

SOLUTIONS
Senior School Certificate Examination 2026
ECONOMICS (Subject Code–030)
[Paper Code: 58/1/2]

Maximum Marks: 80

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
SECTION -A (Macro Economics)		
1.	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
2.	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
3.	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
4.	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
5.	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
6.	“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
7.	‘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
8.	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
9.	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
10.	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
11.	“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
12.	Two friends, Devanshi and Harshit, were discussing whether prize money from lottery winnings, should be included in India's National income. Harshit was of the view that it should be included, while Devanshi did not agree with him. As their Economics teacher, guide them with correct treatment of the same with valid argument. Ans. Devanshi is correct. Prize money from lottery winnings should not be included in the estimation of National Income of India as it is a windfall gain. It is the income generated without rendering any productive service in return. National income includes only those incomes that arise from the production of goods and services. (To be marked as a whole) OR (B) 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.	3 1 1

	In contrast, Nominal GDP might change with the change in output or/and change in prices.	1																					
		3																					
13. (A)	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. Transfer income is the income received without rendering any productive service in return.	$\frac{1}{2}$ $\frac{1}{2}$ $\frac{1}{2}$ $\frac{1}{2}$ 1 1																					
	OR	4																					
(B)	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 by firm X: <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>1,400</td></tr> <tr> <td>(ii)</td><td>Purchases by firm X from firm Y</td><td>400</td></tr> <tr> <td>(iii)</td><td>Exports by firm X</td><td>200</td></tr> <tr> <td>(iv)</td><td>Purchases by firm Y from firm X</td><td>300</td></tr> <tr> <td>(v)</td><td>Additions to Stock of firm X</td><td>100</td></tr> <tr> <td>(vi)</td><td>Consumption of fixed capital</td><td>100</td></tr> </tbody> </table> Ans. Gross Value Added of Firm Y = (i) – (iv) $= 1,400 - 300$ $= ₹ 1,100 \text{ crore}$ Gross Value Added of Firm Y = Gross Value Added of Firm X = ₹ 1,100 crore Domestic Sales of Firm X = Gross Value Added of Firm X – (iii) – (v) + (ii) $= 1,100 - 200 - 100 + 400$ $= ₹ 1,200 \text{ crore}$	S. No.	Items	Amount (in ₹ crore)	(i)	Value of Output of firm Y	1,400	(ii)	Purchases by firm X from firm Y	400	(iii)	Exports by firm X	200	(iv)	Purchases by firm Y from firm X	300	(v)	Additions to Stock of firm X	100	(vi)	Consumption of fixed capital	100	$\frac{1}{2}$ $\frac{1}{2}$ 1 $\frac{1}{2}$ 1 $\frac{1}{2}$
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		4																					
14.	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. 14. 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 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 2 4 2 2 4
15.	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
16.	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

6

17.
(A)

“Income of an economy increased from ₹ 40,000 to ₹ 1,00,000 crore. Savings of the economy increased from ₹ 4,000 crore to ₹ 20,000 crore.”

(i) Calculate Average Propensity to Consume (APC) and Average Propensity to Save (APS), before and after the rise in income.

Ans.

Income (Y) (in ₹ crore)	Savings (S) (in ₹ crore)	Consumption (C = Y - S) (in ₹ crore)	APC (C/Y)	APS (S/Y)
40,000	4,000	36,000	$\frac{36000}{40000}$ = 0.9	$\frac{4000}{40000}$ = 0.1
1,00,000	20,000	80,000	$\frac{80000}{100000}$ = 0.8	$\frac{20000}{100000}$ = 0.2

1 + 1

1 + 1

(Any other valid alternative solution to be awarded marks)

	(ii) Draw appropriate conclusion regarding the behaviour of Average Propensity to Save (APS) as his income increases. Ans. From the given data, it can be concluded that as income increases from ₹ 40,000 to ₹ 1,00,000 crore, value of Average Propensity to Save (APS) increases from 0.1 to 0.2, thereby establishing a direct relationship between the level of income and APS.	2
	OR	6
(B)	“Under a study, examining the spending habits of a hypothetical economy, it was observed that even households with zero income managed to consume basic necessities. As the income of people increased, their consumption also increased, but not as rapidly as income.” Based on the given text and common understanding, answer the following questions: (i) Identify and elaborate the type of consumption indicated in the first para of the above text. Ans. The type of consumption indicated in the above paragraph is Autonomous Consumption. Autonomous Consumption is independent of level of income. Autonomous Consumption signifies the minimum level of consumption which is essential for survival. (ii) Explain, the reason behind the positive slope of Aggregate Demand Curve. Ans. Aggregate Demand (AD) is the sum of consumption and investment. Based on the assumption that, investment is autonomous, thereby, when income rises, consumption also rises, which leads to a rise in Aggregate Demand. Hence, Aggregate Demand curve slopes upward, reflecting a direct relationship between income and Aggregate Demand.	1 2 3
		6
SECTION – B (Indian Economic Development)		
18.	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
19.	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
20.	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																				
21.	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																				
22.	Match the terms given in Column-I with their respective meaning in Column-II. Select the correct option : <table><tr><th></th><th>Column-I</th><th></th><th>Column-II</th></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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23.	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
24.	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
25.	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
26.	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
27.	"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
28. (A)	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
	OR	3
(B)	"Employment within the formal sector ensures better income and social benefits as against the 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
		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.	"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
31.	(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.	1

(B)	<table border="1"> <caption>Sector-wise Gender Distribution of Workers (%)</caption> <thead> <tr> <th>Sectors</th> <th>Male Workers (%)</th> <th>Female Workers (%)</th> </tr> </thead> <tbody> <tr> <td>Manufacturing</td> <td>78</td> <td>22</td> </tr> <tr> <td>Construction</td> <td>82</td> <td>18</td> </tr> <tr> <td>Trade</td> <td>78</td> <td>22</td> </tr> <tr> <td>Transport</td> <td>85</td> <td>15</td> </tr> <tr> <td>Education</td> <td>55</td> <td>45</td> </tr> <tr> <td>Health</td> <td>48</td> <td>52</td> </tr> <tr> <td>Accommodation & Restaurant</td> <td>78</td> <td>22</td> </tr> <tr> <td>IT/BPOs</td> <td>62</td> <td>38</td> </tr> <tr> <td>Financial Services</td> <td>62</td> <td>38</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) Note : The following question is for the Visually Impaired Candidates only in lieu of Q.No. 31 (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.	Sectors	Male Workers (%)	Female Workers (%)	Manufacturing	78	22	Construction	82	18	Trade	78	22	Transport	85	15	Education	55	45	Health	48	52	Accommodation & Restaurant	78	22	IT/BPOs	62	38	Financial Services	62	38	1 1 1 1 ½ 1 ½ 4
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Accommodation & Restaurant	78	22																														
IT/BPOs	62	38																														
Financial Services	62	38																														
32. (A)	State and explain any two features which were observed in demographic profile of India during the British Rule. Ans. Two features which were observed in demographic profile of India during the British Rule were: • Low literacy Rate: Owing to the lack of educational development and limited access to education among people, the overall literacy rate was very low, with even lower female literacy. • High Mortality Rate: The mortality rate was very high due to poor health facilities and widespread diseases. Infant mortality was quiet alarming. (Any other valid feature to be awarded marks.) OR	½ + 1 ½ ½ + 1 ½ 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.																															

(B)	Ans. During the economic reforms of 1991, Government of India aimed at the following objectives by introducing the Financial Sector reforms: To reduce the role of RBI from regulator to facilitator of financial sector. The aim was to ensure greater autonomy at the hands of the financial sector to take independent decisions. The policy changes led to the establishment of private sector banks, both Indian as well as foreign.	1 ½
	(ii) 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.	1 ½
	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.	½ + 1
	OR	½ + 1
	(i) “Although the subsidies play a crucial role in giving incentive to farmers to adopt modern agricultural technologies, they simultaneously impose a significant fiscal strain on the resources of the Government.” Justify the given statement with valid arguments. Ans. Subsidies play a vital role in encouraging farmers to adopt modern agricultural technologies as small and marginal farmers may not be able to afford expensive agricultural inputs without subsidies. However, subsidies also impose a heavy fiscal burden on the government. Large expenditure on subsidies diverts the resources available for other developmental activities like infrastructure, education and health. (To be marked as a whole)	6
	(ii) “The strategic sale of a public sector undertaking and the minority sale of its equity are both establishes instruments of disinvestment.” Defend or refute, the given statement with valid arguments. 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. (To be marked as a whole) (Any other valid explanation to be awarded marks)	3
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		6

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