Series R2PQS/2 **SET~3**

प्रश्न–पत्र कोड
Q.P. Code 58/2/3

रोल नं.
Roll No.

परीक्षार्थी प्रश्न-पत्र कोड को उत्तर-पुस्तिका के मुख-पृष्ठ पर अवश्य लिखें ।
Candidates must write the Q.P. Code on the title page of the answer-book.

नोट / NOTE :

(i) कृपया जाँच कर लें कि इस प्रश्न-पत्र में मुद्रित पृष्ठ **27** हैं ।
Please check that this question paper contains **27** printed pages.

(ii) कृपया जाँच कर लें कि इस प्रश्न-पत्र में **34** प्रश्न हैं ।
Please check that this question paper contains **34** questions.

(iii) प्रश्न-पत्र में दाहिने हाथ की ओर दिए गए प्रश्न-पत्र कोड को परीक्षार्थी उत्तर-पुस्तिका के मुख-पृष्ठ पर लिखें ।
Q.P. Code given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.

(iv) **कृपया प्रश्न का उत्तर लिखना शुरू करने से पहले, उत्तर-पुस्तिका में प्रश्न का क्रमांक अवश्य लिखें ।**
Please write down the serial number of the question in the answer-book before attempting it.

(v) इस प्रश्न-पत्र को पढ़ने के लिए 15 मिनट का समय दिया गया है । प्रश्न-पत्र का वितरण पूर्वाह्न में 10.15 बजे किया जाएगा । 10.15 बजे से 10.30 बजे तक छात्र केवल प्रश्न-पत्र को पढ़ेंगे और इस अवधि के दौरान वे उत्तर-पुस्तिका पर कोई उत्तर नहीं लिखेंगे ।
15 minute time has been allotted to read this question paper. The question paper will be distributed at 10.15 a.m. From 10.15 a.m. to 10.30 a.m., the students will read the question paper only and will not write any answer on the answer-book during this period.

अर्थशास्त्र
ECONOMICS

निर्धारित समय : 3 घण्टे *अधिकतम अंक : 80*

Time allowed : 3 hours *Maximum Marks : 80*

सामान्य निर्देश :

निम्नलिखित निर्देशों को ध्यानपूर्वक पढ़िए और उनका पालन कीजिए :

(i) *इस प्रश्न-पत्र में **34** प्रश्न हैं । **सभी** प्रश्न **अनिवार्य** हैं ।*

(ii) *यह प्रश्न-पत्र **दो** खण्डों में विभाजित है :*

***खण्ड क** – समष्टि अर्थशास्त्र*

***खण्ड ख** – भारतीय आर्थिक विकास*

(iii) *इस प्रश्न-पत्र में **20** बहुविकल्पीय प्रकार के प्रश्न हैं । प्रत्येक प्रश्न **1** अंक का है ।*

(iv) *इस प्रश्न-पत्र में **4** लघु-उत्तरीय प्रकार-I के प्रश्न हैं । प्रत्येक प्रश्न **3** अंकों का है । इन प्रश्नों के उत्तर 60 से 80 शब्दों में लिखे जाने चाहिए ।*

(v) *इस प्रश्न-पत्र में **6** लघु-उत्तरीय प्रकार-II के प्रश्न हैं । प्रत्येक प्रश्न **4** अंकों का है । इन प्रश्नों के उत्तर 80 से 100 शब्दों में लिखे जाने चाहिए ।*

(vi) *इस प्रश्न-पत्र में **4** दीर्घ-उत्तरीय प्रकार के प्रश्न हैं । प्रत्येक प्रश्न **6** अंकों का है । इन प्रश्नों के उत्तर 100 से 150 शब्दों में लिखे जाने चाहिए ।*

(vii) *प्रत्येक प्रश्न के **सभी** भागों के उत्तर एक साथ लिखे जाने चाहिए ।*

(viii) *इसके अतिरिक्त, ध्यान दें कि दृष्टिबाधित परीक्षार्थियों के लिए फोटो तथा मानचित्र आदि आधारित प्रश्नों के स्थान पर एक अन्य प्रश्न दिया गया है । इन प्रश्नों के उत्तर केवल दृष्टिबाधित परीक्षार्थी ही लिखें ।*

(ix) *प्रश्न-पत्र में कोई समग्र विकल्प नहीं है । यद्यपि कुछ प्रश्नों में आंतरिक विकल्प का प्रावधान दिया गया है । इन प्रश्नों में से केवल एक ही प्रश्न का उत्तर लिखा जाए ।*

खण्ड क

समष्टि अर्थशास्त्र

1. पहचानिए कि निम्नलिखित में से कौन भारत के भुगतान संतुलन के पूँजी खाते के डेबिट पक्ष में दर्शाया जाएगा । *1*

(A) इंग्लैंड से एक भारतीय द्वारा प्रेषित धनराशि

(B) विदेशों में परिसम्पत्ति में भारतीयों द्वारा निवेश

(C) किसी अमेरिकी कंपनी द्वारा किसी भारतीय कंपनी के अंशों (shares) का क्रय

(D) भारत से मसालों का निर्यात

2. पहचानिए कि निम्नलिखित में से कौन-सा स्थिर विनिमय दर प्रणाली का एक लाभ ***नहीं*** है । *1*

(A) विनिमय दर में स्थिरता सुनिश्चित करना

(B) विदेशी मुद्रा के अल्प या अधि-मूल्यांकन की संभावना

(C) विदेशी मुद्रा बाज़ार में सट्टेबाजी पर रोक लगाना

(D) समष्टि-अर्थशास्त्रीय नीतियों का समन्वय सुविधाजनक हो जाता है

General Instructions :

Read the following instructions carefully and follow them :

(i) *This question paper contains **34** questions. **All** questions are **compulsory**.*

(ii) *This question paper contains **two** sections :*
***Section A** – Macro Economics*
***Section B** – Indian Economic Development*

(iii) *This question paper contains **20** Multiple Choice type questions. Each question carries **1** mark.*

(iv) *This question paper contains **4** Short Answer Type-I questions. Each question carries **3** marks. Answer these questions in 60 to 80 words.*

(v) *This question paper contains **6** Short Answer Type-II questions. Each question carries **4** marks. Answer these questions in 80 to 100 words.*

(vi) *This question paper contains **4** Long Answer type questions. Each question carries **6** marks. Answer these questions in 100 to 150 words.*

(vii) *Attempt **all** parts of a question together.*

(viii) *In addition to this, note that a separate question has been provided for Visually Impaired candidates in lieu of questions having visual inputs, map etc. Such questions are to be attempted by Visually Impaired candidates only.*

(ix) *There is no overall choice in the question paper. However, an internal choice has been provided in few questions. Only one of the choices in such questions has to be attempted.*

SECTION A
Macro Economics

1. Identify which of the following will appear on the debit side in the Capital Account of India's Balance of Payments. *1*

(A) An Indian sending remittances from England

(B) Investing in assets abroad by Indians

(C) An American company purchasing shares of an Indian company

(D) Export of spices from India

2. Identify which of the following is ***not*** one of the merits of fixed exchange rate system. *1*

(A) Ensures stability in exchange rate

(B) Possibility of under or over valuation of foreign currency

(C) Prevents speculations in foreign exchange market

(D) Coordination of macroeconomic policies becomes convenient

3. निम्नलिखित कथनों का ध्यानपूर्वक अध्ययन कीजिए : *1*

कथन 1 : उपभोग फलन उपभोग व बचत के बीच संबंध का वर्णन करता है ।

कथन 2 : उपभोग फलन के दो घटक होते हैं — स्वायत्त उपभोग व प्रेरित उपभोग ।

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

(A) कथन 1 सत्य है और कथन 2 असत्य है ।

(B) कथन 1 असत्य है और कथन 2 सत्य है ।

(C) कथन 1 और 2 दोनों सत्य हैं ।

(D) कथन 1 और 2 दोनों असत्य हैं ।

4. निम्नलिखित कथनों का ध्यानपूर्वक अध्ययन कीजिए : *1*

कथन 1 : किसी राष्ट्र का आर्थिक क्षेत्र व राजनीतिक सीमा एक ही होते हैं ।

कथन 2 : भारत में अमेरिकी दूतावास, भारत के आर्थिक क्षेत्र का हिस्सा है ।

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

(A) कथन 1 सत्य है और कथन 2 असत्य है ।

(B) कथन 1 असत्य है और कथन 2 सत्य है ।

(C) कथन 1 और 2 दोनों सत्य हैं ।

(D) कथन 1 और 2 दोनों असत्य हैं ।

5. नकद आरक्षित अनुपात (CRR) के संदर्भ में, *असत्य* कथन की पहचान कीजिए : *1*

(A) यह माँग व सावधि जमा देनदारियों का एक निश्चित प्रतिशत है, जिसे प्रत्येक बैंक को केन्द्रीय बैंक के पास नकद भंडार (आरक्षित) रूप में रखना होता है ।

(B) यह केन्द्रीय बैंक द्वारा निर्धारित किया जाता है ।

(C) यह वाणिज्यिक बैंकों पर बाध्यकारी नहीं होता है ।

(D) यह केन्द्रीय बैंक द्वारा अर्थव्यवस्था में साख निर्माण को नियंत्रित करने में प्रयुक्त एक उपकरण होता है ।

3. Read the following statements carefully : *1*

Statement 1 : A consumption function describes the relationship between consumption and savings.

Statement 2 : Consumption function consists of two components — autonomous consumption and induced consumption.

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.

4. Read the following statements carefully : *1*

Statement 1 : Economic territory and political frontier of a nation are one and the same thing.

Statement 2 : American Embassy in India is a part of the economic territory of India.

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.

5. Identify the *incorrect* statement with reference to Cash Reserve Ratio (CRR) : *1*

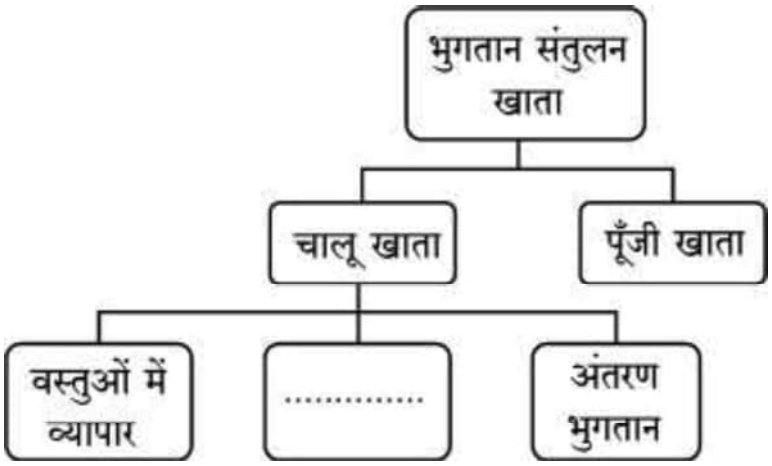
(A) It is a certain percentage of demand and time deposit liabilities that every bank must keep as cash reserves with the Central Bank.

(B) It is fixed by the Central Bank.

(C) It is not binding on the commercial banks.

(D) It is a tool used by the Central Bank to control the credit creation in the economy.

6. निम्नलिखित चित्र का ध्यानपूर्वक अध्ययन कीजिए तथा रिक्त स्थान की पूर्ति के लिए सही विकल्प का चयन कीजिए : *1*



विकल्प :

(A) निवेश (B) सेवाओं का व्यापार

(C) बाहरी ऋण (D) बाहरी सहायता

7. निम्नलिखित कथनों का ध्यानपूर्वक अध्ययन कीजिए : *1*

कथन 1 : मुद्रा वह वस्तु है, जिसे साधारणतया विनिमय के माध्यम के रूप में स्वीकार किया जाता है ।

कथन 2 : मुद्रा ने आवश्यकताओं के दोहरे संयोग की समस्या को हल किया था ।

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

(A) कथन 1 सत्य है और कथन 2 असत्य है ।

(B) कथन 1 असत्य है और कथन 2 सत्य है ।

(C) कथन 1 और 2 दोनों सत्य हैं ।

(D) कथन 1 और 2 दोनों असत्य हैं ।

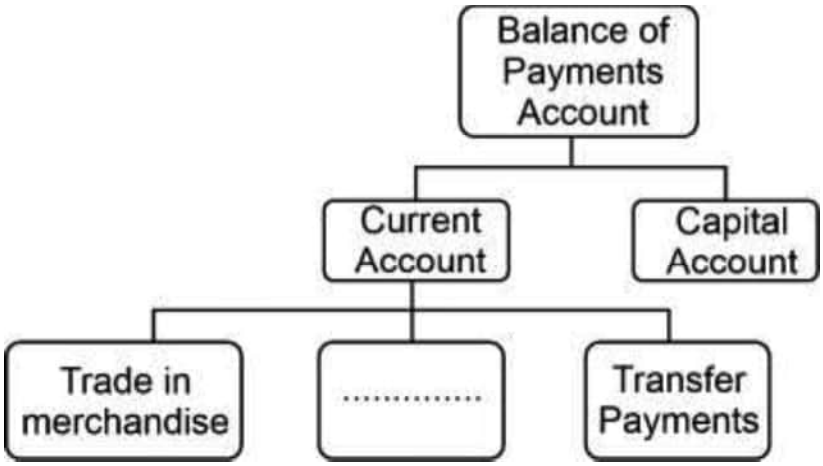
8. मान लीजिए कि एक काल्पनिक अर्थव्यवस्था में, स्वायत्त उपभोग = ₹ 500 करोड़ तथा सीमांत उपभोग प्रवृत्ति = 0·8 है । तो अर्थव्यवस्था के लिए बचत फलन _____ होगा ।

(रिक्त स्थान भरने के लिए सही विकल्प का चयन कीजिए) *1*

(A) 500 + 0·8Y (B) (–) 500 + 0·8Y

(C) 500 + 0·2Y (D) (–) 500 + 0·2Y

6. Study the following figure carefully and choose the correct alternative to fill in the blank : *1*



Alternatives :

(A) Investments (B) Trade of Services

(C) External Borrowings (D) External Assistance

7. Read the following statements carefully : *1*

Statement 1 : Money is a commodity which is generally accepted as a medium of exchange.

Statement 2 : Money solved the problem of double coincidence of wants.

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.

8. Suppose in an imaginary economy, autonomous consumption = ₹ 500 crore and marginal propensity to consume = 0·8. The saving function for the economy would be _____.

(Choose the correct alternative to fill in the blank) *1*

(A) 500 + 0·8Y (B) (–) 500 + 0·8Y

(C) 500 + 0·2Y (D) (–) 500 + 0·2Y

9. निम्नलिखित कथनों को पढ़िए : अभिकथन (A) और कारण (R) । नीचे दिए गए विकल्पों में से सही विकल्प चुनिए : *1*

अभिकथन (A) : आय का संतुलन स्तर तब निर्धारित होता है, जब प्रत्याशित व्यय व प्रत्याशित उत्पादन एक-दूसरे के बराबर होते हैं ।

कारण (R) : आय का संतुलन स्तर, उत्पादन के पूर्ण रोज़गार स्तर के समान या असमान हो सकता है ।

विकल्प :

(A) अभिकथन (A) और कारण (R) दोनों सत्य हैं और कारण (R), अभिकथन (A) की सही व्याख्या करता है ।

(B) अभिकथन (A) और कारण (R) दोनों सत्य हैं, लेकिन कारण (R), अभिकथन (A) की सही व्याख्या ***नहीं*** करता है ।

(C) अभिकथन (A) सत्य है, लेकिन कारण (R) असत्य है ।

(D) अभिकथन (A) असत्य है, लेकिन कारण (R) सत्य है ।

10. निम्नलिखित कथनों का अध्ययन कीजिए : अभिकथन (A) और कारण (R) । नीचे दिए गए विकल्पों में से सही विकल्प चुनिए : *1*

अभिकथन (A) : सीमांत बचत प्रवृत्ति (MPS) का अधिकतम मूल्य इकाई हो सकता है ।

कारण (R) : आय के समस्तर पर, बचत शून्य होती हैं ।

विकल्प :

(A) अभिकथन (A) और कारण (R) दोनों सत्य हैं और कारण (R), अभिकथन (A) की सही व्याख्या करता है ।

(B) अभिकथन (A) और कारण (R) दोनों सत्य हैं, लेकिन कारण (R), अभिकथन (A) की सही व्याख्या ***नहीं*** करता है ।

(C) अभिकथन (A) सत्य है, लेकिन कारण (R) असत्य है ।

(D) अभिकथन (A) असत्य है, लेकिन कारण (R) सत्य है ।

11. (क) "भुगतान संतुलन खाते में स्थिरता बनाए रखने के लिए समायोजनकारी लेनदेन किए जाते हैं ।"

वैध स्पष्टीकरण के साथ दिए गए कथन की पुष्टि कीजिए । *3*

अथवा

(ख) "मुद्रा का मूल्यह्रास किसी राष्ट्र के निर्यात को प्रोत्साहित कर सकता है ।"

मान्य तर्कों के साथ दिए गए कथन का समर्थन या खंडन कीजिए । *3*

9. Read the following statements : Assertion (A) and Reason (R). Choose the correct alternative from those given below : *1*

Assertion (A) : The equilibrium level of income is determined, when ex-ante spending and ex-ante output are equal.

Reason (R) : The equilibrium level of income may or may not be the same as the full employment level of output.

Alternatives :

(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.

10. Read the following statements : Assertion (A) and Reason (R). Choose the correct alternative from those given below : *1*

Assertion (A) : The maximum value of Marginal Propensity to Save (MPS) can be unity.

Reason (R) : At the break-even level of income, savings are zero.

Alternatives :

(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.

11. (a) "Accommodating transactions are undertaken to maintain stability in the Balance of Payments Account."

Justify the given statement with valid explanation. *3*

OR

(b) "Depreciation of currency may promote exports of a nation."

Defend or refute the given statement with valid arguments. *3*

12. नीचे दिए गए आँकड़ों के आधार पर, साधन लागत पर सकल राष्ट्रीय उत्पाद (GNP_{FC}) के मूल्य का आकलन कीजिए : *3*

क्र.सं.	*मदें*	*राशि (₹ करोड़ में)*
(i)	मज़दूरी व वेतन	2,000
(ii)	किराया व ब्याज	800
(iii)	निगम कर	500
(iv)	अवितरित लाभ	300
(v)	लाभांश	200
(vi)	मूल्यह्रास	150
(vii)	विदेशों से प्राप्त शुद्ध साधन आय	(–) 50

13. (क) "यदि पूर्ण रोज़गार स्तर पर, अंतिम वस्तुओं की वास्तविक माँग अंतिम वस्तुओं के वास्तविक उत्पादन से कम हो, तो इससे मालसूची (Inventory) का अनपेक्षित संचय हो सकता है ।"

क्या आप दिए गए कथन से सहमत हैं ? अपने उत्तर के समर्थन में मान्य कारण दीजिए । *4*

अथवा

(ख) निम्नलिखित तालिका को पूरा कीजिए । आय के ₹ 200 करोड़ के स्तर पर उपभोग फलन का निर्माण कीजिए । *4*

आय (Y) (₹ करोड़ में)	*बचत (S) (₹ करोड़ में)*	*औसत उपभोग प्रवृत्ति (APC)*	*सीमांत बचत प्रवृत्ति (MPS)*
0	(–) 50	–	–
100	.....	1	.....
200	.....	3/4	.....
300	.....	2/3	.....

12. On the basis of the data given below, estimate the value of Gross National Product at Factor Cost (GNP_{FC}) : *3*

S.No.	*Items*	*Amount (₹ in crore)*
(i)	Wages and Salaries	2,000
(ii)	Rent and Interest	800
(iii)	Corporate Tax	500
(iv)	Undistributed Profit	300
(v)	Dividend	200
(vi)	Depreciation	150
(vii)	Net factor income from abroad	(–) 50

13. (a) "If actual demand for final goods falls short of the actual output of final goods corresponding to full employment level, it may lead to an unintended accumulation of inventories."

Do you agree with the given statement ? Give valid reasons in support of your answer. *4*

OR

(b) Complete the following table. Construct the consumption function at ₹ 200 crore level of income. *4*

Income (Y) (in ₹ crore)	*Savings (S) (in ₹ crore)*	*Average Propensity to Consume (APC)*	*Marginal Propensity to Save (MPS)*
0	(–) 50	–	–
100	.....	1	.....
200	.....	3/4	.....
300	.....	2/3	.....

14. "वाणिज्यिक बैंकों की साख निर्माण क्षमता में वृद्धि का अर्थव्यवस्था में मुद्रा आपूर्ति पर प्रत्यक्ष प्रभाव पड़ता है ।"

दिए गए कथन पर चर्चा कीजिए । *4*

15. एक काल्पनिक अर्थव्यवस्था के लिए, यह मान लीजिए कि सरकार ₹ 30,000 करोड़ का बुनियादी ढाँचागत निवेश करेगी । अर्थव्यवस्था में अतिरिक्त आय का 80% उपभोग होता है । अर्थव्यवस्था में आय में वृद्धि तथा उसके अनुरूप उपभोग व्यय में वृद्धि का आकलन कीजिए । *4*

16. (क) (i) सोदाहरण प्रत्यक्ष कर व अप्रत्यक्ष कर के मध्य अंतर स्पष्ट कीजिए । *3*

(ii) सरकारी बजट के 'संसाधनों के पुन:आबंटन' उद्देश्य की व्याख्या कीजिए । *3*

अथवा

(ख) (i) मान लीजिए कि एक काल्पनिक अर्थव्यवस्था के लिए निम्नलिखित आँकड़े प्रस्तुत किए गए हैं : *4*

क्र.सं.	*मदें*	*राशि (₹ करोड़ में)*
(i)	कर प्राप्तियाँ	1,200
(ii)	राजस्व व्यय	3,700
(iii)	ग़ैर-कर प्राप्तियाँ	2,000
(iv)	ऋण की वसूली	145
(v)	पूँजीगत व्यय	500
(vi)	विनिवेश	120
(vii)	ब्याज का भुगतान	1,070

राजस्व घाटे व राजकोषीय घाटे की गणना कीजिए ।

(ii) सार्वजनिक प्रावधान तथा सार्वजनिक उत्पादन में अन्तर स्पष्ट कीजिए । *2*

14. "An increase in the credit creation capacity of commercial banks has a direct impact on the money supply in an economy."

Discuss the given statement. *4*

15. For a hypothetical economy, assume the government increased an infrastructural investment by ₹ 30,000 crore. 80% of additional income is consumed in the economy. Estimate the increase in income and the corresponding increase in consumption expenditure in the economy. *4*

16. (a) (i) Distinguish between direct tax and indirect tax with the help of suitable examples. *3*

(ii) Explain the 'reallocation of resources' objective of Government Budget. *3*

OR

(b) (i) Suppose the following data is presented for an imaginary economy : *4*

S.No.	*Items*	*Amount (in ₹ Crore)*
(i)	Tax Receipts	1,200
(ii)	Revenue Expenditure	3,700
(iii)	Non-Tax Receipts	2,000
(iv)	Recovery of Loans	145
(v)	Capital Expenditure	500
(vi)	Disinvestment	120
(vii)	Interest Payments	1,070

Calculate Revenue Deficit and Fiscal Deficit.

(ii) Differentiate between public provision and public production. *2*

17. निम्नलिखित गद्य का ध्यानपूर्वक अध्ययन कीजिए :

उत्पादन प्रक्रिया में उत्पादन के साधनों द्वारा लिए गए निर्णय प्राय: हितधारकों को अप्रत्यक्ष रूप से प्रभावित कर सकते हैं । इस प्रकार के प्रभाव कई बार अत्यंत व्यापक होते हैं परन्तु राष्ट्रीय आय का आकलन करते समय इन्हें ध्यान में नहीं रखा जाता है । अर्थशास्त्री इन्हें बाह्यताएँ कहते हैं तथा ये बाह्यताएँ सकारात्मक अथवा नकारात्मक हो सकती हैं ।

इस संबंध में, कई अर्थशास्त्री पारिस्थितिक संतुलन सुनिश्चित करने के लिए कार्बन मूल्य-निर्धारण को एक महत्त्वपूर्ण उपकरण के रूप में उपयोग करने का सुझाव देते हैं ।

कार्बन मूल्य-निर्धारण या तो उत्सर्जन पर शुल्क लगाकर या कम उत्सर्जन पर सब्सिडी देकर ग्रीनहाउस गैस उत्सर्जन को नियंत्रित करने की कोशिश करता है । कार्बन कर, ग्रीन सेस, इको टैक्स, आदि जैसे साधनों के माध्यम से अर्थशास्त्री इस प्रकार की नकारात्मक बाह्यताओं को समाप्त करने वाली हरित तकनीक की ओर अग्रसर होने का सुझाव देते हैं ।

दिए गए गद्य तथा सामान्य समझ के आधार पर, निम्नलिखित प्रश्नों के उत्तर दीजिए :

(i) बाह्यताओं को परिभाषित कीजिए । *1*

(ii) सकारात्मक व नकारात्मक बाह्यताओं के मध्य अंतर स्पष्ट कीजिए । *2*

(iii) विस्तार से बताइए कि कार्बन मूल्य-निर्धारण को कैसे व क्यों प्रोत्साहित किया जाना चाहिए । *3*

खण्ड ख

भारतीय आर्थिक विकास

18. _____ के कारण चीन अपनी तीव्र जनसंख्या वृद्धि दर को नियंत्रित करने में सक्षम हुआ था ।

(रिक्त स्थान भरने के लिए सही विकल्प का चयन कीजिए) *1*

(A) आर्थिक सुधार

(B) एकल शिशु नीति

(C) महान सर्वहारा सांस्कृतिक क्रांति

(D) विशेष आर्थिक क्षेत्र

17. Read the following text carefully :

Decisions taken by factors of production in the production process often may affect the stakeholders indirectly. Such impacts at times are huge but are not accounted for, while estimating national income. Economists call them as externalities and they can be positive or negative.

In this regard, many economists suggest carbon pricing as an important tool to ensure ecological balance.

Carbon pricing tries to control greenhouse gas emissions by either placing a fee on emitting or offering subsidies on lesser emission. Through instruments like carbon tax, green cess, eco tax, etc. economists suggest moving towards greener technology eliminating such negative externalities.

On the basis of the given text and common understanding, answer the following questions :

(i) Define externalities. *1*

(ii) Differentiate between positive and negative externalities. *2*

(iii) Elaborate how and why carbon pricing should be promoted. *3*

SECTION B
Indian Economic Development

18. China was able to control its rapid population growth rate owing to _____.

(Choose the correct alternative to fill in the blank) *1*

(A) Economic reforms

(B) One-Child Policy

(C) Great Proletarian Cultural Revolution

(D) Special Economic Zones

19. ब्रिटिश शासन के दौरान, भारत के विदेशी व्यापार में _____ को छोड़कर कई विशेषताएँ थीं ।

(रिक्त स्थान भरने के लिए सही विकल्प का चयन कीजिए) *1*

(A) वस्तु उत्पादन, व्यापार व प्रशुल्क की प्रतिबंधात्मक नीतियों

(B) भारत के निर्यात व आयात पर ब्रिटिश एकाधिकार

(C) भारत से शेष विश्व के लिए मुक्त व्यापार

(D) बड़ा निर्यात अधिशेष

20. आधुनिकीकरण एक महत्त्वपूर्ण आर्थिक नियोजन उद्देश्य है, जो _____ पर केन्द्रित है ।

(रिक्त स्थान भरने के लिए सही विकल्प का चयन कीजिए) *1*

(i) नवीन प्रौद्योगिकी को अपनाने

(ii) आय व संपत्ति के समान वितरण

(iii) सामाजिक दृष्टिकोण में सकारात्मक परिवर्तन लाने

विकल्प :

(A) केवल (i) (B) (i) और (ii)

(C) (i) और (iii) (D) (i), (ii) और (iii)

21. _____ खेती एक ऐसी प्रणाली है, जो पारिस्थितिक संतुलन को पुनर्स्थापित करने, बनाए रखने व वृद्धि करने में सहायक होती है ।

(रिक्त स्थान भरने के लिए सही विकल्प का चयन कीजिए) *1*

(A) पारंपरिक (B) जैविक

(C) रासायनिक (D) बहुस्तरीय (Multi-layered)

19. During the British rule, India's foreign trade had various features except _____.

(Choose the correct alternative to fill in the blank) *1*

(A) Restrictive policies of commodity production, trade and tariff

(B) British monopoly over India's exports and imports

(C) Free trade from India to the rest of the world

(D) Large export surplus

20. Modernization is an important economic planning objective that focuses on _____.

(Choose the correct alternative to fill in the blank) *1*

(i) Adoption of innovative technology

(ii) Equal distribution of income and wealth

(iii) Bringing positive changes in the social outlook

Alternatives :

(A) Only (i)

(B) (i) and (ii)

(C) (i) and (iii)

(D) (i), (ii) and (iii)

21. _____ farming is a system that is helpful in restoring, maintaining and enhancing the ecological balance.

(Choose the correct alternative to fill in the blank) *1*

(A) Conventional

(B) Organic

(C) Chemical

(D) Multi-layered

22. चीन में वर्तमान तीव्र औद्योगिक विकास की जड़ें 1978 में लागू किए गए आर्थिक सुधारों में खोजी जा सकती हैं, जहाँ _____ । *1*

(रिक्त स्थान भरने के लिए सही विकल्प का चयन कीजिए)

(i) प्रारंभ में कृषि, विदेशी व्यापार व निवेश क्षेत्रों में सुधार शुरू किए गए थे

(ii) दोहरे मूल्य-निर्धारण की नीति अपनाई गई थी

(iii) सरकार ने विशेष आर्थिक क्षेत्र की नीति को रद्द कर दिया था

विकल्प :

(A) केवल (i) (B) केवल (ii)

(C) (i) और (ii) (D) (i), (ii) और (iii)

23. निम्नलिखित कथनों को पढ़िए : अभिकथन (A) और कारण (R) । नीचे दिए गए विकल्पों में से सही विकल्प चुनिए : *1*

अभिकथन (A) : हाल के दिनों में, भारतीय अर्थव्यवस्था रोज़गारहीन संवृद्धि की समस्या का सामना कर रही है ।

कारण (R) : रोज़गारहीन संवृद्धि से तात्पर्य है, एक ऐसी स्थिति जहाँ एक अर्थव्यवस्था अतिरिक्त रोज़गार उत्पन्न किए बिना अधिक वस्तुओं और सेवाओं का उत्पादन करने में सक्षम हो ।

विकल्प :

(A) अभिकथन (A) और कारण (R) दोनों सत्य हैं और कारण (R), अभिकथन (A) की सही व्याख्या करता है ।

(B) अभिकथन (A) और कारण (R) दोनों सत्य हैं, लेकिन कारण (R), अभिकथन (A) की सही व्याख्या ***नहीं*** करता है ।

(C) अभिकथन (A) सत्य है, लेकिन कारण (R) असत्य है ।

(D) अभिकथन (A) असत्य है, लेकिन कारण (R) सत्य है ।

24. निम्नलिखित कथनों का ध्यानपूर्वक अध्ययन कीजिए : *1*

कथन 1 : भारत, पाकिस्तान व चीन की भौतिक खाद्यान्न संपन्नताओं में तो काफी समानताएँ है, परन्तु उनकी राजनीतिक व्यवस्थाएँ बिल्कुल भिन्न हैं ।

कथन 2 : भारत व पाकिस्तान दोनों ने एक बड़ा निजी क्षेत्र विकसित करने पर अधिक बल दिया था ।

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

(A) कथन 1 सत्य है और कथन 2 असत्य है ।

(B) कथन 1 असत्य है और कथन 2 सत्य है ।

(C) कथन 1 और 2 दोनों सत्य हैं ।

(D) कथन 1 और 2 दोनों असत्य हैं ।

22. The present day rapid industrial growth in China can be traced back to the economic reforms introduced in 1978, where _____.

(Choose the correct alternative to fill in the blank) *1*

(i) initially reforms were initiated in agriculture, foreign trade and investment sectors

(ii) the policy of dual pricing was adopted

(iii) the Government revoked the policy of Special Economic Zones

Alternatives :

(A) Only (i) (B) Only (ii)

(C) (i) and (ii) (D) (i), (ii) and (iii)

23. Read the following statements : Assertion (A) and Reason (R). Choose the correct alternative from those given below : *1*

Assertion (A) : In the recent past, Indian economy has been facing the problem of jobless growth.

Reason (R) : Jobless growth refers to a situation where an economy is able to produce more goods and services without generating additional employment.

Alternatives :

(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.

24. Read the following statements carefully : *1*

Statement 1 : India, Pakistan and China have similar physical endowments, but totally different political systems.

Statement 2 : Both India and Pakistan laid great emphasis on creating a large private sector.

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

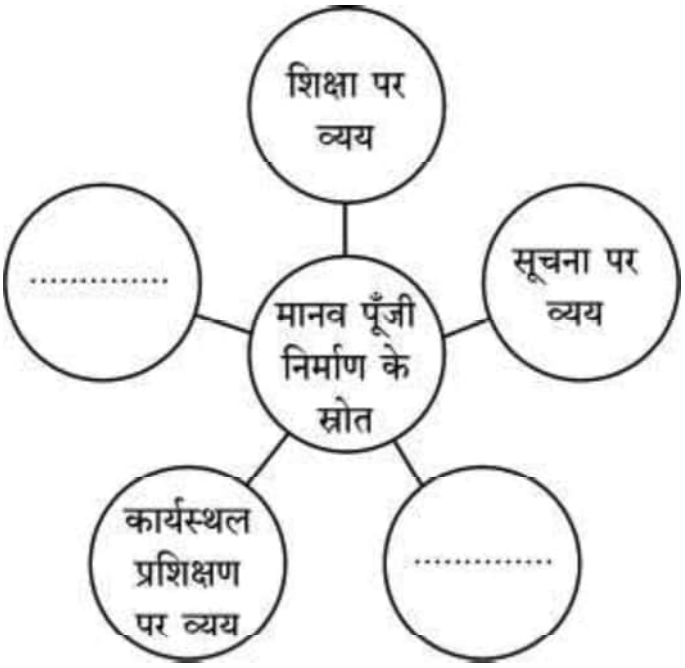
(A) Statement 1 is true and Statement 2 is false.

(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.

25. मानव पूँजी निर्माण के स्रोतों की पहचान कीजिए व रिक्त स्थान भरने के लिए सही विकल्प का चयन कीजिए । *1*



विकल्प :

(A) स्वास्थ्य पर व्यय व विद्यालयों पर व्यय

(B) तकनीक पर व्यय व ज्ञान पर व्यय

(C) प्रवासन पर व्यय व ज्ञान पर व्यय

(D) स्वास्थ्य पर व्यय व प्रवासन पर व्यय

26. कॉलम I में दिए गए श्रमिकों के प्रकार से कॉलम II में दिए गए कार्य की प्रकृति की सही पहचान कीजिए : *1*

	कॉलम I		*कॉलम II*
1.	सीमेंट की दुकान का मालिक	(i)	नियमित वेतनभोगी
2.	निर्माण मज़दूर	(ii)	आकस्मिक दिहाड़ी मज़दूरी
3.	सिविल अभियंता (engineer)	(iii)	स्व-नियोजित

विकल्प :

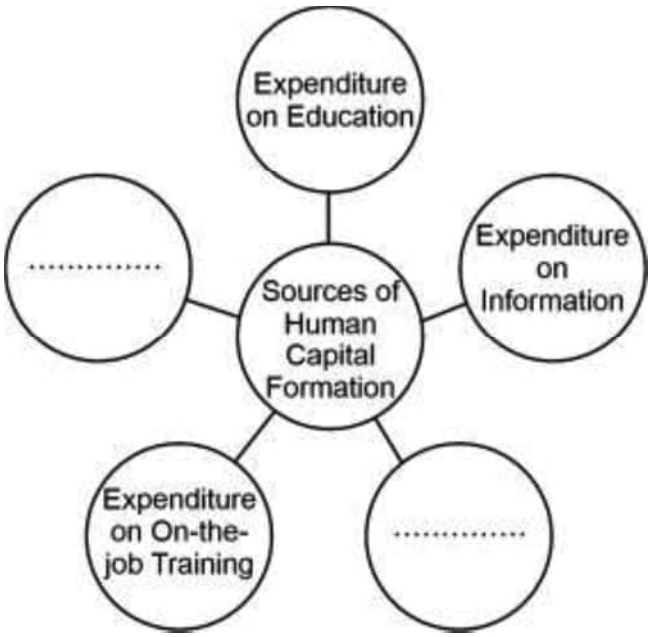
(A) 1–(i); 2–(ii); 3–(iii)

(B) 1–(ii); 2–(i); 3–(iii)

(C) 1–(iii); 2–(ii); 3–(i)

(D) 1–(iii); 2–(i); 3–(ii)

25. Identify the sources of Human Capital Formation and choose the correct alternative to fill in the blanks. *1*



Alternatives :

(A) Expenditure on Health and Expenditure on Schools

(B) Expenditure on Technology and Expenditure on Knowledge

(C) Expenditure on Migration and Expenditure on Knowledge

(D) Expenditure on Health and Expenditure on Migration

26. From the type of workers given in Column I, identify the correct nature of work in Column II : *1*

	Column I		*Column II*
1.	Cement shop owner	(i)	Regular salaried
2.	Construction worker	(ii)	Casual wage workers
3.	Civil engineer	(iii)	Self-employed

Alternatives :

(A) 1–(i); 2–(ii); 3–(iii) (B) 1–(ii); 2–(i); 3–(iii)

(C) 1–(iii); 2–(ii); 3–(i) (D) 1–(iii); 2–(i); 3–(ii)

27. आर्थिक सुधारों को लागू करने के उपरांत, पाकिस्तान ने _____ कारणों से विकास में मंदी का अनुभव किया है ।

(रिक्त स्थान भरने के लिए सही विकल्प का चयन कीजिए) *1*

(i) कृषि क्षेत्र का अस्थिर प्रदर्शन

(ii) विदेशों से विप्रेषण पर अत्यधिक निर्भरता

(iii) राजनीतिक अस्थिरता

विकल्प :

(A) (i) और (ii) (B) (ii) और (iii)

(C) (i), (ii) और (iii) (D) (i) और (iii)

28. (क) "अतिलघु-साख (सूक्ष्म-ऋण) कार्यक्रमों ने औपचारिक ऋण प्रणाली में अंतर को भरने में सहायता की है ।"
दिए गए कथन की पुष्टि कीजिए । *3*

अथवा

(ख) "सूचना प्रौद्योगिकी ग्रामीण विकास में महत्त्वपूर्ण भूमिका निभा सकती है ।"
दिए गए कथन पर संक्षेप में चर्चा कीजिए । *3*

29. दिए गए चित्र की व्याख्या कीजिए तथा इसे पारिस्थितिक आपदा बनने से रोकने के लिए किसी एक रणनीति की व्याख्या कीजिए । *3*



नोट : *निम्नलिखित प्रश्न केवल* ***दृष्टिबाधित परीक्षार्थियों*** *के लिए प्रश्न संख्या* ***29*** *के स्थान पर है ।*

धारणीय विकास के उद्देश्य को प्राप्त करने के लिए किन्हीं दो रणनीतियों का उल्लेख कीजिए । *3*

27. After the implementation of economic reforms, Pakistan experienced slowdown of growth due to various reasons including _____.

(Choose the correct alternative to fill in the blank) *1*

(i) Volatile performance of the agriculture sector

(ii) Over-dependence on remittances from abroad

(iii) Political instability

Alternatives :

(A) (i) and (ii) (B) (ii) and (iii)

(C) (i), (ii) and (iii) (D) (i) and (iii)

28. (a) "Micro-credit programmes have helped to fill in the gaps in the formal credit system."

Justify the given statement. *3*

OR

(b) "Information Technology can play a crucial role in rural development."

Discuss briefly the given statement. *3*

29. Interpret the given picture and explain any one strategy to control it from becoming an ecological disaster. *3*



Note : *The following question is for the* ***Visually Impaired Candidates*** *only, in lieu of Q. No.* ***29****.*

State any two strategies to achieve the objective of sustainable development. *3*

30. मानव पूँजी निर्माण से होने वाले किन्हीं दो लाभों की चर्चा कीजिए । *4*

31. नीचे दिए गए आँकड़ों के आधार पर, भारत व चीन में उत्पादन व रोज़गार के क्षेत्रवार परिवर्तनों की चर्चा कीजिए : *4*

2018 – 2019 में रोज़गार और सकल मूल्य वर्धित (%) के क्षेत्र शेयर

क्षेत्र	*सकल मूल्य वर्धित में योगदान*			*कार्यबल का वितरण*		
	भारत	*चीन*	*पाकिस्तान*	*भारत*	*चीन*	*पाकिस्तान*
कृषि	16	7	24	43	26	41
उद्योग	30	41	19	25	28	24
सेवाएँ	54	52	57	32	46	35
कुल	**100**	**100**	**100**	**100**	**100**	**100**

स्रोत: *मानव विकास रिपोर्ट 2019 : एशिया और पेसिफिक के प्रमुख संकेतक, 2019*

32. (क) ब्रिटिश शासन के दौरान भारतीय कृषि क्षेत्र को गतिहीन बनाने वाले किन्हीं दो कारकों की चर्चा कीजिए । *4*

अथवा

(ख) 1991 के आर्थिक सुधारों के दौरान सरकार द्वारा प्रारंभ किए गए कर व्यवस्था में सुधार से संबंधित किन्हीं दो उदारीकरण उपायों पर चर्चा कीजिए । *4*

33. (क) (i) "अमिता एक निजी फर्म में नियमित कर्मचारी के रूप में कार्यरत है, जहाँ बारह श्रमिक नियुक्त हैं ।"
क्या वह औपचारिक/अनौपचारिक क्षेत्र में कार्यरत है ? अपने उत्तर के समर्थन में वैध कारण दीजिए । *2*

(ii) भारत में बेरोज़गारी के आँकड़ों के किन्हीं दो स्रोतों का उल्लेख कीजिए । *1*

(iii) भारत में महिला शिक्षा को प्रोत्साहित करने की आवश्यकता की विस्तार से व्याख्या कीजिए । *3*

अथवा

(ख) (i) "शहरी क्षेत्रों की तुलना में, ग्रामीण क्षेत्रों में आर्थिक गतिविधियों में लोगों की भागीदारी दर अधिक होती है ।"
दिए गए कथन की पुष्टि कीजिए । *3*

(ii) प्रच्छन्न बेरोज़गारी को परिभाषित कीजिए । किसी देश में उत्पादन व रोज़गार पर इसके प्रभावों का उल्लेख कीजिए । *3*

30. Discuss any two benefits accruing from human capital formation. *4*

31. On the basis of the data given below, discuss the shift in output and employment sector-wise, in India and China : *4*

Sectoral share of Employment and GVA (%) in 2018 – 2019

Sector	*Contribution to GVA*			*Distribution of Workforce*		
	India	*China*	*Pakistan*	*India*	*China*	*Pakistan*
Agriculture	16	7	24	43	26	41
Industry	30	41	19	25	28	24
Services	54	52	57	32	46	35
Total	**100**	**100**	**100**	**100**	**100**	**100**

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

32. (a) Discuss any two factors that lead to stagnating Indian agriculture sector during British rule. *4*

OR

(b) Discuss any two liberalization measures pertaining to the tax reforms, introduced by the government, during the economic reform process of 1991. *4*

33. (a) (i) "Amita is a regular worker in a private firm that employs twelve hired workers."
Is she working in the formal/informal sector ? Give valid reasons in support of your answer. *2*

(ii) State any two sources of data on unemployment in India. *1*

(iii) Elaborate the need to promote women's education in India. *3*

OR

(b) (i) "The participation rate of people in economic activities in rural areas is more than that in urban areas."
Justify the given statement. *3*

(ii) Define disguised unemployment. State its implications on output and employment in a country. *3*

34. निम्नलिखित गद्य का ध्यानपूर्वक अध्ययन कीजिए :

स्वतंत्रता उपरांत भारत की औद्योगिक नीति को मुख्यत: 1948 के औद्योगिक नीति संकल्प के संदर्भ में आकार दिया गया था । इसमें राष्ट्रीय हित में उद्योगों के विकास को प्रोत्साहन देने, सहायता करने व विनियमित करने के मामले में सरकार की पूर्ण जिम्मेदारी पर बल दिया गया था । इसमें सार्वजनिक क्षेत्र के लिए एक सक्रिय व प्रमुख भूमिका की परिकल्पना की गई थी ।

अगला औद्योगिक नीति संकल्प, 30 अप्रैल, 1956 को प्रधान मंत्री द्वारा संसद के समक्ष रखा गया था । इस संकल्प ने सुझाव दिया था कि, "राष्ट्रीय उद्देश्य के रूप में अर्थव्यवस्था के समाजवादी ढाँचे को अपनाने के साथ-साथ योजनाबद्ध व तीव्र विकास की आवश्यकता है । इसके लिए यह आवश्यक है कि बुनियादी व सामरिक महत्त्व के सभी उद्योग अथवा सार्वजनिक उपयोगी सेवाएँ सार्वजनिक क्षेत्र के अधीन होने चाहिए ।

अन्य उद्योग जो अति-आवश्यक हैं तथा जिनमें बड़े पैमाने पर निवेश की आवश्यकता होती है (जो केवल राज्य ही प्रदान कर सकता है), उन्हें भी सार्वजनिक क्षेत्र के अधीन होना चाहिए । इसलिए राज्य को उद्योगों के भावी विकास के लिए प्रत्यक्ष उत्तरदायित्व ग्रहण करना होगा ।"

यह संकल्प उद्योगों को तीन श्रेणियों में वर्गीकृत करता है :

- अनुसूची A में दी गई पहली श्रेणी में ऐसे उद्योग शामिल हैं, जिनका भविष्य में विकास राज्य की विशेष जिम्मेदारी होगी ।
- दूसरी श्रेणी में, अनुसूची B में वे उद्योग दिए गए हैं जो उत्तरोतर राज्य के स्वामित्व वाले होंगे । हालाँकि, इनमें निजी उद्यम से भी भागीदारी की उम्मीद की जाएगी ।
- तीसरी श्रेणी में शेष सभी उद्योगों को शामिल किया है, जिनका आगे का विकास निजी क्षेत्र की पहल व उद्यम पर निर्भर होगा ।

दिए गए गद्य तथा सामान्य समझ के आधार पर, निम्नलिखित प्रश्नों के उत्तर दीजिए :

(i) "भारत सरकार ने, आर्थिक विकास के प्रारंभिक वर्षों में औद्योगिक विकास में सार्वजनिक क्षेत्र के लिए बड़ी भूमिका पर बल दिया था ।"

अपने उत्तर के समर्थन में कारण देते हुए, इस कथन की पुष्टि कीजिए । *3*

(ii) औद्योगिक नीति संकल्प, 1956 के अनुसार विभिन्न श्रेणियों में उद्योगों के वर्गीकरण की रूपरेखा प्रस्तुत कीजिए और चर्चा कीजिए । *3*

34. Read the following text carefully :

India's industrial policy since independence has been shaped broadly in terms of the Industrial Policy Resolution of 1948. It emphasized on the sole responsibility of the government in the matter of promoting, assisting and regulating the development of industries in the national interest. It envisaged an active and dominant role of public sector.

The next Industrial Policy Resolution was placed before the Parliament by the Prime Minister on 30th April, 1956. It suggested that, "There is a need for adoption of the socialist pattern of economy as the national objective, along with the need for planned and rapid development. It required that all industries of basic and strategic importance, or in public utility services, should be in the public sector.

Other industries which are essential and require investment on a massive scale (which only the State could provide) have also to be in the public sector. Thus, the State has to assume direct responsibility for the future development of industries."

This Resolution classifies industries into three categories :

- The first category given in Schedule A, consists of industries the future development of which will be the exclusive responsibility of the State.
- In the second category given in Schedule B, are industries which will be progressively State-owned. However, in them, private enterprise will also be expected to participate.
- The third category comprises all the remaining industries, the further development of which will be left to the initiative and enterprise of the private sector.

On the basis of the given text and common understanding, answer the following questions :

(i) "The Government of India, in the initial years of economic development, emphasized on a greater role of the public sector in the industrial development."
Justify the statement, giving reasons in support of your answer. *3*

(ii) Outline and discuss the classification of industries into various categories as per Industrial Policy Resolution, 1956. *3*

Marking Scheme
Strictly Confidential
(For Internal and Restricted use only)
Senior School Certificate Examination,2024

ECONOMICS (SUBJECT CODE – 030)

(PAPER CODE – 58/2/3)

General Instructions: -

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

8	If a question does not have any parts, marks must be awarded in the left-hand margin and encircled. This may also be followed strictly.
9	If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out with a note **"Extra Question"**.
10	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
11	A full scale of marks 80 has to be used. Please do not hesitate to award full marks if the answer deserves it.
12	Every examiner has to necessarily do evaluation work for full working hours i.e., 8 hours every day and evaluate 20 answer books per day in main subjects and 25 answer books per day in other subjects (Details are given in Spot Guidelines).
13	Ensure that you do not make the following common types of errors committed by the Examiner in the past:- Giving more marks for an answer than assigned to it. ● Wrong totaling of marks awarded on an answer. ● Wrong transfer of marks from the inside pages of the answer book to the title page. ● Wrong question wise totaling on the title page. ● Leaving answer or part thereof unassessed in an answer book. ● Wrong totaling of marks of the two columns on the title page. ● Wrong grand total. ● Marks in words and figures not tallying/not same. ● Wrong transfer of marks from the answer book to online award list. ● Answers marked as correct, but marks not awarded. (Ensure that the right tick mark is correctly and clearly indicated. It should merely be a line. Same is with the X for incorrect answer.) Half or a part of answer marked correct and the rest as wrong, but no marks awarded.
14	While evaluating the answer books if the answer is found to be totally incorrect, it should be marked as cross (X) and awarded zero (0)Marks.
15	Any un assessed portion, non-carrying over of marks to the title page, or totaling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence, in order to uphold the prestige of all concerned, it is again reiterated that the instructions be followed meticulously and judiciously.
16	The Examiners should acquaint themselves with the guidelines given in the "**Guidelines for spot Evaluation**" before starting the actual evaluation.
17	Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.
18	The candidates are entitled to obtain photocopy of the Answer Book on request on payment of the prescribed processing fee. All Examiners/Additional Head Examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as given in the Marking Scheme.

MARKING SCHEME

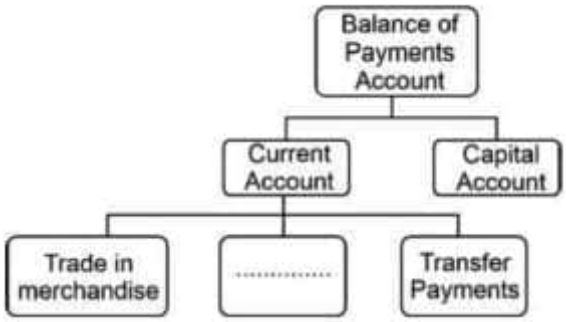
Senior Secondary School Examination 2024

ECONOMICS (Subject Code–030)

[Paper Code : 58/2/3]

Maximum Marks: 80

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
	SECTION -A **(Macro Economics)**	
1.	Identify which of the following will appear on the debit side in the Capital Account of India's Balance of Payments. (A) An Indian sending remittances from England (B) Investing in assets abroad by Indians (C) An American company purchasing shares of an Indian company (D) Export of spices from India **Ans. (B) Investing in assets abroad by Indians**	**1**
2.	Identify which of the following is ***not*** one of the merits of fixed exchange rate system. (A) Ensures stability in exchange rate (B) Possibility of under or over valuation of foreign currency (C) Prevents speculations in foreign exchange market (D) Coordination of macroeconomic policies becomes convenient **Ans. (B) Possibility of under or over valuation of foreign currency**	**1**
3.	Read the following statements carefully: *Statement 1:* A consumption function describes the relationship between consumption and savings. Statement 2: Consumption function consists of two components - autonomous consumption and induced consumption. 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. **Ans. (B) Statement 1 is false and Statement 2 is true**.	**1**
4.	Read the following statements carefully: *Statement 1:* Economic territory and political frontier of a nation are one and the same thing. *Statement 2:* American Embassy in India is a part of the economic territory of India. 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. **Ans. (D) Both statements 1 and 2 are false.**	**1**
5.	Identify the *incorrect* statement with reference to Cash Reserve Ratio (CRR): (A) It is a certain percentage of demand and time deposit liabilities that every bank must keep as cash reserves with the Central Bank. (B) It is fixed by the Central Bank. (C) It is not binding on the commercial banks. (D) It is a tool used by the Central Bank to control the credit creation in the economy. **Ans. (C) It is not binding on the commercial banks.**	**1**

6.	Study the following figure carefully and choose the correct alternative to fill in the blank:  Alternatives: (A) Investments (B) Trade of Services (C) External Borrowings (D)External Assistance **Ans. (B) Trade of Services**	**1**
7.	Read the following statements carefully: *Statement 1:* Money is a commodity which is generally accepted as a medium of exchange. *Statement 2:* Money solved the problem of double coincidence of wants. 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. **Ans. (C) Both statements 1 and 2 are true.**	**1**
8.	Suppose in an imaginary economy, autonomous consumption = ₹ 500 crore and marginal propensity to consume = 0.8. The saving function for the economy would be _____. (Choose the correct alternative to fill in the blank) (A) 500 + 0.8Y (B) (-) 500 + 0.8Y (C) 500 + 0.2Y (D) (-) 500 + 0.2Y **Ans. (D) (-) 500 + 0.2Y**	**1**
9.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below : *Assertion (A):* The equilibrium level of income is determined, when ex-ante spending and ex-ante output are equal. *Reason (R):* The equilibrium level of income may or may not be the same as the full employment level of output. Alternatives : (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. **Ans. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).**	**1**
10.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below: *Assertion (A):* The maximum value of Marginal Propensity to Save (MPS) can be unity. *Reason (R):* At the break-even level of income, savings are zero.	

	Alternatives: (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. **Ans. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).**	**1**
11. (a)	"Accommodating transactions are undertaken to maintain stability in the Balance of Payments Account." Justify the given statement with valid explanation. **Ans. Accommodating transactions are commonly undertaken to maintain stability in Balance of Payments (BOP) account. Accommodating transactions are independent of any economic motive. These transactions are determined by the net result of autonomous items such as surplus or deficit in BOP.** **Hence, accommodating transactions play a crucial role in maintaining stability in Balance of Payments account by providing a mechanism to address imbalances in international transactions. (To be marked as a whole)**	**3**
	OR	
(b)	"Depreciation of currency may promote exports of a nation." Defend or refute the given statement with valid arguments. **Ans. The given statement is defended. When the domestic currency of an economy depreciates, domestic goods become relatively cheaper in the international markets. Thereby, increasing the demand of domestic goods globally. Hence, depreciation of currency may promote exports of a nation. (To be marked as a whole)**	**3**
12.	On the basis of the data given below, estimate the value of Gross National Product at Factor Cost (GNP_{FC}): *S. No.* | *Items* | *Amount (in ₹ crore)* (i) | Wages and Salaries | 2,000 (ii) | Rent and Interest | 800 (iii) | Corporate Tax | 500 (iv) | Undistributed Profit | 300 (v) | Dividend | 200 (vi) | Depreciation | 150 (vii) | Net factor income from abroad | (-) 50 **Ans.** **Gross National Product at Factor Cost (GNP_{FC}) = (i)+ (ii)+(iii)+(iv)+(v)+(vi)+(vii)** **=2,000+800+500+300+200+150+(-50)** **= ₹ 3900 crore**	**1 ½** **1** **½** **3**
13. (a)	"If actual demand for final goods falls short of the actual output of final goods corresponding to full employment level, it may lead to an unintended accumulation of inventories." Do you agree with the given statement? Give valid reasons in support of your answer. **Ans. Yes. If the actual demand for final goods falls short of the actual output corresponding to full employment level, it implies that demand by all the consumers and firms is less than the level of output produced at full employment level. Consequently, it may lead to an increase**	**4**

in the stock of unsold goods lying with the firms. Thereby, it may lead to an unintended accumulation of inventories. **(To be marked as a whole)**

OR

(b) Complete the following table. Construct the Consumption function at ₹ 200 crore level of income.

Income (Y) (in ₹ Crore)	*Savings (in ₹ Crore)*	*Average Propensity to Consume (APC)*	*Marginal Propensity to Save (MPS)*
0	(-) 50	-	-
100	…….	1	…….
200	…….	3/4	…….
300	…….	2/3	…….

Ans.

Income (Y) (in ₹ Crore)	**Saving (in ₹ Crore)**	**Average Propensity to Consume (APC)**	**Marginal Propensity to Save (MPS)**
0	**(-) 50**	**-**	**-**
100	**0**	**1**	**0.5**
200	**50**	**3/4**	**0.5**
300	**100**	**2/3**	**0.5**

½ x 6 = 3

Consumption function, C = $\bar{c}$ + bY

C = 50 + 0.5 Y **1**

(Alternate answer for which marks may be awarded-Consumption at ₹ 200 crore level of income = ₹ 150)

Working Note:

At an income level of ₹ 200 crore, Marginal Propensity to Save (MPS) = 0.5 and Marginal Propensity to Consume (MPC) = 1- MPS ⇒1- 0.5 = 0.5

(Marks not to be deducted if working note is not given)

14. "An increase in credit creation capacity of commercial banks has a direct impact on the money supply in an economy."

Discuss the given statement.

Ans. Commercial banks perform the function of credit creation. The amount of credit creation depends upon initial deposits and reserve ratio. With the decrease in the reserve ratio by the Central Bank, the lending capacity of the commercial banks increases. With the increase in the amount of credit creation, money in circulation increases multiple times, thereby increasing the money supply.

Hence, an increase in credit creation capacity of commercial banks has a direct impact on the money supply in an economy.

(To be marked as a whole) **4**

15. For a hypothetical economy, assume the government increased an infrastructural investment by ₹30,000 crore. 80% of additional income is consumed in the economy. Estimate the increase in income and the corresponding increase in consumption expenditure in the economy.

Ans. Given, Δ I = ₹ 30,000 crore

Marginal Propensity to Consume(MPC)=80% of additional income consumed i.e. 0.8

As we know,

$$\mathbf{K = \frac{1}{1-MPC}}$$ **1**

$$\mathbf{= \frac{1}{1-0.8} = 5}$$ **½**

Increase in Income (ΔY) = K x ΔI **1**

= 5 x 30,000

	= ₹ 1,50,000 crore	½
	MPC = $\frac{\Delta C}{\Delta Y}$	½
	0.8 = $\frac{\Delta C}{1,50,000}$	½
	ΔC = ₹ 1,20,000 crore	
		4
16.	Distinguish between direct tax and indirect tax with the help of suitable examples.	
(a)	**Ans. Direct taxes are those taxes whose impact and incidence lies on the same entity.**	**1 + ½**
(i)	**In other words, the liability of paying direct taxes can't be shifted. For example: income tax.**	
	Whereas;	
	Indirect taxes are those taxes whose impact and incidence may lie on different entities. In other words, the liability of paying indirect taxes can be shifted. For example: GST.	**1 + ½**
(ii)	Explain the 'reallocation of resources' objective of Government Budget.	
	Ans. Reallocation of resources - Government through its budgetary policies tries to reallocate resources to ensure fulfillment of various socio-economic objectives.	
	The government may influence the allocation of resources through:	**3**
	• **Taxation policy - Heavy taxes may be imposed on harmful products to discourage their production and subsidies may be provided on the production of socially useful products to encourage their production.**	
	• **Government may directly undertake production of certain goods and services in the areas where private sector may not be willing to participate in production activities.**	
	(To be marked as a whole)	
	OR	**6**
(b)	Suppose the following data is presented for an imaginary economy:	
(i)		

S. No.	*Items*	*Amount (in ₹ crore)*
(i)	Tax Receipts	1,200
(ii)	Revenue Expenditure	3,700
(iii)	Non-Tax Receipts	2,000
(iv)	Recovery of Loans	145
(v)	Capital Expenditure	500
(vi)	Disinvestment	120
(vii)	Interest Payments	1,070

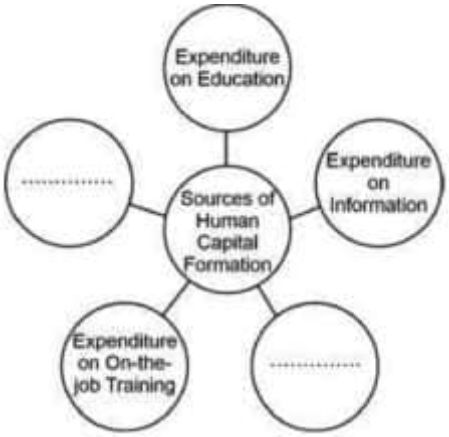
Calculate Revenue Deficit and Fiscal Deficit.

Ans. Revenue Deficit = (ii) – {(i) + (iii)}	**1**
= 3,700 – 1,200 – 2,000	½
= ₹ 500 crore	½
Fiscal Deficit = {(ii) + (v)} – {(i) + (iii) + (iv) + (vi)}	**1**
= 3,700 + 500 – 1,200 – 2,000 – 145 – 120	½
= ₹ 735 crore	½
(ii) Differentiate between public provision and public production.	
Ans. Public provision refers to those goods that are financed through the government budget and can be used without any direct payment by public.	**1**
Whereas;	

	Public production relates to those goods which are directly produced by the government.	**1**
		6
17.	Read the following text carefully: Decisions taken by factors of production in the production process often may affect the stakeholders indirectly. Such impacts at times are huge but are not accounted for, while estimating national income. Economists call them as externalities and they can be positive or negative. In this regard, many economists suggest carbon pricing as an important tool to ensure ecological balance. Carbon pricing tries to control greenhouse gas emissions by either placing a fee on emitting or offering subsidies on lesser emission. Through instruments like carbon tax, green cess, eco tax, etc. economists suggest moving towards greener technology eliminating such negative externalities. On the basis of the given text and common understanding, answer the following questions:	
(i)	Define externalities. **Ans. Externalities refer to benefits/harms which are caused by one entity to another without being paid/ penalised for it.**	**1**
(ii)	Differentiate between positive and negative externalities. **Ans. Positive externalities refer to benefits caused by one entity to another, without being paid for it.**	**1**
	Whereas;	
	Negative externalities refer to the harms caused by one entity to another, without being penalised for it.	**1**
(iii)	Elaborate how and why carbon pricing should be promoted. **Ans. Carbon pricing should be promoted by either placing a fee on emitting or offering subsidies on lesser emission. Through instruments like carbon tax, green cess, eco tax, etc. economy moves toward greener technology, eliminating negative externalities. Hence, carbon pricing is an important tool to ensure ecological balance.**	**3**
	(To be marked as a whole)	**6**
	SECTION – B **(Indian Economic Development)**	
18.	China was able to control its rapid population growth rate owing to _____ . (Choose the correct alternative to fill in the blank) (A) Economic reforms (B) One-Child Policy (C) Great Proletarian Cultural Revolution (D) Special Economic Zones **Ans. (B) One-Child Policy**	**1**
19.	During the British rule, India's foreign trade had various features except_____. (Choose the correct alternative to fill in the blank) (A) Restrictive policies of commodity production, trade and tariff (B) British monopoly over India's exports and imports (C) Free trade from India to the rest of the world (D) Large export surplus **Ans. (C) Free trade from India to the rest of the world**	**1**

20.	Modernization is an important economic planning objective that focuses on _____. (Choose the correct alternative to fill in the blank) (i) Adoption of innovative technology (ii) Equal distribution of income and wealth (iii) Bringing positive changes in the social outlook Alternatives: (A) Only (i) (B) (i) and (ii) (C) (i) and (iii) (D) (i), (ii) and (iii) **Ans. (C) (i) and (iii)**	**1**
21.	_____ farming is a system that is helpful in restoring, maintaining and enhancing the ecological balance. (Choose the correct alternative to fill in the blank) (A) Conventional (B) Organic (C) Chemical (D) Multi-layered **Ans. (B) Organic**	**1**
22.	The present day rapid industrial growth in China can be traced back to the economic reforms introduced in 1978, where_____. (Choose the correct alternative to fill in the blank) (i) initially reforms were initiated in agriculture, foreign trade and investment sectors (ii) the policy of dual pricing was adopted (iii) the Government revoked the policy of Special Economic Zones Alternatives: (A) Only (i) (B) only (ii) (C) (i) and (ii) (D) (i), (ii) and (iii) **Ans. (C) (i) and (ii)**	**1**
23.	Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative from those given below: *Assertion (A):* In the recent past, Indian economy has been facing the problem of jobless growth. *Reason (R):* Jobless growth refers to a situation where an economy is able to produce more goods and services without generating additional employment. Alternatives: (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). (C)Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. **Ans. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).**	**1**
24.	Read the following statements carefully: *Statement 1:* India, Pakistan and China have similar physical endowments, but totally different political systems. *Statement 2:* Both India and Pakistan laid great emphasis on creating a large private sector. 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. **Ans. (A) Statement 1 is true and Statement 2 is false.**	**1**

25. Identify the sources of Human Capital Formation and choose the correct alternative to fill in the blanks.



Alternatives:
(A) Expenditure on Health and Expenditure on Schools
(B) Expenditure on Technology and Expenditure on Knowledge
(C) Expenditure on Migration and Expenditure on Knowledge
(D) Expenditure on Health and Expenditure on Migration
Ans. (D) Expenditure on Health and Expenditure on Migration **1**

26. From the type of workers given in Column I, identify the correct nature of work in Column II:

	Column I		*Column II*
1.	Cement shop owner	(i)	Regular salaried
2.	Construction worker	(ii)	Casual wage workers
3.	Civil engineer	(iii)	Self-employed

(A) 1-(i); 2-(ii); 3-(iii) (B) 1-(ii); 2-(i); 3-(iii)
(C) 1-(iii); 2-(ii); 3-(i) (D) 1-(iii); 2-(i); 3-(ii)
Ans. (C) 1-(iii); 2-(ii); 3-(i) **1**

27. After the implementation of economic reforms, Pakistan experienced slowdown of growth due to various reasons including _____.
(Choose the correct alternative to fill in the blank)
(i) Volatile performance of the agriculture sector
(ii) Over-dependence on remittances from abroad
(iii) Political instability
Alternatives:
(A) (i) and (ii) (B) (ii) and (iii)
(C) (i), (ii) and (iii) (D) (i) and (iii)
Ans. (C) (i), (ii) and (iii) **1**

28. (a) "Micro-credit programmes have helped to fill in the gaps in the formal credit system." Justify the given statement.
Ans. Micro-credit programmes have emerged to fill the gap in the formal credit system. The formal credit delivery mechanism has not been fully integrated into the rural social structure. Since, some collateral is required, vast proportion of poor rural households go out of the credit network.
Micro-credit system has brought these poor households in the ambit of formal credit system by providing them loans at the concessional rate of interest. **3**
(To be marked as a whole)

OR

(b)	"Information Technology can play a crucial role in rural development." Discuss briefly the given statement. **Ans. In India, Information Technology (IT) plays a crucial role as government can predict areas of food insecurity and vulnerability using appropriate information and software tools. It helps in disseminating information regarding emerging technologies and their applications, prices, weather and soil conditions for growing different crops etc. It acts as a tool for releasing the creative potential and knowledge embedded in the society. Moreover, it generates employment in rural areas. Hence, IT plays a vital role in achieving rural development and food security in a nation like India.** **(To be marked as a whole)**	**3** **3**
29.	Interpret the given picture and explain any one strategy to control it from becoming an ecological disaster.  **Ans. The given picture illustrates the problem of air pollution caused due to swift industrial development. The release of contaminants like noxious gases, particulate matter, and other substances in the atmosphere leads to health issues and environmental degradation.** **In order to control air pollution, it becomes imperative to switch to cleaner sources of energy. The use of non-conventional sources of energy such as solar power, wind power maintains ecological balance.** **(Any other valid strategy to be awarded marks)** Note : The following question is for the ***Visually Impaired Candidates*** only, in lieu of Q. No. ***29*** State any two strategies to achieve the objective of sustainable development. **Ans. Two strategies to achieve the objective of sustainable development are:** • **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.** **(Any other valid strategy to be awarded marks)**	**1 ½** **1 ½** **1 ½** **1 ½** **3**
30.	Discuss any two benefits accruing from human capital formation. **Ans. The benefits accruing from human capital formation are:** • **Investment in human capital formation enhances efficiency, skill, and capabilities contributing to higher productivity which in turn leads to economic growth.** • **Healthy and educated people may provide an uninterrupted labour supply for a long period. Thereby, increasing the income which may improve the quality of life.**	 **2** **2** **4**

31. On the basis of the data given below, discuss the shift in output and employment sector-wise, in India and China:

Sectoral share of Employment and GVA (%) in 2018 – 2019

Sector	*Contribution to GVA*			*Distribution of Workforce*		
	India	*China*	*Pakistan*	*India*	*China*	*Pakistan*
Agriculture	16	7	24	43	26	41
Industry	30	41	19	25	28	24
Service	54	52	57	32	46	35
Total	**100**	**100**	**100**	**100**	**100**	**100**

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

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

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

Both the nations have similar contribution of the Service sector to GVA standing at 54% and 52% with corresponding 32% and 46% to the workforce, respectively in India and China. **(To be marked as a whole)** — **4**

32. (a) Discuss any two factors that lead to stagnating Indian agriculture sector during British rule.

Ans. During British rule, the agriculture sector experienced stagnation due to the following factors:

- **The colonial government introduced the Land Settlement system. The zamindars used to exploit cultivators by extracting a major portion of the produce in the form of rent leading to misery among the farmers.** — **2**
- **Lack of irrigation facilities and low level of technology contributed to the dismal level of agricultural productivity, which aggravated the plight of the farmers.** — **2**

(Any other valid factor to be awarded marks)

OR — **4**

(b) Discuss any two liberalization measures pertaining to the tax reforms, introduced by the government, during the economic reform process of 1991.

Ans. Two liberalization measures pertaining to the tax reforms introduced by the government, during the economic reform process of 1991 were:

- **There has been a reduction in taxes as high tax rates were an important reason for tax evasion.** — **2**
- **To encourage better compliance on the part of taxpayers many tax paying procedures have been simplified.** — **2**

4

33. "Amita is a regular worker in a private firm that employs twelve hired workers."

(a) Is she working in the formal/informal sector? Give valid reasons in support of your answer.

(i) **Ans. Amita is working in the formal sector.** — **1**

As formal sector includes all the public sector and private sector establishments that employ 10 hired workers or more. — **1**

(ii) State any two sources of data on unemployment in India.

Ans. Two sources of data on unemployment in India are:

	• **Reports of Census of India**	½
	• **National Statistical Office's Reports of Employment and Unemployment Situation**	½
	(Any other valid source to be awarded marks)	
(iii)	Elaborate the need to promote women's education in India.	
	Ans. Promoting women's education in India is imperative for societal progress and gender equality. Educated women contribute to economic growth by entering the workforce and making informed decisions about their lives. Moreover, educating women makes a favourable impact on the fertility rate and health care of women and children. Hence, investing in women's education uplifts communities and drives sustainable development across India. (To be marked as a whole)	**3**
	OR	**6**
(b) **(i)**	"The participation rate of people in economic activities in rural areas is more than that in urban areas." Justify the given statement.	
	Ans. People in rural areas have limited resources. To earn higher income people participate more in the employment market. **As compared to rural areas, a large section in the urban areas can attain formal education and have a variety of employment opportunities at their disposal. Thus, people in urban areas look for appropriate job to suit their qualifications and skills.** **Hence, participation rate of people in economic activities in rural areas is more than that in urban areas. (To be marked as a whole)**	**3**
(ii)	Define disguised unemployment. State its implications on output and employment in a country.	
	Ans. Disguised unemployment refers to a situation when the person seems to be employed but is not contributing to the output i.e., the marginal productivity of labour is zero.	**1 ½**
	People who are disguisedly unemployed do not contribute anything to the output. Hence, there is no change in the output and employment in a country.	**1 ½**
		6
34.	Read the following text carefully: India's industrial policy since independence has been shaped broadly in terms of the Industrial Policy Resolution of 1948. It emphasized on the sole responsibility of the government in the matter of promoting, assisting and regulating the development of industries in the national interest. It envisaged an active and dominant role of public sector. The next Industrial Policy Resolution was placed before the Parliament by the Prime Minister on 30th April, 1956. It suggested that, "There is a need for adoption of the socialist pattern of economy as the national objective, along with the need for planned and rapid development. It required that all industries of basic and strategic importance, or in public utility services, should be in the public sector. Other industries which are essential and require investment on a massive scale (which only the State could provide) have also to be in the public sector. Thus, the State has to assume direct responsibility for the future development of industries." This Resolution classifies industries into three categories: • The first category given in Schedule A, consists of industries the future development of which will be the exclusive responsibility of the State. • In the second category given in Schedule B, are industries which will be progressively State-owned. However, in them, private enterprise will also be expected to participate.	

	• The third category comprises all the remaining industries, the further development of which will be left to the initiative and enterprise of the private sector. On the basis of the given text and common understanding, answer the following questions:	
(i)	"The Government of India, in the initial years of economic development, emphasized on a greater role of the public sector in the industrial development." Justify the statement, giving reasons in support of your answer. **Ans. In the initial years of economic development, the Government of India emphasized on a greater role of the public sector in the industrial development as industrialists did not have the capital to undertake the investment in industrial ventures. The market was not big enough to encourage industrialists to undertake major projects. (To be marked as a whole)**	**3**
(ii)	Outline and discuss the classification of industries into various categories as per Industrial Policy Resolution, 1956. **Ans. Industrial policy Resolution 1956 classifies industries into three categories:** • **The first category given in Schedule A, consists of industries the future development of which will be the exclusive responsibility of the State.**	**1**
	• **In the second category given in Schedule B, are industries which will be progressively State-owned. However, in them, private enterprise will also be expected to participate.**	**1**
	• **The third category comprises all the remaining industries, the further development of which will be left to the initiative and enterprise of the private sector.**	**1**
		6

* * *