस्तुओं को गैर-बहिष्कृत कहा जाता है</p> <p>विकल्प:</p> <p>a) III और IV b) II और III c) I और IV d) इनमें से कोई नहीं</p>	1
8	<p>Which of the following statements is true about the primary deficit?</p> <p>a) Primary deficit is defined as the difference between fiscal deficit and subsidies</p> <p>b) Primary deficit is defined as the difference between fiscal deficit and borrowings</p> <p>c) Primary deficit is defined as the difference between fiscal deficit and transfer payments</p> <p>d) Primary deficit is defined as the difference between fiscal deficit and interest payments</p> <p>प्राथमिक घाटे के बारे में निम्नलिखित में से कौन सा कथन सही है?</p> <p>a) प्राथमिक घाटे को राजकोषीय घाटे और सब्सिडी के बीच के अंतर के रूप में परिभाषित किया गया है</p> <p>b) प्राथमिक घाटे को राजकोषीय घाटे और उधारी के बीच के अंतर के रूप में परिभाषित किया गया है</p> <p>c) प्राथमिक घाटे को राजकोषीय घाटे और हस्तांतरण भुगतान के बीच अंतर के रूप में परिभाषित किया गया है</p> <p>d) प्राथमिक घाटे को राजकोषीय घाटे और ब्याज भुगतान के बीच अंतर के रूप में परिभाषित किया गया है</p> <p>(OR)</p> <p>Which of the following items is an example of capital expenditure undertaken by the government?</p> <p>a) Subsidies and defence services expenditure</p> <p>b) Construction of roads and repayment of loans</p> <p>c) Both a and b are correct</p> <p>d) Both a and b are incorrect</p> <p>निम्नलिखित में से कौन सी वस्तु सरकार द्वारा किए गए पूँजीगत व्यय का एक उदाहरण है?</p> <p>a) सब्सिडी और रक्षा सेवा व्यय</p>	1

	<table border="1"> <tr><td>(i)</td><td>Sales</td><td>500</td></tr> <tr><td>(ii)</td><td>Purchase of Intermediate goods</td><td>350</td></tr> <tr><td>(iii)</td><td>Opening Stock</td><td>60</td></tr> <tr><td>(iv)</td><td>Indirect Taxes</td><td>50</td></tr> <tr><td>(v)</td><td>Consumption of Fixed Capital</td><td>90</td></tr> <tr><td>(vi)</td><td>Import of Raw materials</td><td>85</td></tr> <tr><td>(vii)</td><td>Closing Stock</td><td>80</td></tr> </table> <p>निम्नलिखित आंकड़ों से कारक लागत पर जोड़े गए शुद्ध मूल्य की गणना करें।</p> <table border="1"> <thead> <tr> <th>क्र सं</th><th>विवरण</th><th>रुपया(करोड़ में)</th></tr> </thead> <tbody> <tr><td>(i)</td><td>बिक्री</td><td>500</td></tr> <tr><td>(ii)</td><td>मध्यवर्ती वस्तुओं की खरीदारी</td><td>350</td></tr> <tr><td>(iii)</td><td>प्रारंभिक स्टॉक</td><td>60</td></tr> <tr><td>(iv)</td><td>अप्रत्यक्ष कर</td><td>50</td></tr> <tr><td>(v)</td><td>अचल पूँजी की खपत</td><td>90</td></tr> <tr><td>(vi)</td><td>कच्चे माल का आयात</td><td>85</td></tr> <tr><td>(vii)</td><td>अंतिम स्टॉक</td><td>80</td></tr> </tbody> </table>	(i)	Sales	500	(ii)	Purchase of Intermediate goods	350	(iii)	Opening Stock	60	(iv)	Indirect Taxes	50	(v)	Consumption of Fixed Capital	90	(vi)	Import of Raw materials	85	(vii)	Closing Stock	80	क्र सं	विवरण	रुपया(करोड़ में)	(i)	बिक्री	500	(ii)	मध्यवर्ती वस्तुओं की खरीदारी	350	(iii)	प्रारंभिक स्टॉक	60	(iv)	अप्रत्यक्ष कर	50	(v)	अचल पूँजी की खपत	90	(vi)	कच्चे माल का आयात	85	(vii)	अंतिम स्टॉक	80	
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(vii)	अंतिम स्टॉक	80																																													
12	<p>In an economy, every time income rises, 75 % of the rise in income is spent on consumption, Now suppose in the same economy investment rises by Rs 1000 crores calculate a) change in income b) change in savings.</p> <p>एक अर्थव्यवस्था में, हर बार आय में वृद्धि, आय में वृद्धि का 75% खपत पर खर्च किया जाता है, अब मान लीजिए कि उसी अर्थव्यवस्था में निवेश में 1000 करोड़ रुपये की वृद्धि हुई है, गणना करें a) आय में परिवर्तन b) बचत में परिवर्तन</p> <p style="text-align: center;">(OR)</p> <p>If APC (Average Propensity to Save) of an economy is 0.8, what should be the savings when an income level is Rs 4000/- crores ?</p> <p>यदि किसी अर्थव्यवस्था की एपीसी (औसत बचत प्रवृत्ति) 0.8 है, तो आय स्तर 4000/- करोड़ रुपये होने पर बचत क्या होनी चाहिए?</p>	3																																													
13	<p>Read the following table carefully and answer the following questions :</p> <ol style="list-style-type: none"> Identify any one Direct tax and Indirect tax mentioned in the table calculate Revenue Deficit for 2020-21 revised estimate and Fiscal Deficit for 2021-22 Budget estimates : <table border="1"> <thead> <tr> <th></th> <th>2020-2021 Revised Estimates</th> <th>2021-22 Budget Estimates</th> </tr> </thead> <tbody> <tr> <td>Revenue Receipts</td> <td></td> <td></td> </tr> <tr> <td>1. Tax Revenue</td> <td></td> <td></td> </tr> <tr> <td>Gross Tax Revenue</td> <td>1900280</td> <td>2217059</td> </tr> <tr> <td>a) Corporate tax</td> <td>446000</td> <td>547000</td> </tr> <tr> <td>b) Taxes on income</td> <td>459000</td> <td>561000</td> </tr> <tr> <td>c) Wealth tax</td> <td>--</td> <td>--</td> </tr> <tr> <td>d) Taxes on customs</td> <td>112000</td> <td>136000</td> </tr> <tr> <td>e) Union excise duties</td> <td>361000</td> <td>335000</td> </tr> <tr> <td>f) Service tax</td> <td>1400</td> <td>1000</td> </tr> <tr> <td>g) GST</td> <td>515100</td> <td>630000</td> </tr> <tr> <td>Capital receipts</td> <td>46497</td> <td>188000</td> </tr> <tr> <td>Total Receipts (without borrowings)</td> <td>1601650</td> <td>1976464</td> </tr> <tr> <td>Total Expenditure</td> <td>3450305</td> <td>3483236</td> </tr> </tbody> </table>		2020-2021 Revised Estimates	2021-22 Budget Estimates	Revenue Receipts			1. Tax Revenue			Gross Tax Revenue	1900280	2217059	a) Corporate tax	446000	547000	b) Taxes on income	459000	561000	c) Wealth tax	--	--	d) Taxes on customs	112000	136000	e) Union excise duties	361000	335000	f) Service tax	1400	1000	g) GST	515100	630000	Capital receipts	46497	188000	Total Receipts (without borrowings)	1601650	1976464	Total Expenditure	3450305	3483236	4			
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निम्नलिखित तालिका को ध्यानपूर्वक पढ़ें और निम्नलिखित प्रश्नों के उत्तर दें:

- तालिका में उल्लिखित किसी एक प्रत्यक्ष कर और अप्रत्यक्ष कर की पहचान करें
- 2020-21 के लिए राजस्व घाटे की गणना संशोधित अनुमान और 2021-22 के बजट अनुमानों के लिए राजकोषीय घाटे की गणना करें:

	2020-2021 संशोधित अनुमान	2021-22 बजट अनुमान
राजस्व प्राप्तियां। कर राजस्व	1900280	2217059
सकल कर राजस्व		
a) निगम टैक्स कर	446000	547000
b) आय पर कर	459000	561000
c) संपत्ति कर	--	--
d) सीमा शुल्क पर कर	112000	136000
e) केंद्रीय उत्पाद शुल्क	361000	335000
च) सेवा कर	1400	1000
छ) जीएसटी	515100	630000
पूँजीगत प्राप्तियां	46497	188000
कुल प्राप्तियां (उधार के बिना)	1601650	1976464
कुल व्यय	3450305	3483236

- 14 Giving g reasons, state whether the following statements are true or false:
- Current account of balance of payments records only visible Trade (Exports & Imports of goods).
 - Both depreciation and devaluation of domestic currency have the same meaning
- कारण देते हुए बताइए कि निम्नलिखित कथन सत्य हैं या असत्य:
- ए) भुगतान संतुलन का चालू खाता केवल दृश्यमान व्यापार (माल का निर्यात और आयात) रिकॉर्ड करता है।
- ब) घरेलू मुद्रा के मूल्यहास और अवमूल्यन दोनों का एक ही अर्थ है

4

- 15 a) Give meaning of money supply. b) Explain why money is a most effective medium of exchange and the common unit of value ?(1+1 ½ +1 ½)
- क) मुद्रा आपूर्ति का अर्थ दीजिए। बी) समझाएं कि मुद्रा विनिमय का सबसे प्रभावी माध्यम और मूल्य की सामान्य इकाई क्यों है? (1+1 ½ +1 ½)
- (OR)
- Read the following statements carefully and identify the functions of Central Bank in India as per the given statement :
- In India the Central bank has withdrawn the legal tender status of Rs 1000 note with effect from December 31, 2016
 - The Monetary Policy Committee (MPC) at its meeting today (June 8, 2022) decided to Increase the policy repo rate under the liquidity adjustment facility (LAF) by 50 basis points to 4.90 per cent with immediate effect.

4

	<p>c) The revised set of guidelines published by the Reserve Bank of India (RBI) for the issue of credit cards and debit cards will come into effect from July 1,2022</p> <p>d) Reserve Bank works out the overall funds position and sends daily advices showing the balances in its books, Ways and Means Advances granted to the government and investments made from the surplus fund.</p> <p>निम्नलिखित कथनों को ध्यान से पढ़ें और दिए गए विवरण के अनुसार भारत में सेंट्रल बैंक के कार्यों की पहचान करें:</p> <ul style="list-style-type: none"> a) भारत में केंद्रीय बैंक ने 1000 रुपये के नोट की वैध मुद्रा स्थिति को प्रभावी रूप से वापस ले लिया है 31 दिसंबर 2016 से b) मौद्रिक नीति समिति (एमपीसी) ने आज (8 जून, 2022) अपनी बैठक में निर्णय लिया चलनिधि समायोजन सुविधा (एलएएफ) के तहत पॉलिसी रेपो दर में 50 आधार की वृद्धि तत्काल प्रभाव से 4.90 प्रतिशत की ओर इशारा करता है। c) इस मुददे के लिए भारतीय रिजर्व बैंक (RBI) द्वारा प्रकाशित दिशानिर्देशों का संशोधित सेट क्रेडिट कार्ड और डेबिट कार्ड 1,2022 जुलाई से लागू होंगे d) रिजर्व बैंक निधियों की समग्र स्थिति की गणना करता है और दैनिक सूचनाएँ भेजता है जिसमें अपनी बहियों में शेष, सरकार को दिए गए तरीके और साधन अग्रिम और अधिशेष निधि से किया गया निवेश। 	
16	<p>a) Discuss briefly the three components of 'Income from work '</p> <p>b) Differentiate between Factor income from abroad and factor income to abroad using examples?</p> <p>क) 'काम से आय' के तीन घटकों की संक्षेप में चर्चा कीजिए।</p> <p>b) विदेश से कारक आय और विदेशों में कारक आय के बीच उदाहरण देकर अंतर करें?</p> <p style="text-align: center;">(OR)</p> <p>(a) Giving reasons, classify the following into intermediate and final goods:</p> <p style="margin-left: 20px;">(i) Machines purchased by a dealer of machines (ii) A car purchased by a household</p> <p>(b) Will the following be a part of domestic factor income of India? Give reasons for your answer.</p> <p style="margin-left: 20px;">(i) Old age pension given by the government (ii) Factor income from abroad</p> <p>(a) कारण देते हुए, निम्नलिखित को मध्यवर्ती और अंतिम वस्तुओं में वर्गीकृत करें:</p> <p style="margin-left: 20px;">(i) मशीनों के डीलर द्वारा खरीदी गई मशीनें (ii) एक घर द्वारा खरीदी गई कार</p> <p>(b) क्या निम्नलिखित भारत की घरेलू कारक आय का हिस्सा होंगे? अपने जवाब के लिए कारण दें।</p> <p style="margin-left: 20px;">(i) सरकार द्वारा दी जाने वाली वृद्धावस्था पैशन (ii) विदेशों से आय का कारक</p>	6
17	<p>a) Explain the role of Government spending in correcting the inflationary gap in an economy.</p> <p>b) If planned saving is less than planned investment, what changes will bring economy in equilibrium?</p> <p>a) अर्थव्यवस्था में मुद्रास्फीति के अंतर को दूर करने में सरकारी खर्च की भूमिका की व्याख्या कीजिए</p> <p>b) यदि नियोजित बचत नियोजित निवेश से कम है, तो अर्थव्यवस्था अर्थव्यवस्था को संतुलन में लाने के लिए कौन से परिवर्तन होंगे?</p>	6
SECTION-B INDIAN ECONOMIC DEVELOPMENT (40 marks)		
18	The main reason for food shortage in India after partition was _____	1

	<p>a) Low productivity in Indian agriculture b) Food surplus areas of west Punjab & Sindh went to Pakistan c) Negligible use of fertilizers d) All of the above</p> <p>विभाजन के बाद भारत में भोजन की कमी का मुख्य कारण _____ था</p> <p>a) भारतीय कृषि में कम उत्पादकता b) पश्चिम पंजाब और सिंध के खाद्य अधिशेष क्षेत्र पाकिस्तान में चले गए c) उर्वरकों का नगण्य उपयोग d) उपरोक्त सभी</p>	
19	<p>How many industries were reserved for Public sector as per Industrial Policy Resolution 1956</p> <p>a) 17 b) 18 c) 19 d) 20</p> <p>औद्योगिक नीति संकल्प 1956 के अनुसार सार्वजनिक क्षेत्र के लिए कितने उद्योग आरक्षित किए गए थे:</p> <p>a) 17 b) 18 c) 19 d) 20</p> <p style="text-align: center;">(OR)</p> <p>Which of the following is a NAVARATNA PSU(Public Sector Undertaking):</p> <p>a) India Oil Corporation Limited b) Steel Authority of India Limited c) Hindustan Aeronautics Limited d) Airports Authority of India</p> <p>निम्नलिखित में से कौन एक नवरत्न पीएसयू (सार्वजनिक क्षेत्र का उपक्रम) है:</p> <p>a) इंडिया ऑयल कॉर्पोरेशन लिमिटेड b) स्टील अथॉरिटी ऑफ इंडिया लिमिटेड c) हिंदुस्तान एयरोनॉटिक्स लिमिटेड d) भारतीय विमानपत्तन प्राधिकरण</p>	1
20	<p>Read the following statement -Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): Human Capital Formation is a stock concept</p> <p>Reason (R) : Stock refers to the variables which are measured at a particular point of time.</p> <p>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 and 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.</p> <p>निम्नलिखित कथनों को ध्यान से पढ़ें:</p> <p>अभिकथन (A) : मानव पूँजी निर्माण एक स्टॉक अवधारणा है</p> <p>कारण (R) : स्टॉक उन चरों को संदर्भित करता है जिन्हें किसी विशेष समय पर मापा जाता है</p> <p>दिए गए कथनों के आलोक में सही विकल्प का चयन कीजिए:</p> <p>a) कथन 1 सत्य है और कथन 2 गलत है b) कथन 1 गलत है और कथन 2 सत्य है c) कथन 1 और 2 दोनों सत्य हैं d) कथन 1 और 2 दोनों असत्य हैं</p>	1

	c) अपशिष्ट उत्पादन d) जनसंख्या में तेजी से वृद्धि	
24	<p>_____ did not result in any flow of _____ into India</p> <p>I. Import Surplus II. Foreign Exchange III. Export Surplus IV. Gold or Silver</p> <p>Alternatives:</p> <p>a) I and II b) II and III c) III and IV d) I and IV</p> <p>_____ के परिणामस्वरूप भारत में _____ का कोई प्रवाह नहीं हुआ.</p> <p>I. आयात अधिशेष II. विदेशी मुद्रा III. निर्यात अधिशेष IV सोना या चांदी</p> <p>विकल्प:</p> <p>a) I और II b) II और III c) III और IV d) I और IV</p>	1
25	<p>Tariff barriers mainly refer to :</p> <p>a) Quota- barriers c) barriers on import thorough high import duty टैरिफ बाधाएं मुख्य रूप से संदर्भित करती हैं: ए) कोटा- बाधाएं सी) आयात पर बाधाएं पूरी तरह से उच्च आयात शुल्क</p> <p>b) Barriers on exports d) Licensee barriers बी) निर्यात पर बाधाएं डी) लाइसेंसधारी बाधाएं</p>	1
26	<p>Read the following statements carefully.</p> <p>Statement 1: India and Pakistan created a large public sector and planned to raise public expenditure on social development.</p> <p>Statement 2: Dual Pricing was introduced in India under Economic reforms .</p> <p>In the light of the given statements, choose the correct alternative:</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>निम्नलिखित कथनों को ध्यान से पढ़ें:</p> <p>कथन 1 : भारत और पाकिस्तान ने एक बड़ा सार्वजनिक क्षेत्र बनाया और सामाजिक विकास पर खर्च करने के लिए सार्वजनिक योजना बनाई</p> <p>कथन 2 : भारत में आर्थिक सुधारों के तहत दोहरे मूल्य निर्धारण की शुरुआत की गई थी।</p> <p>दिए गए कथनों के आलोक में, निम्नलिखित में से सही विकल्प का चयन कीजिए:</p> <p>a) कथन 1 सत्य है और कथन 2 गलत है b) कथन 1 गलत है और कथन 2 सत्य है c) कथन 1 और 2 दोनों सत्य हैं d) कथन 1 और 2 दोनों असत्य हैं</p>	1

27	<p>Read the following statement -Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A): The aim of the Great Leap Forward campaign initiated in China was to transform the agrarian economy into a modern economy through rapid industrialization</p> <p>Reason (R) : Under the Great Leap Forward campaign, students and professionals were sent to work and learn from the countryside.</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).</p> <p>c) Assertion (A) is true but Reason (R) is false.</p> <p>d) Assertion (A) is false but Reason (R) is true.</p> <p>निम्नलिखित कथनों को ध्यान से पढ़ें:</p> <p>अभिकथन (A) : चीन में शुरू किए गए ग्रेट लीप फॉरवर्ड अभियान का उद्देश्य कृषि अर्थव्यवस्था को तेजी से आधुनिक अर्थव्यवस्था में बदलना था औद्योगीकरण</p> <p>कारण (R) : ग्रेट लीप फॉरवर्ड अभियान के तहत, छात्र और पेशेवर थे काम पर भेजा और ग्रामीण इलाकों से सीखा।</p> <p>दिए गए कथनों के आलोक में सही विकल्प का चयन कीजिए:</p> <p>a) कथन 1 सत्य है और कथन 2 गलत है</p> <p>b) कथन 1 गलत है और कथन 2 सत्य है</p> <p>c) कथन 1 और 2 दोनों सत्य हैं</p> <p>d) कथन 1 और 2 दोनों असत्य हैं</p>	1										
28	<p>Are the following statements True or False .Give valid reasons for your answer :</p> <p>a) Tertiary education takes a major share of total education expenditure in India</p> <p>b) we cannot be complacent about the upward movement in the literacy rates</p> <p>निम्नलिखित कथन सही हैं या गलत। अपने उत्तर के लिए वैध कारण दें:</p> <p>a) तृतीयक शिक्षा भारत में कुल शिक्षा व्यय का एक बड़ा हिस्सा लेती है</p> <p>b) हम साक्षरता दर में ऊर्ध्व गति के बारे में आत्मसंतुष्ट नहीं हो सकते हैं</p>	3										
29	<p>Intrepret the following image as a source of agricultural diversification :</p> <p>कृषि विविधीकरण के स्रोत के रूप में निम्नलिखित छवि की व्याख्या करें:</p> <table border="1"> <thead> <tr> <th>Animal Type</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Cattle and Buffaloes</td> <td>22%</td> </tr> <tr> <td>Poultry</td> <td>6.1%</td> </tr> <tr> <td>Sheeps and Goats</td> <td>16%</td> </tr> <tr> <td>Pigs</td> <td>1%</td> </tr> </tbody> </table>	Animal Type	Percentage	Cattle and Buffaloes	22%	Poultry	6.1%	Sheeps and Goats	16%	Pigs	1%	3
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30	a) Name any one industry that is now reserved for the public sector. b)" The <i>navaratna</i> policy of the government helps in improving the performance of public sector undertakings in India". Support this Statement with valid arguments. (OR) Discuss the need for import substitution during 1950-1990 in India	1 3 4																																										
31	Bring out the significant trends in Growth of Employment and GDP over the years based on the following Graph :	4																																										
	<p>Chart 7.3: Growth of Employment and Gross Domestic Product, 1951-2012 (%)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>GDP (%)</th> <th>Employment (%)</th> </tr> </thead> <tbody> <tr><td>1951-52</td><td>3.6</td><td>0.39</td></tr> <tr><td>1956-57</td><td>4.7</td><td>0.85</td></tr> <tr><td>1961-62</td><td>2.8</td><td>1.03</td></tr> <tr><td>1966-67</td><td>3.9</td><td>2.03</td></tr> <tr><td>1971-72</td><td>4.8</td><td>1.99</td></tr> <tr><td>1976-77</td><td>5.7</td><td>1.84</td></tr> <tr><td>1981-82</td><td>5.8</td><td>1.73</td></tr> <tr><td>1986-87</td><td>3.4</td><td>1.80</td></tr> <tr><td>1991-92</td><td>6.1</td><td>1.5</td></tr> <tr><td>1996-97</td><td>6.1</td><td>0.98</td></tr> <tr><td>2001-02</td><td>8.7</td><td>2.28</td></tr> <tr><td>2006-07</td><td>7.8</td><td>0.28</td></tr> <tr><td>2011-12</td><td>7.8</td><td>1.12</td></tr> </tbody> </table>	Year	GDP (%)	Employment (%)	1951-52	3.6	0.39	1956-57	4.7	0.85	1961-62	2.8	1.03	1966-67	3.9	2.03	1971-72	4.8	1.99	1976-77	5.7	1.84	1981-82	5.8	1.73	1986-87	3.4	1.80	1991-92	6.1	1.5	1996-97	6.1	0.98	2001-02	8.7	2.28	2006-07	7.8	0.28	2011-12	7.8	1.12	
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32	Defend or Refute the following statement with valid explanation : "It is generally agreed that it was necessary to use subsidies to provide an incentive for adoption of the new HYV technology by farmers in general and small farmers in particular". वैध स्पष्टीकरण के साथ निम्नलिखित कथन का बचाव या खंडन करें: "आमतौर पर यह माना जाता है कि प्रोत्साहन प्रदान करने के लिए सब्सिडी का उपयोग करना आवश्यक था सामान्य रूप से किसानों और विशेष रूप से छोटे किसानों द्वारा नई HYV तकनीक को अपनाना"।	4																																										
33	a) Define Global Warming b) Discuss briefly the objectives of Regional Rural Banks (RRBs) c) Explain why Education for All — Still a Distant Dream a) ग्लोबल वार्मिंग को परिभाषित करें b) क्षेत्रीय ग्रामीण बैंकों (आरआरबी) के उद्देश्यों की संक्षेप में चर्चा कीजिए। c) समझाएं कि सभी के लिए शिक्षा - अभी भी एक दूर का सपना क्यों है (OR) <ul style="list-style-type: none"> a) "Secondary and service sectors are showing promising future for the Indian workforce". Give valid arguments in support of the given statement . b) "The National Education Policy 2020 states that the world need for a skilled workforce, particularly involving mathematics, computer science, and data science, in conjunction with multidisciplinary abilities across the sciences and social sciences, and humanities, will be increasingly in greater demand." Defend the given Statement . a) "माध्यमिक और सेवा क्षेत्र भारतीय कार्यबल के लिए आशाजनक भविष्य दिखा रहे हैं"। दिए गए कथन के समर्थन में वैध तर्क दीजिए। b) "राष्ट्रीय शिक्षा नीति 2020 में कहा गया है कि दुनिया को एक कुशल कार्यबल की आवश्यकता है, 	2 2 2 2 3 3																																										

SAMPLE PAPER 2022-23
CLASS XII (030) ECONOMICS
ANSWER KEY SET - I

Q.no	SECTION-A MACRO ECONOMICS(40 marks)	Marks
1	c) Both statements 1 and 2 are true (OR) a) 1-250,2-450	1
2	(b) Both Assertion (A) and Reason (R) are true but Reason (R) is the not correct explanation of Assertion (A)	1
3	b) Borrow ,consumer durables	1
4	a) Statement 1 is true and statement 2 is false	1
5	(c) 200 crores Rs(OR)b) Inflationary Gap	1
6	b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).	1
7	c) I & IV	1
8	d)Primary deficit is defined as the difference between fiscal deficit and interest payments (OR) b)Construction of roads and repayment of loans	1
9	d) There is a Capital Account Surplus of 50 million US Dollars	1
10	b)only P, R, and S	3
11	Net Value Added at FC= Sales + Change in stock- Purchase of intermediate goods – CFC-NIT (1) = 500+(80-60)-350-90-50 (1) = 30 Crores(1)	3
12	(a) <u>Change in income</u> MPC =0.75 and MPS =0.25 $K = \frac{1}{1-MPC} = \frac{1}{1-0.75} = \frac{1}{0.25} = 4(1)$ $\Delta Y = k \times \Delta I = 4 \times 1000(\frac{1}{2})$ $\Delta Y = 1000(\frac{1}{2})$ (b) <u>Change in Savings</u> $\Delta S = \Delta Y \times \Delta C(\frac{1}{2})$ $= 4000 - 3000 = 1000 \quad (\frac{1}{2})$ (or) $\Delta S = \Delta I = 1000$ (OR) APC+APS =1, Given APC =0.8 , Hence APS=1-APC = 1-0.8=2 (1) $APS = \frac{S(savings)}{Y(Income)} \quad (1)$ $0.2 = \frac{S}{4000}(\frac{1}{2})$ $= 800 \text{ crores} \quad (\frac{1}{2})$	3
13	a) Corporate tax is example for direct tax and GST is for indirect tax (Any other suitable item also given mark) 2M Revenue deficit+ Revenue Receipt- Revenue expenditure = 1900280-2000000=99720= 1m Fiscal deficit = Total expenditure – Total receipts excluding borrowing= 3483236-1976464= 1506772 1M	4
14	a)False : - Because it contains both visible and invisible items b) False :- One is under fixed exchange rate (devaluation done by government) and another is under flexible exchange rate which is done by market forces of demand and supply of FER	4

15	<p>a) Money Supply is the total stock of different types of money (currency in circulation and deposits) available in an economy. (1)</p> <p>b) Money as Medium of exchange</p> <p>Money acts as a medium of exchange as it facilitates exchange through a common medium, i.e. currency. In other words, money helps in the buying and selling of goods. Money facilitates transactions of goods and services as a medium of exchange. Producers sell their goods to wholesalers in exchange of money. Wholesalers, in turn, sell their goods to the retailers and the retailers sell these goods to the consumers in exchange for. Money solves the problem of double coincidence of wants. (1 ½)</p> <p>Money as Unit of value</p> <p>The values of goods can be measured in terms of money. It is a common medium through which we can calculate the value of each and every good. The value of a good in terms of money is called the price. In barter system the lack of a common denominator for measuring values of goods was a major drawback. (1 ½)</p> <p style="text-align: center;">(OR)</p> <p>a) Bank of Note issue b) Controller of credit c) Banker's Bank d) Government's Bank (01 Mark each correct function)</p>	4
16	<p>Domestic income or Net Domestic Product at factor cost = Compensation of employees, Operating surplus and Mixed income of self-employed (or)v</p> <p>a)(i) Machine purchased by a dealer of machines is a intermediate goods because this machine is used to produce other goods.</p> <p>(ii) A car purchased by a household is a final good because this car is ready for the final consumption.</p> <p>b) (i) Old age pension given by the government will not be a part of domestic factor income of India be-cause it is a transfer payment.</p> <p>(ii) Factor income from abroad will not be a part of domestic factor income of India because it is a part of national factor income of India. Domestic factor income becomes national factor income by adding factor income from abroad to domestic income.</p>	6
17	<p>a) Decrease in the government expenditure during excess demand or inflation causes withdrawal of expenditure in the economy. As a result, aggregate demand, purchasing power and money supply get decreased. Thus, the problem of excess demand or inflationary gap in the economy gets combated.(3)</p> <p>b) It refers to the point that has come to be established under the given condition of aggregate demand and aggregate supply, and has tendency to stick to that level under this given condition. Therefore, $AD = AS$ C + I = C + S I=C+S-C=S</p> <p>As given in the examination problem, when planned saving is less than planned investment, then national income will decrease as shown in the below diagram. When, investment > saving [at Y1], then production will have to be increased to meet the excess demand. Consequently, national income will increase leading to rise in saving until saving becomes equal to investment. It is here that equilibrium level of income is established because what the savers intend to save becomes equal to what the investors intend to invest.(3)</p>	6
	SECTION-B INDIAN ECONOMIC DEVELOPMENT (40 marks)	
18	b) Food surplus areas of west Punjab & Sindh went to Pakistan	
19	<p>a) 17</p> <p>(OR)</p> <p>c) Hindustan Aeronautics Limited</p>	
20	d) Assertion (A) is false but Reason (R) is true.	
21	b) II – B	
22	c) Both statements 1 and 2 are true	
23	d) All of these (OR) b) Rise in sea level	

24	c) III and IV	
25	c) barriers on import thorough high import duty	
26	a) Statement 1 is true and statement 2 is false	
27	c) Assertion (A) is true but Reason (R) is false	
28	<p>a) FALSE : In India the Elementary education takes a major share of total education expenditure and the share of the higher/tertiary education (institutions of higher learning like colleges, polytechnics and universities) is the least. Though, on an average, the government spends less on tertiary education, ‘expenditure per student’ in tertiary education is higher than that of elementary. (1 ½)</p> <p>b) TRUE : The differences in literacy rates between males and females are narrowing signifying a positive development in gender equity; still the need to promote education for women in India is imminent for various reasons such as improving economic independence and social status of women and also because women education makes a favourable impact on fertility rate and health care of women and children. Therefore, we cannot be complacent about the upward movement in the literacy rates and we have miles to go in achieving cent per cent adult literacy. (1 ½)</p>	
29	The given image indicates animal Husbandry as a source of agricultural diversification in India .Animal husbandry pertains to the upbringing, breeding, and raising of animals for meat, fiber, eggs, milk, and other food products. Animal husbandry is the practice of producing livestock and selective breeding. The livelihood of a vast number of farmers is dependent on this sector. India has an abundance of cattle. The care and production of livestock that is helpful to people, such as buffaloes, cows, pigs, horses, cattle, sheep, camels, poultry, goats, etc. is referred to as animal husbandry. It now includes poultry farms and fisheries under its purview. Our country's livestock sector increased at an 8.15 percent compound annual growth rate (CAGR) from 2014-15 to 2019-20.	
30	<p>a)Atomic energy generation ,Railway transport</p> <p>b)To improve efficiency, infuse professionalism and to enable PSUs to compete effectively in the market, government awarded the status of ‘navaratnas’ to nine PSUs. These corporations were granted a greater degree of financial, managerial and operational autonomy. This boosted their efficiency and effectiveness. They also became highly competitive and some of them are becoming the giant global players. Consequent to their better performance, government retained them under public sector and enabled them to grow themselves not only in the domestic market but also in the international market. These corporations are self-reliant and financially self-sufficient. Thus, the navaratnapolicy has certainly improved the performance of these PSUs.</p>	1
	(OR)	3
	<p>1.The policy of protection (in the form of Import Substitution) is based on the notion that industries of developing countries like India are not in a position to compete against the goods produced by more developed economies. It is assumed that if the domestic industries are protected, they will earn to compete in the course of time.</p> <p>2) Our planners also feared the possibility of foreign exchange being spent on import of luxury goods if no restrictions were placed on imports.</p>	2
31	<p>The given graph points at disheartening development in the late 1990s: employment growth started declining and reached the level of growth that India had in the early stages of planning. During these years, we also find a widening gap between the growth of GDP and employment.</p> <p>When GDP is experienced more through technology than the employment of labour then an economy witnesses jobless growth. India experiences jobless growth because the growth is achieved through efficient technology rather greater use of labour</p>	4
32	If Defended :	

	<p>Subsidies were needed to encourage farmers to test the new technology. The government should continue with agricultural subsidies because farming in India continues to be a risky business. Most farmers are very poor and they will not be able to afford the required inputs without subsidies. Eliminating subsidies will increase the inequality between rich and poor farmers and violate the goal of equity.</p> <p>If Refuted :</p> <p>Once the technology is found profitable and is widely adopted, subsidies should be phased out since their purpose has been served. Further, subsidies are meant to benefit the farmers but a substantial amount of fertilizer subsidy also benefits the fertilizer industry; and among farmers, the subsidy largely benefits the farmers in the more prosperous regions. Therefore, it is argued that there is no case for continuing with fertilizer subsidies; it does not benefit the target group and it is a huge burden on the government's finances. Also, by the late Subsidies provide an incentive for wasteful use of resources.</p> <p>(Student can either Defend or Refute – to be marked for any one choice)</p>	4
33	<p>a) Global warming is a gradual increase in the earth's temperature generally due to the greenhouse effect caused by increased levels of carbon dioxide, CFCs, and other pollutants</p> <p>b) To provide credit and other facilities to the small and marginal farmers, agricultural labourers, artisans, and small entrepreneurs in rural areas. To check the outflow of rural deposits to urban areas and reduce regional imbalances and increase rural employment generation.</p> <p>c) Though literacy rates for both — adults as well as youth — have increased, still the absolute number of illiterates in India is as much as India's population was at the time of independence. In 1950, when the Constitution of India was passed by the Constituent Assembly, it was noted in the Directive Principles of the Constitution that the government should provide free and compulsory education for all children up to the age of 14 years within 10 years from the commencement of the Constitution. Had we achieved this, we would have cent per cent literacy by now</p> <p style="text-align: center;">(OR)</p> <p>a) In 1972-73, about 74 per cent of workforce was engaged in primary sector and in 2011-12, this proportion has declined to about 50 per cent. The shares of Secondary and Tertiary sectors have increased from 11 to 24 per cent and 15 to 27 per cent, respectively. The distribution of workforce in different status indicates that over the last five decades (1972-2018), people have moved from self-employment and regular salaried employment to casual wage work.</p> <p>b) With various dramatic scientific and technological advances, such as the rise of big data, machine learning, and artificial intelligence, many unskilled jobs worldwide may be taken over by machines, while the need for a skilled workforce, particularly involving mathematics, computer science, and data science, in conjunction with multidisciplinary abilities across the sciences and social sciences, and humanities, will be increasingly in greater demand. With climate change, increasing pollution, and depleting natural resources, there will be a sizeable shift in how we meet the world's energy, water, food, and sanitation needs, again resulting in the need for new skilled labour, particularly in biology, chemistry, physics, agriculture, climate science, and social science. The growing emergence of epidemics and pandemics will also call for collaborative research in infectious disease management and development of vaccines and the resultant social issues heightens the need for multidisciplinary learning. There will be a growing demand for humanities and art, as India moves towards becoming a developed country as well as among the three largest economies in the world</p>	2 2 2 3 3
34	Answers:	

	1. China is better: per capita GDP, low proportion of population below poverty line, better health indicators. And high life expectancy	2M	
	2. (b) iv, ii, i, iii	1M	
	3. Dual pricing and SEZ's	1M	
	4. Secondary sector	1M	
	5. Foreign capital	1M	

KENDRIYA VIDYALAYA SANGATHAN, CHENNAI REGION

केन्द्रीय विद्यालय संगठन, चेन्नई क्षेत्र

SAMPLE QUESTION PAPER – SET 2

प्रतिदर्श प्रश्न पत्र

CLASS (कक्षा- (XII बारहवीं

MARKS (अंक- (80

ECONOMICS (अर्थशास्त्र)

TIME (समय- (3 Hours (3घण्टे)

GENERAL INSTRUCTIONS (सामान्य निर्देश)

1. This question paper contains two sections:

Section A – Macro Economics

Section B- Indian Economic Development

इस प्रश्न पत्र में दो खंड हैं:

खंड ए -समष्टिअर्थशास्त्र

खंड बीआर्थिक विकास भारतीय -

2. This paper contains 20 Multiple Choice Questions type questions of 1 Mark each.

इस प्रश्न पत्र में 20 बहुविकल्पीय प्रश्न हैं, प्रत्येक प्रश्न एक अंक का है

3. This paper contains 4 Short Answer questions type questions of 3 Marks each to be answered in 60 to 80 words.

इस प्रश्न पत्र में 60 से 80 शब्दों में उत्तर देने के लिए 3 अंकों के 4 लघु उत्तरीय प्रश्न हैं।

4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.

इस प्रश्न-पत्र में 6 लघु उत्तरीय प्रश्न हैं, जिनमें से प्रत्येक के 4 अंक हैं, जिनका उत्तर 80 से 100 शब्दों में देना है।

5. This paper contains 4 Long Answer Questions type questions of 6 Marks each to be answered in 100 to 150 words.

इस प्रश्न पत्र में 4 दीर्घ उत्तरीय प्रश्न हैं, 6 अंकों के प्रत्येक प्रश्न का उत्तर 100 से 150 शब्दों में देना है।

	<p>आपने सुझाव दिया है कि वाणिज्यिक बैंकों के पर्यवेक्षक के रूप में, भारतीय रिजर्व बैंक (आरबीआई) द्वारा मुद्रा आपूर्ति की _____ (प्रतिबंध/जारी) सुनिश्चित की जानी चाहिए।</p> <p style="text-align: center;">(या)</p> <p>निम्नलिखित कथन को पढ़ें- अभिकथन (ए) और कारण (आर)</p> <p>अभिकथन (ए): आरबीआई सरकार के एजेंट के रूप में कार्य करता है।</p> <p>कारण (आर): आरबीआई सरकार को बांड जारी करने और अन्य सरकार द्वारा अनुमोदित प्रतिभूतियों के माध्यम से धन जुटाने में मदद करता है।</p> <ul style="list-style-type: none"> (a) कथन (ए) और कारण (आर) दोनों सत्य हैं (बी) कथन (ए) और कारण (आर) दोनों झूठे हैं (सी) कथन (ए) सच है लेकिन कारण (आर) गलत है (डी) कथन (ए) गलत है लेकिन कारण (आर) सच है 	
3	<p>Read the following statement – Assertion (A) and Reason (R)</p> <p>Assertion (A): Government earns profit through public sector undertakings like LIC, BHEL, etc.</p> <p>Reason (R): Non-tax revenue refers to receipts of the government from all sources other than those of tax receipts.</p> <ul style="list-style-type: none"> (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. <p>निम्नलिखित कथन को पढ़ें- अभिकथन (ए) और कारण (आर)</p> <p>अभिकथन (ए): सरकार एलआईसी, भारतहेवीइलेक्ट्रिकल्सलिमिटेड, आदि जैसे सार्वजनिक क्षेत्र के उपकरणों के माध्यम से लाभ कमाती है।</p> <p>कारण (आर): गैर-कर राजस्व कर प्राप्तियों के अलावा अन्य सभी स्रोतों से सरकार की प्राप्तियों को संदर्भित करता है</p> <ul style="list-style-type: none"> (ए) दोनों कथन (ए) और कारण (आर) सत्य हैं, और कारण (आर) कथन (ए) का सही स्पष्टीकरण है (बी) दोनों कथन (ए) और कारण (आर) सत्य हैं, लेकिन कारण (आर) कथन (ए) का सही स्पष्टीकरण नहीं है। (सी) कथन (ए) सच है लेकिन कारण (आर) गलत है 	1

	4. भारत में एप्पल फोन फर्म द्वारा निवेश	(iv) भुगतान संतुलन के चालू खाते का जमा पक्ष	
	(ए) 1. (i)	(बी) 2. (ii)	(सी) 3. (iii)
	(डी) 4. (iv)		
	Read the following news report and answer the questions 6 & 7 Foreign Direct Investment (FDI) provides a more stable source of financing the CAD (Current Account Deficit) as compared to external borrowings. During 2014-19, gross FDI to India has been robust as compared to the previous five years; the trend has continued in 2019-20, as well. In the first eight months of 2019-20, both gross and net FDI flows to the country have been more than the flows received in corresponding period of 2019-20. Net FDI inflows in H1 off 2019-20 was also robust at US\$ 7.3 billion as against an outflow of US\$ 7.9 billion in H1 of 2019-20.		
	निम्नलिखित समाचार रिपोर्ट को पढ़िए और 6 और 7 प्रश्नों के उत्तर दीजिए प्रत्यक्ष विदेशी निवेश (एफडीआई) बाह्य उधारों की तुलना में सीएडी के वित्तपोषण का एक अधिक स्थिर स्रोत प्रदान करता है। 2014-19 के दौरान, भारत में सकल प्रत्यक्ष विदेशी निवेश पिछले पांच वर्षों की तुलना में मजबूत रहा है; यह प्रवृत्ति 2019-20 में भी जारी है। 2019-20 के पहले आठ महीनों में, देश में सकल और शुद्ध एफडीआई प्रवाह 2019-20 की इसी अवधि में प्राप्त प्रवाह से अधिक रहा है। 2019-20 की पहली छमाही में 7.9 बिलियन अमेरिकी डॉलर के बहिर्वाह की तुलना में 2019-20 की पहली छमाही में शुद्ध प्रत्यक्ष विदेशी निवेश प्रवाह भी 7.3 बिलियन अमेरिकी डॉलर पर मजबूत था।		
6	External borrowings is a component of _____ (current/capital) account. <i>(Fill in the blank with correct alternative)</i> बाहरी उधार _____ (चालू/पूँजी) खाते का एक घटक है। <i>(रिक्त स्थान में सही विकल्प भरिए)</i>		1
7	Foreign direct investment relates to: (a) Ownership of enterprises in the domestic economy by rest of the world (b) Ownership of enterprises in rest of the world by domestic residents (c) Foreign institutional investment (d) None of these. प्रत्यक्ष विदेशी निवेश से संबंधित है: (ए) दुनिया के बाकी हिस्सों द्वारा घरेलू अर्थव्यवस्था में उद्यमों का स्वामित्व (बी) घरेलू निवासियों द्वारा शेष विश्व में उद्यमों का स्वामित्व (सी) विदेशी संस्थागत निवेश		1

	(डी) इनमें से कोई नहीं	
8	<p>Statement 1: NDP FC includes compensation of employees, Operating surplus and mixed income of self-employed.</p> <p>Statement 2: The salary of an Indian working in Sri Lankan embassy located in Chennai is included in Domestic Income.</p> <p>a) Both the statements are true. b) Both the statements are false. c) Statement 1 is true, but statement 2 is false. d) Statement 2 is true, but statement 1 is false</p> <p>कथन 1: कारक लागत पर शुद्धघरेलू उत्पाद में कर्मचारियों का मुआवजा, परिचालन अधिशेष और स्वरोजगार की मिश्रित आय शामिल है।</p> <p>कथन 2: चेन्नई स्थित श्रीलंकाई दूतावास में कार्यरत एक भारतीय का वेतन घरेलू आय में शामिल है।</p> <p>क) दोनों कथन सत्य हैं। b) दोनों कथन असत्य हैं। ग) कथन 1 सत्य है, परन्तु कथन 2 असत्य है। डी) कथन 2 सत्य है, लेकिन कथन 1 गलत है</p>	1
9	<p>Which of the following can have a value greater than one?</p> <p>a) APC b) MPC c) MPS d) APS</p> <p>निम्नलिखित में से किसका मान एक से अधिक हो सकता है?</p> <p>ए) औसत उपभोग प्रवृत्ति बी) सीमांत उपभोग प्रवृत्ति सी) सीमांत बचत प्रवृत्ति डी) औसत बचत प्रवृत्ति</p> <p>(OR)</p> <p>The value of Investment Multiplier lies in between _____</p> <p>a) 0 to 1 b) 1 to infinity c) 0 to 1000 d) None of these</p> <p>निवेश गुणक का मान _____ के बीच होता है</p> <p>a) 0 से 1 b) 1 से अनंत c) 0 से 1000 d) इनमें से कोई नहीं</p>	1
10	<p>The savings function of an economy is given below. Find out Autonomous Consumption.</p> <p>$S = (-10) + 0.2Y$</p> <p>एक अर्थव्यवस्था का बचत कार्य नीचे दिया गया है। स्वायत्त उपभोग ज्ञात कीजिए।</p> <p>$S = (-10) + 0.2Y$</p>	1
11	'Devaluation and Depreciation of currency is one and the same thing'. Do you agree? How do they affect the exports of a country?	3

	<p>'मुद्रा का अवमूल्यन और मूल्यहास एक ही बात हैं। क्या आप सहमत हैं? वे किसी देश के निर्यात को किस प्रकार प्रभावित करते हैं?</p> <p style="text-align: center;">OR</p> <p>Indian investors borrow from abroad. Answer the following:</p> <p>(a) In which sub-account and on which side of Balance of Payments Account will this borrowing be recorded? Give reasons.</p> <p>(b) Explain what is the impact of this borrowing on exchange rate?</p> <p>भारतीय निवेशक विदेश से कर्ज लेते हैं। निम्नलिखित के उत्तर दीजिए :</p> <p>(ए) किस उप-खाते में और भुगतान संतुलन खाते के किस तरफ यह उधार दर्ज किया जाएगा? कारण दे।</p> <p>(बी) स्पष्ट करें कि इस उधार का विनिमय दर पर क्या प्रभाव है?</p>															
12	Calculate Gross value added at factor cost:	3														
	<table border="1"> <thead> <tr> <th>Particulars</th><th>Rupees (in lakhs)</th></tr> </thead> <tbody> <tr> <td>Depreciation</td><td>20</td></tr> <tr> <td>Domestic sales</td><td>200</td></tr> <tr> <td>Changes in stock</td><td>(-10)</td></tr> <tr> <td>Exports</td><td>10</td></tr> <tr> <td>Single use producer goods</td><td>120</td></tr> <tr> <td>Net Indirect Taxes</td><td>20</td></tr> </tbody> </table>	Particulars	Rupees (in lakhs)	Depreciation	20	Domestic sales	200	Changes in stock	(-10)	Exports	10	Single use producer goods	120	Net Indirect Taxes	20	
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	<table border="1"> <thead> <tr> <th>विवरण</th><th>रुपये लाख में</th></tr> </thead> <tbody> <tr> <td>मूल्यहास</td><td>20</td></tr> <tr> <td>घरेलू बिक्री</td><td>200</td></tr> <tr> <td>स्टॉक में परिवर्तन</td><td>(-10)</td></tr> <tr> <td>निर्यात</td><td>10</td></tr> <tr> <td>एकल उपयोग उत्पादक सामान</td><td>120</td></tr> <tr> <td>शुद्ध अप्रत्यक्ष कर</td><td>20</td></tr> </tbody> </table>	विवरण	रुपये लाख में	मूल्यहास	20	घरेलू बिक्री	200	स्टॉक में परिवर्तन	(-10)	निर्यात	10	एकल उपयोग उत्पादक सामान	120	शुद्ध अप्रत्यक्ष कर	20	
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13	Using a hypothetical numerical example, explain the process of credit creation by a commercial bank. एक काल्पनिक संख्यात्मक उदाहरण का उपयोग करते हुए, एक वाणिज्यिक बैंक द्वारा ऋण निर्माण की प्रक्रिया की व्याख्या करें।	4														
14	What is Break-even point? Show the Break-even point with the help of Consumption and Income Curve. At this point what is the value of Savings?	4														

	<p>ब्रेक-ईवन पॉइंट क्या है? उपभोग और आय वक्र की सहायता से सम-विराम बिंदु दर्शाइए। इस बिंदु पर बचत का मूल्य क्या है?</p> <p>OR</p> <p>In an economy $C=300+0.8Y$ and $I=500$ (where C=Consumption, Y=Income, I=investment).</p> <p>Calculate the following:</p> <ul style="list-style-type: none"> (i) Equilibrium level of income (ii) Consumption expenditure at equilibrium level. <p>एक अर्थव्यवस्था में $C=300+0.8Y$ और $I=500$. जहाँ C= उपभोग Y=आय I = निवेश</p> <p>निम्नलिखित की गणना करें:</p> <ul style="list-style-type: none"> (i) आय का संतुलन स्तर (ii) संतुलन स्तर पर उपभोग व्यय 	
15	<p>(a) "Through its budgetary policy the government allocates resources as per the requirements of the country." Do you agree with the given statement? Support your answer with valid reason.</p> <p>(b) Define "Direct Tax".</p> <p>(ए) सरकार अपनी बजटीय नीति के माध्यम से देश की आवश्यकताओं के अनुसार संसाधनों का आवंटन करती है</p> <p>क्या आप दिए गए कथन से सहमत हैं? अपने उत्तर का समर्थन उचित कारण सहित कीजिए।</p> <p>(बी) "प्रत्यक्ष कर" को परिभाषित करें।</p>	4
16	<p>Discuss the adjustment mechanism in the following situations:</p> <ul style="list-style-type: none"> i). Aggregate demand is greater than Aggregate supply. ii). Ex- Ante investments are lesser than Ex-ante savings <p>निम्नलिखित स्थितियों में समायोजन क्रियाविधि की चर्चा करें:</p> <ul style="list-style-type: none"> i) समग्र मांग समग्र आपूर्ति से अधिक होती है। ii) पूर्व-पूर्व निवेश, प्रत्याशित बचत से कम होता है 	6
17	<p>Distinguish between Real and Nominal GDP.</p> <p>Can GDP be used as an index of welfare of the people? Give two reasons.</p> <p>वास्तविक राष्ट्रीय आय और मौद्रिक की राष्ट्रीय आय के बीच अंतर करो. क्या सकल घरेलू उत्पाद लोगों के कल्याण का सही सूचकांक हो सकता है? दो कारण बता सकते हैं</p> <p>(OR)</p>	6

Calculate National Income from the following data:

Particulars	Rupees (in Crores)
Private final consumption expenditure	900
Profit	100
Government final consumption expenditure	400
Net Indirect Taxes.	100
Gross Domestic Capital Formation	250
Change in Stock.	50
NFIA	(-40)
Consumption of fixed capital.	20
Net Imports.	30

निम्नलिखित आंकड़ों से राष्ट्रीय आय की गणना करें

करोड़ रुपए में

विवरण	रुपये करोड़ में
निजी अंतिम खपत खर्च।	900
लाभ	100
सरकारी अंतिम खपत व्यय	400
शुद्ध अप्रत्यक्ष कर	100
सकल घरेलू पूँजी निर्माण	250
स्टॉक में परिवर्तन	50
विदेश से अर्जित शुद्ध कारक आय	(-40)
निश्चित पूँजी की खपत	20
शुद्ध आयात	30

SECTION B – INDIAN ECONOMIC DEVELOPMENT

खंड बी – भारतीय आर्थिक विकास

- 18.** Commercialization of agriculture during British rule led to:
- More production of food crops
 - Improvement in the economic condition of farmers
 - More production of cash crops used by britishers as raw material**
 - The aggregate area under cultivation expanded

1

	<p>ब्रिटिश शासन के दौरान कृषि के व्यावसायीकरण के कारण:</p> <ul style="list-style-type: none"> a) खाद्य फसलों का अधिक उत्पादन b) किसानों की आर्थिक स्थिति में सुधार c) ब्रिटिशों द्वारा कच्चे माल के रूप में उपयोग की जाने वाली नकदी फसलों का अधिक उत्पादन d) खेती के तहत कुल क्षेत्रफल का विस्तार 	
19.	<p>In 1955, Karve committee was constituted for aiming the _____</p> <ul style="list-style-type: none"> a) Promotion of small scale industries b) Rural development c) Formulation of plan d) Development of large scale industries <p>1955 में, _____ को लक्षित करने के लिए कर्वे समिति का गठन किया गया था</p> <ul style="list-style-type: none"> a) लघु उद्योगों को बढ़ावा देना b) ग्रामीण विकास c) योजना का निरूपण d) बड़े पैमाने के उद्योगों का विकास 	1
	OR	
	<p>Second Industrial Policy Resolution of Independent India was announced in the year _____ <i>(Fill in the blank with the correct alternative)</i></p> <p>a) 1947 b) 1948 c) 1951 d) 1956</p> <p>स्वतंत्र भारत का दूसरा औद्योगिक नीति संकल्प वर्ष _____ में घोषित किया गया था <i>(सही विकल्प के साथ रिक्त स्थान भरें)</i></p> <p>a) 1947 b) 1948 c) 1951 d) 1956</p>	
20.	<p>Arrange the following events of China in chronological order and choose the correct alternative:</p> <ol style="list-style-type: none"> i. Great Proletarian Cultural Revolution ii. Great Leap Forward campaign iii. Introduction of Economic Reforms iv. First five year plan <p>Choose the correct alternative:</p> <ul style="list-style-type: none"> a) ii, iv, iii, i b) iv, ii, i, iii c) ii, iv, i, iii d) iv, i, ii, iii <p>चीन की निम्नलिखित घटनाओं को कालानुक्रमिक क्रम में व्यवस्थित करें और सही विकल्प</p>	1

	<p>का चयन करें:</p> <ol style="list-style-type: none"> महान सर्वहारा सांस्कृतिक क्रांति ग्रेट लीप फॉरवर्ड अभियान आर्थिक सुधारों का परिचय प्रथम पंचवर्षीय योजना <p>सही विकल्प का चयन करें:</p> <ol style="list-style-type: none"> ii, iv, iii, i iv, ii, i, iii ii, iv, i, iii iv, i, ii, iii <p>OR</p> <p>_____ adopted, One Child Policy as a measure to control population. (Choose the correct alternative)</p> <p>a) India b) Pakistan c) China d) Russia</p> <p>_____ ने जनसंख्या को नियंत्रित करने के उपाय के रूप में वन चाइल्ड पॉलिसी को अपनाया। (सही विकल्प का चयन करें)</p> <p>a) भारत b) पाकिस्तान c) चीन d) रूस</p>																	
21.	<p>Agricultural marketing does not comprise of _____</p> <ol style="list-style-type: none"> Transportation of the produce to the market place for sale. Storage of the produce for sale in future. Grading of the produce according to the quality. Credit taken to meet expenditure on agriculture. <p>कृषि विपणन में _____ शामिल नहीं है</p> <ol style="list-style-type: none"> उत्पाद को बिक्री के लिए बाजार स्थान पर ले जाना। भविष्य में बिक्री के लिए उपज का भंडारण। गुणवत्ता के अनुसार उत्पाद की ग्रेडिंग। कृषि पर व्यय को पूरा करने के लिए लिया गया ऋण। 	1																
22.	<p>From the set of events/systems given in column I and corresponding relevant fact given in column II, about China, choose the correct pair of statement:</p> <table border="1"> <thead> <tr> <th></th> <th>Column I</th> <th></th> <th>Column II</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Great Leap Forward</td> <td>i</td> <td>Cultivating land collectively</td> </tr> <tr> <td>B</td> <td>Commune System</td> <td>ii</td> <td>Opening of the Industries in their homes</td> </tr> <tr> <td>C</td> <td>Proletarian Cultural Revolution</td> <td>iii</td> <td>Students were sent to work and learn from the countryside</td> </tr> </tbody> </table>		Column I		Column II	A	Great Leap Forward	i	Cultivating land collectively	B	Commune System	ii	Opening of the Industries in their homes	C	Proletarian Cultural Revolution	iii	Students were sent to work and learn from the countryside	1
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C	Proletarian Cultural Revolution	iii	Students were sent to work and learn from the countryside															

	D	Economic Reforms in China	iv	1988	
Alternatives:					
a) A – i					
b) B – ii					
c) C – iii					
d) D – iv					
कॉलम I में दी गई घटनाओं / प्रणालियों के सेट और कॉलम II में दिए गए प्रासंगिक प्रासंगिक तथ्य, चीन के बारे में, कथन की सही जोड़ी चुनें:					
	कॉलम I		कॉलम II		
A	महान छलांग आगे	i	सामूहिक रूप से भूमि की खेती		
B	कम्यून सिस्टम	ii	उद्योगों को उनके घरों में खोलना		
C	सर्वहारा सांस्कृतिक क्रांति	iii	छात्रों को काम करने और ग्रामीण इलाकों से सीखने के लिए भेजा गया था		
D	चीन में आर्थिक सुधार	iv	1988		
वैकल्पिक:					
a) A – i					
b) B – ii					
c) C – iii					
d) D – iv					
23.	Read the following statements carefully. Statement 1 : 'Education Commission 1964-66 had recommended that at least 6 per cent of GDP must be spent on education'. Statement 2: Right to Education Act 2008 enacted by the Government of India to make education a fundamental right. In the light of the given statements, choose the correct alternative:				
	<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>				
	निम्नलिखित कथनों को ध्यानपूर्वक पढ़िए। कथन 1 : 'शिक्षा आयोग 1964-66 ने सिफारिश की थी कि सकल घरेलू उत्पाद का कम से कम 6 प्रतिशत शिक्षा पर खर्च किया जाना चाहिए'।				

	<p>a) High per capita income b) Rapid industrialization c) Beneficial to future generations d) Agricultural development</p> <p>सतत आर्थिक विकास का एक लाभ निम्नलिखित है:</p> <p>a) उच्च प्रति व्यक्ति आय b) तीव्र औद्योगिकरण c) आने वाली पीढ़ियों के लिए फायदेमंद d) कृषि विकास</p>	
26.	<p>Read the following statement – Assertion (A) and Reason (R).</p> <p>Assertion (A): The nature of employment in India is multifaceted.</p> <p>Reason(R): Some get employment throughout the year, some other gets employed for only a few months in a year. Many workers do not get fair wages for their work.</p> <p>Choose one of the correct alternatives given below:</p> <p>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 and 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.</p> <p>निम्नलिखित कथन को पढ़ें - अभिकथन (A) और कारण (R)</p> <p>अभिकथन (A) : भारत में रोजगार की प्रकृति बहुआयामी है।</p> <p>कारण (R) : कुछ को वर्ष भर रोजगार मिलता है, कुछ अन्य को वर्ष में केवल कुछ महीनों के लिए ही रोजगार मिलता है। कई श्रमिकों को उनके काम का उचित वेतन नहीं मिलता है।</p> <p>नीचे दिए गए विकल्पों में से एक सही विकल्प चुनें:</p> <p>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 and 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.</p>	1
27.	<p>Read the following statement -Assertion (A) and Reason (R).</p> <p>Assertion (A): After Independence there was an expansion in Farm and Non-farm output an income and employment.</p> <p>Reason(R): Rural banking has helped farmers to avail benefits of credit facilities for</p>	1

	<p>meeting their needs.</p> <p>Choose one of the correct alternatives given below:</p> <ul style="list-style-type: none"> 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 and 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. <p>निम्नलिखित कथन को पढ़िए - अभिकथन (A) और कारण (R)</p> <p>अभिकथन (A) : स्वतंत्रता के बाद कृषि और गैर-कृषि उत्पादन में आय और रोजगार का विस्तार हुआ।</p> <p>कारण (R) : ग्रामीण बैंकिंग ने किसानों को उनकी आवश्यकताओं की पूर्ति के लिए ऋण सुविधाओं का लाभ उठाने में मदद की है।</p> <p>नीचे दिए गए विकल्पों में से एक सही विकल्प चुनें:</p> <ul style="list-style-type: none"> 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 and 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. 	
28.	<p>"Ujjwala Yojana has been a game changer for rural India." State any three conventional fuels being targeted under the LPG cylinder distribution scheme.</p> <p>उज्ज्वला योजना ग्रामीण भारत के लिए गैम चैंजर रही है। एलपीजी सिलिंडर वितरण योजना के अंतर्गत लक्षित किए जा रहे किन्हीं तीन पारंपरिक ईंधनों का उल्लेख कीजिए।</p>	3
29.	<p>Defend or refute the following statement with valid explanation:</p> <p><i>"Import restrictions were imposed in India with the dual objective to save foreign exchange Reserves and to be self-sufficient."</i></p> <p style="text-align: right;"><i>Justify the given statement with valid arguments</i></p> <p>वैध स्पष्टीकरण के साथ निम्नलिखित कथन का बचाव या खंडन करें:</p> <p>"भारत में विदेशी मुद्रा भंडार को बचाने और आत्मनिर्भर होने के दोहरे उद्देश्य से आयात प्रतिबंध लगाए गए थे।"</p> <p style="text-align: right;">दिए गए कथन की पुष्टि मान्य तर्कों के साथ कीजिए</p> <p style="text-align: center;">OR</p> <p><i>"The demonetisation of currency undertaken by the Government of India as on November 8 2016 had an adverse impact on the economic activities."</i></p> <p>Do you agree with the statement? Give reason in support of your answer.</p>	3

	<p>"8 नवंबर 2016 को भारत सरकार द्वारा किए गए मुद्रा के विमुद्रीकरण का आर्थिक गतिविधियों पर प्रतिकूल प्रभाव पड़ा।"</p> <p>क्या आप कथन से सहमत हैं? अपने उत्तर के समर्थन में कारण दीजिए।</p>																			
30.	<p>Compare and analyse the given data of India and China with valid arguments.</p> <p style="text-align: center;">Annual Growth of Gross Domestic Product (%), 1980-2017</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>COUNTRY</th> <th>1980-90</th> <th>2015-2017</th> </tr> </thead> <tbody> <tr> <td>India</td> <td>5.7</td> <td>7.3</td> </tr> <tr> <td>China</td> <td>10.3</td> <td>6.8</td> </tr> </tbody> </table> <p>Source: Key Indicators for Asia and Pacific 2016, Asian Development Bank, Philippines; World Development Indicators 2018.</p> <p>वैध तर्कों के साथ भारत और चीन के द्वारा गए आंकड़ों की तुलना और विश्लेषण करें।</p> <p style="text-align: center;">सकल घरेलू उत्पाद की वार्षिक वृद्धि (%), 1980-2017</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>देश</th> <th>1980-90</th> <th>2015-2017</th> </tr> </thead> <tbody> <tr> <td>India</td> <td>5.7</td> <td>7.3</td> </tr> <tr> <td>China</td> <td>10.3</td> <td>6.8</td> </tr> </tbody> </table> <p>Source: Key Indicators for Asia and Pacific 2016, Asian Development Bank, Philippines; World Development Indicators 2018.</p>	COUNTRY	1980-90	2015-2017	India	5.7	7.3	China	10.3	6.8	देश	1980-90	2015-2017	India	5.7	7.3	China	10.3	6.8	4
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31.	<p>a) Define agricultural marketing.</p> <p>b) Discuss any two steps taken by the government in the direction of improving agricultural marketing system in India, since independence.</p> <p>a) कृषि विपणन को परिभाषित करें।</p> <p>b) स्वतंत्रता के बाद से भारत में कृषि विपणन प्रणाली में सुधार लाने की दिशा में सरकार द्वारा उठाए गए किन्हीं दो कदमों की चर्चा कीजिए।</p> <p style="text-align: center;">OR</p> <p>a) Define worker population ratio.</p> <p>b) Discuss briefly the concept of 'informalisation of workforce'. In the context of Indian economy.</p> <p>a) श्रमिक जनसंख्या अनुपात को परिभाषित कीजिए।</p> <p>b) 'कार्यबल के अनौपचारिकीकरण' की अवधारणा पर संक्षेप में चर्चा करें। भारतीय अर्थव्यवस्था के संदर्भ में।</p>	1 3																		
32.	<p>State whether the following statements are true/false, with valid arguments:</p>																			

	<p>a) India has a poor stock of technical manpower.</p> <p>b) "Recently the government of India has taken a few steps to reach the 6% growth goal as recommended by the Education Commission, 1964."</p> <p>बताएं कि क्या निम्नलिखित कथन सही/गलत हैं, मान्य तर्कों के साथ:</p> <p>a) भारत में तकनीकी जनशक्ति का खराब भंडार है।</p> <p>b) "हाल ही में भारत सरकार ने शिक्षा आयोग, 1964 द्वारा अनुशंसित 6% विकास लक्ष्य तक पहुँचने के लिए कुछ कदम उठाए हैं।"</p>	2 2
33.	<p>a) Define rural development.</p> <p>b) Discuss the importance of credit in rural development.</p> <p>c) Compared to urban women, more rural women are found working. Why?</p> <p>a) ग्रामीण विकास को परिभाषित करें।</p> <p>b) ग्रामीण विकास में साख के महत्व की चर्चा कीजिए।</p> <p>c) शहरी महिलाओं की तुलना में अधिक ग्रामीण महिलाएं काम करती हुई पाई जाती हैं। क्यों?</p>	2 2 2
	OR	
	<p>a) "The opportunity costs of negative environmental impacts are high". Do you agree with the given statement? Give valued reasons in support of your answers.</p> <p>b) "Recently Indians have drifted away from the traditional knowledge and practices and caused large scale damage to environment". Explain how, adopting the traditional practices can helpful in achieving the objective of Sustainable development?</p> <p>a) "नकारात्मक पर्यावरणीय प्रभावों की अवसर लागत अधिक होती है।" क्या आप दिए गए कथन से सहमत हैं? अपने उत्तरों के समर्थन में महत्वपूर्ण कारण दीजिए।</p> <p>b) "हाल ही में भारतीय पारंपरिक ज्ञान और प्रथाओं से दूर हो गए हैं और पर्यावरण को बड़े पैमाने पर नुकसान पहुंचा है।" बताएं कि पारंपरिक प्रथाओं को अपनाने से सतत विकास के उद्देश्य को प्राप्त करने में कैसे मदद मिल सकती है?</p>	3 3
34.	<p>Read the following hypothetical text and answer the given questions:</p> <p>The performance of Indian economy during the period of first seven five year plans (1950-1990) was satisfactory if not very impressive. On the eve of independence, India was an industrially backward country, but during this period of first seven plans our industries became far more diversified, with the stress being laid on the public</p>	

	<p>investments in the industrial sector. The policy of import substitution led to protection of the domestic industries against the foreign producers but we failed to promote a strong export surplus. Although public sector expanded to a large extent but it could not bring desired level of improvement in the secondary sector. Excessive government regulations prevented the natural trajectory of growth of entrepreneurship as there was no competition, no innovation and no modernization on the front of the industrial sector.</p> <p>Many Public Sector Undertakings (PSU's) incurred huge losses due to operational inefficiencies, red-tapism, poor technology and other similar reasons. These PSUs continued to function because it was difficult to close a government undertaking even it is a drain on country's limited resources. On the Agricultural front, due to the measures taken under the Green Revolution, India more or less became self-sufficient in the production of food grains. So, the needs for reform of economic policy were widely felt in the context of changing global economic scenario to achieve desired growth in the country.</p> <p>a) Why was public sector given a leading role in industrial development during the planning period? 3</p> <p>b) "<i>The achievements of India's industrial sector during the first seven plans are impressive indeed.</i>" Do you agree with the above statement? Give valid reasons in support of your answer. 3</p>
	<p>निम्नलिखित काल्पनिक पाठ को पढ़िए और दिए गए प्रश्नों के उत्तर दीजिए:</p> <p>पहली सात पंचवर्षीय योजनाओं (1950-1990) की अवधि के दौरान भारतीय अर्थव्यवस्था का प्रदर्शन बहुत प्रभावशाली नहीं तो संतोषजनक था। स्वतंत्रता की पूर्व संध्या पर, भारत एक औद्योगिक रूप से पिछड़ा देश था, लेकिन पहले सात की इस अवधि के दौरान औद्योगिक क्षेत्र में सार्वजनिक निवेश पर जोर दिए जाने से हमारे उद्योग कहीं अधिक विविध हो गए। आयात प्रतिस्थापन की नीति ने घरेलू उद्योगों को विदेशी उत्पादकों से सुरक्षा प्रदान की लेकिन हम असफल रहे एक मजबूत निर्यात अधिशेष को बढ़ावा देना। हालांकि सार्वजनिक क्षेत्र का काफी हद तक विस्तार हुआ लेकिन यह द्वितीयक क्षेत्र में वांछित स्तर का सुधार नहीं ला सका। अत्यधिक सरकारी नियमों ने के विकास के प्राकृतिक प्रक्षेपवक्र को रोका उद्यमशीलता क्योंकि औद्योगिक क्षेत्र के मोर्चे पर कोई प्रतिस्पर्धा नहीं थी, कोई नवाचार नहीं था और कोई आधुनिकीकरण नहीं था।</p> <p>कई सार्वजनिक क्षेत्र के उपकरणों (PSU's) को परिचालन अक्षमताओं, लालफीताशही, खराब प्रौद्योगिकी और इसी तरह के अन्य कारणों से भारी नुकसान हुआ। ये सार्वजनिक क्षेत्र के उपकरण काम करते रहे क्योंकि एक सरकारी उपकरण को बंद करना मुश्किल था, यहां तक कि यह देश के सीमित संसाधनों पर एक नाली है। कृषि के मोर्चे पर, हरित क्रांति के तहत किए गए उपायों के कारण, भारत कमोबेश खाद्यान्न उत्पादन में आत्मनिर्भर हो गया। इसलिए, देश में वांछित विकास प्राप्त करने के लिए बदलते</p>

	<p>वैश्विक आर्थिक परिदृश्य के संदर्भ में आर्थिक नीति में सुधार की आवश्यकता व्यापक रूप से महसूस की गई।</p> <p>a) योजना अवधि के दौरान सार्वजनिक क्षेत्र को औद्योगिक विकास में अग्रणी भूमिका क्यों दी गई?</p> <p>b) "पहली सात योजनाओं के दौरान भारत के औद्योगिक क्षेत्र की उपलब्धियां वास्तव में प्रभावशाली हैं।" क्या आप उपरोक्त कथन से सहमत हैं? अपने उत्तर के समर्थन में वैध कारण दीजिए।</p>	
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SAMPLE QUESTION PAPER

ECONOMICS

Class: XII

Marks: 80

MARKING SCHEME

The value points/Description of answers given in this key are suggestive. Marks can be allotted for any other correct / relevant answers too.

SECTION – A

Q. NO.	Brief answer/Value points	Q wise Marks	Total
1	(c) Cash reserve ratio	1	1
2	Release OR Both Assertion (A) and Reason (R) are true	1	1
3	(a) Both assertion(A) and reason (R) are true, and reason (R) is the correct explanation of assertion(A)	1	1
4	d) Fiscal deficit is the sum of primary deficit and interest payment.	1	1
5	(c) 3. (iii)	1	1
6	Capital	1	1
7	(a) Ownership of enterprises in the domestic economy by rest of the world	1	1
8	c) Statement 1 is true but statement 2 is false.	1	1
9	a) APC (OR) b) 1 to infinity	1	1
10	Autonomous consumption = 10	1	1
11	Depreciation and Devaluation both imply a fall in external value of a currency with respect to foreign currency. However, the term depreciation is used under	1	3

	<p>the floating exchange rate system where the exchange rate system is determined by the combined market forces of demand and supply. A currency loses or gains value because of fluctuations in demand and supply. The term devaluation is used in a system of fixed exchange rates. In this system, the exchange value of a currency is decided by the government. Devaluation of currency is the deliberate action of the government. Depreciation and devaluation of a currency normally encourages exports from a country, as exports become cheaper for the foreign nationals and foreign currency can now buy more of domestic goods</p> <p style="text-align: center;">OR</p> <p>(a) Borrowing from abroad are recorded in the capital account of the Balance of Payments (BOP), because borrowings give rise to foreign exchange liabilities. These are recorded on the credit side because borrowings bring foreign exchange in the country.</p> <p>(b) Borrowing from abroad raise the supply of foreign exchange. Demand for foreign exchange remaining unchanged, foreign exchange rate is likely to fall.</p>		
12	<p>Gross Value Added at Factor Cost = Domestic Sales + Exports + Changes in Stocks – Single Use Durable Producer Goods – Net Indirect Taxes.</p> $\text{GVA} = 200 + 10 + (-10) - 120 - 20$ <p>GVA = 60 Rs. In lakhs</p> <p>Formula, Application of values and derivation of answer.</p>	1,1,1	3
13	<p>Credit multiplier measures the amount of money that the banks are able to create in the form of deposits with every initial deposit. The credit creation is inversely related to LRR. Higher the credit multiplier, higher will be the total credit created and vice-versa.</p> <p>The credit creation by commercial banks is determined by:</p> <ol style="list-style-type: none"> 1. The amount of the initial deposit 2. The Legal Reserve Ratio (LRR) <p>Suppose the initial deposits are ₹1,000 and LRR is 10%, the banks will keep 10% of the deposits i.e. ₹100 as reserves and will lend the remaining amount of ₹900. Those who borrow will spend the money for making payments. It is assumed that the entire ₹900 comes back as secondary deposits to the banking system. Now the banks will again keep 10% of ₹900 i.e. ₹90 as reserve and lend out ₹810. This process continues till total reserves become equal to initial reserves.</p> $\text{Total money creation} = \text{Initial deposit} \times \frac{1}{LRR} = 1,000 \times \frac{1}{10\%}$ <p>Hence, the initial deposit of ₹1,000 has led to the total money supply of ₹10,000.</p>	1 1 1	4
14	<p>Breakeven point: Consumption expenditure is equal to income.</p> <p>Drawing : "C" Curve and "Y" curve</p>	1 2	4

	<p>At this point savings is zero.</p> <p>(OR)</p> <p>$C=300+0.8Y \quad I=500$</p> <p>a) $Y=C+I$</p> $Y = 300 + 0.8Y + 500$ $Y = 800 + 0.8Y$ $Y - 0.8Y = 800$ $0.2Y = 800$ $Y = \frac{800}{0.2}$ $Y = 4000$ <p>b) $C = 300 + 0.8(4000)$ $C = 3500$ Rs in crores</p>	1	
15	<p>Yes.</p> <p>Allocation of Resources: As per the needs of the country, Government allocates resources achieve social and economic objectives. Government allocates resources into those areas where Private sector is not willing to invest because of low profit and huge capital requirements.</p> <p>Government provides more funds for productive sectors and withdraws funds from unproductive sectors to achieve balanced economic growth.</p>	2	4
16	<p>i). AD>AS what happens?</p> <p>It means that consumers and firms together would be buying more goods than firms are willing to produce. As a result, planned inventory would fall below the desired level. To bring the inventory back to the desired level, the firms would resort to increase in employment and output, until the economy is back to equilibrium where $AD = AS$.</p> <p>ii). S>I what happens?</p> <p>It means that households are not consuming as much as the firms are expected to produce. As a result, the inventory rises above the desired level. Firms would plan to reduce the production till it clears unsold stocks. This process will continue till saving is equal to investment.</p>	3	6

17	<p>When National Income of a given year is estimated on the basis of base year price, it is called Real GDP.</p> <p>When National income of a given year is estimated on the basis of current year price, it is called Nominal GDP.</p> <p>GDP cannot be considered as an index of welfare due to limitations</p> <ul style="list-style-type: none"> 1) Distribution of GDP 2) Change in prices 3) Non-monetary exchange. <p style="text-align: center;">(OR)</p> <p>Using Expenditure Method,</p> <p>$\begin{aligned} \text{GDP at MP} &= \text{Private Final Consumption Expenditure} + \text{Government Final Consumption Expenditure} + \text{Gross Domestic Capital Formation} - \text{Net Imports} \\ &= 900 + 400 + 250 - 30 \\ &= 1,520 \text{ crores} \end{aligned}$</p> <p>$\begin{aligned} \text{National Income (NNP at FC)} &= \text{GDP at MP} - \text{Consumption of fixed capital} \\ &\quad + \text{Net factor income from abroad} - \text{Net indirect taxes} \\ &= 1,520 - 20 + (-40) - 100 \\ &= 1,360 \text{ crores} \end{aligned}$</p>	1 1 4	6
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SECTION – B

Q.No	Expected Value points/Description	Q wise Marks	Total
18	c. More Production of cash crops	1	1
19	a. Promotion of small scale industries OR d.1956	1	1
20	b. iv,i,ii,iii.	1	1
21	c. China	1	1
22	c. iii	1	1
23	a. Statement I is true and statement 2 is false	1	1
24	b. Statement 1 is false and Statement 2 is true	1	1
25	b. Afforestation OR c. beneficial to future generations	1	1
26	c) Assertion (A) is true but Reason (R) is false.	1	1
27	a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1	1
28	The conventional sources of energy cause environment pollution therefore the government have introduced the “Ujjawal Yojana”as a game changer for the rural India by providing free LPG gas cylinder (cleaner fuel) to rural households. The three conventional fuels targeted under Ujjwala Yojana are: i) Agricultural waste and dried dung ii) Firewood iii) Coal	1 2	3

29	<p>The given statement is appropriate as the policy aimed at:</p> <ul style="list-style-type: none"> i). Protecting the domestic industries from foreign competition by substituting imports with domestic production . ii). Savings scarce foreign exchange by restricting the volume of imports. Thus, in the early post-independence era the dual objectives helped India to move towards the goal of self-reliance. <p>OR</p> <p>The given statement is not totally correct.</p> <p>The shortage of currency in circulation had an adverse impact on the economic activities, there were long queues outside banks and ATM booths. However, things improved with time normalcy returned.</p> <p>This move had many positive impacts on the Indian Economy. Such as</p> <ul style="list-style-type: none"> i). It improved tax compliance as a large number of people were bought in the tax ambit. Tax evasion will result in financial penalty ii). The savings of the Individual were channelized into the formal financial system. As a result, banks have more resources to provide more loans at lower interest rates. iii). Shifting transactions out of the cash economy into the formal payment system. Households and firms have begun to shift from cash to electronic payment technologies, 	1	3		1	3
30	<p>The given data shown that China has gained economic strength over the years. When many developed countries were finding it difficult to maintain a growth rate of even 5%, China was able to maintain near double-digit growth during the decade of 1980s. The growth rate of China has decelerated to an average of 6.8%, over the period 2015-17. In the recent past India has posted a decent rise in the growth rate. While India had maintained a reasonable growth rate of 5.79% in the decade of 1980's it has shown great calibre and character in the period 2015-17 by registering an average of 7.3%, over the period 2015-17. Nevertheless, Indian elephant has to travel a long distance before it could present itself as a real threat to the growth story of the Chinese dragon.</p>	4	4			
31	<p>(a) Agricultural marketing is a process that involves the assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities across the country.</p> <p>(b) Step taken by the government to improve the agricultural marketing aspect were:</p> <ul style="list-style-type: none"> i). Regulation of markets_to create orderly and transparent marketing conditions. This policy benefited farmers as well as consumers. ii). Provision of physical infrastructure facilities_such as roads, railways, warehouses, cold storages and processing units. iii). Cooperative marketing in realizing fair prices for farmers products. iv). Policy instruments like <ul style="list-style-type: none"> a. Assurance of minimum support price (MSP) for agricultural products 	1	4	3		

	<p>b. Maintenance of buffer stock of wheat and rice by Food corporation of India.</p> <p>c. Distribution of food grains and sugar through PDS.</p> <p style="text-align: center;">OR</p> <p>(a) Worker-Population Ratio/Workforce Participation Rate is defined as the proportion (percentage) of population that is actively contributing to the production of goods and services of a country. It is calculated by dividing the total number of workers in India by the population in India multiply it by 100.</p> <p>(b) In the recent years, India has witnessed an unprecedented shift of the workforce from the formal sector to informal sector. This process whereby, the proportion of informal worker in the total workforce increases is known as Informalization of work force. The nature of employment has become more informal with only limited availability of social security measures to the workers.</p>	1	4
32	<p>a) The given statement is not true. India has a rich stock of scientific and technical manpower in the world, Also, India has taken a number of steps to improve it qualitatively and ensure that they are optimally utilized.</p> <p>b) The given statement is correct to a considerable extent</p> <ul style="list-style-type: none"> i). In 2009the government of India enacted the Right to Education Act to make free education a fundamental right of all children in the age group of 6-14 years. ii). Government of India started levying a 2% Education Cess on all Union Taxes, the revenues from the Education cess have been earmarked for spending on elementary education. iii).The Government also sanctions alarge outlay about 4%of GDP, which is less than the 6%target as proposed by the Education Commission. 1964. 	1 3	4
33	<p>a) Rural development essentially focuses on action for the development of areas that are lagging behind in the overall development of the village economy.</p> <p>b) Growth of rural economy depends primarily on infusion of capital, from time to time, to realize higher productivity in agriculture and non-agricultural sectors. As the gestation gap between crop sowing and realization of Income after production is quite long, farmers borrow from various sources to meet their requirements on seeds, fertilizers etc. and other family expenses of marriage. religious ceremonies.</p> <p>c) Compared to urban women, more rural women are found working because</p> <ul style="list-style-type: none"> i). It is common to find that where men are able to earn high incomes, families discourage female members from taking up jobs. ii). Earnings of urban male workers are generally higher than rural males and so the urban families do not want females to earn. 	1 2 3	6

	<p>iii).Apart from this, many activities for the household in which urban women are engaged are not recognized as productive work. While women working on farms in the rural areas are considered a part of the workforce if they are being paid wages</p> <p style="text-align: center;">OR</p> <p>(a) The given statement is quite appropriate</p> <ul style="list-style-type: none"> i). Due to intensive and extensive extraction of both renewable and non-renewable resources, many vital resources have become extinct. As a result, we are compelled to spend huge amounts on technology and research to explore new resources. ii). Health costs of degraded environmental quality - decline in air and water quality have resulted in increased incidence of respiratory and water-borne diseases. Hence, the expenditure on health is also rising. iii).Global environmental issues, such as global warming and ozone depletion also contribute to increased financial commitments for the government. <p>(b) The given statement is quite appropriate.</p> <p>India is very much privileged to have about 15,000 species of plants which have medicinal properties. The traditional health care systems such as Ayurveda, Unani, Tibetan etc. are very useful for treating chronic health problems.</p> <p>Traditional cosmetic products are herbal in composition. These products are not only environment-friendly but also are free-from side effects. They do not involve large-scale industrial and chemical processing.</p>	3	6
34	<p>(a) During the planning period, public sector was given a leading role in industrial development because:</p> <ul style="list-style-type: none"> i). Indian industrialist did not have the capital to undertake investment in industrial ventures required for the development of our economy. ii). Secondly, the market was not big enough to encourage industrialists to undertake major projects even if they had the capital to do so. iii).In addition, the decision to develop the Indian economy on socialist lines led to the policy of the state controlling the commanding heights of the economy. This meant that the state would have complete control of those industries that were vital for the economy. The policies of the private sector would have to be complimentary to those of the public sector. <p>(b) The given statement is correct.</p> <ul style="list-style-type: none"> i). The rise in the industry's share of GDP from 11.8% in 1950-51 to 24.6% in 1990-91 is an important indicator of industrial development. 	3	6

	<p>ii). The 6% annual growth rate of the industrial sector during 1950-1990 is commendable.</p> <p>iii). The industrial sector became well-diversified by 1990, largely due to the public sector. No longer was Indian economy restricted largely to cotton textiles and jute.</p> <p>iv). The promotion of small-scale industries gave employment opportunities to those people who did not have capital to start large firms to get into business.</p> <p>v). Protection from foreign competition (due to import substitution policy) enabled the development of indigenous industries in the areas of electronics and automobile sectors, which otherwise could not have developed.</p> <p style="text-align: center;">(any three points)</p>	3
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KENDRIYA VIDYALAYA SANGATHAN, CHENNAI REGION
SAMPLE QUESTION PAPER 2022-23
CLASS XI (030) ECONOMICS

Max Marks: 80

Duration:03 Hrs

Blue print

Sl No	Name of the Unit	Marks Allotted	Competency Based Questions 1 Mark	SA I 3 Marks	SA II 4 Marks	LA 6 Marks	Total No of Questions
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PART- A STATISTICS FOR ECONOMICS

1	Introduction	15	2	--			2
2	Collection, Organization and Presentation of Data		3*	--	1*	1	5
3	Statistical Tools and Interpretation	25	5*	2*	2	1*	10
Part Total		40	10	6	12	12	17

PART B INTRODUCTION TO MICROECONOMICS

4	Introduction	04	1	1	----	--	2
5	Consumer's Equilibrium and Demand	15	5*	---	1*	1	7
6	Producer Behaviour and Supply	15	2	1*	1	1*	5
7	Forms of Market and Price Determination under Perfect Competition with simple Applications	06	2*	-	1 (CBQ)		3

	Part Total	40	10	6	12	12	17
	GRAND TOTAL	80	20	12	24	24	34

Note:

1. * Questions are Alternative/Choice questions.
2. CBQ indicates Case based questions. One Source based question (SBQ) each from Section A and Section B to be prepared may be from 3marks.
3. The paper design would be as follows:

Typology of Questions	Marks	Percentage
Remembering & Understanding	44	55
Applying	18	22.5
Analyzing, Evaluating & Creating	18	22.5

**KENDRIYA VIDYALAYA SANGATHAN, CHENNAI REGION
SAMPLE PAPER 2022-23
SET-I**

CLASS XI (030) ECONOMICS

Max Marks: 80

Duration : 3 Hrs

GENERAL INSTRUCTIONS:

1. This question paper contains two sections:
Part A – Statistics For Economics
Part B – Introductory Micro Economics
2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
5. This paper contains 4 Long Answer Questions type questions of 6 marks each to be answered in 100 to 150 words.

सामान्य निर्देशः

1. इस प्रश्न पत्र में दो खंड हैं:

भाग ए - अर्थशास्त्र के लिए सांख्यिकी

भाग बी - परिचयात्मक सूक्ष्म अर्थशास्त्र

2. इस प्रश्न-पत्र में 20 बहुविकल्पीय प्रश्न हैं, जिनमें से प्रत्येक 1 अंक का है।

3. इस प्रश्न-पत्र में 4 लघु उत्तरीय प्रश्न हैं, जिनमें से प्रत्येक के 3 अंक हैं, जिनका उत्तर 60 से 80 शब्दों में देना है।

- इस प्रश्न-पत्र में 6 लघु उत्तरीय प्रश्न हैं, जिनमें से प्रत्येक के 4 अंक हैं, जिनका उत्तर 80 से 100 शब्दों में देना है।
 - इस प्रश्न-पत्र में 6-6 अंकों के 4 दीर्घ उत्तरीय प्रश्न हैं जिनका उत्तर 100 से 150 शब्दों में देना है।

PART -A

भाग ए

STATISTICS FOR ECONOMICS

अर्थशास्त्र के लिए सांख्यिकी

- b. In ascending order
- c. Either a or b
- d. None of these

4. एक क्रमबद्ध शृंखला में, डेटा हैं:

- अ) घटते क्रम में
- ब) बढ़ते क्रम में
- स) या तो ए या बी
- ड) इनमें से कोई नहीं

5. The heading of the row given in the first column of a table are called: 1

- a. Stubs
- b. Titles
- c. Captions
- d. Prefatory notes

6. किसी तालिका के पहले कॉलम में दी गई पंक्ति के शीर्षक कहलाते हैं:

- अ) स्टब्स
- ब) टाइटल
- स) कैप्शन
- ड) प्रीफेटरी नोट्स

Or

State the meaning of the term ‘Variable’

‘परिवर्तनीय’ शब्द का अर्थ बताएं

6. The value of all the items taken into consideration in the calculation of: 1

- a. Median
- b. Mean
- c. Mode
- d. Index number

6. गणना में द्यान में रखी गई सभी वस्तुओं का मूल्य:

- अ) माध्यिका
- ब) माध्य
- स) मोड
- ड) सूचकांक

7. Median of 2, 3, 8, 4, 9, 6, 5, is _____ 1

- a. 9
- b. 8
- c. 5
- d. 6

७ 2, 3, 8, 4, 9, 6, 5, की माध्यिका है

अ) 9

ब) 8

स) 5

ड) 6

Or

Define Mean

माध्य परिभाषित करें

8. The correlation between sale of woolen cloth and summer season is: 1

a. positive correlation

b. negative correlation

c. Zero

d. None of these.

८. ऊनी कपड़े की बिक्री और गर्मी के मौसम के बीच संबंध है:

अ) सकारात्मक संबंध

ब) नकारात्मक सहसंबंध

स) शून्य

ड) इनमें से कोई नहीं

9. What are limits of the coefficient of correlation? 1

a. -1 and 0

b. No limits

c. 0 and 1

d. -1 and 1 including the limits

९. सहसंबंध के गुणांक की सीमाएं क्या हैं?

अ) -1 और 0

ब) असीम

स) 0 और 1

ड) -1 और 1 सीमा सहित

10. In most of the weighted numbers, the weight pertains to: 1

a. Base year

b. Current year

c. Both current year and base year.

d. None of these.

१०. अधिकांश भारित संख्याओं में भार संबंधित होता है:

अ) आधार वर्ष

ब) चालू वर्ष

स) चालू वर्ष और आधार वर्ष दोनों।

ड) इनमें से कोई नहीं।

11. Find out the median from the following data. 3

X	106	150	152	161	156
Y	5	8	6	3	7

११. निम्नलिखित आँकड़ों से मार्गिका जात कीजिए।

X	106	150	152	161	156
Y	5	8	6	3	7

12. What kind of relationship exist between X and Y, if the point of scatter diagram falls near a straight line with negative slope. Use diagram in support of your answer. 3

OR

On what basis does the base year taken into consideration to calculate index number?

१२. यदि स्कैटर आरेख का बिंदु ऋणात्मक ढलान वाली एक सीधी रेखा के निकट आता है, तो X और Y के बीच किस प्रकार का संबंध होता है। अपने उत्तर के समर्थन में आरेख का प्रयोग कीजिए।

या

सूचकांक संख्या की गणना के लिए आधार वर्ष को किस आधार पर ध्यान में रखा जाता है?

13. Draw Histogram and Frequency polygon with the help of following data. 4

Wages	0 -20	20 - 40	40 -60	60 -80	80 - 100
No. of Workers	28	46	54	42	30

OR

Present the following data with the help of suitable diagram.

YEAR	Production (in '000 tonnes)		
	Wheat	Rice	Cotton
2014	35	22	10
2015	15	25	16
2016	40	12	20

१३. निम्नलिखित आँकड़ों की सहायता से आयत चित्र और बारंबारता बहुभुज बनाइए:

Wages	0 -20	20 - 40	40 -60	60 -80	80 - 100
No. of Workers	28	46	54	42	30

या

निम्नलिखित आँकड़ों को उपयुक्त आरेख की सहायता से प्रस्तुत कीजिए।

वर्ष	उत्पादन ('000 टन में)		
	गेहूं	चावल	कपास
2014	35	22	10
2015	15	25	16
2016	40	12	20

14. Write the four uses of consumer price Index Number.

4

OR

Define Mode. Write its three Demerits.

१४. उपभोक्ता मूल्य सूचकांक के चार उपयोग लिखिए।

या

मोड को परिभाषित करें। इसके तीन दोष लिखिए।

15. Compute the coefficient of rank correlation from the following data.

4

X	87	22	33	75	37
Y	29	63	52	46	48

१५. निम्नलिखित आँकड़ों से रैंक सहसंबंध के गुणांक की गणना करें।

X	87	22	33	75	37
Y	29	63	52	46	48

16. Use Ogive to represent the following data and locate the Median.

6

Marks	0-10	10-20	20-30	30-40	40-50	50-60
No of Students	3	4	8	10	3	2

OR

Calculate Karl Pearson Coefficient of correlation from the following Data.

X	10	12	14	12	16	20
Y	22	26	24	27	31	33

१६. निम्नलिखित आँकड़ों को निरूपित करने के लिए तोरण का प्रयोग कीजिए और मार्गिका जात कीजिए।

अंक	0-10	10-20	20-30	30-40	40-50	50-60
छात्रों की संख्या	3	4	8	10	3	2

या

निम्नलिखित आँकड़ों से सहसंबंध के कार्ल पियर्सन गुणांक की गणना कीजिए।

X	10	12	14	12	16	20
Y	22	26	24	27	31	33

17. What are the different uses of index number? Explain any two.

6

१७. इंडेक्स नंबर के विभिन्न उपयोग क्या हैं? किन्हीं दो की व्याख्या कीजिए।

PART B

भाग बी

INTRODUCTORY MICRO ECONOMICS

परिचयात्मक सूक्ष्म अर्थशास्त्र

18. Which of the following statement is false?

1

- (a) PPC slopes downwards. (b) PPC is concave.
 (c) PPC is slope upward. (d) PPC is not convex.

OR

Which of the following is the cause of economic problem?

- (a) Scarcity of resources (b) Unlimited wants
 (c) Resource have alternative uses (d) All of these

निम्नलिखित में से कौन सा कथन असत्य है?

- (ए) पीपीसी नीचे की ओर ढलान। (बी) पीपीसी अवतल है।
 (सी) पीपीसी ऊपर की ओर ढलान है। (डी) पीपीसी उत्तल नहीं है।

अथवा

निम्नलिखित में से कौन आर्थिक समस्या का कारण है?

- (ए) संसाधनों की कमी (बी) असीमित चाहता है
 (सी) संसाधन के वैकल्पिक उपयोग हैं (डी) ये सभी।

19. When marginal utility is zero total utility will be

1

- (a) Zero (b) 100 (c) Maximum (d) minimum

जब सीमांत उपयोगिता शून्य हो तो कुल उपयोगिता होगी।

(ए) शून्य (बी) 100 (सी) अधिकतम (डी) न्यूनतम

20. Any statement about demand for a good is considered complete only when the following is/are mentioned in it (Choose the correct alternative) 1

- | | |
|------------------------|---------------------------|
| (a) Price of the goods | (b) Quantity of the goods |
| (c) Period of time | (d) All of the above |

किसी वस्तु की मांग के बारे में कोई भी कथन तभी पूर्ण माना जाता है जब उसमें निम्नलिखित का उल्लेख किया गया हो (सही विकल्प चुनें)

- | | |
|-------------------|----------------------|
| (ए) वस्तु की कीमत | (बी) वस्तु की मात्रा |
| (सी) समय की अवधि | (डी) उपरोक्त सभी |

21. Floor price is set atlevel by government to protect the 1

- | | |
|---|-----------|
| (a) Above the equilibrium price level , | consumer |
| (b) Below the equilibrium level , | consumer |
| (c) Above the equilibrium price level , | Producers |
| (d) Below the equilibrium level , | Producers |

सरकार द्वारा की सुरक्षा के लिए न्यूनतम मूल्य स्तर पर निर्धारित की जाती है

- | | |
|------------------|--------------------------|
| (ए) उपभोक्ता , | संतुलन मूल्य स्तर से ऊपर |
| (बी) उपभोक्ता , | संतुलन स्तर के नीचे |
| (सी) उत्पादकों , | संतुलन मूल्य स्तर से ऊपर |
| (डी) उत्पादकों , | संतुलन स्तर से नीचे |

22. Read the following statements Assertion (A) and Reason (R). Choose one of the correct alternatives given below: 1

Assertion (A) -Demand for salt is inelastic.

Reason (R) - In case of elastic demand, percentage change in price of the commodity causes relatively less than percentage change in quantity demanded.

Alternatives:

- Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
- Assertion (A) is true but Reason (R) is false.
- Assertion (A) is false but Reason (R) is true.

निम्नलिखित कथनों को पढ़ें अभिकथन (ए) और कारण (आर)। नीचे दिए गए विकल्पों में से एक सही विकल्प चुनें:

अभिकथन (ए) -नमक की मांग बेलोचदार होती है।

कारण (आर) - लोचदार मांग के मामले में, वस्तु की कीमत में प्रतिशत परिवर्तन मांग की मात्रा में प्रतिशत से कम परिवर्तन का कारण बनता है।

विकल्प:

- क) अभिकथन (ए) और कारण (आर) दोनों सत्य हैं और कारण (आर) अभिकथन (ए) की सही व्याख्या है।
- ख) कथन (ए) और कारण (आर) दोनों सत्य हैं और कारण (आर) अभिकथन (ए) की सही व्याख्या नहीं है।
- ग) अभिकथन (ए) सही है लेकिन कारण (आर) गलत है।
- डी) दावा (ए) गलत है लेकिन कारण (आर) सत्य है।

23. Read the following statements carefully:

1

Statement 1- Tea and coffee are substitute goods.

Statement 2 –Car and petrol are substitute goods.

In the light of the given statements, choose the correct alternative from the following:

- a) Statement 1 is true and statement 2 is false.
- b) Statement 1 is false and statement 2 is true.
- c) Both statements 1 and 2 are true.
- d) Both statements 1 and 2 are false.

निम्नलिखित कथनों को ध्यान से पढ़ें:

कथन 1- चाय और कॉफी स्थानापन्न वस्तुएँ हैं।

कथन 2- कार और पेट्रोल स्थानापन्न वस्तुएँ हैं।

दिए गए कथनों के आलोक में, निम्नलिखित में से सही विकल्प का चयन कीजिए:

- क) कथन 1 सत्य है और कथन 2 गलत है।
- बी) कथन 1 गलत है और कथन 2 सत्य है।
- ग) कथन 1 और 2 दोनों सत्य हैं।
- डी) कथन 1 और 2 दोनों असत्य हैं।

24. Read the following statements carefully:

1

Statement 1- There are large numbers of buyers and few sellers in the perfect competition market.

Statement 2 - In perfect competition market products are heterogeneous.

In the light of the given statements, choose the correct alternative from the following:

- a) Statement 1 is true and statement 2 is false
- b) Statement 1 is false and statement 2 is true
- c) Both statements 1 and 2 are true.
- d) Both statements 1 and 2 are false.

निम्नलिखित कथनों को ध्यान से पढ़ें:

कथन 1- पूर्ण प्रतियोगिता बाजार में बड़ी संख्या में खरीदार और कुछ विक्रेता होते हैं।

कथन 2 - पूर्ण प्रतियोगिता में बाजार के उत्पाद विषमांगी होते हैं।

दिए गए कथनों के आलोक में, निम्नलिखित में से सही विकल्प का चयन कीजिए:

- क) कथन 1 सत्य है और कथन 2 गलत है
- बी) कथन 1 गलत है और कथन 2 सत्य है
- ग) कथन 1 और 2 दोनों सत्य हैं।
- डी) कथन 1 और 2 दोनों असत्य हैं।

25. When price of a good falls from Rs 15 to Rs 12 per unit means a fall of 20% in prices, its demand rises by 25%. Price elasticity of demand will be

1

- (a) -15/12 (b) -12/15 (C) -25/20 (d) -20/25

जब एक वस्तु की कीमत 15 रुपये से गिरकर 12 रुपये प्रति इकाई हो जाती है, तो कीमतों में 20% की गिरावट होती है, इसकी मांग में 25% की वृद्धि होती है। मांग की कीमत लोच होगी:

- (ए) -15/12 (बी) -12/15 (सी) -25/20 (डी) -20/25

26. Definitely producer will doin supply, if the price of normal goods increases.. 1

- (a) Minimise (b) Decrease (c) Increase (d) Stop supply.

OR

Read the following statements carefully:

Statement I-When TR increases at increasing rate then MR also increases.

Statement II-When TR increases at a diminishing rate then MR decline.

In the light of the given statements, choose the correct alternative from the following:

- a) Statement 1 is true and statement 2 is false
- b) Statement 1 is false and statement 2 is true
- c) Both statements 1 and 2 are true
- d) Both statements 1 and 2 are false.

निश्चित रूप से निर्माता आपूर्ति में करेगा, यदि सामान्य वस्तु की कीमत बढ़ जाती है।

- (ए) कम से कम (बी) कमी (सी) वृद्धि (डी) आपूर्ति बंद करो।

या

निम्नलिखित कथनों को ध्यान से पढ़ें:

कथन I- जब टी.आर. बढ़ती दर से बढ़ता है तो मामूली राजस्व भी बढ़ता है।

कथन II जब टी.आर. घटती दर से बढ़ता है तो मामूली राजस्व घट जाता है।

दिए गए कथनों के आलोक में, निम्नलिखित में से सही विकल्प का चयन कीजिए:

- क) कथन 1 सत्य है और कथन 2 गलत है।
- ब) कथन 1 गलत है और कथन 2 सत्य है।
- ग) कथन 1 और 2 दोनों सत्य हैं।
- द) कथन 1 और 2 दोनों असत्य हैं।

27. In a perfect competition market a firm is a price taker and market is a price maker.....curve is horizontal straight line parallel to x-axis. 1

- (a) Marginal Cost (b) Total Cost (c)
Marginal Revenue (d) Total Revenue

एक पूर्ण प्रतियोगिता बाजार में एक फर्म एक मूल्य लेने वाली होती है और बाजार एक मूल्य निर्माता होता है।वक्र x-अक्ष के समानांतर क्षैतिज सीधी रेखा है।

- (ए) सीमांत लागत (बी) कुल लागत (सी) सीमांत राजस्व (डी) कुल राजस्व

28. Explain the central problem of in “choice of technique”. 3

“तकनीक के चुनाव” की केन्द्रीय समस्या की व्याख्या कीजिए।

29. What is the price ceiling? What is the common purpose for the price ceiling imposed by the government? 3

OR

“In perfect competition market a firm is said to be price taker and market is said to be price maker”. Explain.

मूल्य सीमा क्या है? सरकार द्वारा लगाई गई मूल्य सीमा का सामान्य उद्देश्य क्या है?

या

"पूर्ण प्रतियोगिता बाजार में एक फर्म को मूल्य लेने वाला कहा जाता है और बाजार को मूल्य निर्माता कहा जाता है"। समझाएँ।

30. Explain with diagram the difference between increase in demand and increase in quantity demanded of a good. 4

किसी वस्तु की माँग में वृद्धि तथा माँग की मात्रा में वृद्धि में अन्तर को चित्र द्वारा स्पष्ट कीजिए।

31. Complete the following table: 4

Output (units)	Average Fixed Cost (Rs)	Average Variable Cost (Rs)	Marginal Cost (Rs)	Total Cost (Rs)
1	120	40	----	-----
2	60	56	----	232
3	----	54	----	-----
4	30	-----	54	----

निम्नलिखित तालिका को पूरा करें:

उत्पादन (इकाइयां)	औसत स्थिर लागत (रु.)	औसत चर लागत (रु.)	सीमांत लागत (रु.)	कुल लागत (रु.)
1	120	40	----	-----
2	60	56	----	232
3	----	54	----	-----
4	30	-----	54	----

32. What is the law of variable return to factor? Explain with the help of numerical example and diagram. 4

OR

Differentiate between Fixed factors and Variable factors of production.

कारक पर परिवर्तनशील प्रतिफल का नियम क्या है? संख्यात्मक उदाहरण और रेखाचित्र की सहायता से स्पष्ट कीजिए।

या

उत्पादन के स्थिर कारकों और उत्पादन के परिवर्तनशील कारकों में अंतर स्पष्ट कीजिए।

33. Explain consumer equilibrium with the help of indifference curve analysis. 6

OR

A consumer consumes only two goods X and Y whose prices are Rs 5 and Rs 4 respectively. If the consumer chooses a combination of the two goods with marginal utility of X equal to 4 and that of Y equal to 5, is the consumer in equilibrium? Why or why not? What will a rational consumer do in this situation? Use utility analysis.

उदासीनता वक्र विश्लेषण की सहायता से उपभोक्ता संतुलन की व्याख्या कीजिए।

या

एक उपभोक्ता केवल दो वस्तुओं X और Y का उपभोग करता है जिनकी कीमत क्रमशः 5

रुपये और 4 रुपये है। यदि उपभोक्ता X की सीमांत उपयोगिता 4 के बराबर और Y की 5 के बराबर सीमांत उपयोगिता के साथ दो वस्तुओं का संयोजन चुनता है, तो क्या उपभोक्ता संतुलन में है? क्यों या क्यों नहीं? इस स्थिति में एक तर्कसंगत उपभोक्ता क्या करेगा? उपयोगिता विश्लेषण का प्रयोग करें।

34. Explain with numerical example and diagram the conditions of producer's equilibrium in terms of marginal revenue and marginal cost. 6

सीमांत आगम और सीमांत लागत के संदर्भ में उत्पादक के संतुलन की स्थितियों को संख्यात्मक उदाहरण और आरेख के साथ समझाइए।

SAMPLE PAPER 2022-23

CLASS XI (030) ECONOMICS SCORING KEY SET - I

Q.NO	EXPECTED ANSWER	MARKS
1	d) Production	1
2	c) Singular and Plural Both	1
3	c) Telephone interview	1
4	c) Either (a) or (b)	1
5	a) Stubs (or) Not consistent, liable to change	1 1
6	b) Mean	1
7	(c) 5 (or) It is an average of all items in a series	1 1
8	(b) Negative Correlation	1
9	d)-1 and +1 including limits	1
10	a) Base Year	1
11	Formula (median) $(N+1)/2$ Steps for calculation Ans = 152	2 1
12.	High degree negative correlation Diagram	3

	(or) It is the reference year It should be a normal year It should be the year with out much ups and downs	3
13	Diagram -Histogram Diagram - frequency polygon (steps and procedures for constructing histogram and drawing frequency polygon) (or) Any suitable diagram can be used Multiple bar diagram may be a better choice (steps and procedures for constructing diagram)	2 2 4
14	a) Formulation of price policy b) Wage adjustment c) Measurement of real value of rupee d) Analysis of market (or) It is the value which occurs most frequently in the series Demerits: a) uncertain and vague b) not capable of algebraic treatment c) difficult procedure of grouping (similar points can be considered)	4 1 3
15	$r' = 1 - \frac{6}{N(N^2-1)} \sum \frac{d^2}{N}$, (formula) Steps for calculation Answer (Ans = (-1)) Perfect negative correlation.	1 2 1
16.	Calculation of cumulative frequency Completion of table. (a) steps and procedure for drawing o gives (b)location of median (or) Steps for calculation (Ans=0.96) Formula: $r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$ Ans =(0.96) High degree positive correlation 17) a) Measurement of changes in price level	4 2 4 1 1

	b) Measurement of change in standard of living c) Useful to government d) Useful to business community. (Brief explanation of any two)	4 2
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PART B MICRO ECONOMICS

Q.NO.	EXPECTED ANSWER	Mar ks
18	Q1 Which of the following statement is false? ANS- (c) PPC is slope upward. OR Which of the following is the cause of economic problem? ANS- (d) All of these	1
19	When marginal utility is zero total utility will be ANS-(c) Maximum	1
20	Any statement about demand for a good is considered complete only when the following is/are mentioned in it (Choose the correct alternative) ANS-(d) All of the above	1
21	Floor price is set atlevel by government to protect the ANS-(c) Above the equilibrium price level , Producers	½ & 1/2
22	Read the following statements Assertion (A) and Reason (R). Choose one of the correct alternatives given below: Assertion (A) -Demand for salt is inelastic. Reason (R) - In case of elastic demand, percentage change in price of the commodity causes relatively less than percentage change in quantity demanded. Alternatives: ANS-(c) Assertion (A) is true but Reason (R) is false.	1

23	<p>Read the following statements carefully:</p> <p>Statement 1- Tea and coffee are substitute goods.</p> <p>Statement 2 –Car and petrol are substitute goods.</p> <p>In the light of the given statements, choose the correct alternative from the following:</p> <p>ANS- (a) Statement 1 is true and statement 2 is false.</p>	1
24	<p>Read the following statements carefully:</p> <p>Statement 1- There are large numbers of buyers and few sellers in the perfect competition market.</p> <p>Statement 2 - In perfect competition market products are heterogeneous.</p> <p>In the light of the given statements, choose the correct alternative from the following:</p> <p>ANS-(d) Both statements 1 and 2 are false.</p>	1
25	<p>When price of a good falls from Rs 15 to Rs 12 per unit means a fall of 20% in prices, its demand rises by 25%. Price elasticity of demand will be</p> <p>ANS-(C) $-25/20$</p>	1
26	<p>Definitely producer willin supply, if the price of normal goods increases..</p> <p>ANS-(c) Increase</p> <p>OR</p> <p>Read the following statements carefully:</p> <p>Statement 1-When TR increases at increasing rate then MR also increases.</p> <p>Statement II-When TR increases at a diminishing rate then MR decline.</p> <p>ANS- (c) Both statements 1 and 2 are true</p>	1
27	<p>In a perfect competition market a firm is a price taker and market is a price-maker,curve is horizontal straight line parallel to x-axis.</p> <p>ANS-(c) Marginal Revenue</p>	1

28	<p>The problems of how to produce is a problem relating to choice of technology.</p> <p>There are two techniques of production: i) Labour Intensive Technique in which labour is used more than capital. ii) Capital Intensive Technique in which capital is used more than labour.</p> <p>An economy must decide as to which technique is to be used so that efficient production is obtained. It is the central problem in every economy because it impacts production or efficiency on the one hand and the degree of employment on the other hand. Higher productivity often implies a lower degree of employment.</p>	1 1 1
29	<p>Price Ceiling: Price ceiling means the maximum limit that the government imposes on the price of a commodity.</p> <p>Price ceiling are used by the government to Prevent prices from being too high. The main reason for imposing price ceilings is to protect the interests of the consumers in situations in which they are not able to afford needed commodities.</p> <p>For example during the recent rise in the prices of pulses. Consequence: Shortage of the commodity and Rationing: In case of price ceiling the quantity actually supplied in the market will shrink; as a result a large chunk of consumer's demand will go unsatisfied. To deal with such a situation the government may resort to rationing of the commodity.</p> <p>With suitable diagram</p>	1 1 1 1



OR

Under perfect competition, there is a large number of sellers selling a homogenous product. The price of a commodity under perfect competition is determined by the forces of demand and supply of the product alone in the market so market is called Price Maker.

1

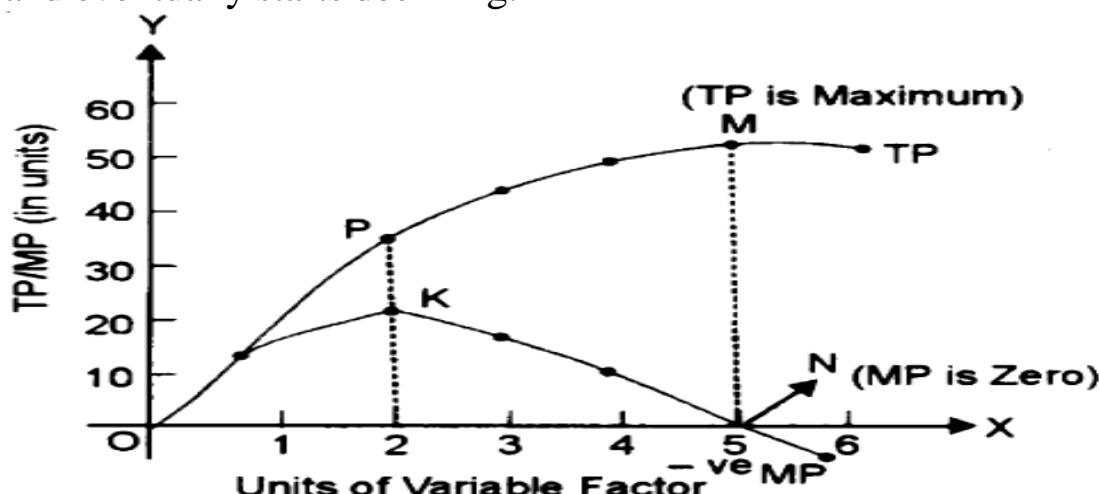
	<p>Every seller accepts the price as given/determined by the industry. No individual firm can influence this price. It only has to decide how much quantity of the commodity it wants to sell. It is because of this that the seller under perfect competition is a price taker.</p> <p>If a firm in a perfectly competitive market raises the price of its product by so much as a penny, it will lose all of its sales to competitors.</p>	1 1																																			
30	<table border="1"> <tr> <td>Increase in Demand</td><td>Increase in Quantity Demanded</td></tr> <tr> <td>1. Increase in demand refers to increase in the purchase quantity of a commodity at its existing Price</td><td>Increase in quantity demanded refers to increase in the quantity purchase of a commodity due to a fall in its price.</td></tr> <tr> <td>2. Increase in demand occurs due to change in factors other than price of the commodity.</td><td>Increase in quantity demanded occurs due to change in price of the commodity</td></tr> <tr> <td>3. Diagrammatically this is shown by a forward or backward shift in demand curve.</td><td>Diagrammatically this is shown by a downward movement on the same demand curve.</td></tr> <tr> <td>Example-Change in Income, Technology, Taste, etc(Diagram)</td><td>Change in price only(Diagram).</td></tr> </table>	Increase in Demand	Increase in Quantity Demanded	1. Increase in demand refers to increase in the purchase quantity of a commodity at its existing Price	Increase in quantity demanded refers to increase in the quantity purchase of a commodity due to a fall in its price.	2. Increase in demand occurs due to change in factors other than price of the commodity.	Increase in quantity demanded occurs due to change in price of the commodity	3. Diagrammatically this is shown by a forward or backward shift in demand curve.	Diagrammatically this is shown by a downward movement on the same demand curve.	Example-Change in Income, Technology, Taste, etc(Diagram)	Change in price only(Diagram).	2																									
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31	<p>Complete the following table:</p> <table border="1"> <thead> <tr> <th>Output (units)</th><th>Total Cost (Rs)</th><th>TFC</th><th>TVC</th><th>Average Fixed Cost (Rs)</th><th>Average Variable Cost (Rs)</th><th>Marginal Cost (Rs)</th></tr> </thead> <tbody> <tr> <td>1</td><td>160</td><td>120</td><td>40</td><td>120</td><td>40</td><td>40</td></tr> <tr> <td>2</td><td>232</td><td>120</td><td>112</td><td>60</td><td>56</td><td>72</td></tr> <tr> <td>3</td><td>282</td><td>120</td><td>162</td><td>40</td><td>54</td><td>50</td></tr> <tr> <td>4</td><td>336</td><td>120</td><td>216</td><td>30</td><td>54</td><td>54</td></tr> </tbody> </table>	Output (units)	Total Cost (Rs)	TFC	TVC	Average Fixed Cost (Rs)	Average Variable Cost (Rs)	Marginal Cost (Rs)	1	160	120	40	120	40	40	2	232	120	112	60	56	72	3	282	120	162	40	54	50	4	336	120	216	30	54	54	2 2 4
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4	336	120	216	30	54	54																															

32

Law of Variable Proportions or Returns to a Factor

This law exhibits the short-run production functions in which one factor varies while the others are fixed.

The law states that keeping other factors constant, when you increase the variable factor, then the total product initially increases at an increasing rate, then increases at a diminishing rate, and eventually starts declining.



Fixed factor	Variable	Total Product	Marginal	Return
1	1	10	10	Increasing return
1	2	25	15	
1	3	45	20	Decreasing return
1	4	55	10	
1	5	55	0	Negative return
1	6	45	-10	

OR

Fixed factors	Variable factors
Fixed factors of production are those factors which can't be changed with the change in the level of output in short run.	Variable factors of production are those factors which can be changed with the change in the level of output.
Can change only in long run	Always variable in short as well as long run

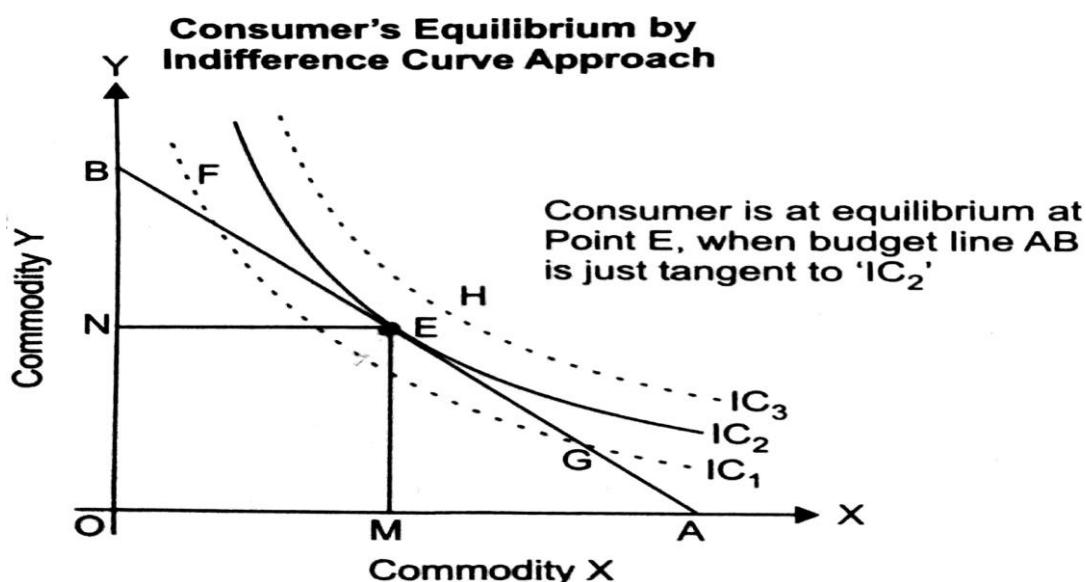
1

3

2

2

	<p>Example-Land ,Machine, Building etc</p> <p>Cost of fixed factors can't be zero even at output is zero.</p> <p>2Cost is fixed</p>	<p>Labour, raw materials etc</p> <p>Cost of Variable factors is zero at output is zero.</p> <p>Cost will be directly proportion to output.</p>	
33	<p>Consumer's Equilibrium in Indifference Curve Analysis is defined as a situation when the consumer maximizes his satisfaction, spending his given income across different goods with the given prices.</p> <p>Here, the indifference curve and budget line are used to determine the consumer equilibrium point. Indifference curve analysis helps to find out how the consumer spends his limited income on the combination of different goods to get maximum satisfaction.</p> <p>Consumer's equilibrium is the amount of goods the consumer can buy in the market given his/her current level of income. There are two conditions for consumers equilibrium:</p> <ul style="list-style-type: none"> i) The first is that the budget line should tangent to the indifference Curve . ii) The marginal rate of substitution of good X for Good Y (MRS_{xy}) must be equal to the price ratio. i.e MRS_{xy} = P_x/P_y. <p>Slope of indifference curve= = Slope of Budget Line</p> <p>The indifference curve should be convex to the origin at the point of tangency.</p> <p>Explanation: In fig, AB is the budget or price line, and IC₁, IC₂ and IC₃ are indifference curves. A consumer can buy any of the combinations whether E,F,G,H of chocolates Dairy Milk, shown on budget line AB. He can't buy any combination on IC₃ as it is beyond the budget line AB. But, he can buy those combinations which are not only on the budget line AB but also coincide with the highest indifference curve which is IC₂. the consumer will be at equilibrium at the combination E. Because, at this point, the budget line AB is tangent to the highest indifference curve IC₂. No doubt, he can afford the combinations F and G as well but these will not give him the maximum satisfaction as these combinations belong to the lower indifference curve IC₁.</p> <p>It means, that the consumer's equilibrium point is the point of tangency of the budget line and indifference curve. At point E, the slope of the indifference curve and budget line coincides. Here,</p> <p>The slope of the indifference curve is indicative of the marginal rate of substitution of commodity-1 for commodity-2 (MRS_{xy}).</p> <p>The slope of the budget line is indicative of the ratio of the price of commodity-1(P₁) and the price of commodity -2(P₂).</p>	1	1
			2



OR

Given, $P_X = \text{Rs. } 4$; $P_Y = \text{Rs. } 5$; $MUX = \text{Rs. } 5$; $MUY = 4$

The consumer attains equilibrium when

$$MUX/PX = MUY/PY$$

In the given question, the consumer is not in the equilibrium because here,
 $MUX/PX > MUY/PY$

Using the given values, $5/4 > 4/5$

The consumer would react to this situation by increasing the consumption of good X in place of good Y. As consumption of X is increased, MUX will start declining. Likewise, fall in the consumption of Y would cause a rise in MUY. The process of substituting X for Y would continue till MUX/PX (rupee worth of MUX) and MUY/PY (rupee worth of MUY) are equal and the equilibrium is achieved.

2

4

1

1

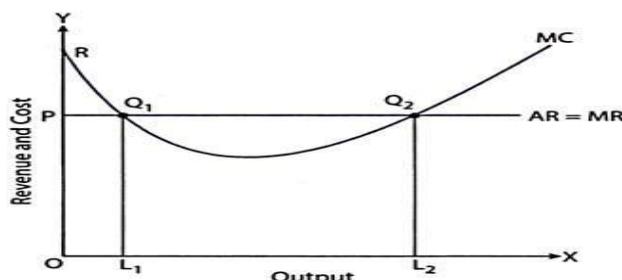
- 34 Producer's equilibrium refers to the state in which a producer earns his maximum profit or minimise its losses. According to MR-MC approach,
- Two conditions under this approach are:
- $MR = MC$
 - MC curve should cut the MR curve from below, or MC should be rising.
- As long as the addition to revenue is greater than the addition to cost. It is profitable for a firm to continue producing more units of output. In the diagram, output is shown on the X-axis and revenue and cost on the Y-axis. The Marginal Cost (MC) curve is U-shaped and $P \sim MR = AR$, is a horizontal line parallel to X-axis.
- $MC = MR$ at two points Q1 and Q2 in the diagram, but profits are maximised at point Q2, corresponding to Q10 level of output. Between Q2 and Q10 levels of output, MR exceeds MC. Therefore, firm will not stop at point R but will continue to produce to take advantage of additional profit. Thus, equilibrium will be at point Q2, where both the conditions are satisfied.

Situation beyond Q₂ level: MR < MC When output level is more than Q₁₀, MR < MC, which implies that firm is making a loss on its last unit of output. Hence, in order to maximise profit, a rational producer decreases output as long as MC > MR. Thus, the firm moves towards producing O Q units of output.

Table 1. MR, MC and Producer's Equilibrium

Q (Units of Output)	MR (₹)	MC (₹)
1	12	15
2	12	12
3	12	10
4	12	9
5	12	8
6	12	7
7	12	8
8	12	9
9	12	10
10	12	12
11	12	15

FIGURE 1



Note: Fig. 1 is drawn on the assumption that AR is constant for a firm and is equal to OP. It is as in a situation of perfect competition. Constant AR implies constant MR. Accordingly, AR = MR, and both are indicated by a horizontal straight line, parallel to X-axis.

SAMPLE QUESTION PAPER (2022-23)
प्रतिदर्श प्रश्न पत्र (2022-23)
ECONOMICS (030) CLASS XI
अर्थशास्त्र (030) कक्षा XI

SET - II सेट - II

TIME: 3HOURS

M.M.-80

समय: 3 घंटे

पर्णक-80

GENERAL INSTRUCTIONS:

1. This question paper contains two sections;
Section A - Statistics for Economics
Section B - Introductory Micro Economics
 2. This paper contains 20 Multiple Choice Questions type questions of 1 mark each.
 3. This paper contains 4 Short Answer Questions type questions of 3 marks each to be answered in 60 to 80 words.
 4. This paper contains 6 Short Answer Questions type questions of 4 marks each to be answered in 80 to 100 words.
 5. This paper contains 4 Long Answer Questions type questions of 6 mark each to be answered in 100 to 150 words.

सामान्य निर्देशः

1. इस प्रश्न पत्र में दो खंड हैं;
खंड ए - अर्थशास्त्र के लिए सांख्यिकी
खंड बी - परिचयात्मक सूक्ष्म अर्थशास्त्र
 2. इस प्रश्न-पत्र में 20 बहुविकल्पीय प्रश्न हैं, जिनमें से प्रत्येक 1 अंक का है।
 3. इस प्रश्न-पत्र में 4 लघु उत्तरीय प्रश्न हैं, जिनमें से प्रत्येक के 3 अंक हैं, जिनका उत्तर 60 से 80 शब्दों में देना है।
 4. इस प्रश्न-पत्र में 6 लघु उत्तरीय प्रश्न हैं, जिनमें से प्रत्येक के 4 अंक हैं, जिनका उत्तर 80 से 100 शब्दों में देना है।
 5. इस प्रश्न-पत्र में 6 अंकों के 4 दीर्घ उत्तरीय प्रश्न हैं जिनका उत्तर 100 से 150 शब्दों में देना है।

	<p>निम्नलिखित केस स्टडी को पढ़ें और 8 - 10 प्रश्नों के उत्तर दें। सहसंबंध दो चरों के बीच ऐंखिक संबंध को मापता है। यदि r शून्य है, तो यह सहसंबंध की अनुपस्थिति को दर्शाता है, अर्थात् उनके बीच कोई ऐंखिक संबंध नहीं है, हालांकि, ऐसे मामलों में चर गैर-ऐंखिक रूप से संबंधित हो सकते हैं। इसलिए यदि दो चर सहसंबंधित नहीं हैं, तो यह जरूरी नहीं है कि वे स्वतंत्र हैं।</p>	
8	<p>Coefficient of correlation in case of perfect negative correlation is _____</p> <p>a) 1 b) -1 c) 0 d) all of the above</p> <p>पूर्ण ऋणात्मक सहसंबंध के मामले में सहसंबंध का गुणांक _____ है</p> <p>a) 1 b) -1 c) 0 d) उपरोक्त सभी</p>	1
9	<p>The correlation is said to be positive when two variables move in the _____ direction</p> <p>a) Same b) opposite c) linear d) either (a) or (b)</p> <p>सहसंबंध को सकारात्मक कहा जाता है जब दो चर _____ दिशा में चलते हैं</p> <p>a) समान b) विपरीत c) ऐंखिक d) a या b)</p>	1
10	<p>_____ is a graphic presentation of correlation</p> <p>a) Ogive b) Histogram c) Scatter diagram d) Both (a)and(c)</p> <p>_____ सहसंबंध की एक ग्राफिक प्रस्तुति है</p> <p>a) तोरण b) हिस्टोग्राम c) स्कैटर आरेख d) (a) और (c) दोनों</p>	1
	<p>OR</p> <p>अथवा</p> <p>Read the following case study and answer the following questions:</p> <p>"Mode is the value which has the greatest frequency density in its immediate neighbourhood"</p> <p>The forgoing discussion reveals two concepts of mode;</p> <p>I) Mode is a value which repeats the highest number of times in a statistical distribution.</p> <p>II) Mode is the value around in which there is a greatest concentration of values. It is the second concept of mode which is more appropriate in statistical analysis. For a common man, it is the first concept which is more appropriate.</p> <p>निम्नलिखित केस स्टडी को पढ़ें और निम्नलिखित प्रश्नों के उत्तर दें:</p> <p>"बहुलक वह मान है जिसके निकटतम पड़ोस में आवृत्ति घनत्व सबसे अधिक होता है"</p> <p>पूर्वगामी, चर्चा से बहुलक की दो अवधारणाओं का पता चलता है;</p> <p>I. बहुलक एक ऐसा मान है जो सांख्यिकीय वितरण में सबसे अधिक बार दोहराता है।</p> <p>II. बहुलक वह मान है जिसके चारों ओर मूल्यों का सर्वाधिक संकेंद्रण होता है। यह बहुलक की दूसरी अवधारणा है जो सांख्यिकीय विश्लेषण में अधिक उपयुक्त है। एक आम आदमी के लिए, पहली अवधारणा अधिक उपयुक्त है।</p>	1
8	<p>Mode of a series is;</p> <p>a) An average value b) a middle value</p>	

	c) a highest frequency value एक श्रृंखला का बहुलक है; a) एक औसत मूल्य c) उच्चतम आवृति मान d) none of the above b) एक मध्यम मूल्य d) उपरोक्त में से कोई नहीं																					
9.	A grouping table has; a) 4 columns b) 6 columns c) 8 columns d) none of these एक समूहन तालिका है; a) 4 कॉलम b) 6 कॉलम c) 8 कॉलम d) इनमें से कोई नहीं																					
10	If mode is ill defined then it is calculated with the help of formula; a) Mode = 2 median – 3 mean b) Mode = 2 median + 3 mean c) Mode = 3 median + 3 mean d) Mode = 3 median – 2 mean यदि बहुलक को परिभाषित नहीं किया गया है तो इसकी गणना सूत्र की सहायता से की जाती है; a) बहुलक = 2 माध्यिका - 3 माध्य b) बहुलक = 2 माध्यिका + 3 माध्य c) बहुलक = 3 माध्यिका + 3 माध्य d) बहुलक = 3 माध्यिका - 2 माध्य																					
11.	"The sum of deviations of items from arithmetic mean is always equal to zero" $\sum (X - \bar{X}) = 0$. Prove this statement with the help of numerical example. "समांतर माध्य से मर्दों के विचलन का योग सदैव शून्य के बराबर होता है" ($\sum (X - \bar{X}) = 0$) संख्यात्मक उदाहरण की सहायता से इस कथन को सिद्ध कीजिए।																					
12	Why does rank correlation coefficient differ from Pearsonian correlation coefficient? OR Discuss the properties of correlation coefficient. (any three) ऐक सहसंबंध गुणांक पियर्सनियन सहसंबंध गुणांक से भिन्न क्यों है? या सहसंबंध गुणांक के गुणों की विवेचना कीजिए। (कोई तीन)	3																				
13	The following table shows the distribution of employment in rural areas in to self-employed, casual wage workers and Regular salaried employed. <table border="1"> <thead> <tr> <th>Status of workers</th> <th>Self-employed</th> <th>Casual wage workers</th> <th>Regular salaried employees</th> </tr> </thead> <tbody> <tr> <td>Percentage (%)</td> <td>58</td> <td>29</td> <td>13</td> </tr> </tbody> </table> Represent the above data as pie diagram. OR The following table shows estimates (approximate) of distribution of work force (in percentage) by Industry for the years 2011-12 and 2016-2018. <table border="1"> <thead> <tr> <th>Industrial category</th> <th>Primary sector</th> <th>Secondary sector</th> <th>Tertiary sector</th> </tr> </thead> <tbody> <tr> <td>2011-12</td> <td>49</td> <td>24</td> <td>27</td> </tr> <tr> <td>2017-18</td> <td>45</td> <td>25</td> <td>30</td> </tr> </tbody> </table>	Status of workers	Self-employed	Casual wage workers	Regular salaried employees	Percentage (%)	58	29	13	Industrial category	Primary sector	Secondary sector	Tertiary sector	2011-12	49	24	27	2017-18	45	25	30	4
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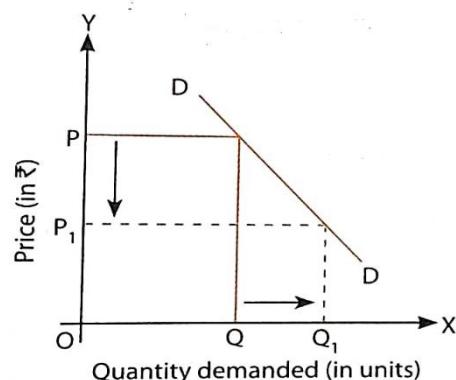
	<p>Represent the above data as Multiple bar diagram.</p> <p>निम्न तालिका ग्रामीण क्षेत्रों में स्व-रोजगार, आकस्मिक वेतन श्रमिकों और नियमित वेतनभोगी कर्मचारियों में रोजगार के वितरण को दर्शाती है।</p> <table border="1"> <thead> <tr> <th>श्रमिकों की स्थिति</th><th>स्वनियोजित</th><th>आकस्मिक वेतन कर्मी</th><th>नियमित वेतनभोगी कर्मचारी</th></tr> </thead> <tbody> <tr> <td>प्रतिशत (%)</td><td>58</td><td>29</td><td>13</td></tr> </tbody> </table> <p>उपरोक्त आँकड़ों को पाई आरेख के रूप में निरूपित करें।</p> <p style="text-align: center;">या</p> <p>निम्न तालिका वर्ष 2011-12 और 2016-2018 के लिए उद्योग द्वारा कार्य बल के वितरण (प्रतिशत में) के अनुमान (अनुमानित) को दर्शाती है।</p> <table border="1"> <thead> <tr> <th>औद्योगिक श्रेणी</th><th>प्राइमरी सेक्टर</th><th>माध्यमिक क्षेत्र</th><th>तृतीय श्रेणी का उद्योग</th></tr> </thead> <tbody> <tr> <td>2011-12</td><td>49</td><td>24</td><td>27</td></tr> <tr> <td>2017-18</td><td>45</td><td>25</td><td>30</td></tr> </tbody> </table> <p>उपरोक्त आँकड़ों को बहु दंड आरेख के रूप में निरूपित करें।</p>	श्रमिकों की स्थिति	स्वनियोजित	आकस्मिक वेतन कर्मी	नियमित वेतनभोगी कर्मचारी	प्रतिशत (%)	58	29	13	औद्योगिक श्रेणी	प्राइमरी सेक्टर	माध्यमिक क्षेत्र	तृतीय श्रेणी का उद्योग	2011-12	49	24	27	2017-18	45	25	30																									
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15	<p>In a poetry recitation competition, 10 participants were accorded following marks by two different judges, X and Y:</p> <table border="1"> <tr> <td>X</td><td>15</td><td>17</td><td>14</td><td>13</td><td>11</td><td>12</td><td>16</td><td>18</td><td>10</td><td>9</td></tr> <tr> <td>Y</td><td>15</td><td>12</td><td>4</td><td>6</td><td>7</td><td>9</td><td>3</td><td>10</td><td>2</td><td>5</td></tr> </table> <p>Calculate the coefficient of rank correlation.</p> <p>एक कविता पाठ प्रतियोगिता में, दो अलग-अलग न्यायाधीशों, X और Y द्वारा 10 प्रतिभागियों को निम्नलिखित अंक दिए गए:</p> <table border="1"> <tr> <td>X</td><td>15</td><td>17</td><td>14</td><td>13</td><td>11</td><td>12</td><td>16</td><td>18</td><td>10</td><td>9</td></tr> <tr> <td>Y</td><td>15</td><td>12</td><td>4</td><td>6</td><td>7</td><td>9</td><td>3</td><td>10</td><td>2</td><td>5</td></tr> </table> <p>रैंक सहसंबंध के गुणांक की गणना करें।</p>	X	15	17	14	13	11	12	16	18	10	9	Y	15	12	4	6	7	9	3	10	2	5	X	15	17	14	13	11	12	16	18	10	9	Y	15	12	4	6	7	9	3	10	2	5	4
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16	<p>(a) "Sampling method provides better results than Census method" Do you agree with this statement. If so, give arguments in favour of your answer.</p> <p>(b) Prepare a frequency distribution by inclusive method taking class interval of 6 from the following data:</p> <table border="1"> <tbody> <tr><td>5</td><td>8</td><td>12</td><td>17</td><td>34</td><td>25</td><td>35</td><td>12</td><td>10</td><td>20</td></tr> <tr><td>4</td><td>3</td><td>29</td><td>27</td><td>33</td><td>36</td><td>1</td><td>29</td><td>12</td><td>32</td></tr> <tr><td>23</td><td>24</td><td>27</td><td>31</td><td>10</td><td>11</td><td>13</td><td>15</td><td>2</td><td>7</td></tr> <tr><td>14</td><td>18</td><td>24</td><td>30</td><td>36</td><td>7</td><td>21</td><td>13</td><td>6</td><td>9</td></tr> </tbody> </table> <p>(a) "नमूना पद्धति जनगणना पद्धति की तुलना में बेहतर परिणाम प्रदान करती है" क्या आप इस कथन से सहमत हैं। यदि हाँ, तो अपने उत्तर के पक्ष में तर्क दीजिए।</p> <p>(b) निम्नलिखित आंकड़ों से 6 का वर्ग अंतराल लेकर समावेशी विधि द्वारा भारतवर्ष वितरण तैयार करें:</p> <table border="1"> <tbody> <tr><td>5</td><td>8</td><td>12</td><td>17</td><td>34</td><td>25</td><td>35</td><td>12</td><td>10</td><td>20</td></tr> <tr><td>4</td><td>3</td><td>29</td><td>27</td><td>33</td><td>36</td><td>1</td><td>29</td><td>12</td><td>32</td></tr> <tr><td>23</td><td>24</td><td>27</td><td>31</td><td>10</td><td>11</td><td>13</td><td>15</td><td>2</td><td>7</td></tr> <tr><td>14</td><td>18</td><td>24</td><td>30</td><td>36</td><td>7</td><td>21</td><td>13</td><td>6</td><td>9</td></tr> </tbody> </table>	5	8	12	17	34	25	35	12	10	20	4	3	29	27	33	36	1	29	12	32	23	24	27	31	10	11	13	15	2	7	14	18	24	30	36	7	21	13	6	9	5	8	12	17	34	25	35	12	10	20	4	3	29	27	33	36	1	29	12	32	23	24	27	31	10	11	13	15	2	7	14	18	24	30	36	7	21	13	6	9	3+3 = 6
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17	<p>Examine the benefits of (a) Whole sale price index and (b) Consumer price index in Economics.</p> <p>(a) थोक बिक्री मूल्य सूचकांक और (b) अर्थशास्त्र में उपभोक्ता मूल्य सूचकांक के लाभों की जांच करें।</p>	6																																																																																
	PART – B MICROECONOMICS																																																																																	
18	<p>From the statement given below, identify the statement which is false.</p> <p>(a) Production possibility frontier is concave to the origin when the Marginal Rate of Transformation (MRT) Increases.</p> <p>(b) An economy always produces on PPC, if resources are fully and efficiently utilized.</p> <p>(c) Massive unemployment will shift the PPC to the right.</p> <p>(d) PPC shift toward right when there is growth of resources.</p> <p>नीचे दिए गए कथन से उस कथन की पहचान कीजिए जो असत्य है।</p> <p>(a) परिवर्तन की सीमांत दर (एमआरटी) बढ़ने पर उत्पादन संभावना सीमा मूल के लिए अवतल होती है।</p> <p>(b) एक अर्थव्यवस्था हमेशा पीपीसी पर उत्पादन करती है, अगर संसाधनों का पूरी तरह और कुशलता से उपयोग किया जाता है।</p> <p>(c) भारी बेरोजगारी पीपीसी को दाँई ओर स्थानांतरित कर देगी।</p> <p>(d) संसाधनों की वृद्धि होने पर पीपीसी दाँई ओर शिफ्ट हो जाती है।</p>																																																																																	
19	<p>State whether the following statement is true or false:</p>	1																																																																																

A consumer consumes only two goods X and Y. Marginal utilities of Good X and Y are 4 and 5 respectively. Price of good X and Y is Rs. 2 per unit and the consumer is in equilibrium.

OR

Read the diagram given below and find that it belongs to which type of elasticity of demand? (Choose the correct alternative)



- (a) Elastic demand ($Ed > 1$) (b) Inelastic demand ($Ed < 1$)
 (c) Perfectly elastic demand ($Ed = \infty$) (d) Unitary elastic demand ($Ed = 1$)

बताएं कि निम्नलिखित कथन सही है या गलत :

एक उपभोक्ता केवल दो वस्तुओं X और Y का उपभोग करता है। वस्तु X और Y की सीमांत उपयोगिताएँ क्रमशः 4 और 5 हैं। अच्छे X और Y की कीमत रु 2 प्रति यूनिट और उपभोक्ता संतुलन में है।

या

नीचे दिए गए आरेख को पढ़िए और जात कीजिए कि यह मांग की किस प्रकार की लोच से संबंधित है? (सही विकल्प का चयन करें)

- (a) लोचदार मांग ($Ed > 1$) (b) लोचदार मांग ($Ed < 1$)
 (c) पूरी तरह से लोचदार मांग ($Ed=\infty$) (d) एकात्मक लोचदार मांग ($Ed=1$)

20

Read the following statements and choose the correct alternatives given below:

Statement 1: Substitute goods are those goods if the rise in price of Good X causes rise in demand for Good Y.

Statement 2: The demand for a Complimentary good rises if the price of other complimentary good rises.

Alternatives:

- (a) Both the statements are true.
 (b) Both the statements are false
 (c) Statement 1 is true and statement 2 is false.
 (d) Statement 2 is true and statement 1 is false.

निम्नलिखित कथनों को पढ़िए और नीचे दिए गए विकल्पों में से सही विकल्प चुनिए:

कथन 1 : स्थानापन्न वस्तुएँ वे वस्तुएँ हैं यदि वस्तु X की कीमत में वृद्धि के कारण वस्तु Y की मांग में वृद्धि होती है।

1

	<p style="text-align: right;">Business standard Dated July,18th,2022.</p> <p>Identify the most likely impact on the supply of goods whose GST rates were increased from the following:</p> <p>(a) Increase (b) decrease (c) Only (a) (d) Both (a) and (b)</p> <p>"पिछले महीने चंडीगढ़ में केंद्रीय वित्त मंत्री निर्मला सीतारमण की अध्यक्षता में 47 वीं परिषद की बैठक में कई वस्तुओं पर जीएसटी दरों में बढ़ोतरी की गई थी" - बिजनेस स्टैंडर्ड दिनांक 18 जुलाई, 2022।</p> <p>उन वस्तुओं की आपूर्ति पर सबसे संभावित प्रभाव की पहचान करें जिनकी जीएसटी दरों में निम्नलिखित से वृद्धि की गई थी:</p> <p>(a) वृद्धि (b) कमी (c) केवल (a) (d) दोनों (a) और (b)</p>	
	<p>Read the following text and answer the questions 26 & 27</p> <p>It is not very uncommon to come across instances where government fixes a maximum allowable price for certain goods. The government-imposed upper limit on the price of a good or service is called price ceiling. Price ceiling is generally imposed on necessary items like wheat, rice, kerosene, sugar.</p> <p>For certain goods and services, fall in price below a particular level is not desirable and hence the government sets floors or minimum prices for these goods and services. The government imposed lower limit on the price that may be charged for a particular good or service is called price floor.</p> <p>निम्नलिखित को पढ़िए और 26 और 27 के प्रश्नों के उत्तर दीजिए।</p> <p>ऐसे उदाहरणों का आना बहुत असामान्य नहीं है जहां सरकार कुछ वस्तुओं के लिए अधिकतम स्वीकार्य मूल्य तय करती है। किसी वस्तु या सेवा की कीमत पर सरकार द्वारा लगाई गई ऊपरी सीमा को मूल्य सीमा कहा जाता है। मूल्य सीमा आमतौर पर गेहूं, चावल, मिट्टी के तेल, चीनी जैसी आवश्यक वस्तुओं पर लगाई जाती है। कुछ वस्तुओं और सेवाओं के लिए, एक विशेष स्तर से नीचे कीमत में गिरावट वांछनीय नहीं है और इसलिए सरकार इन वस्तुओं और सेवाओं के लिए न्यूनतम या न्यूनतम मूल्य निर्धारित करती है। सरकार ने उस कीमत पर निचली सीमा लगाई जो किसी विशेष वस्तु या सेवा के लिए ली जा सकती है, जिसे मूल्य मंजिल कहा जाता है।</p>	
26	<p>The price ceiling is _____ (Choose the correct alternative)</p> <p>(a) Above the equilibrium price (b) Below the equilibrium price. (c) Equilibrium price (d) Both (a) and (b)</p> <p>मूल्य सीमा _____ है (सही विकल्प चुनें)</p> <p>(a) संतुलन कीमत से ऊपर (b) संतुलन कीमत के नीचे। (c) संतुलन मूल्य (d) दोनों (a) और (b)</p>	1
27	<p>Most well-known examples of imposition of price floor is/are _____ (Choose the correct alternative)</p> <p>(a) Maximum Support Price (b) Minimum Support Price (c) Minimum wage legislation (d) Both (b) and (c)</p> <p>निम्नतम निर्धारित कीमत लगाने के सबसे प्रसिद्ध उदाहरण _____ हैं (सही विकल्प चुनें)</p>	1

33	<p>What is indifference curve? Explain consumer's equilibrium under the indifference curve approach with diagram? उदासीनता वक्र क्या है? उदासीनता वक्र उपागम के अंतर्गत उपभोक्ता के संतुलन को चित्र सहित समझाइए ?</p>	2+4
34	<p>Explain the law of variable proportions through the behavior of total product and marginal product. In which stage, a rational producer stops the production and why? OR Explain the marginal cost and marginal revenue approach for producer's equilibrium with the help of schedule and diagram. कुल उत्पाद और सीमांत उत्पाद के व्यवहार के माध्यम से परिवर्तनशील अनुपात के नियम की व्याख्या करें। एक विवेकशील उत्पादक किस अवस्था में उत्पादन रोक देता है और क्यों? या अनुसूची और आरेख की सहायता से उत्पादक के संतुलन के लिए सीमांत लागत और सीमांत राजस्व दृष्टिकोण की व्याख्या करें।</p>	4+2

SAMPLE PAPER 2022-23 SET-II
CLASS XI (030) ECONOMICS
MARKING SCHEME

PART-A STATISTICS

Q. NO.	EXPECTED ANSWER	MARKS																
1	c) both (a)and(b)	1																
2	a) Primary data	1																
3	c) Groups of related data in different classes	1																
4	b) Ramesh has a rupees hundred note in his pocket.	1																
5	c) Ogive	1																
6	b) cost of living index	1																
7	Extreme	1																
8	c) -1 OR c) a highest frequency value	1																
9	a) Same OR b) 6 columns	1																
10	c) Scatter diagram OR d) Mode = 3 Median – 2 Mean	1																
11	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">X</td><td style="padding: 2px;">2</td><td style="padding: 2px;">4</td><td style="padding: 2px;">6</td><td style="padding: 2px;">8</td><td style="padding: 2px;">10</td><td style="padding: 2px;">$\sum \bar{x} = 30$</td><td style="padding: 2px;"></td></tr> <tr> <td style="padding: 2px;">D(x- \bar{x})</td><td style="padding: 2px;">-4</td><td style="padding: 2px;">-2</td><td style="padding: 2px;">0</td><td style="padding: 2px;">2</td><td style="padding: 2px;">4</td><td style="padding: 2px;">$\sum D = 0$</td><td style="padding: 2px;"></td></tr> </table> <p style="margin-top: -10px;">Mean= $30/5=6$</p>	X	2	4	6	8	10	$\sum \bar{x} = 30$		D(x- \bar{x})	-4	-2	0	2	4	$\sum D = 0$		3
X	2	4	6	8	10	$\sum \bar{x} = 30$												
D(x- \bar{x})	-4	-2	0	2	4	$\sum D = 0$												
12	<p>Rank Coefficient of Correlation is the method of determination of coefficient of correlation.</p> <p>It is also named Spearman's Coefficient of Correlation. It measures the linear association between ranks assigned to individual items according to their attributes.</p> <p>OR</p> <ol style="list-style-type: none"> 1) Correlation coefficient remains in the same measurement as in which the two variables are. 2) The sign which correlations of coefficient have will always be the same as the variance. 3) The numerical value of correlation of coefficient will be in between -1 to + 1. 	3																
13	<p>Pie chart division</p> <p>Self-employed =208.8°</p> <p>Casual worker =104.4°</p>  <p style="text-align: center;"> ■ self employed ■ casual worker ■ regular salaried </p> <p style="text-align: center;">Regular salaried=46.8°</p>	4																

	<p>OR</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Series 1</th> <th>Series 2</th> <th>Series 3</th> </tr> </thead> <tbody> <tr> <td>Category 1</td> <td>~50</td> <td>~25</td> <td>~28</td> </tr> <tr> <td>Category 2</td> <td>~45</td> <td>~25</td> <td>~30</td> </tr> </tbody> </table>	Category	Series 1	Series 2	Series 3	Category 1	~50	~25	~28	Category 2	~45	~25	~30			
Category	Series 1	Series 2	Series 3													
Category 1	~50	~25	~28													
Category 2	~45	~25	~30													
14	Arithmetic mean answer = 167.5	4														
15	Rank correlation coefficient answer = 0.478	4														
16	<p>a) Yes, sampling method provides better results than Census method” Explain arguments out of following basis.</p> <p>Accuracy More efficient Less time and energy consuming Economical Less statistical error</p> <p>B)</p> <table border="1"> <thead> <tr> <th>Class inter val</th> <th>Less than 6</th> <th>Less than 12</th> <th>Less than 18</th> <th>Less than 24</th> <th>Less than 30</th> <th>Less than 36</th> </tr> </thead> <tbody> <tr> <td>CF</td> <td>5</td> <td>13</td> <td>20</td> <td>22</td> <td>29</td> <td>36</td> </tr> </tbody> </table>	Class inter val	Less than 6	Less than 12	Less than 18	Less than 24	Less than 30	Less than 36	CF	5	13	20	22	29	36	6
Class inter val	Less than 6	Less than 12	Less than 18	Less than 24	Less than 30	Less than 36										
CF	5	13	20	22	29	36										
17	<p>a) WPI has been in use in India since many years so the calculation is fairly easy. It has over time developed and taken into its circle few of the important factors that need to be considered. WPI measures inflation at each stage of production. WPI is the basis for the economic deflation rate.</p> <p>b) CPI measures the price of consumer goods and how they're trending. It's a tool for measuring how the economy as a whole is faring when it comes to inflation or deflation. When planning how you spend or save your money, the CPI can influence your decisions.</p>	6														
PART -B INTRODUCTORY MICROECONOICS																
Q.	EXPECTED ANSWERS	MARKS														
18	(c) Massive unemployment will shift the PPC to the right.	1														
19	No consumer not in equilibrium OR (b) Inelastic demand ($Ed < 1$)	1														
20	(c) Statement 1 is true and statement 2 is false	1														
21	(a) Expansion of demand	1														
22	(d) A-(iv), B-(iii), C-(ii), D-(i)	1														
23	Assertion(A) is true but reason (R) is false	1														
24	(d) TFC first rises then falls.	1														
25	c) 20, 76	1														

	OR (b) may decrease	
26	(b) Below the equilibrium price.	1
27	d) Both (b) and (c)	1
28	<p>The main causes of economic problems are:</p> <p>Unlimited human wants</p> <p>Scarcity of resources</p> <p>Limited resources have alternative uses</p> <p>The problem of 'how to produce' means which combination of resources is to be used for the production of goods and which technology is to be made use of in production. This is related to choose of techniques of production between labour intensive technique and capital-intensive technique. If a country wants rapid economic growth, capital intensive technique will be beneficial. If a economy want to generate more employment then it adopt labour intensive technique.</p>	3
29	<p>a. Technological progress is an important determinant of supply of goods by a firm. Technological improvement tends to lower the cost of production since better technology facilitates higher output with the same inputs. Accordingly, the producer is willing to supply more at the existing price.</p> <p>b. Increase in the price of an input shifts the marginal cost curve upward. Accordingly, the supply curve shifts upward or to the left implying less supply at the same price (i.e., same supply at a higher price)</p> <p style="text-align: center;">OR</p> <p>$TC = TVC + TFC$, TC is the sum of TVC and TFC. TC and TVC are parallel to each other. TFC is parallel to the x-axis. TVC is 0 at 0 levels of output, TVC increases with the increase in the level of output as well as TC increases with the increase in the level of output.</p>	3
30	<p>The consumer is not in equilibrium. The consumer would react to this situation by increasing the consumption of X in place of Y, because of rupee worth of satisfaction in case of X (MU_x/P_x) is greater than in case of Y (MU_y/P_y)</p> <p>According to the utility approach, a consumer reaches equilibrium where the following equality is met.</p> $P_x/MU_x = P_y/MU_y$ <p>According to the given question:</p> $P_x/MU_x = 45/1.25 = 1.25$ $P_y/MU_y = 54/0.8 = 67.5$	4

	<p>Since, P_x/MU_x is greater than P_y/MU_y.</p> <p>Thus, the consumer is not in equilibrium. In order to reach the equilibrium, a rational consumer would increase the consumption of good X and decrease that of good Y.</p>	
31	<p>Price Elasticity of Demand = Percentage change in quantity / Percentage change in price.</p> <p>Price Elasticity of Demand = $P/Q \times \Delta Q/\Delta P$</p> $1.5 = 10/50 \times \Delta Q/2$ $1.5 = \Delta Q/10$ $\Delta Q = 15$ <p>As price increase quantity demanded will be decrease. Then new quantity will be $50 - 15 = 35$.</p>	4
32	<p>A) It implies that by varying his demand, an individual buyer cannot affect total market demand for a commodity. Accordingly, an individual buyer cannot influence market price of the commodity. So that, for an individual buyer, market price is given. He can buy any quantity at the existing price of the commodity.</p> <p>B) This free entry and exit of the firms ensure that in the long run no firm earns either abnormal losses or abnormal profits, i.e., all firms earn zero economic profit (normal profit).</p> <p style="text-align: center;">OR</p> <p>It will increase the equilibrium price of particular commodity in market and increase the quantity also. New Equilibrium point will be shift to forward on a higher position due to this equilibrium price and quantity both will increase.</p>	4
33	<p>An indifference curve is a graph showing combination of two goods that give the consumer equal satisfaction and utility. Each point on an indifference curve indicates that a consumer is indifferent between the two and all points give him the same utility. Consumer's equilibrium refers to a situation when a consumer maximises his satisfaction, spending his given income across different goods and services.</p> <p>In terms of IC analysis, a consumer attains equilibrium when:</p> <ul style="list-style-type: none"> (i) IC and the budget line are tangent to each other, i.e. when the slope of IC equals the price ratio of the goods. (ii) IC is convex to the origin, at the point of equilibrium. <p>In fig. AB is the budget or price line. IC₁, IC₂ and IC₃ are indifference curves. A consumer can buy any of the combinations, A, B, C, D and E of good X and good Y shown on the price line AB. He cannot attain any combination on IC₃ as it is</p>	6

	<p>above the price line AB. He can buy those combinations which are not only on the price line AB but also coincide with the highest indifference curve which is IC2 in this case. Out of A, B, C, D and E combinations, the consumer will be in equilibrium at combination 'E' because at this point, the price line (AB) is tangent to the highest indifference curve IC2. No doubt, the consumer can buy 'C' or 'D' combinations as well but these will not give him maximum satisfaction as they are situated on lower indifference curve IC1. It means that the consumer's equilibrium point is the point of tangency of price line and indifference curve. At equilibrium,</p> <p>Slope of indifference curve = Slope of budget or price line or $MRS_{XY} = P_X/P_Y$</p> <p>Also, at point E, IC2 is convex to the origin. Accordingly, equilibrium is stable. In a state of equilibrium, the consumer is buying OL amount of good Y and OM amount of good X. It is here that he is maximising his satisfaction. Any departure from this point would only mean lesser satisfaction.</p>	
34	<p>Law of Variable Proportion is regarded as an important theory in Economics. It is referred to as the law which states that when the quantity of one factor of production is increased, while keeping all other factors constant, it will result in the decline of the marginal product of that factor.</p> <p>Law of variable proportion is also known as the Law of Proportionality. When the variable factor becomes more, it can lead to negative value of the marginal product.</p> <p>The law of variable proportion can be understood in the following way.</p> <p>When variable factor is increased while keeping all other factors constant, the total product will increase initially at an increasing rate, next it will be increasing at a diminishing rate and eventually there will be decline in the rate of production.</p> <p>Stages of Law of Variable Proportion</p> <p>The Law of Variable proportions has three stages, which are discussed below.</p> <ol style="list-style-type: none"> 1. First Stage or Stage of Increasing returns: In this stage, the total product increases at an increasing rate. This happens because the efficiency of the fixed factors increases with addition of variable inputs to the product. 2. Second Stage or Stage of Diminishing Returns: In this stage, the total product increases at a diminishing rate until it reaches the maximum point. The marginal and average product are positive but diminishing gradually. 3. Third Stage or Stage of Negative Returns: In this stage, the total product declines and the marginal product becomes negative. 	6

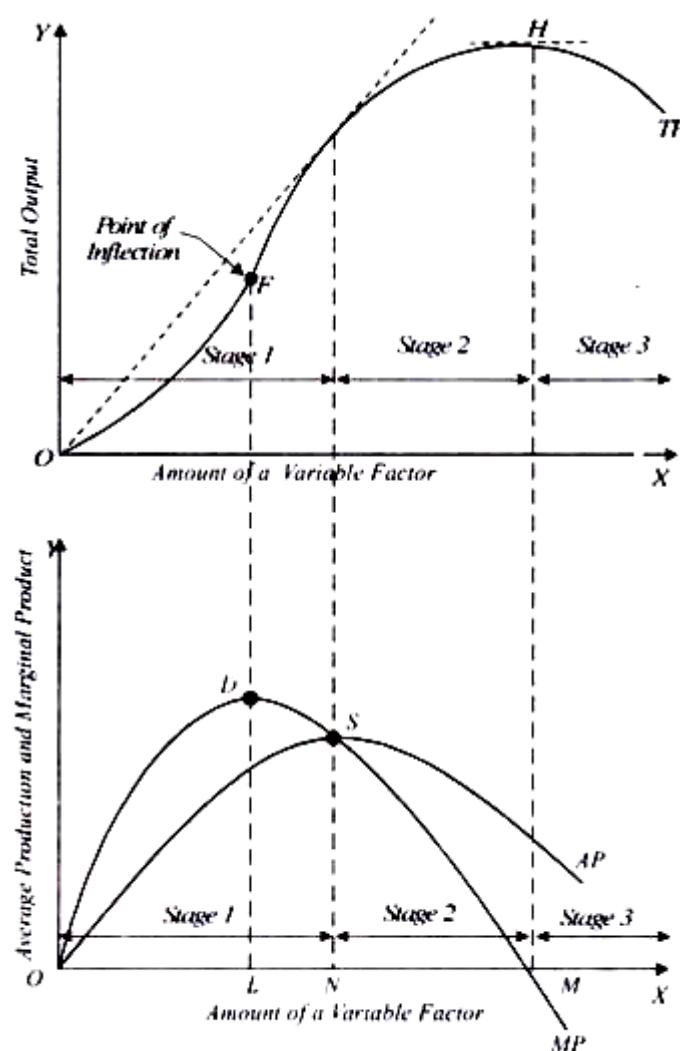


Fig. 16.3. Three Stages of the Law of Variable Proportions

In Second Stage or Stage of Diminishing Returns: where the total product increases at a diminishing rate producer stops the production because total product reaches the maximum point. The marginal and average product are positive but diminishing gradually. Producing more or going into third stage decrease the TP and MP will be negative.

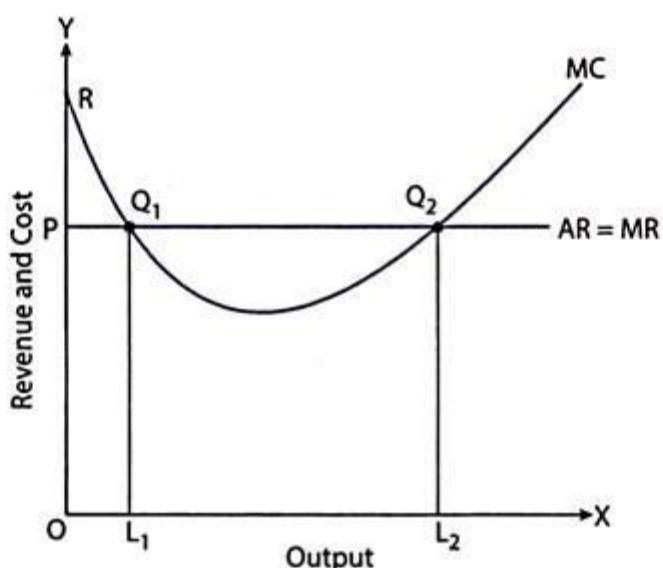
producer's equilibrium is often explained in terms of marginal revenue (MR) and marginal cost (MC) of production. Profit is maximized (or a producer strikes his equilibrium) when two conditions are satisfied – (i) $MR = MC$, and (ii) MC is rising (or MC is greater than MR beyond the point of equilibrium output). Let us understand the significance/rationale of these conditions with reference to Table 1.

Table 1. MR, MC and Producer's Equilibrium

Q (Units of Output)	MR (₹)	MC (₹)
1	12	15
2	12	12
3	12	10
4	12	9
5	12	8
6	12	7
7	12	8
8	12	9
9	12	10
10	12	12
11	12	15

In Table 1, $MR = MC$ in two situations – (i) when 2 units of output are produced, and (ii) when 10 units of output are produced. However, while in situation 1 (when output = 2 units) MC is falling, in situation 2 (when output = 10 units) MC is rising. A producer will strike his equilibrium only when MC is rising.

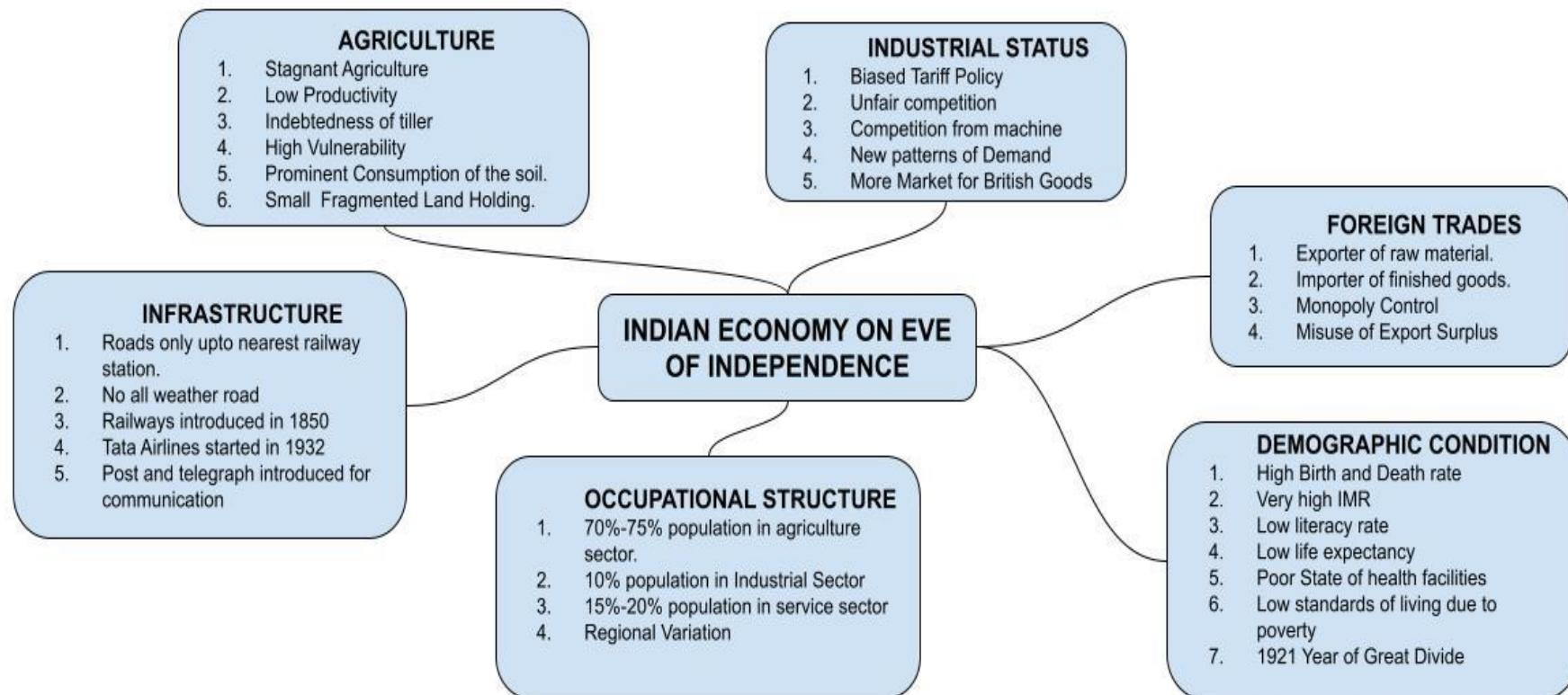
Implying that the equilibrium will be struck when 10 units of output are produced, not when 2 units of output are produced. Reason is simple. Given the price, falling MC only increases the difference between TR and TVC (recall, $\Sigma MC = TVC$, and $\Sigma MR = TR$). So that $TR - TVC$ tends to rise, or that profits tend to rise in a situation of falling MC.

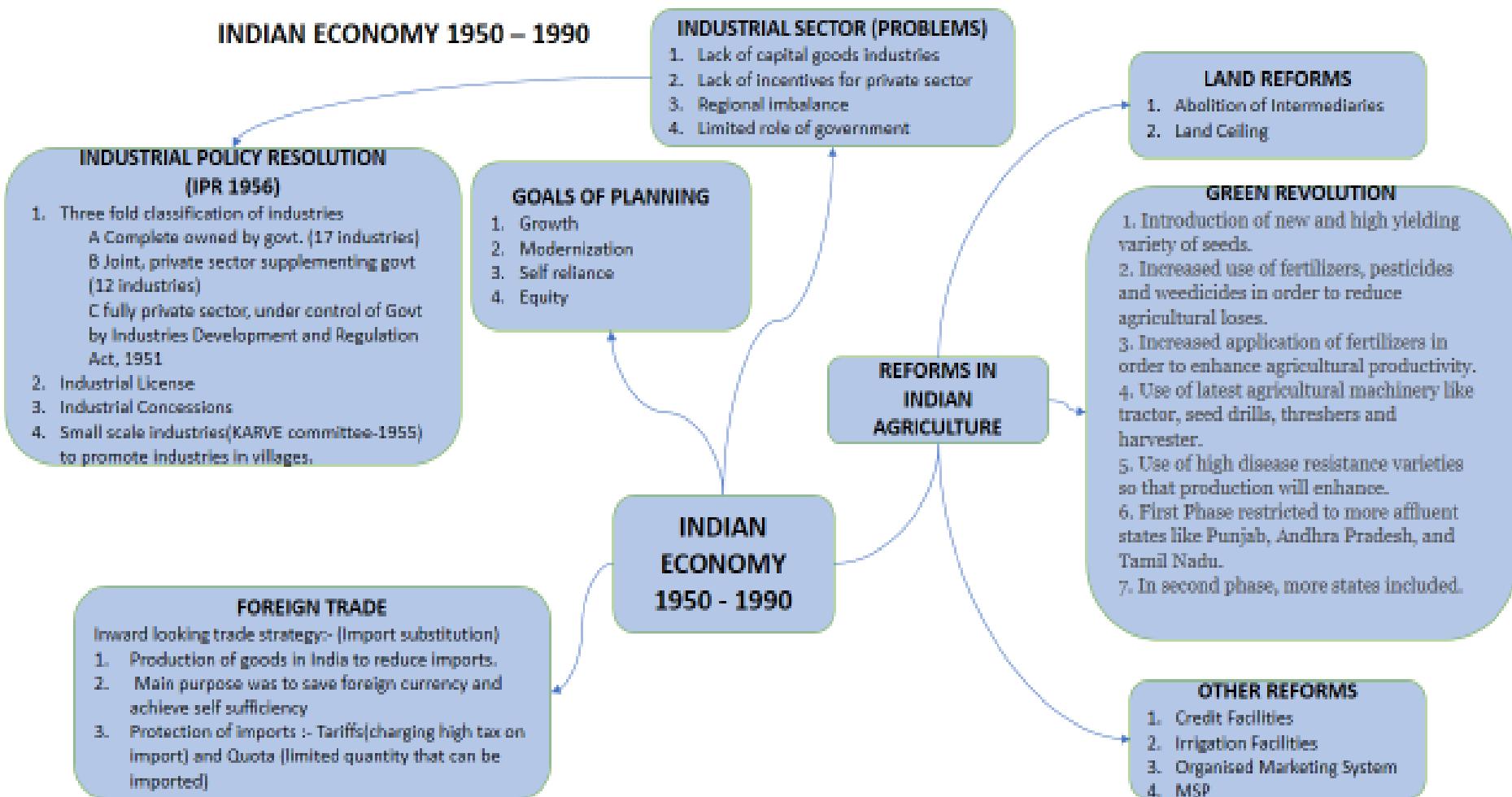
FIGURE 1

Note: Fig. 1 is drawn on the assumption that AR is constant for a firm and is equal to OP. It is as in a situation of perfect competition. Constant AR implies constant MR. Accordingly, $AR = MR$, and both are indicated by a horizontal straight line, parallel to X-axis.

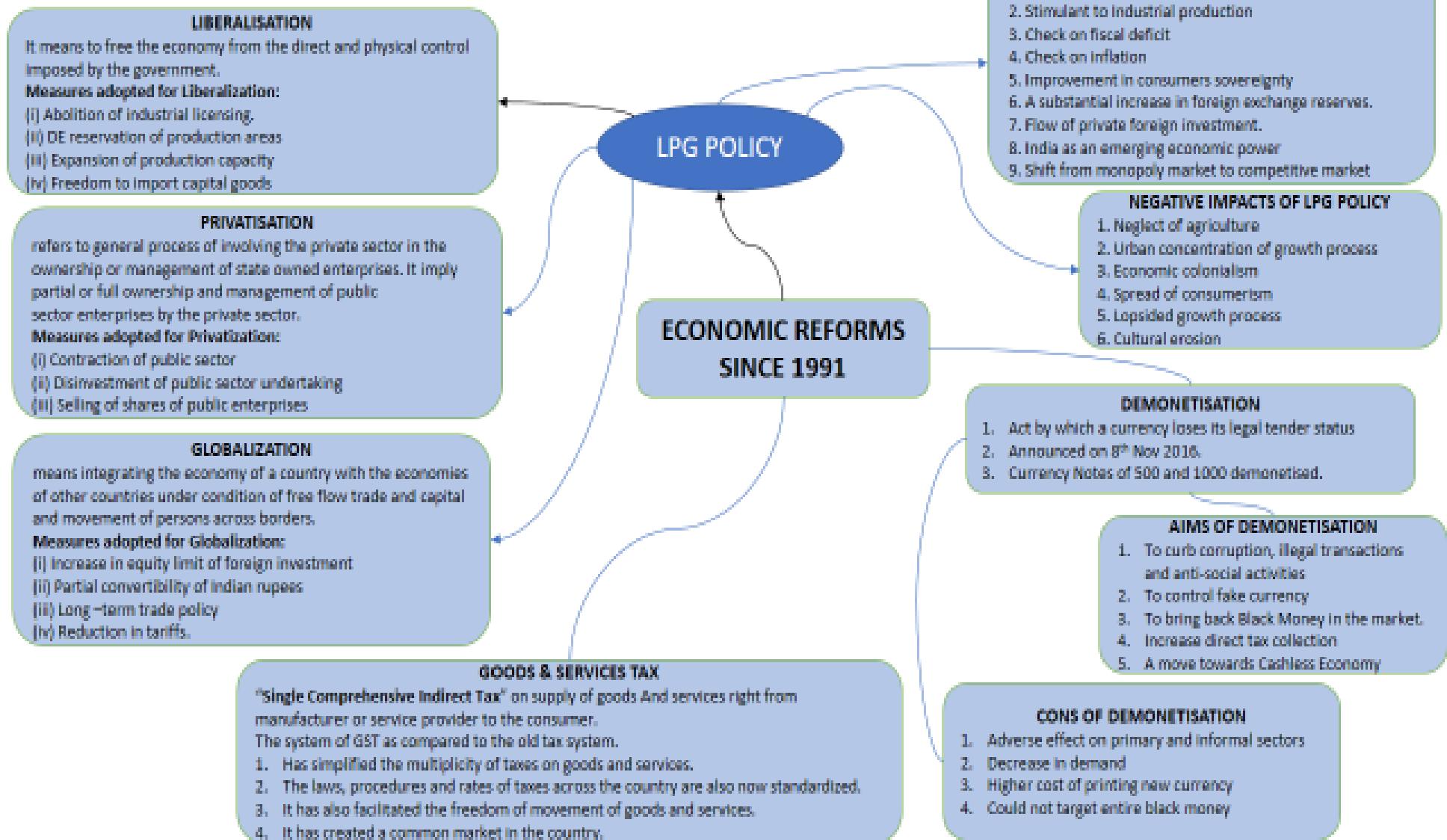
CONCEPT MAPS

INDIAN ECONOMY ON EVE OF INDEPENDENCE

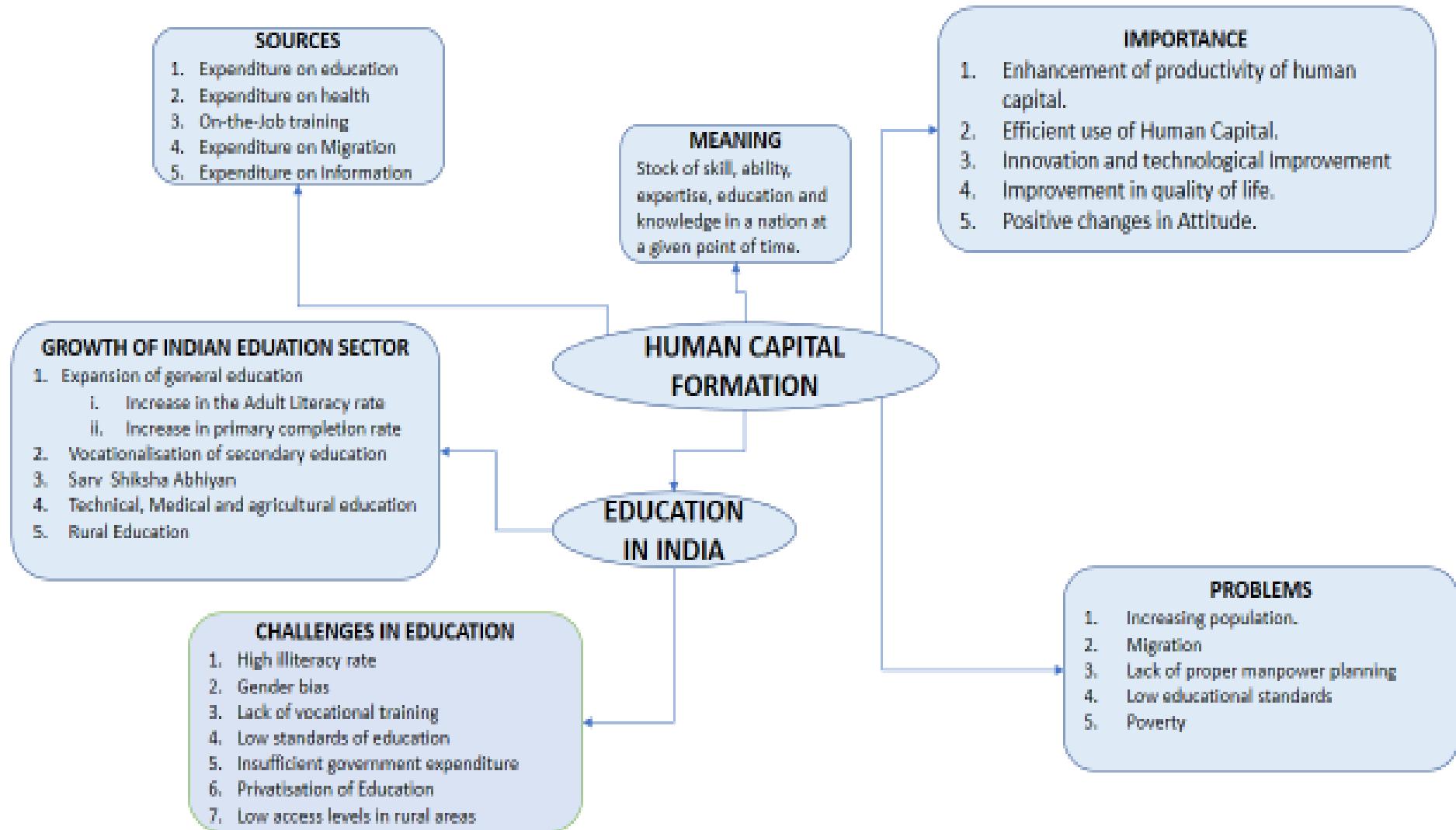




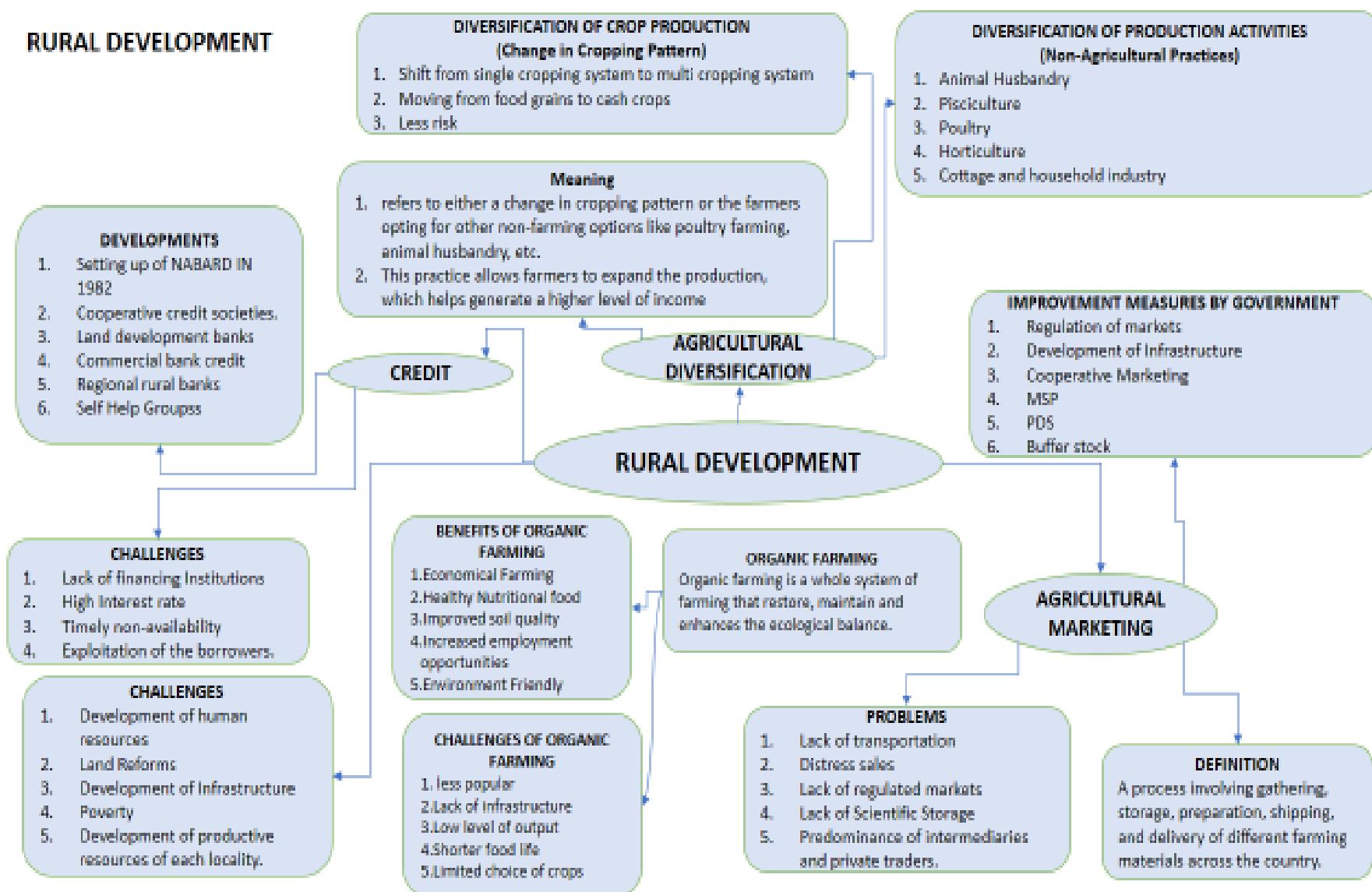
ECONOMIC REFORMS SINCE 1991



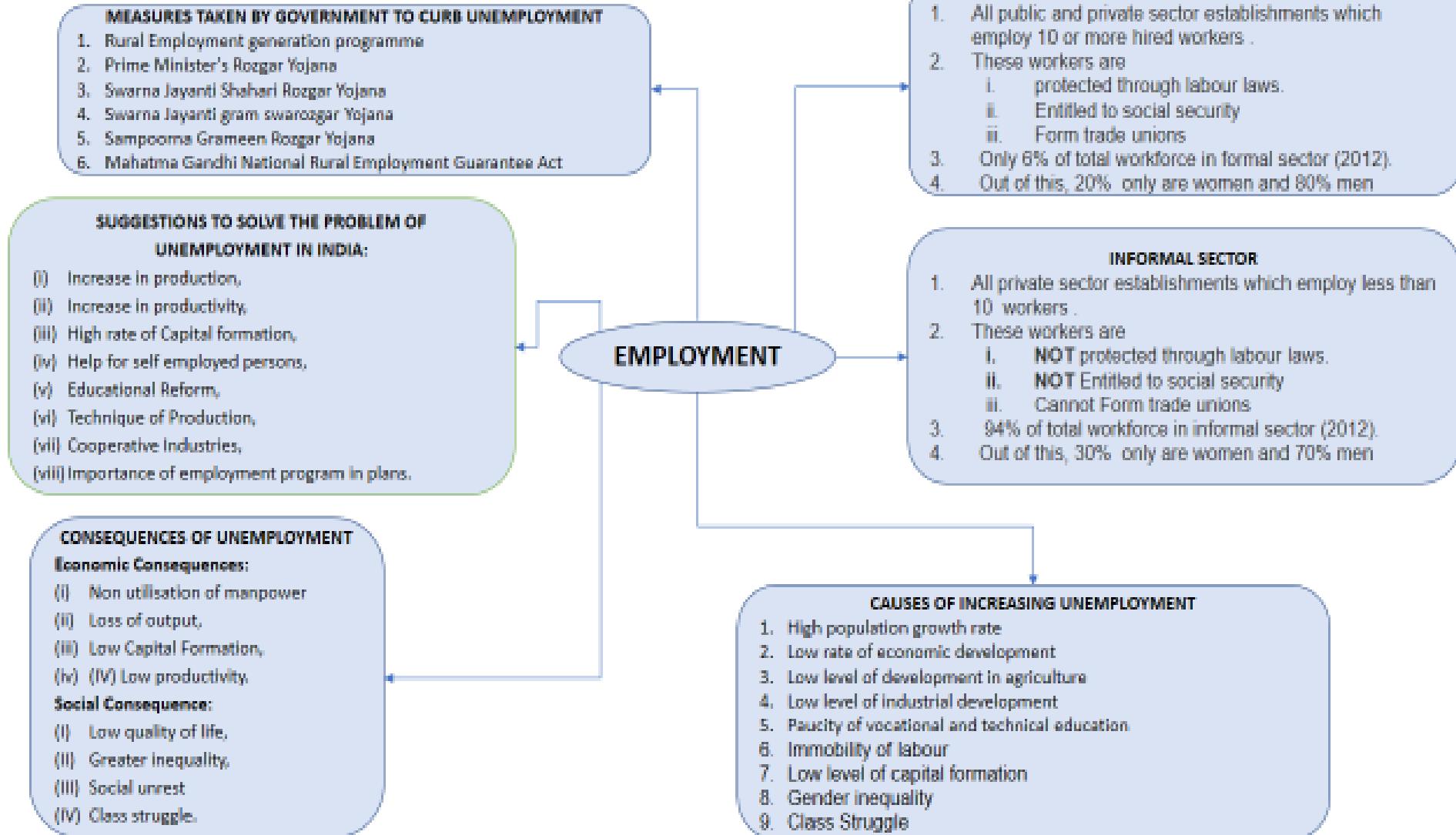
HUMAN CAPITAL FORMATION



RURAL DEVELOPMENT



EMPLOYMENT



SUSTAINABLE DEVELOPMENT

