Class XII Session 2026-27
Subject - Economics
Sample Question Paper - 7

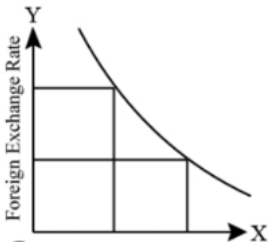
Time Allowed: 3 hours **Maximum Marks: 80**

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.

SECTION A – MACRO ECONOMICS

1. The downward-sloping demand curve for foreign exchange reflects **[1]**



a) Indirect relationship
b) Inverse relationship
c) Exponential relationship
d) Direct relationship

2. _____ releases data of money supply in India. **[1]**

a) State Bank of India
b) Commercial Banks
c) Reserve Bank of India
d) Corporation Bank

3. In a two-sector economy, the Aggregate Demand can be determined by adding _____ and _____. **[1]**

a) consumption, investments
b) investments, savings
c) savings, exports
d) consumption, savings

4. **Statement 1:** Accommodating transactions take place on both current and capital accounts. **[1]**

Statement 2: Autonomous transactions are undertaken to maintain the balance in BOP account.

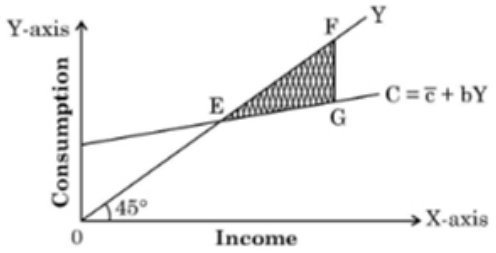
a) Statement 2 is true and Statement 1 is false.

b) Both the Statements are false.

c) Both the Statements are true.

d) Statement 1 is true and Statement 2 is false.

5. Identify, what does the shaded area (△EFG) , in the given figure indicate? **[1]**



I. Consumption > Income

II. Saving = Zero (0)

III. Consumption < Income

IV. Saving < Zero (0)

a) II and III

b) III and IV

c) I and IV

d) I and II

6. Due to the appreciation of the domestic currency, _____. **[1]**

a) None on these

b) Imports rise

c) Exports rise

d) Imports falls

7. Read the following statements carefully: **[1]**

Statement 1: The induced consumption shows, the direct relation between consumption and income.

Statement 2: With a certain increase in income, induced consumption also increases.

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

a) Statement 1 is false and Statement 2 is true.

b) Statement 1 is true and Statement 2 is false.

c) Both Statements 1 and 2 are false.

d) Both Statements 1 and 2 are true.

8. If in an economy, actual aggregate demand falls short of demand required to maintain the full employment level, such a situation would be known as _____. **[1]**

a) Excess demand

b) Full employment equilibrium

c) Deflationary gap

d) Inflationary gap

9. **Assertion (A):** Static function of money helps to regulate the economic system. **[1]**

Reason (R): Static function of money does not simulate the system to a higher level of growth and development.

a) Both A and R are true and R is the correct explanation of A.

b) Both A and R are true but R is not the correct explanation of A.

c) A is true but R is false. d) A is false but R is true.

10. A car purchased by a household is a _____. **[1]**
(Choose the correct alternative)

a) single use consumer good b) durable consumer good

c) single use capital good d) semi-durable consumer good

11. Define **Trade Surplus** and **Trade Deficit**. **[3]**

12. Classify the following statements into positive economics or normative economics, with suitable reasons: **[3]**

a. The autonomy of the central bank of a country should be maintained as per the law.

b. Nominal Gross Domestic Product (GDP) is calculated on the basis of **current year prices**.

OR

Calculate GDP at MP.

Particulars	**₹ in crores**
(i) National Income	6,700
(ii) Consumption of Fixed Capital	180
(iii) Factor income from abroad	100
(iv) Indirect Taxes	130
(v) Subsidies	70
(vi) Factor income to abroad	150

13. Suppose for an economy, government proposes project for construction of expressways with an incremental investment of ₹ 1200 crore. Assuming, 80% of increase in income is spent on consumption. **[4]**
Estimate the following on the basis of above information:

a. Change in income (ΔY).

b. Change in consumption (ΔC).

OR

Suppose, an economy is in equilibrium. From the following data, calculate Investment Expenditure in the economy:

i. National Income = ₹ 10,000 crore

ii. Marginal Propensity to Save(MPS) = 0.2

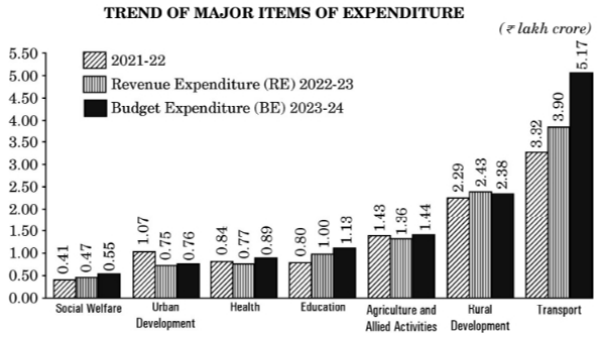
iii. Autonomous Consumption (c) = ₹ 200 crore

14. **Read the following text carefully:** **[4]**
According to a report issued by a research organisation, there is a sharp decline in the overall demand in the economy, particularly in the private consumption segment. This dip in the macro economic variables, highlights the urgent need for strategic actions to stimulate economic activities.
On the basis of the given text and common understanding, explain the measure which the government may take to solve the indicated problem.

15. i. Study the following chart carefully and analyse the changing trends in the government expenditure on: **[4]**

I. Transport

II. Rural Development



ii. Distinguish between **fiscal deficit** and **revenue deficit**.

16. **Answer question (A) or (B) the following:** **[6]**

i. **Answer the following questions:** **[3]**

i. Why are exports included in the estimation of domestic product by expenditure method? Explain.

ii. Explain briefly the term residents of a country.

ii. **Answer the following questions:** **[3]**

i. Giving reason state how the given is treated in the estimation of national income:

Expenditure on free services provided by the government, e.g. free educational services, free treatment of the poor in government hospitals, expenditure on providing public goods such as law and order (police service), defence services expenditure, street lighting, etc.

ii. Suppose the Gross Domestic Product (GDP) of Nation X was ₹ 2,000 crores in 2018-19, whereas the Gross Domestic Product of Nation Y in the same year was ₹ 120,000 crores. If the Gross Domestic Product of Nation X rises to ₹ 4,000 crores in 2019-20 and the Gross Domestic Product of Nation Y rises to ₹ 200,000 crores in 2019-20. Compare the rate of change of GDP of Nations X and Y, taking 2018-19 as base year.

17. Read the following text carefully. Answer the given questions on the basis of the same and common understanding: **[6]**

On 30th September 2022, the Reserve Bank of India (RBI) raised Repo Rate for the fourth time in a row. The Monetary Policy Committee (MPC) decided to raise the policy rate by 50 basis points. (1 basis point = $\frac{1}{100}^{th}$ of a percent). After this announcement, the new repo rate stands at 5.9%, while the reverse repo rate continues to stand at 3.35%.

Commercial banks borrow money from the Central Bank, when there is a shortage of funds. With the surge in the repo rate, borrowings by general public will become

costlier. This is because, as RBI hikes its repo rate, it becomes costly for the banks to borrow short term funds from the Central Bank.

As a result, the banks hike the rates at which customers borrow money from them to compensate for the hike in the repo rate. This happens because banks offer loans to retail consumers at an interest rate which is generally, directly proportional to the repo rate.

The increase of 0.50 percent in repo rate will lead to a higher interest rate on loans for borrowers, implying that the Equated Monthly Instalments (EMIs) for repaying the existing loans will also increase.

Source: https://www.businessstandard.com/article/economicpolicy/rbi-monetary policy-repo-rate-up-by-50bps-here-s-how-it-will-impact-you-122093000267 (Edited)

a. State the meaning of repo rate and reverse repo rate. (3)

b. In order to bring down the rate of inflation, outline and discuss the steps taken by the Monetary Policy Committee of Reserve Bank of India. (3)

SECTION B – INDIAN ECONOMIC DEVELOPMENT

18. _____ is geographically the largest nation among India, China and Pakistan and its density is _____ among the three nations. **[1]**

a) India, lowest
b) China, lowest
c) Pakistan, lowest
d) China, highest

19. Identify, which of the following does not indicate the similarities in the policies of India and Pakistan in the post 1947 period. **[1]**

a) Mixed economic system
b) Import substitution
c) Green revolution
d) Dual pricing policy

20. Identify, which of the following alternative is **not** associated with goals of economic planning in India. **[1]**

a) Ensuring equitable standard of living
b) Technological advancement
c) Promoting imports of luxury goods
d) Increase in economic growth

21. **Assertion (A):** Developed countries oppose outsourcing of work to India. **[1]**
Reason (R): Outsourcing reduce the income disparity between the two countries.

a) Both A and R are true and R is the correct explanation of A.
b) Both A and R are true but R is not the correct explanation of A.
c) A is true but R is false.
d) A is false but R is true.

22. Education Commission (1964-66) recommended _____ percent of GDP to be spent on education whereas the current level is _____. **[1]**

a) 6% and 4.6% respectively
b) 5% and 3.8% respectively
c) 7% and 6% respectively
d) 6% and 5.8% respectively

23. *Agriculture* is a dominant sector of our economy and *credit* plays an important role in increasing *agriculture* production. The following are the institutional sources of **[1]**

agricultural credit except:



a) Commercial banks
b) Money lenders
c) NABARD
d) Regional banks

24. Till _____ India, Pakistan and China had similar growth rates and per capita incomes. **[1]**

a) 1980
b) 1990
c) 1970
d) 1960

25. Select the correct combination between the following columns. **[1]**

Column A	Column B
(a) Socialism	(i) Coexistence of both public and public sector
(b) Capitalism	(ii) Produced goods are distributed on the basis of purchasing power of the people.
(c) Mixed economic system	(iii) What, how and for whom to produce
(d) Central problems of an economic system	(iv) Produced goods are distributed on the basis of need and not affordability.

a) (a) - (ii), (b) - (iv), (c) - (i), (d) - (iii)
b) (a) - (iv), (b) - (i), (c) - (ii), (d) - (iii)
c) (a) - (i), (b) - (iv), (c) - (ii), (d) - (iii)
d) (a) - (iv), (b) - (ii), (c) - (i), (d) - (iii)

26. In Delhi, the use of _____ as fuel in public transport system has significantly lowered air pollution. **[1]**

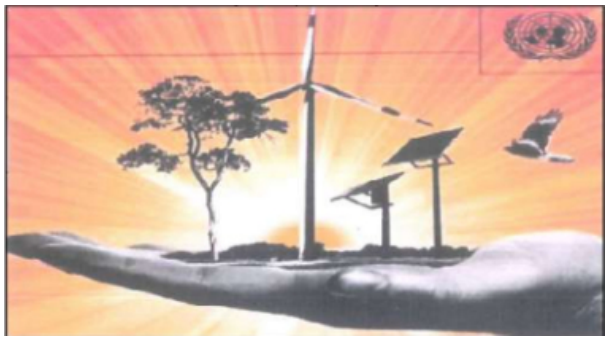
a) Diesel
b) petrol
c) LPG
d) CNG

27. **Statement I:** Agriculture productivity was very low during the British Rule. **[1]**
Statement II: In absolute terms, there was growth in agriculture sector due to expansion of aggregate area under cultivation.

a) Statement-I is true, Statement-II is false.
b) Statement-II is true, Statement-I is false.
c) Both the statements are false.
d) Both the statements are true.

28. In India women participation rate is lower in urban areas than in the rural areas. Explain with valid arguments. **[3]**

29. In order to protect the future of our planet, it is important to tackle carbon emissions. **[3]**



In the light of the above statement and image, discuss any two strategies to tackle this global concern.

OR

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

30. Distinguish between: **[4]**

i. Tariff and non-tariff Barriers,

ii. Bilateral and multilateral trade.

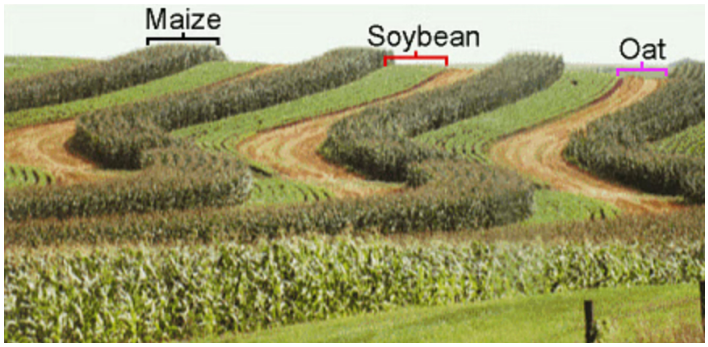
OR

Some economists believe that the economic reforms have adversely affected the agriculture sector in India.

Do you agree with the given statement? Justify your answer with valid reason.

31. State the meaning of import substitution. Explain how import substitution can protect the domestic industries. **[4]**

32. **[4]**



An image displays a field with monoculture farming and another with mixed cropping.

i. Identify both farming practices.

ii. State one benefit and one disadvantage of mixed cropping relative to monoculture for sustainability.

33. **Answer question (A) or (B) the following:** **[6]**

i. **Answer the following questions:** **[3]**

i. What are the advantages of organic farming?

ii. There are no benefits of diversification of agricultural activities: Do you agree?

ii. **Answer the following questions:** **[3]**

i. What is the current institutional structure of rural banking?

ii. Do you think various measures taken by the government to improve agricultural marketing are sufficient? Discuss.

34. **Read the following text carefully and answer the questions given below:** **[6]**

Trucks carrying goods from China began offloading containers 3 years back to ships at the Pakistani port of Gwadar, marking the operational opening of the Chinese built-and-financed China-Pakistan Economic Corridor (CPEC). The scale of the USD 51 billion infrastructure scheme will change Pakistan in ways that offer hope for easing its internal conflicts and its destabilizing fear of international isolation, experts said in a discussion at the U.S. Institute of Peace.

India and China: Opposite Directions

But CPEC, for now, offers little prospect of reducing China's and Pakistan's immediate tensions with India, panel members said. India is proposing its own transportation corridors that run in the opposite direction from those of China's "One Belt, One Road Initiative," an overall project intended to link China with Central Asia, Europe and East Asia. Theoretically, the Indian and Chinese projects could be linked, Zhao said. But mutual distrust precludes potential cooperation, he said.

"India remains vigilant and cautious, but they do somehow want to participate," he said.

How to bring in India is the biggest question facing the CPEC project, Nadim said. When Prime Minister Nawaz Sharif took office in 2013, his primary focus was improving relations with India, not China, Nadim said, adding that he's confident India remains a priority.

Sharif and his party recognize that the benefits of CPEC for Pakistan could be enhanced further with a significant easing of tensions with India, but that is likely further in the future, Nadim said "Realistically, the government of Pakistan isn't thinking beyond Balochistan," he said.

In the most hopeful scenario, CPEC could serve as the gateway for connecting Pakistan to India, Afghanistan, the Central Asian republics and even Iran, Rafiq said. "But the economic promise of regional integration is really held hostage by strategic challenges," he said.

India's long-running suspicions about the project were heightened by recent reports the Chinese navy intends to patrol Gwadar and that it provided an escort for the first ships leaving the port with Chinese cargo, said Sarah Watson an associate fellow and India specialist at the Center for Strategic and International Studies. More broadly, China's deepening involvement with Pakistan makes it more likely to move beyond traditional verbal support for its ally to military backing in case of a conflict with India, she said.

Questions:

i. Highlight the benefits of China-Pakistan Economic Corridor (CPEC) for Pakistan. (3)

ii. State the economic intention behind China's 'One Belt, One Road Initiative'. (3)

Solution

SECTION A – MACRO ECONOMICS

1.

(b) Inverse relationship
Explanation:
Negative slope always reflects inverse relationship.

2.

(c) Reserve Bank of India
Explanation:
Reserve Bank of India

3. **(a)** consumption, investments
Explanation:
Consumption, Investments

4.

(b) Both the Statements are false.
Explanation:
Both the Statements are false.

5. **(a)** II and III
Explanation:
II and III

6.

(b) Imports rise
Explanation:
Due to the appreciation of the domestic currency imports rise.

7.

(d) Both Statements 1 and 2 are true.
Explanation:
Both Statements 1 and 2 are true.

8.

(c) Deflationary gap
Explanation:
Deflationary gap

9.

(b) Both A and R are true but R is not the correct explanation of A.
Explanation:

The static function of money helps to regulate the economic system. The static function of money does not simulate the system to a higher level of growth and development.

10. **(b)** durable consumer good
Explanation:
Durable consumer good or final goods because it is not for resale or investment purpose.

11. **Trade surplus** Trade surplus is the situation where exports of goods are more than import of goods. While surplus in current account is the situation where inflow from visible (BoT) and invisible items is more then outflow from visible and invisible items i.e. trade surplus is only one component of current, while current account includes other factors including balance of visible trade, balance of Unilateral transfers and balance of Invisible transfer. So, a surplus in balance of trade may not lead to surplus in current account.
Trade deficit It refers to difference between the value of exports and imports when imports are greater than exports, it shows negative balance called deficit.

12. a. Normative statement- it deals with a situation as it 'ought to be'. so, autonomy of the central bank of a country should be maintained as per the law.
b. Positive statement- it deals with a real life situation, justifiable by facts.

OR

National Income = NNP_{FC}

$GDP_{MP} = NNP_{FC}$+180 - (100 - 150) + (130 - 70)

GDP_{MP} = 6,700 + 180 + 50 + 60

GDP_{MP} = 6,990 crores

13. Given, Change in Investment $(\Delta I) = ₹1,200$ crore
Marginal Propensity to Consume $(\text{MPC}) = 0.8$
a. As we know,
Investment Multiplier $(K) = \frac{1}{1-MPC}$
$= \frac{1}{1-0.8} = 5$
Change in Income $(\Delta Y) = K \times$ Change in Investment (ΔI)
$= 5 \times 1,200$
Change in Income $(\Delta Y) = ₹6,000$ crore
b. Marginal Propensity to Consume $(MPC) = \frac{\text{Change in Consumption } (\Delta C)}{\text{Change in Income } (\Delta Y)}$
$0.8 = \frac{\text{Change in Consumption } (\Delta C)}{6,000}$
Change in Consumption $(\Delta C) = ₹4,800$ crore

OR

Given, National Income (Y) = ₹ 10,000 crore
Marginal Propensity to Save (MPS) = 0.2
Autonomous Consumption ($\bar{c}$) = ₹ 200 crore
Marginal Propensity to Consume (MPC) = 1 - MPS
= 1 - 0.2 = 0.8
At equilibrium, Y = C + I
Y = $\bar{c}$ + (MPC) Y + I
10,000 = 200 + (0.8) $\times$ 10,000 + I
Investment Expenditure (I) = ₹ 1,800 crore

14. **The highlighted issue is deflation. To control deflation, the government may:**

- Decrease the tax rates which may increase the disposable income (purchasing power) in the hands of the general public. Consequently, it may lead to a rise in Aggregate Demand, thereby correcting the situation of deflation.
- Increase the public expenditure which may increase the level of income in the economy. Consequently, it may lead to a rise in Aggregate Demand, thereby correcting the situation of deflation.

15. i. As indicated in the given chart:

I. **Transport:** The expenditure on transport accounted for ₹ 3.32 lakh crore in the year 2021-22. In the year 2022-23, a Revenue expenditure of ₹ 3.90 lakh crore was allocated for this sector. Out of the total budget expenditure of the year 2023-24, ₹ 5.17 lakh crore was allocated to transport.

II. **Rural Development:** In the year 2021-22, the expenditure on rural development accounted for ₹ 2.29 lakh crore. In the year 2022-23, of the total revenue expenditure ₹ 2.43 lakh crore was allocated for rural development. ₹ 2.38 lakh crore was allocated for the development of rural sector from the total budget expenditure in the year 2023-24

ii. (a). Fiscal deficit refers to excess of the government's total expenditure over its total receipts excluding borrowing for a fiscal year."

(b). Revenue Deficit refers to the excess of government's revenue expenditure over revenue receipts for a fiscal year.

16. Answer question (A) or (B) the following:

(a) Answer the following questions:

i. Exports are included in the estimation of domestic product because all the goods and services which are exported are produced by the producers in the domestic economy, during the current year. For example, if foreigners purchase Indian handicrafts, it will be Indian exports. Such handicrafts must have been produced in India. Imports are the domestic product of other countries. Hence, net exports (exports - imports) are included in the estimation of domestic product by expenditure method.

ii. The term "residents of a country" refer to the persons who ordinarily reside in a country and whose economic interest is also centred in that country. A person residing in a country for a period of one year or more is taken as ordinary residing in that country. It implies that even foreigners living in India may be the residents of India if their centre of economic interest lies in India. Similarly, Indians settled in foreign countries will not be residents of India. It implies that a citizen need not be a resident of that country. The central idea of the resident is that a person should carry out his basic economic activities of earning and spending from that location.

(b) Answer the following questions:

i. Yes, it is included in national income because it is a final expenditure on goods and services made by the government; i.e. Government final consumption expenditure.

ii. The rate of change of GDP of Nations X and Y, taking 2018-19 as base year is as follows:

Output	**2018-19**	**2019-20**	$\text{Growth Rate of GDP} = \frac{\text{Change in GDP}}{\text{Base year GDP}} \times 100$ **(Base year = 2018-19)**
100	₹ 2,000 crores	₹ 4,000 crores	$= \frac{2000}{2000} \times 100 = 100\%$
110	₹ 1,20,000 crores	₹ 2,00,000 crores	$= \frac{80,000}{1,20,000} \times 100 = 66.67\%$

Nation X has registered a GDP growth rate of 100% and has performed better on the front of GDP rise as compared to Nation Y that has registered a GDP growth rate of 66.67%.

17. a. Repo rate refers to the rate at which the Central Bank lends to the commercial banks for their short-term requirements.
Reverse Repo Rate is the rate of interest at which commercial banks can park their surplus funds with the Central Bank.

b. To deal with the situation of inflation, the Monetary Policy Committee (MPC) of Reserve Bank of India has increased the repo rate by 50 basis points.
An increase in repo rate will force the commercial banks to increase their lending rates making the credit costlier for the general public. Thereby, discouraging the borrowings. Consequently, Aggregate Demand will fall and thereby correcting the problem of inflation in the economy.

SECTION B – INDIAN ECONOMIC DEVELOPMENT

18.
(b) China, lowest
Explanation:
China, lowest

19.
(d) Dual pricing policy
Explanation:
Dual pricing policy

20.
(c) Promoting imports of luxury goods
Explanation:
Promoting imports of luxury goods is not associated with goals of economic planning in India.

21. **(a)** Both A and R are true and R is the correct explanation of A.
Explanation:
Both A and R are true and R is the correct explanation of A.

22. **(a)** 6% and 4.6% respectively
Explanation:
6% and 4.6% respectively

23.
(b) Money lenders
Explanation:
Landlords, village traders and Moneylenders are the three important sources of non-institutional source. They charge exorbitantly high interest rates and manipulated the accounts to exploit the illiterate farmers. Non-institutional credit led to a debt trap for the farmers.

24. **(a)** 1980
Explanation:
1980

25.
(d) (a) - (iv), (b) - (ii), (c) - (i), (d) - (iii)
Explanation:
(a) - (iv), (b) - (ii), (c) - (i), (d) - (iii)

26.
(d) CNG
Explanation:

CNG never produce smoke. CNG is Eco friendly.

27.

(d) Both the statements are true.

Explanation:

Both the statements are true.

28. i. Rural areas are troubled by widespread poverty. To get rid of it, women work in factories or run small businesses.
    ii. Women in rural areas are not well educated. They are not afraid to accept low-paying jobs.
    iii. Rural women also prefer to work in fields that urban women cannot.
29. In order to tackle the problem of carbon emissions, following strategies are highlighted in the given image:
    - **Use of wind energy:** In areas where speed of wind is usually high, windmills can be used to generate electricity without any adverse impact on the environment.
    - **Use of solar energy:** With the help of photovoltaic cells/solar panels, solar energy can be converted into electricity. This technology is extremely useful for remote areas and is free from pollution.

    OR

    Yes, the environmental crisis is a very recent phenomenon. The sparks of such crisis were never visible in the past. In recent years, the population has increased. It has increased demand for natural resources while the supply of natural resources is fixed. It creates excess demand and exerts pressure on natural resources. Consequently, the mounting pressure on the carrying capacity of the environment is paving the way for environmental crises.
30. i. The barriers which are imposed on imports of goods and services to make them relatively costlier and to protect the domestic producers from the stiff international competition are known as tariff barriers e.g. Import Duties, custom duties etc.
    Where as; Non-tariff barriers are those barriers which are imposed on quantity of import and export of goods and services e.g. quota and import licensing. to reduces the quantity of imported or exported goods.
    ii. The trade (export and import) between two countries is known as bilateral trade. Whereas, The trade (export and import) among more than two countries is known as multi-lateral trade.

    OR

    The given statement that 'Agriculture Sector was adversely affected by reform process' is correct. This can be supported with the following arguments:
    a. **Reduction in public investment in agriculture sector:** especially in infrastructure such as irrigation, power etc. has been reduced in reform period. no such provision given for the infrastructure development for agriculture sector in new economic reform.
    b. **Removal of fertilizers:** subsidy increased the cost of production, which adversely affected the small and marginal farmers.
31. **Import substitution** is a strategy to save foreign exchange by encouraging domestic production of such goods which the country has been importing from the rest of the world.
    In the first seven Five Year Plans, India followed an inward-looking trade strategy. The Mahalanobis strategy of development was based on import substitution. The rationale of the import substitution strategy is based on the infant industry argument. It helped to save foreign exchange by drastically reducing the import of goods. The foreign exchange saved was to be used for developmental imports such as capital goods, sophisticated technology, etc. It created a protected market and large demand for domestically produced goods.
    Protection from imports took two forms:
    i. Tariffs i.e., a tax on imported goods to make imported goods more expensive and discourage their use.

ii. Quotas specify the number of goods which can be imported.

32. i. The practices are monoculture farming (one crop) and mixed cropping (multiple crops).
ii. Benefit of mixed cropping: Reduces pest attack and soil erosion, improving sustainability.
Disadvantage: More labor-intensive and complex management compared to monoculture.

33. Answer question (A) or (B) the following:

(a) Answer the following questions:

i. Following are the mentioned below advantages of Organic Farming.

· Farmers can reduce their production costs because they do not need to buy expensive chemicals and fertilizers.
· Healthier farm workers.
· They improve plant growth and physiological activities of plants.
· In the long term, organic farms save energy and protect the environment.
· There is an increasing consumer are willing to pay more for organic foods.
· More animals and plants can live in the same place in a natural way. This is called biodiversity.
· Pollution of ground water is stopped.
· They reduce the need for purchased inputs

ii. No, I do not agree with the given statement. Diversification of agricultural activities into other sectors is essential because of following reasons:

- To provide supplementary gainful employment.
- To enable them to earn higher levels of income.
- To enable rural people to overcome poverty and other troubles.

(b) Answer the following questions:

i. The current institutional structure of rural banking is a set of multi-agency institutions. Recently two more setups have emerged in the field of rural credit. They are the Kisan Credit Card Scheme and Self Help Groups.

ii. Government has adopted various measures for improving agricultural marketing such as regulation of markets, provision of physical infrastructure like cold storage, roads and railways, co-operative marketing and policy measures like Minimum support price (MSP), Public distribution system(PDS) and buffer stock etc. But even after these measures taken by the government, agricultural markets are still predominated by moneylenders, rural political elites, big merchants and rich farmers. There are many obstacles in the agricultural marketing system which needs to be addressed by the government in order to strengthen the agricultural marketing system:

i. Enforcement of standard weights
ii. Fixation of charges, fees etc.
iii. Preventing unlawful deductions and controlling wrong practices by middlemen

Cooperatives are also suffering from problems like inadequate coverage of farmers as members, lack of an appropriate link between marketing and processing co-operatives and inefficient financial management. Surprisingly enough, nearly 90% of agricultural marketing is still handled by private traders, the government agencies and cooperative societies handling merely10%.

34. ANS

i. The China-Pakistan Economic Corridor (CPEC), which is built and financed by China, is of great benefit to Pakistan as it offers hope for easing its internal conflicts and its destabilizing fear of international isolation. The CPEC also serves as the gateway for connecting Pakistan to India, Afghanistan, the Central Asian republics, and even Iran.

ii. China's "One Belt, One Road Initiative" is an overall project of China that aims to boost its domestic growth with improved connectivity. It is a part of the country's strategy for economic diplomacy that intends to link China with Central Asia, Europe, and East Asia. One Belt, One Road Initiative is an ambitious commercial project for economic development and focuses on connectivity and cooperation among multiple countries of the mentioned continents.