

SOLUTIONS
Senior School Certificate Examination 2026
ECONOMICS (Subject Code–030)
[Paper Code: 58/1/1]

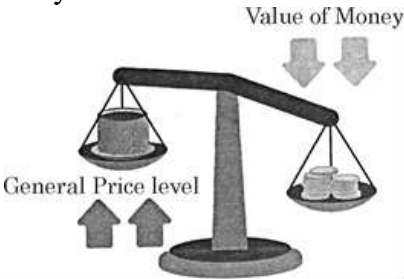
Maximum Marks: 80

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
SECTION -A (Macro Economics)		
1.	In a two sector economy, the flow of factor payments moves from _____ to _____. (Choose the correct option to fill in the blanks) (A) firms, households (B) firms, government (C) banks, households (D) households, firms Ans. (A) firms, households	1
2.	Read the following statements: Assertion (A) and Reason (R). Choose the correct option from those given below: Assertion (A): Money is of perishable nature and is generally accepted by all at any point of time. Reason (R): Money serves as a store of value, facilitating individuals to transfer purchasing power from the present to the future. Options: (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. Ans. (D) Assertion (A) is false, but Reason (R) is true.	1
3.	Read the following statements carefully: Statement 1: Depreciation of currency is an economic action undertaken by the government of a nation under the fixed exchange rate system. Statement 2: Under the floating exchange Rate system, authorities actively intervene in the foreign exchange market by way of maintaining foreign exchange reserves. In the light of the given statements, choose the correct option from the following: (A) Statement 1 is true and statement 2 is false. (B) Statement 1 is false and statement 2 is true. (C) Both statements 1 and 2 are true. (D) Both statements 1 and 2 are false. Ans. (D) Both statements 1 and 2 are false.	1
4.	In an economy, when _____ is insufficient to achieve the level of output corresponding to the full employment, the difference is termed a deflationary gap. (Choose the correct option to fill in the blank) Options: (A) ex-ante Aggregate Demand (B) ex-post Aggregate Demand (C) ex-ante Aggregate Supply (D) ex-post Aggregate Supply Ans. (A) ex-ante Aggregate Demand	1
5.	In an economy, exclusion of _____ may lead to under estimation of the value of Gross Domestic Product (GDP). (Choose the correct option to fill in the blank)	

	(i) Barter Transactions (ii) Services provided by family members (iii) Illegal activities (iv) Depreciation of Assets Options: (A) (i) and (ii) (B) (ii) and (iii) (C) (iii) and (iv) (D) (i), (ii) and (iii) Ans. (A) (i) and (ii)	1
6.	Identify, which of the following is true at the Break Even level of Income. (Choose the correct option) Options: (A) Slope of Consumption Curve = Slope of Saving Curve (B) Average Propensity to Consume (APC) = Average Propensity to Save (APS) (C) Slope of Saving Curve = Unity (1) (D) Average Propensity to Consume (APC) = Unity (1) Ans. (D) Average Propensity to Consume (APC) = Unity (1)	1
7.	Read the following statements carefully: Statement 1: Final goods are those goods which normally lose their identity in the production process. Statement 2: Final goods may get transformed during the consumption process by a consumer. (Choose the correct option) Options: (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
8.	Read the following statements: Assertion (A) and Reason (R). Choose the correct option from those given below: Assertion (A): Unilateral Transfers are recorded in the Current Account of the Balance of Payments (BoP) of a nation. Reason (R): Capital account records transactions which cause a change in the assets or liabilities of the country. Options: (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. Ans. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).	1
9.	"In the Indian Banking System, the Statutory Liquidity Ratio (SLR) plays a vital role in controlling the credit creation capacity of the Commercial Banks, as it _____." (Choose the correct option to fill in the blank) (A) ensures that all the deposits are converted into liquid assets. (B) requires banks to maintain a percentage of deposits in the form of liquid assets. (C) sets the maximum interest rate which the banks can charge on loans. (D) promote banks from lending beyond a specific proportion of their total reserves.	

	Ans. (B) requires banks to maintain a percentage of deposits in the form of liquid assets.	1
10.	'In an economy, the currency held by the public, Net Demand Deposits with Commercial Banks and Net Time Deposits with Commercial Banks stand at ₹ 1,42,000 crore, ₹ 22,000 crore and ₹ 86,000 crore respectively. The value of Money Supply (M_1) would be ₹ _____ crore. (Choose the correct option to fill in the blank) Options: (A) 2,50,000 (B) 86,000 (C) 1,64,000 (D) 1,42,000 Ans. (C) 1,64,000	1
11.	Meera and Shahid are two classmates, who were comparing India's economic growth over the years. Meera referred to the increase in Gross Domestic Product (GDP) at current prices prevailing in market, while Sahid insisted on considering GDP after adjusting for inflation. Their debate on which of the two measures gives a true picture of people's well-being, remained inconclusive. Considering the above mentioned situation, elaborate with valid reason, which of the two variables is considered a better indicator of welfare and why? Ans. Gross Domestic Product (GDP) after adjusting for inflation (Real GDP) is a better measure of welfare than GDP at current prices (Nominal GDP). Real GDP is a true indicator of economic growth of a country as it changes only with the change in physical output. Thus, it eliminates the effect of changes in prices, showing the real growth of the economy. In contrast, Nominal GDP might change with the change in output or/and change in prices. OR (B) Two friends, Ravi and Harry were discussing whether the money received from sale of an old car should be included in India's National income. Ravi was of the view that it should be included in India's National income while Harry did not agree with him. They also had difference of opinion on the treatment of brokerage paid to the car dealer. As their Economics teacher, state the treatments with valid arguments. Ans. Harry's opinion is correct. The money received from the sale of an old car will not be included in India's National Income because its value was already included in the year it was originally produced. Hence, it does not contribute to the current flow of goods and services. However, the brokerage paid to the car dealer is included in India's National Income, as it represents payment for productive services rendered in the current year.	1 1 1 3 1 ½ 1 ½ 3
12.	"Under the provisions stated in the Section 20 and Section 21 of the Reserve Bank of India (RBI) Act, 1934, the RBI is mandated to handle the banking operations of the Government of India." In the light of the given statement, elaborate the indicated function of the Reserve Bank of India.	

	Ans. The Reserve Bank of India (RBI) serves as banker to the government, managing its accounts, receiving deposits and processing payments. Exchanges, remittances and various banking operations are facilitated by the RBI on behalf of the government. In addition to this, during any financial crisis, RBI provides credit to the government to ensure its smooth functioning and to support the state in managing its obligations effectively. (To be marked as a whole)	3																		
13. (A)	For a hypothetical economy, assuming there are only two firms (X and Y) with equal values of Gross Value Added (GVA). On the basis of the following data, estimate the value of Domestic Sales of both the firms (X and Y): <table border="1"> <thead> <tr> <th>S. No.</th><th>Items</th><th>Amount (in ₹ crore)</th></tr> </thead> <tbody> <tr> <td>(i)</td><td>Value of Output of firm Y</td><td>700</td></tr> <tr> <td>(ii)</td><td>Purchases by firm X from firm Y</td><td>200</td></tr> <tr> <td>(iii)</td><td>Exports by firm X</td><td>100</td></tr> <tr> <td>(iv)</td><td>Purchases by firm Y from firm X</td><td>150</td></tr> <tr> <td>(v)</td><td>Additions to Stock of firm X</td><td>50</td></tr> </tbody> </table> Ans. Gross Value Added of Firm Y = (i) – (iv) $= 700 - 150$ $= ₹ 550 \text{ crore}$ Domestic Sales of Firm Y = Gross Value Added of Firm Y + (iv) $= 550 + 150$ $= ₹ 700 \text{ crore}$ Gross Value Added of Firm X = Gross Value Added of Firm Y = ₹ 550 crore Domestic Sales of Firm X = Gross Value Added of Firm X – (iii) – (v) + (ii) $= 550 - 100 - 50 + 200$ $= ₹ 600 \text{ crore}$ OR	S. No.	Items	Amount (in ₹ crore)	(i)	Value of Output of firm Y	700	(ii)	Purchases by firm X from firm Y	200	(iii)	Exports by firm X	100	(iv)	Purchases by firm Y from firm X	150	(v)	Additions to Stock of firm X	50	$\frac{1}{2}$ $\frac{1}{2}$ $\frac{1}{2}$ $\frac{1}{2}$ 1 $\frac{1}{2}$ $\frac{1}{2}$ 4
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(B)	Ms. Reeta D’Costa, retired from the post of Income Tax Commissioner in the year 2023. Apart from her pension, she also receives the following from various sources: - Rental income from a flat she owns. - Interest income from her fixed deposits. - Money sent by her children settled abroad. Identify and classify, her monthly incomes into ‘factor income’ and ‘transfer income’, with valid reasons. Ans. Factor Income: - Rental income from a flat she owns. - Interest income from her fixed deposits. - Retirement pension (Deferred Payment) Transfer Income: - Money sent by her children settled abroad. Factor income is the income earned by the factors of production for rendering their services.	$\frac{1}{2}$ $\frac{1}{2}$ $\frac{1}{2}$ $\frac{1}{2}$ 1																		

	Transfer income is the income received without rendering any productive service in return.	1
		4
14.	Michel, an entrepreneur of Country Zeta, borrowed \$ 5 million from an overseas bank to expand his textile business. During the same financial year, the Government of Country Zeta secured a loan of \$ 30 Billion from an International Financial Institution to manage the ongoing Balance of Payments. Samuel, an Economics student categorised both of these transactions as 'autonomous transactions' in the BoP account of the country. Do you agree with his classification? Justify your answer with valid reasons. Ans. No. The loan taken by the Government of Zeta in this case can be classified as an accommodating transaction. Such transactions are those international economic transactions which are undertaken (by competent authorities) to cover the surplus or deficit in Balance of Payments (BoP) and are independent of any economic motive. However, loan taken by Michel, can be classified as an autonomous transaction. Such international economic transactions are independent of the state of BoP and generally take place with an economic motive.	2 2
		4
15.	Refer the given image carefully:  Explain any two measures that can be taken by the Central Bank to control the indicated macroeconomic problem. Ans. To deal with the situation of highlighted macroeconomic problem i.e. inflation, the Central Bank may use the following measures: • Repo Rate: A rise in repo rate will force the commercial banks to increase the lending rates, making the credit dearer for the general public, discouraging the borrowings. Consequently, Aggregate Demand will fall thus correcting the problem of inflation in the economy. • Open Market Operations: The Central Bank can sell government securities in the open market, thereby, reducing the availability of funds with the commercial banks for lending. Consequently, Aggregate Demand will fall thus correcting the problem of inflation in the economy. (Any other valid interpretation and explanation of the image to be awarded marks) Note: The following question is for the Visually Impaired Candidates only in lieu of Q. No. 15. State and explain any two measures that can be taken by the Central Bank to control the situation of deficient demand. Ans. To deal with the situation of deficient demand, the Central Bank may use the following measures: • Repo Rate: A fall in repo rate will encourage the commercial banks to decrease the lending rates making the credit relatively affordable for the	2 2 4 2

	general public, encouraging the borrowings. Consequently, Aggregate Demand will rise thus correcting the problem of deficient demand in the economy. • Open Market Operations: The Central Bank can purchase the government securities in the open market, thereby, increasing the availability of funds with the commercial banks for lending. Consequently, Aggregate Demand will rise thus correcting the problem of deficient demand in the economy.	2															
		4															
16. (A)	“Income of an economy increased from ₹ 20,000 to ₹ 50,000 crore. Savings of the economy increased from ₹ 2,000 crore to ₹ 10,000 crore.” (i) Calculate Average Propensity to Consume (APC) and Average Propensity to Save (APS), before and after the rise in income. Ans. <table><tr><th>Income (Y) (in ₹ crore)</th><th>Savings (S) (in ₹ crore)</th><th>Consumption (C = Y - S) (in ₹ crore)</th><th>APC (C/Y)</th><th>APS (S/Y)</th></tr><tr><td>20,000</td><td>2,000</td><td>18,000</td><td>$\frac{18000}{20000}$ = 0.9</td><td>$\frac{2000}{20000}$ = 0.1</td></tr><tr><td>50,000</td><td>10,000</td><td>40,000</td><td>$\frac{40000}{50000}$ = 0.8</td><td>$\frac{10000}{50000}$ = 0.2</td></tr></table> (Any other valid alternative solution to be awarded marks) (ii) Draw appropriate conclusion regarding the behaviour of Average Propensity to Consume (APC) as his income increases. Ans. From the given data, it can be concluded that as income increases from ₹ 20,000 to ₹ 50,000 crore, value of Average Propensity to Consume (APC) falls from 0.9 to 0.8, thereby establishing an inverse relationship between the level of income and APC.	Income (Y) (in ₹ crore)	Savings (S) (in ₹ crore)	Consumption (C = Y - S) (in ₹ crore)	APC (C/Y)	APS (S/Y)	20,000	2,000	18,000	$\frac{18000}{20000}$ = 0.9	$\frac{2000}{20000}$ = 0.1	50,000	10,000	40,000	$\frac{40000}{50000}$ = 0.8	$\frac{10000}{50000}$ = 0.2	1 + 1 <
Income (Y) (in ₹ crore)	Savings (S) (in ₹ crore)	Consumption (C = Y - S) (in ₹ crore)	APC (C/Y)	APS (S/Y)													
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17.	Refer the given text carefully: According to the Economic Survey 2024-25, the government budget's projections for the fiscal year 2025-26 indicate that gross direct tax revenue will rise by 12.7%, while gross indirect tax collections are expected to grow by 8.3% relative to FY 2024-25. Direct taxes include income tax and corporate tax, reflecting earnings and profits of households and firms. It plays a key role in revenue growth of the government. Indirect taxes encompass Goods and Services Tax (GST), custom duties and other transaction-based levies. Higher growth rate projected for direct taxes suggests a push to enhance tax buoyancy through improved compliance and reforms. On the other hand, indirect taxes are expected to benefit from consumption trends and Goods and Services Tax (GST) administration improvements. The balance tax strategy aims to mobilise resources while supporting fiscal consolidation and sustainable economic growth. On the basis of the above passage and common understanding, answer the following questions: (i) Differentiate between the two types of taxes indicated in the above text, with suitable examples. Ans. The two types of taxes indicated in the above text are direct and indirect taxes. Direct taxes are those taxes whose impact and incidence lies on the same entity. In other words, the liability of paying direct taxes can't be shifted. For example: Income tax etc. 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: Goods and Services Tax (GST) etc. (Any other valid example to be awarded marks) (ii) Elaborate the likely consequences of the tax projections made by the government. Ans. The projected increase in tax revenues is likely to strengthen the government's revenue base. Overall, this balanced tax strategy will help mobilise resources, support fiscal consolidation and promote sustainable economic growth.	1 ½ ½ 1 ½ ½ 2 6
SECTION – B (Indian Economic Development)		
18.	Read the following statements carefully: Statement 1: During the British rule in India, the export surplus was utilised to import of invisible items from Britain. Statement 2: Indians paid for the expenses incurred by an office set up by the colonial government in Britain. In the light of above statements, choose the correct option from the following: (A) Statement 1 is true and statement 2 is false. (B) Statement 1 is false and statement 2 is true. (C) Both statements 1 and 2 are true. (D) Both statements 1 and 2 are false. Ans. (C) Both statements 1 and 2 are true.	1
19.	Read the following statements: Assertion (A) and Reason (R), Choose the correct option from those given below:	

	Assertion (A): Education facilitates the assimilation of knowledge and competencies. It also fosters inventive capacities and enhances the aptitude to integrate advance technology. Reason (R): Education plays a pivotal role in transforming cognitive perspectives and serves as a catalyst for the economic advancement of a nation. Options: (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. Ans. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).	1
20.	Read the following text carefully: “In the recent times, the Government of India, has introduced several measures to encourage greater public participation in the capital market, including both primary and secondary stock markets.” Under which sector have the above mentioned reforms been introduced? (Choose the correct option) Options: (A) Industrial (B) Financial (C) Taxation (D) Foreign Trade Ans. (B) Financial	1
21.	The Montreal Protocol was signed in the year 1987 committing nations to ____. (Choose the correct option to fill in the blank) Options: (A) protect biodiversity from any further losses. (B) reduce the impact of global warming. (C) protect ozone layer from depletion incurred due to chlorofluoro carbons. (D) reduce the impact of deforestation. Ans. (C) protect ozone layer from depletion incurred due to chlorofluoro carbons.	1
22.	Read the following statements: Assertion (A) and Reason (R), Choose the correct option from those given below: Assertion (A): The notion of rural development encompasses a far wider spectrum than agricultural advancement. Reason (R): Government interventions in the agricultural sector remain imperative, as it constitutes the primary means of sustenance for the rural population. Options: (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. Ans. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).	1
23.	Identify, which of the following, highlights a highly relevant issue associated with evolving employment trends in India’s labour market?	

	Options: (A) Progressive increase in the share of permanent salaried employees. (B) Increase in the proportion of casually employed individuals. (C) Expansion of self-employment avenues in all regions. (D) Significant rise in job opportunities within the formal sector. Ans. (B) Increase in the proportion of casually employed individuals.	1																				
24.	Match the terms given in Column-I with their respective meaning in Column-II. Select the correct option : <table><tr><td></td><td>Column-I</td><td></td><td>Column-II</td></tr><tr><td>(i)</td><td>Seasonal Unemployment</td><td>(a)</td><td>Private enterprises hiring less than 10 employees</td></tr><tr><td>(ii)</td><td>Self-employed</td><td>(b)</td><td>Workers using their own resources to earn livelihood</td></tr><tr><td>(iii)</td><td>Unorganised sector</td><td>(c)</td><td>Unemployment occurring in specific season</td></tr><tr><td>(iv)</td><td>Disguised Unemployment</td><td>(d)</td><td>Zero Marginal Productivity</td></tr></table> Options: (A) (i)-(d); (ii)-(a); (iii)-(b); (iv)-(c) (B) (i)-(b); (ii)-(a); (iii)-(c); (iv)-(d) (C) (i)-(c); (ii)-(b); (iii)-(a); (iv)-(d) (D) (i)-(c); (ii)-(d); (iii)-(a); (iv)-(b) Ans. (C) (i)-(c); (ii)-(b); (iii)-(a); (iv)-(d)		Column-I		Column-II	(i)	Seasonal Unemployment	(a)	Private enterprises hiring less than 10 employees	(ii)	Self-employed	(b)	Workers using their own resources to earn livelihood	(iii)	Unorganised sector	(c)	Unemployment occurring in specific season	(iv)	Disguised Unemployment	(d)	Zero Marginal Productivity	1
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25.	“Sustainable development refers to the development that meets the need of the present generation without compromising the ability of the future generations, to meet their own needs.” The above mentioned definition has been given by _____. (Choose the correct option to fill in the blank) (A) United Nations Conference on Environment and Development (B) United Nations Committee on Environment and Development (C) United Nations Committee on Protection of Environment (D) United Nations Conference on Protection of Environment Ans. (A) United Nations Conference on Environment and Development	1																				
26.	Read the following statements: Assertion (A) and Reason (R), Choose the correct option from those given below: Assertion (A): The Government of India adopted the measure of regulation of markets to improve marketing conditions for agricultural products. Reason (R): Regulation of market ensured transparent pricing, fair trade practices, and protection for farmers against exploitation in agricultural marketing. Options: (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). (C) Assertion (A) is true, but Reason (R) is false. (D) Assertion (A) is false, but Reason (R) is true. Ans. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).	1																				

27.	Arrange the following events in China's economic development history in correct chronological sequence and select the correct option: I. Great Proletarian Cultural Revolution. II. Great leap forward III. Introduction of Economic Reforms IV. Launch of the First Five Year Plan Options: (A) II, IV, III, I (B) IV, II, I, III (C) II, IV, I, III (D) IV, I, II, III Ans. (B) IV, II, I, III	1
28.	(A) "Employment in the formal sector guarantees better income and social benefits compared to informal sector job." Defend or refute the above statement with valid reason and example. Ans. The given statement is defended. Formal sector workers are entitled to fair wages and other social security measures such as pension, provident fund, etc. Whereas, workers in the informal sector do not get regular income and social security benefits. They can be dismissed without any compensation. For example: A government employee receives regular salary along with pension and social security, whereas a daily wage worker works without any social security. (Any other valid example to be awarded marks)	1 1 1
	OR	3
(B)	During the 'Mann ki Baat' program aired on 29th June, 2025, Prime Minister shared that World Health Organisation (WHO) has declared India as a Trachoma free (an eye disease). This achievement, he shared, is a result of sustained efforts in health care, sanitation, awareness and medical access. In the light of the above statement, explain how investments in health care contributes to a nation's development. Support your answer with valid arguments. Ans. Investment in healthcare contributes to a nation's development by ensuring the availability of a healthy workforce. The productivity of a healthy person is relatively higher than that of an unhealthy person. Healthy people may provide an uninterrupted labour supply for a long period. Thus, better healthcare enhances labour productivity, promotes human capital formation and ultimately supports the economic development of a country. (To be marked as a whole)	3
29.	"In the late 1970's China's population growth rate has sharply declined as compared to India." Elucidate the reasons and impacts of this situation. Ans. In the late 1970s, China experienced a sharp decline in its population growth rate compared to India due to the implementation of one-child policy introduced by the government. This policy led to an ageing population, with a higher proportion of elderly people as compared to the young population.	1 ½ 1 ½
		3
30.	(A) State and explain any two changes which were observed in India's occupational structure during the British Rule. Ans. During the British rule the occupational structure of India showed regional variation as: • Shift towards Industrial and Service sector: Parts of Madras Presidency, Bombay and Bengal witnessed a decline in the dependence of the	½ + 1 ½

	workforce on the agricultural sector with a commensurate increase in the manufacturing and the services sectors. Rising Dependence on Agriculture sector: There had been an increase in the share of workforce in agriculture in states such as Orissa, Rajasthan and Punjab.	$\frac{1}{2} + 1 \frac{1}{2}$																														
	OR	4																														
(B)	“The British sought to achieve their vested interest through their policies of infrastructural development in India.” Do you agree with the given statement? Justify your answer with valid explanation. Ans. Yes. The British developed the basic infrastructure to subserve their own interest. Roads and railways were built primarily to mobilise the army within India, drawing out raw materials from the countryside to the nearest railway station/port for exporting to England/other foreign destinations. Moreover, various communication tools like electric telegraph were introduced to maintain law and order. (To be marked as a whole) (Any other valid explanation to be awarded marks)	4																														
31.	“At the time of independence, both India and Pakistan inherited similar colonial economic structures. Both the nations adopted many similar economic planning strategies.” Explain any two such similarities in the developmental path of India and Pakistan. Ans. Two similar developmental strategies adopted by India and Pakistan: Both the nations followed the path of mixed economic system involving the public as well as the private sector. Both India and Pakistan adopted import substitution policy in order to protect their domestic industries from foreign competition. (Any other valid strategy to be awarded marks)	2 2 4																														
32.	(A) State the meaning of ‘Disguised Unemployment’. Ans. Disguised unemployment refers to a situation when the person seems to be employed but is not contributing to the output i.e., his marginal productivity is zero. (B) <table border="1"> <caption>Sector-wise Gender Distribution of Workers (%)</caption> <thead> <tr> <th>Sector</th> <th>Male Workers (%)</th> <th>Female Workers (%)</th> </tr> </thead> <tbody> <tr> <td>Manufacturing</td> <td>75</td> <td>25</td> </tr> <tr> <td>Construction</td> <td>80</td> <td>20</td> </tr> <tr> <td>Trade</td> <td>75</td> <td>25</td> </tr> <tr> <td>Transport</td> <td>80</td> <td>20</td> </tr> <tr> <td>Education</td> <td>55</td> <td>45</td> </tr> <tr> <td>Health</td> <td>50</td> <td>50</td> </tr> <tr> <td>Accommodation & Restaurant</td> <td>75</td> <td>25</td> </tr> <tr> <td>IT/BPOs</td> <td>60</td> <td>40</td> </tr> <tr> <td>Financial Services</td> <td>60</td> <td>40</td> </tr> </tbody> </table> In the light of the given chart, analyse the gender-wise sectoral distribution of workers. Ans. The given chart highlights the following points regarding the gender-wise sectoral distribution of workers: Male workers dominate in most sectors such as manufacturing, construction, trade, transport etc. Female participation is relatively low in construction and transport indicating gender inequality. Education and health sectors show a relatively balanced distribution, with female participation being significantly higher compared to other sectors. (Any other valid point to be awarded marks)	Sector	Male Workers (%)	Female Workers (%)	Manufacturing	75	25	Construction	80	20	Trade	75	25	Transport	80	20	Education	55	45	Health	50	50	Accommodation & Restaurant	75	25	IT/BPOs	60	40	Financial Services	60	40	1 1 1
Sector	Male Workers (%)	Female Workers (%)																														
Manufacturing	75	25																														
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Financial Services	60	40																														

	Note : The following question is for the Visually Impaired Candidates only in lieu of Q.No. 32 (B). Elaborate any two reasons behind more women employed in economic activities in Rural areas as compared to Urbans areas. Ans. Reasons behind more women employed in economic activities in rural areas as compared to urban areas are: • Women in rural areas are more actively engaged in the economic activities as compared to their urban counterparts as women are compelled to work due to their economic condition. • Moreover, in urban areas, where men earn higher income, families often discourage female members from seeking employment.	1 ½ 1 ½ 4
33. (A)	(i) Mr. Ravi, an IT entrepreneur from Bengaluru, observed that several MNC's prefer India as their outsourcing Hub for services like software development, customer support, data management etc. His friend Priya believes this is due to certain inherent advantages of the Indian economy. In your opinion, state and explain any two factors that make India a preferred outsourcing destination. Ans. India has emerged as a preferred outsourcing destination because of: • Expansion of Information Technology and Communication: Growth of fast modes of communication, particularly the growth of Information Technology (IT). • Availability of skilled manpower: Efficient and skilled manpower is available at a relatively affordable cost. (ii) "In the post-independence era, India adopted a protective tariff policy." Do you agree with the given statement? Justify your answer with any two valid arguments. Ans. Yes. In the post-independence era, India adopted a protective tariff policy to: • promote domestic production by substituting imports with locally produced goods. • safeguard emerging industries from intense foreign competition, allowing them to grow and develop sustainably. (Any other valid argument to be awarded marks) OR	½ + 1 ½ + 1 1 ½ 1 ½ 6
(B)	(i) 'Strategic sale of a public sector undertaking and minority sale of their shares are methods of disinvestment.' Defend or refute the given statement with valid argument. Ans. The given statement is defended. Both strategic and minority sale are the methods of disinvestment used by the government to reduce its ownership and encourage private participation. It leads to improved efficiency and better performance of public sector enterprises. Strategic sale involves transferring a significant share of government ownership along with management control to a private entity. Although minority sale refers to selling a limited portion of shares while the government retains control. (Any other valid explanation to be awarded marks)	3

	(ii) Discuss briefly, how bilateral trade agreements are different from multilateral trade agreements? Ans. Bilateral Trade Agreement refers to the agreements relating to exchange of Goods and services between two countries. Whereas; Multilateral Trade Agreement refers to the trade agreements made by a country with more than two nations to exchange goods and services.	1 ½ 1 ½ 6
34.	Read the following text carefully: To ensure inclusive and quality education for all, the Indian government has launched several important schemes. These schemes aimed at improving access, equity and learning outcomes, especially among disadvantaged group. The Right to Education (RTE) Act, passed by the India Parliament on August 4, 2009, guarantees free and compulsory education to every child between 6-14 years of age. It ensures that all children have access to education in neighbourhood schools, until they complete elementary education. Another key initiative is Sarva Siksha Abhiyan (SSA). It was introduced in 2001. It is one of India's flagship programmes for the Universalisation of Elementary Education. Digital India Campaign, launched on July 1, 2015, focuses on transforming India into a digitally empowered society by improving mobile and internet connectivity, particularly in rural and remote regions. This initiative supports digital learning & access to educational resources. Through these initiatives, the government strives to create an equitable, accessible & quality driven educational environment for all children, laying a strong foundation for national development. On the basis of the given text and common understanding, answer the following questions: (i) Identify, which law guarantees free and compulsory education upto the age of 14 years. Explain, how does it help in enhancing access to education. Ans. The Right to Education (RTE) Act, 2009 guarantees free and compulsory education up to the age of 14 years. It enhances access to education by ensuring that every child between 6 to 14 years can attend school without any financial burden. It also provides schooling facilities in neighbourhood areas, making education easily accessible. This helps include children from disadvantaged groups and ensures that all children complete elementary education. (ii) In your opinion, how has the increase in public spending on education contributed to India's social and economic transformation? Support your answer with valid arguments. Ans. Increase in government spending on education has played an important role in India's social and economic development. It has made education more accessible, especially for weaker sections, thus, promoting equality. Education has improved skills and knowledge, leading to better job opportunities and higher productivity. It has helped in improving the standard of living of the people and overall development of the country. (To be marked as a whole) (Any other valid explanation to be awarded marks)	1 2 3 6

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