Class XII Session 2025-26
Subject - Economics
Sample Question Paper - 4

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. **Statement I:** Current account is the record of trade in goods and services and transfer payments. **[1]**
   Statement II: Capital account records all international transactions of assets, e.g. money, stocks, bonds, government debt.

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

2. Demand deposit are: **[1]**

   a) Chequable deposits
   b) Deposits which can be withdraw on demand
   c) Non-chequable deposits
   d) Both chequable deposits and deposits which can be withdrawn on demand

3. According to the theory of Keynesian Economics, the value of Average Propensity to Consume can never be _____. **[1]**

   a) More than one
   b) unity (1)
   c) zero
   d) Less than one

4. Export of goods and services raises the _____ of foreign exchange. **[1]**

   a) both demand and supply
   b) Rates
   c) demand
   d) supply

5. If the value of Average Propensity to Save (APS) is 0.2 and National Income is ₹ 4,000 crore, then consumption will be _____. **[1]**

   a) ₹ 3,200 crores
   b) ₹ 2,600 crores
   c) ₹ 3,800 crores
   d) ₹ 4,000 crores

6. Inflationary gap in an economy may exist at a situation when: **[1]**

a) Aggregate Demand (Expected) > Aggregate Demand (Full employment)

b) Aggregate Demand (Expected) $\leq$ Aggregate Demand (Full employment)

c) Aggregate Demand (Expected) < Aggregate Demand (Full employment)

d) Aggregate Demand (Expected) $\geq$ Aggregate Demand (Full employment)

7. Autonomous consumption is indicated by _____ in the consumption function. **[1]**

a) $\bar{C}$

b) C

c) $\bar{S}$

d) AC

8. Which of the following is considered as a part of nominal flow in the circular flow of income **[1]**

a) Flow of factor payment from firms to household

b) Flow of factor services from households to firms

c) All of these

d) Flow of goods and services from firms to households

9. Supply of money refers to quantity of money _____. **[1]**

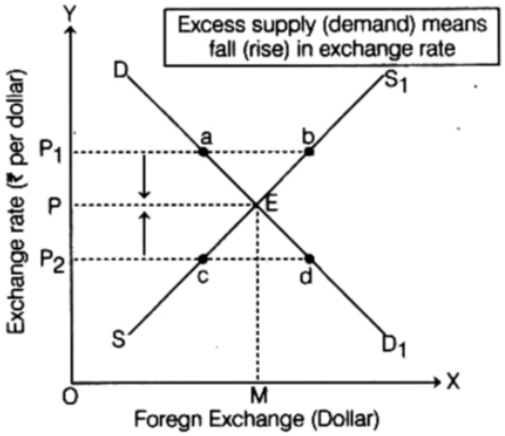
a) as on any point of time

b) as on 31st March

c) during any specified period of time

d) during a fiscal year

10. In the diagram below, at exchange rate OP_1, there is **[1]**



a) Excess demand

b) Excess supply

c) Either Excess demand and Excess supply

d) Equilibrium

11. Calculate Gross Value Added at Market Price: **[3]**

S.No.	Particulars	(₹ in lakh)
(i)	Depreciation	20
(ii)	Domestic Sales	200
(iii)	Change in Stocks	(-)10
(iv)	Exports	10
(v)	Single use producer goods	120

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

12. Where is 'borrowings from aborad' recorded in the Balance of Payments Account? Give the reasons. **[3]**

13. Explain any two fiscal measures to correct the situation of deficient demand. **[4]**

14. State which of the following statements are true or false. Give valid reasons. **[4]**

i. According to Keynesian theory of employment, a state of under-employment can never exist in an economy.

ii. In a two-sector economy, if income is zero, average propensity to consume will also zero.

OR

An economy is in equilibrium. Calculate the National Income from the following:

Autonomous Consumption = 120

Marginal Propensity to Save = 0.2

Investment Expenditure = 150

15. Explain the 'bank of issue' function of the Central Bank. **[4]**

16. i. Under **Zero Defect Zero Effect** (ZED) scheme, the government of India provides up to 80% subsidy to Micro, Small and Medium Enterprises (MSMEs). **[6]**

Identify and explain the objective of government budget, highlighted in the above text.

ii. Distinguish between Tax Revenue and Non-tax Revenue, with suitable examples.

OR

Explain:

a. Allocation of Resources

b. Economic Stability as objectives of Government Budget

17. Calculate **Net Domestic Product at Factor Cost** by the expenditure method and the production method: **[6]**

		(₹ in crores)
(i)	Value of output in the economic territory	4,100
(ii)	Net imports (-)	50
(iii)	Intermediate purchases by the primary sector	600
(iv)	Private final consumption expenditure	1,450
(v)	Intermediate purchases by the secondary sector	700
(vi)	Government final consumption expenditure	400
(vii)	Net domestic fixed capital formation	200
(viii)	Intermediate purchases by the tertiary sector	700

(ix)	Net change in stocks	(-) 50
(x)	Indirect taxes	100
(xi)	Consumption of fixed capital	50

OR

Calculate (a) Gross Domestic Product at Market Price and (b) Factor income from abroad from the following data:

S.No.	Contents	₹ (in crore)
(i)	Gross National Product at Factor Cost	6,150
(ii)	Net Exports	(-) 50
(iii)	Compensation of Employees	3,000
(iv)	Rent	800
(v)	Interest	900
(vi)	Profit	1,300
(vii)	Net Indirect Taxes	300
(viii)	Depreciation	400
(ix)	Factor Income to Abroad	80

SECTION B – INDIAN ECONOMIC DEVELOPMENT

18. Under the British Rule, commercialisation of agriculture resulted in shifting of agricultural production from _____ crops to _____ crops. **[1]**

(Choose the correct alternative to fill up the blanks)

a) Cotton, Jute
b) Cash, Food
c) Jute, Food
d) Food, Cash

19. India is not a member of which of the following regional/global economic grouping? **[1]**

a) European Union
b) G-20
c) BRICS
d) SAARC

20. _____ was known as Architect of Indian Economic Planning. **[1]**

a) Pandit Jawaharlal Nehru
b) PC Mahalanobis
c) Dr. Manmohan Singh
d) Dr. BR Ambedkar

21. Farmers cannot retain the product for a long time they have to sell it immediately. Which defect of agriculture is shown in this system? **[1]**



a) Unregulated market
b) False weight

c) Distress sale
d) Lack of information

22. **Assertion (A):** The wage rates in India are comparatively lower than those in the developed countries. As a result, MNCs outsource their business in India. **[1]**

Reason (R): India has fair international worthiness and creditability.

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.

23. Recently, the Government of India has started levying a _____ Education Cess on all union taxes. **[1]**

a) 3%
b) 2%
c) 4%
d) 1%

24. Pakistan introduced its economic reforms in the year _____. **[1]**

a) 1976
b) 1988
c) 1978
d) 1974

25. The Chipko Movement, which aimed at protecting forest in the _____ **[1]**

a) Karnataka
b) Maharashtra
c) Himalayas
d) Kerala

26. **Statement I:** The colonial government made many sincere attempt to estimate India's national and per capita income. **[1]**

Statement II: During the British colonial period, most studies did find that the country's growth of aggregate real output during the first half of the twentieth century was less than two per cent coupled with a meagre half per cent growth in per capita output per year.

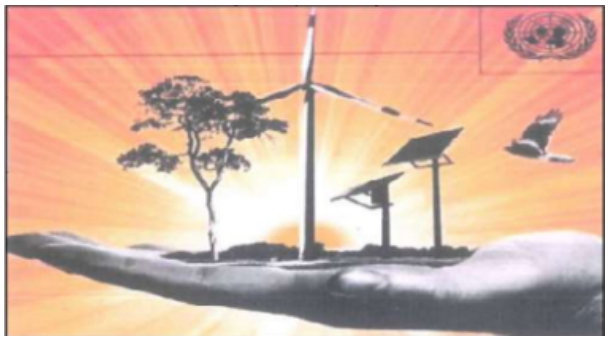
a) Statement II is true, but statement I is false.
b) Both the statements are true.
c) Statement I is true, but statement II is false.
d) Both the statements are false.

27. Write the correct sequence of alternatives given in Column II by matching them with respective terms in Column I: **[1]**

Column I	Column II
(a) Growth	(i) Adoption of new technology to increase the production of goods and services.
(b) Modernisation	(ii) Avoiding imports of those goods which could be produced in India itself.
(c) Self-reliance	(iii) Every Indian should be able to meet his/her basic needs such as food, a decent house, education and health, and inequality in the distribution of wealth should be reduced.
(d) Equity	(iv) Increase in the country's capacity to produce the output of goods and services within the country.

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

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

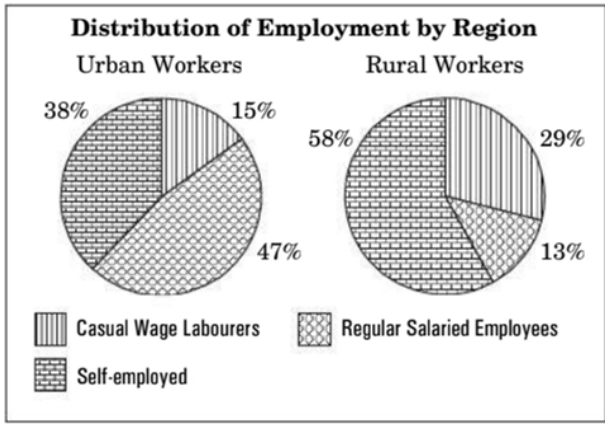


In the light of the above statement and image, discuss any two strategies to tackle this global concern.

OR

Economic development in India has been accompanied by environmental concerns. Do you agree with the given statement? Give valid reasons in support of our answer.

29. Analyse and compare the nature of the workforce distribution in India as depicted in the diagram given below: **[3]**



30. Discuss any two merits and demerits of the Green Revolution in the agricultural sector in the Indian economy. **[4]**

31. Many economists believe that the economic reforms process of 1991 had adversely affected the agricultural sector. Do you agree with the given statement? Quote valid arguments in favour of your answer. **[4]**

OR

Discuss any two liberalisation measures pertaining to the financial sector, introduced by the Government of India during the economic reform process of 1991.

32. a. State the meaning of the term **transient poor**. **[4]**

b. Critically examine the role of **Rural Banking** sector in India.

33. a. Discuss the need for on-the-job training for a employee. **[6]**

b. Discuss the role played by horticulture in the direction of rural development in India.

OR

Briefly discuss the "Animal Husbandry" and "Dairying'

34. Compare and contrast the development of India, China and Pakistan with respect to some salient human development indicators. **[6]**

OR

Compare and contrast India and China’s sectoral contribution towards GDP.

Solution

SECTION A – MACRO ECONOMICS

1. **(c)** Both the statements are true.
   Explanation:
   Both the statements are true.

2. **(d)** Both chequable deposits and deposits which can be withdrawn on demand
   Explanation:
   Both chequable deposits and deposits which can be withdrawn on demand

3. **(c)** zero
   Explanation:
   APC can never be zero.

4. **(d)** supply
   Explanation:
   supply

5. **(a)** ₹ 3,200 crores
   Explanation:
   APC = 1 - APS = 1 - 0.2 = 0.8
   Also APC = $\frac{\text{Consumption } (C)}{\text{Income } (Y)} = \frac{C}{4{,}000}$ = 0.8
   $\therefore$ C = 4,000 $\times$ 0.8 = ₹ 3,200 crores

6. **(a)** Aggregate Demand (Expected) > Aggregate Demand (Full employment)
   Explanation:
   Aggregate Demand (Expected) > Aggregate Demand (Full employment)

7. **(a)** $\bar{C}$
   Explanation:
   $\bar{C}$

8. **(a)** Flow of factor payment from firms to household
   Explanation:
   Flow of factor payment from firms to household

9. **(a)** as on any point of time
   Explanation:
   The money supply is a stock concept and it is estimated as a point of time.

10. **(b)** Excess supply
    Explanation:
    At exchange rate OP, there is more supply of foreign currency than demand, this represents the situation of excess supply.

11. Gross Value Added at Market Price
    = 200 + (-)10 + 10 - 120

= ₹ 80 lakhs

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

12.
- In the Capital Account of Balance of Payments account 'Borrowings from abroad' will be recorded.
- It is recorded in the Capital Account of Balance of Payments account because:

1. It is concerned with the assets and liability position of the country.
2. Borrowings from abroad will increase liabilities hence it will be recorded in the credit side of Capital Account.

13. Fiscal policy refers to the revenue and expenditure policy of the government. It is also called budgetary policy of the government. Two fiscal measures to correct the deficient demand are:
    a. **Taxes:** Taxes are compulsory payments made to the government by the household. By decreasing the tax burden on the households, the government increases the disposable income of the households. Accordingly, AD is raised and deficient demand is managed.
    b. **Public borrowing:** In a situation of deficient demand, the government reduces its borrowing from the public. So that people are left with greater liquidity and aggregate expenditure remains high.

14. a. According to Keynesian theory of employment, a state of under-employment can never exist in an economy. The given statement is false, according to Keynesian theory of employment the state of under employment can exist. This may occur at that level of income where equilibrium between AD and AS happens at less than full employment level.
    b. In a two-sector economy, if income is zero, average propensity to consume will also zero. The given statement is false, because when income is zero, autonomous consumption may exist in economy for survival, thus APC ($\frac{C}{Y}$) will not be zero.

OR

Given,
Marginal Propensity to Save (MPS) = 0.2
Autonomous Consumption ($\overline{C}$) =120
Investment expenditure (I) = 150

Now, Marginal Propensity to Consume (MPC) = 1 - MPS
= 1 - 0.2 [MPS = 0.2]
∴ MPC = 0.8
Since the economy is in equilibrium,
Saving = Investment
Y = $\overline{C}$+ I
or Y = $\overline{C}$ + bY + I,
C = $\overline{C}$+ bY
On substituting the given variables in equation (i),we get
Y =120 + 0.8 Y + 150
Y - 0.8 Y=270
0.2Y =270
$Y = \frac{270}{0.2} = 1,350$
∴ **National Income (Y) = 1,350**

15. The central bank is given the sole monopoly of issuing currency in order to secure control over the volume of currency and credit. These notes circulate throughout the country as legal tender money. It has to keep a reserve in the form of gold and foreign securities as per statutory rules against the notes issued by it. It may be noted that RBI issues all currency notes in India except one rupee note. Again, it is under the directions of RBI that one rupee notes and small coins are issued by government mints. Remember, the central government of a country is usually authorised to borrow money from the central bank. When the central government expenditure exceeds government revenue and the government is unable to reduce its expenditure, then it borrows from the RBI. This is done by selling security bills to RBI which creates new currency notes for the purpose. This is called monetisation of budget deficit or deficit financing. The government spends new currency and puts it into circulation to meet its expenditure.

16. i. The highlighted government budget objective is the 'allocation function'. With the subsidies to Micro, Small and Medium Enterprises (MSMEs), the government may seek to enhance national output and employment opportunities and achieve socioeconomic goals. In a country like India, such steps are fruitful for the overall growth of the nation.

ii. Revenue generated by the government from various tax sources is referred to as tax revenue. Tax revenue can be received in the form of direct and indirect taxes. For example, Income Tax

Revenue generated by the government from sources other than taxes is referred to as Non-Tax Revenue. For example, interest receipts on account of loans by the Central Government.

OR

a. **Reallocation of Resources:** Through the budgetary policy, Government aims to reallocate resources in accordance with the economic (profit maximisation) and social (public welfare) priorities of the country. Government can influence allocation of resources through:

i. Tax concessions or subsidies: To encourage investment, government can give tax concession, subsidies etc. to the producers. For example, Government discourages the production of harmful consumption goods (like liquor, cigarettes etc.) through heavy taxes and encourages the use of 'Khadi products' by providing subsidies.

ii. Directly producing goods and services: There are many non-profitable economic activities, which are not undertaken by the private sector like, water supply, sanitation, law and order, national defence, etc. These are called 'Public Goods**'. Such activities are necessarily undertaken by the government in public interest & to raise social welfare.

b. **Economic Stability:** Economic Stability means absence of large-scale fluctuation in prices. Such fluctuations create uncertainties in the economy. Government can exercise control over these fluctuations through taxes and expenditure.

- Inflationary tendencies emerge when aggregate demand is higher than the aggregate supply. Government can bring down aggregate demand by reducing its own expenditure.
- During deflation, government can increase its expenditure and give tax concessions and subsidies.

In short, policies of surplus budget during inflation and deficit budget during deflation helps to maintain stability of prices in the economy.

17. By Using Expenditure Method,

GDP at MP = C + I + G + X

Net Domestic Product at factor cost by Expenditure Method

= Private final consumption expenditure + Government final consumption expenditure + Net domestic fixed capital formation + Net change in stocks - Net imports - Indirect taxes

= 1,450 + 400 + 200 + (-) 50 - (-) 50 - 100

= 2,100-150

= ₹ 1,950 crores

By using value added method,

GDP at MP = value of output- Intermediate consumption

Net Domestic Product at factor cost by Production Method

= Value of output in the economic territory - Intermediate purchases in the primary sector - Intermediate purchases in the secondary sector - Intermediate purchases in the tertiary sector - Indirect taxes - Consumption of fixed capital

= 4,100 - 600 - 700 - 700 - 100 - 50

= 4.100 - 2,150

= ₹ 1,950 crores

NDP at FC is same by using both methods.

OR

a. NDP_{FC} = Compensation of Employees + (Rent + Interest + Profit)

= 3,000 + 800 + 900 + 1,300 = ₹ 6,000 crore

$GDP_{MP} = NDP_{FC}$ + Net Indirect Taxes + Depreciation

= 6,000 + 300 + 400 = 6,300 + 400

Gross Domestic Product at Market Price = ₹ 6,700 crore

b. $GNP_{FC} = GDP_{MP}$ - Net Indirect Taxes + (Factor Income from Abroad - Factor Income to Abroad) 6,150 = 6,700 - 300 + (Factor Income from Abroad - 80)

6.150 = 6,400 + (Factor Income from Abroad - 80)

$\Rightarrow$ 6,150 = 6,320 + Factor Income from Abroad

Factor Income from Abroad

= (6,150 - 6,320) crore
= -₹ 170 crore
Factor income from abroad = -170 crore

SECTION B – INDIAN ECONOMIC DEVELOPMENT

18.

(d) Food, Cash
Explanation:
Food, Cash

19. **(a)** European Union
Explanation:
India is not a member of the European Union. When European countries started to cooperate economically in 1951, only Belgium, Germany, France, Italy, Luxembourg and the Netherlands participated. Over time, more and more countries decided to join. The Union currently counts 27 EU countries. The United Kingdom withdrew from the European Union on 31 January 2020.

20.

(b) PC Mahalanobis
Explanation:
PC Mahalanobis

21.

(c) Distress sale
Explanation:
Most of the Indian farmers are very poor and thus have no capacity to wait for a better price of his produce in the absence of proper credit facilities. Farmers often have to go for even distress sale of their output to the village moneylenders-cum-traders at a very poor price.

22. **(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.

23.

(b) 2%
Explanation:
Education cess is an additional levy on the basic tax liability. Governments resort to imposition of cess for meeting specific expenditure. At present all union taxes are subjected to an education cess of 2%.

24.

(b) 1988
Explanation:
Pakistan introduced its economic reforms in 1988. Pakistan adopted economic stabilization and structural reform policies in 1988 in an effort to reduce domestic financial imbalances and external deficits.

25.

(c) Himalayas
Explanation:
The Chipko Movement, which aimed at protecting forests in the Himalyas.

26. **(a)** Statement II is true, but statement I is false.
Explanation:
Statement II is true, but statement I is false.

27.

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

Explanation:

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

28. 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, economic development leads to the scarcity of natural resources. The environment of economic growth includes the increased consumption of non-renewable resources, higher levels of pollution, global warming, and the potential loss of environmental habitats.
29. The given diagram shows that in the rural areas majority of employment is created under the self-employment (58%) and casual wage labourers (29%) category. This may be due to the fact that, in the rural areas, majority of people depend on farming on their own land and those who do not own land work on others' farms as casual labourers. Only 13% population is engaged in the regular salaried employment.

    However, the urban areas are dominated by the regular salaried employees (47%) as enterprises in these areas require employees on a regular basis. Self-employment category is the second largest one standing at 38% and the casual wage workers at 15%.
30. **Merits of Green Revolution:**
    - Green revolution enabled India to achieve self-sufficiency in foodgrains. This led to the creation of buffer stocks in India.
    - The farmers' income increased substantially due to increase in marketed surplus.

    Demerits of Green Revolution:
    - As the HYV technology was easily accessible to big farmers, it increased the disparities of income between big and small farmers.
    - The HYV crops were more prone to pest attacks.
31. Yes. The agricultural sector was adversely affected by the reform process as public investment in agriculture sector especially in infrastructure had fallen. Further, the partial removal of fertiliser subsidy had led to increase in the cost of production, which had severely affected the small and marginal farmers.

    Moreover, there had been a shift from production for the domestic market towards production for the export market focusing on cash crops putting pressure on prices of food grains.

    OR

    The financial sector witnessed a major revamp under the economic reform process of 1991. The two main measures in this direction may be quoted as:
    - Redefining the role of RBI from regulator to facilitator of the financial sector. It implies that the financial sector could now take decisions on many matters without consulting the RBI.
    - The reform policies led to the establishment of private sector banks (Indian as well as foreign).
32. a. Transient poor may be classified as churning poor (who regularly move in and out of poverty like small farmers) and occasionally poor (who are rich most of the time and poor sometimes). when the situation are favorable to them then they are above poor situation and vice versa.

    b. Rapid expansion of the banking system had positive effect on rural farm and non farm output. Even then the following problems have been faced in the rural banking such as-
        - 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 overdues in agricultural credit continues.
33. a. Employers use on the job training methods for its employees to target an overall increase in the skills and efficiencies of the workers. On the job trainings leads to an increase in productivity of labour and production of goods. Such trainings keep the employees updated with the latest changes in their field of working. it helps in reducing the accidental damages at the time of production activity in the production area.

    b. In rural India, horticulture plays a vital role in providing food and nutrition to the rural population. It also addresses the problem of unemployment (particularly disguised and seasonal unemployment) in the villages. Various horticultural activities

in Indian villages have improved the economic condition of many farmers. Such activities have become a lucrative source of livelihood for many women in the rural India.

OR

Animal Husbandry (or Livestock farming) is that branch of agriculture, which is concerned with the breeding, rearing and caring of farm animals.

- Livestock is defined as domesticated animals raised (generally in an agricultural set up) to produce labour and commodities such as cattle, goats, etc.
- Under livestock farming, cattle, goats and fowls (duck, goose, etc.) are the widely held species.
- India owns one of the largest livestock populations in the world.
- Livestock production provides increased stability in income, food security, transport, fuel and nutrition for the family, without disrupting other food producing activities.
- Livestock sector provides alternate livelihood options to over 70 million small and marginal farmers, including landless labourers.
- A significant number of women also find employment in the livestock sector.

Dairying is that branch of agriculture which involves breeding, raising and utilisation of dairy animals for the production of milk and the various dairy products processed from it.

- Dairying is the business of producing, storing and distributing milk and its products.
- The performance of the Indian dairy sector over the last three decades has been quite impressive.
- Due to the successful implementation of **'Operation Flood'**, India ranks first in the world in milk production. India's milk production increased from 17 million tonnes in 1950-51 to 102.6 million tonnes in 2006-07 and increased to 165.4 million tonnes in 2016-17 and to 198.4 million tonnes in 2019-20.
- **Operation Flood** (or White Revolution) was started by National Dairy Development Board (NDDB) in 1970 under the expert guidance of then chairman, Dr. Verghese Kurien. The objective of this programme was to create a nationwide milk grid. The movement for massive rise in the milk production in India is termed as White Revolution.

34. The development of India, China and Pakistan with respect to some salient human development indicators can be assessed and compared with the help of the following points

i. China is ahead of India and Pakistan in human development indicators. China has better ranking in terms of income indicator such as GDP per capita, or proportion of population below the poverty line or health indicators such as mortality rates, access to sanitation, literacy, life expectancy or malnourishment.
ii. Pakistan is ahead of India in reducing the proportion of people below the poverty line with 51% people below the poverty line while the ratio is 61% for India.
iii. Pakistan's performance in education, sanitation and access to water is better than India.
iv. Maternal mortality is very high in India and Pakistan as compared to China. In China, for one lakh births, only 32 women die whereas, in India and Pakistan, more than 150 women die.
v. All three countries provide improved water sources for most of their population.
vi. Considering the international poverty rate of $ 1 a day, India has the largest share of poor among the three countries in absolute terms.

It must be mentioned here that all these are extremely important indicators, but these are not sufficient. Along with these, 'liberty indicators' are also needed. One such indicator has actually been added as a measure of 'the extent of democratic participation in social and political decision-making' but it has not been given any extra weight. Some obvious 'liberty indicators' like measures of 'the extent of constitutional protection given to rights of citizens' or 'the extent of constitutional protection of the independence of the Judiciary and the Rule of Law' have not been introduced till now.

OR

Sectoral Share of Employment GYA and GDP (%) in 2018-2019

Sector	**Contribution to GVA**		
	India	**China**	**Pakistan**
Agriculture	16	7	24
Industry	30	41	19
Services	54	52	57
Total	**100**	**100**	**100**

Share of Agricultural Sector is as follows: In China, due to topographic and climatic conditions, the area suitable for cultivation is relatively small - only about 10 per cent of its total land area. The total cultivable area in China accounts for 40 per cent of the cultivable area in India. In 2018-19, its contribution to the GDP in China is 7 per cent. In India, the contribution of agriculture to GDP was 16%.

Share of Manufacturing and Service Sectors is as follows: In China, manufacturing and service sectors contribute the highest to GDP at 41 and 52%, respectively whereas in India, it is the service sector which contributes the highest by more than 54% of GDP.