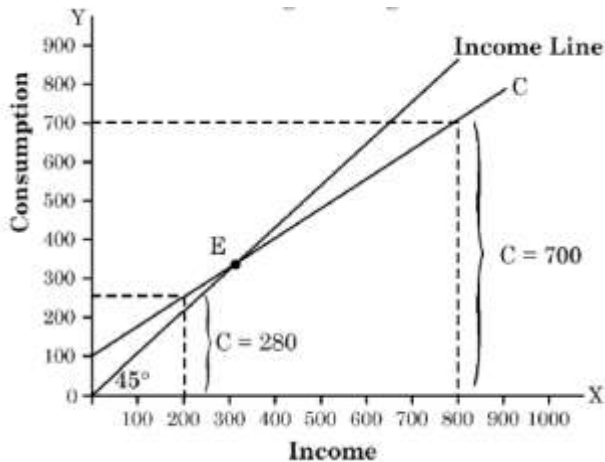


SOLUTIONS
 Senior School Certificate Examination 2026
ECONOMICS (Subject Code–030)
[Paper Code: 58/2/3]

Maximum Marks: 80

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
SECTION -A (Macro Economics)		
1.	Identify, that function of money, which has effectively solved the problem of ‘double coincidence of wants’ in a transaction. Options: (A) Standard of deferred payments (B) Store of value (C) Measure of value (D) Medium of exchange Ans. (D) Medium of exchange	1
2.	Income generated from Aircrafts of Air India operating between Canada and England would be added to the domestic income (NDP _{FC}) of _____. (Choose the correct option to fill in the blank) Options: (A) Canada (B) England (C) Both Canada and England (D) India Ans. (D) India	1
3.	Choose the correct consumption function from the options given below with reference to the illustrated given diagram.  Options: (A) $C = 100 + 0.7Y$ (B) $C = 100 + 0.8Y$ (C) $C = 100 - 0.7Y$ (D) $C = 100 - 0.8Y$ Ans. (A) $100 + 0.7Y$ Note: The following question is for the Visually Impaired Candidates only in lieu of Q. No. 3. If the value of Marginal Propensity to Consume (MPC) is 0.6 and dissavings are 100, the relevant saving function would be: (Choose the correct option) Options: (A) $S = -100 + 0.6Y$ (B) $S = 100 + 0.6Y$ (C) $S = -100 + 0.4Y$ (D) $S = -100 - 0.4Y$ Ans. (C) $S = -100 + 0.4Y$	1

4.	Read the following statements carefully: Statement 1: Under the flexible exchange rate system, a deficit / surplus in the Balance of Payments is automatically corrected. Statement 2: Under the flexible exchange rate system, there is always a possibility of over/under valuation of currency. In the light of the above 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. (A) Statement 1 is true and Statement 2 is false.	1
5.	Sumit deposited ₹ 10 lakh in his savings account. The deposits made by him is a part of _____ in the M₁ measure of money supply. (Choose the correct option to fill in the blank) Options: (A) Currency held by public (B) Interbank deposits (C) Demand deposits with commercial banks (D) Term deposits with Reserve Bank of India (RBI) Ans. (C) Demand deposits with commercial banks	1
6.	Read the following statements – Assertion (A) and Reason (R). Choose the correct option from those given below: Assertion (A): Increase in exchange rate implies that the price of foreign currency in terms of domestic currency has increased. Reason (R): Balance of trade records the inflows and outflows of foreign exchange. 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. (C) Assertion (A) is true, but Reason (R) is false.	1
7.	Identify, which one of the following is not a function of Reserve Bank of India as a bank, agent and advisor to the government. Options: (A) Carries out banking business of the government. (B) Manages national debt. (C) Advises on financial matters. (D) Conducts periodic inspections. Ans. (D) Conducts periodic inspections.	1
8.	Read the following Flow chart carefully and choose the correct option: <pre> graph TD A[Goods] --> B[Final Goods] A --> C[Intermediate Goods] B --> D[Consumption Goods] B --> E[-----] </pre>	

	Options: (A) Transfer goods (C) Non-durable goods Ans. (B) Capital Goods	(B) Capital goods (D) Semi-durable goods	1																								
9.	The Aggregate Demand (AD) curve lies parallel to consumption curve, indicating that both have _____. (A) same components (C) same slope Ans. (C) same slope	(Choose the correct option to fill in the blank) (B) different slope (D) inverse relationship	1																								
10.	Read the following statements carefully: Statement 1: Brokerage earned by a dealer of second hand cars is included in the estimation of National Income. Statement 2: Imputed value of production for self-consumption is included in National Income. In the light of the above 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. (C) Both Statements 1 and 2 are true.		1																								
11.	Calculate the value of 'Rent' from the following data: <table><tr><th>S. No.</th><th>Particulars</th><th>Amount (in ₹ crore)</th></tr><tr><td>(i)</td><td>Interest</td><td>45</td></tr><tr><td>(ii)</td><td>Profits after tax</td><td>20</td></tr><tr><td>(iii)</td><td>Consumption of fixed capital</td><td>50</td></tr><tr><td>(iv)</td><td>Gross Domestic Product at Market Price (GDP_{MP})</td><td>200</td></tr><tr><td>(v)</td><td>Compensation of Employees</td><td>45</td></tr><tr><td>(vi)</td><td>Corporate Tax</td><td>5</td></tr><tr><td>(vii)</td><td>Goods and Services Tax (GST)</td><td>10</td></tr></table> Ans. Net Domestic Product at Factor Cost (NDP_{FC}) = (iv) - (iii) - (vii) = 200 – 50 – 10 = ₹ 140 crore Net Domestic Product at Factor Cost (NDP_{FC}) = (v) + Rent + (i) + (vi) + (ii) Rent = 140 – 45 – 45 – 5 – 20 = ₹ 25 crore		S. No.	Particulars	Amount (in ₹ crore)	(i)	Interest	45	(ii)	Profits after tax	20	(iii)	Consumption of fixed capital	50	(iv)	Gross Domestic Product at Market Price (GDP _{MP})	200	(v)	Compensation of Employees	45	(vi)	Corporate Tax	5	(vii)	Goods and Services Tax (GST)	10	$\frac{1}{2}$ $\frac{1}{2}$ 1 $\frac{1}{2}$ $\frac{1}{2}$ 3
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12. (A)	“When initial deposits in the credit creation process remains same, the total amount of credit created rises as the value of money multiplier increases.” Defend or refute the above statement with the help of hypothetical numerical example. Ans. The given statement is defended. <table><tr><th>Case</th><th>Initial Deposits</th><th>Money Multiplier ($\frac{1}{RR}$)</th><th>Credit Created (Initial Deposit x Money Multiplier)</th></tr><tr><td>I</td><td>1,000</td><td>4</td><td>1,000 x 4 = ₹ 4,000</td></tr><tr><td>II</td><td>1,000</td><td>5</td><td>1,000 x 5 = ₹ 5,000</td></tr></table>		Case	Initial Deposits	Money Multiplier ($\frac{1}{RR}$)	Credit Created (Initial Deposit x Money Multiplier)	I	1,000	4	1,000 x 4 = ₹ 4,000	II	1,000	5	1,000 x 5 = ₹ 5,000	$1 \frac{1}{2}$ $1 \frac{1}{2}$												
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(B)	The above example depicts that there exists a direct relationship between money multiplier and the total amount of credit created by the commercial banks. (Any other valid alternative solution to be awarded marks) OR “The Central Bank maintains reserves of all commercial banks and use to settle interbank claims.” Do you agree with the given statement? Give valid explanation in support of your answer. Ans. Yes. The Central Bank acts as the banker to banks and performs the clearing house function. Since, it maintains the cash reserves of all commercial banks it becomes convenient for the Central Bank to settle their mutual claims. The Central Bank adjusts these obligations by making entries without any physical transfer of cash. This process ensures smooth, quick and efficient settlement of such interbank transactions. (To be marked as a whole)	
		3
		3
13.	(a) Explain the likely impact of implementation of ‘Exports Promotion Scheme’ of Government of India on the Balance of Payments (BoP) of the country. (Keeping other factors constant) Ans. Assuming all other factors are constant, the ‘Exports Promotion Scheme’ of Government of India is likely to improve the situation of Balance of Payments (BoP) of India as it may increase the domestic production and promote exports. Higher exports will lead to greater inflow of foreign exchange, which is recorded on the credit side of the current account, thereby improving the overall BoP position. (To be marked as a whole) (b) State the meaning of Trade Surplus. Ans. Trade Surplus refers to a situation where value of exports of goods is more than value of imports of goods.	3
		1
		4
14.	Read the following text carefully: “The Reserve Bank of India (RBI) announced a 50 basis point Repo Rate cut to 5.50% from 6%.” In the light of the given text and common understanding, answer the following questions: (i) Identify the economic issue indicated in the above text. Ans. The economic issue indicated in the above text may be prevailing deflation in the economy. (ii) Explain the likely causes and consequences of this step of RBI on the economy. Ans. The Reserve Bank of India (RBI) announced a 50 basis point Repo Rate cut to 5.50% from 6% with an objective to curb deflationary situation by increasing Aggregate Demand. A cut in Repo Rate may encourage the commercial banks to decrease their lending rates. Consequently, making credit more affordable for the general public. This may stimulate borrowings, leading to an increase in Aggregate Demand in the economy.	1
		1
		2
		4
15. (A)	Read the following text carefully: “A country’s total National Income (NI) at the end of the year is ₹ 80,000 crore. During the same year, the Gross Domestic Product (GDP) increased by ₹ 10,000 crore. The depreciation on capital goods was ₹ 2,000 crore and National savings at	

	the end of year is ₹ 15,000 crore. Additionally, country invested ₹ 8,000 crore in new capital goods industries.” In the light of above text, categorise the items as ‘stock’ or ‘flow’ variables with valid arguments. Ans. Stock Variable: National Savings Flow Variables: • National Income • Gross Domestic Product • Depreciation on capital goods • Investment on new capital goods Stock variables are those variables which are measured at a particular point of time whereas; flow variables are those variables which are measured over a period of time.	½ ½ ½ ½ 1 ½
	OR	4
(B)	The value of Nominal Gross National Product (GNP) of an economy was ₹ 2,500 crore in a particular year. The value of Gross National Product (GNP) of that country during the same year, estimated at the prices of base year was ₹ 3,000 crore. (i) Estimate the value of Gross National Product (GNP) deflator (in percentage). Ans. Given, Nominal Gross National Product (GNP) = ₹ 2,500 crore Gross National Product estimated at the prices of base year = ₹ 3,000 crore Gross National Product (GNP) deflator (in percentage) = $\frac{\text{Nominal GNP}}{\text{Real GNP}} \times 100$ $= \frac{2,500}{3,000} \times 100$ $= 83.33$ (ii) “The price level has risen between the base year and the year under consideration.” Defend or refute the statement with suitable argument. Ans. The given statement is refuted. As the value of Gross National Product (GNP) deflator of 83.33 indicates that the price level in the year under consideration has reduced by 16.67% (100 - 83.33) compared to base year.	1 ½ ½ 2
		4
16.	Read the following text carefully: The government has allocated ₹ 15.27 lakh crore for major sectors, ranging from defence to rural development to social welfare to commerce and so on. Government expenditure goes to paying states’ share of taxes and duties. Around 19% is spent on interest payments and 16% on central sector schemes, with subsidies, pension and other payments contributing 19%. Government revenue is divided between borrowings and other liabilities, which account for massive 27% of the incoming cash, Income tax revenue of around 19% Goods and Services Taxes (GST) and other taxes of around 18%; Corporation taxes account for around 17%. The next highest provision on this list is ₹ 2.66 lakh crore for rural development. This will include expenditure on rural infrastructure project and increased outlay for the popular MGNREGA scheme. On the basis of given text and common understanding, answer the following questions: (i) Identify the major sources of government revenue and state what percentage does each one of them contribute.	

	Ans. The major sources of government revenue as indicated in the text are divided into borrowings and other liabilities, which account for a massive 27% of the incoming cash, Income tax revenue of around 19%, Goods and Services Taxes (GST) and other taxes of around 18% and Corporation taxes account for around 17%. (To be marked as a whole) (ii) Discuss the need to allocate funds among different sectors of the economy. Ans. The government has allocated ₹15.27 lakh crore across key sectors such as defence, rural development etc. This substantial allocation aims to strengthen national security, promote rural growth, enhance social welfare and boost economic activities. It reflects the government’s focus on balanced and comprehensive development with infrastructural upgradation, employment generation and overall economic growth in the country. (To be marked as a whole) (Any other valid explanation to be awarded marks)	3																				
		3																				
		6																				
17. (A)	(I) Estimate the value of subsistence level of consumption expenditure from the following data about an economy which is in equilibrium: (i) National Income (Y) = ₹ 1,500 crore (ii) Marginal Propensity to Consume (MPC) = 0.8 (iii) Investment Expenditure ($\bar{I}$) = ₹ 150 crore Ans. Given, National Income (Y) = ₹ 1,500 crore Marginal Propensity to Consume (MPC) = 0.8 Investment Expenditure ($\bar{I}$) = ₹ 150 crore As we know, at equilibrium level of income, $Y = C + I$ $Y = \bar{c} + (MPC)Y + \bar{I}$ $1,500 = \bar{c} + (0.8 \times 1,500) + 150$ $\bar{c} = ₹ 150 \text{ crore}$ (Any other valid alternate solution to be awarded marks) (II) “An economy facing unplanned accumulation of inventories would try to increase its Aggregate Demand.” Defend or refute the given statement with valid arguments. Ans. The given statement is refuted. An unplanned accumulation of inventories reflects that the households and firms are planning to consume less than what the firms are planning to produce. Thus, the producers may reduce the output to clear the undesired stock of inventories. (To be marked as a whole) (Any other valid argument/ explanation to be awarded marks) OR (I) Complete the following table: <table><tr><th>Situation</th><th>Change in Investment (ΔI)</th><th>Change in Income (ΔY)</th><th>Marginal Propensity to Consume (MPC)</th><th>Investments Multiplier (K)</th></tr><tr><td>(a)</td><td>1000</td><td>(i)</td><td>0.9</td><td>(ii)</td></tr><tr><td>(b)</td><td>(iii)</td><td>4400</td><td>(iv)</td><td>4</td></tr><tr><td>(c)</td><td>1200</td><td>(v)</td><td>0.8</td><td>(vi)</td></tr></table> Ans.	Situation	Change in Investment (ΔI)	Change in Income (ΔY)	Marginal Propensity to Consume (MPC)	Investments Multiplier (K)	(a)	1000	(i)	0.9	(ii)	(b)	(iii)	4400	(iv)	4	(c)	1200	(v)	0.8	(vi)	1 ½ 1 ½
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(c)	1200	<u>6000</u>	0.8	<u>5</u>																				
(II) Identify the monetary measure being referred to each of the following and discuss whether the tool would be used during a situation of excess demand or deficient demand.																								
(i) Buying government securities (G-Sec) from public. Ans. The monetary measure being referred to in the aforesaid statement is ‘Open Market Operations.’ The Central Bank buys the government securities in the open market to increase the money supply in the economy and correct the situation of deficient demand.			$\frac{1}{2}$ 1																					
(ii) Discourage commercial banks to park their surplus funds with the Reserve Bank of India (RBI). Ans. The monetary measure being indicated in the above statement is Reverse Repo Rate. To deal with the situation of deficient demand, the Reserve Bank of India (RBI) may decrease the Reverse Repo Rate, thereby increasing the lending capacity of the commercial banks, increasing the money supply and Aggregate Demand in the economy.			$\frac{1}{2}$ 1																					
			6																					
SECTION – B (Indian Economic Development)																								
18.	_____ estimates India’s national and per capita income during the colonial era was considered very significant. (Choose the correct option to fill in the blank) Options: (A) William Digby (B) V.K.R.V. Rao (C) Findlay Shirras (D) R.C. Desai Ans. (B) V.K.R.V. Rao			1																				
19.	From the types of unemployment/employment given in Column-I and corresponding features given in Column-II, choose the correct pair: <table><tr><td></td><td>Column - I</td><td></td><td>Column - II</td></tr><tr><td>(i)</td><td>Disguised Unemployment</td><td>(a)</td><td>Concentrated to a given season</td></tr><tr><td>(ii)</td><td>Seasonal Unemployment</td><td>(b)</td><td>Marginal productivity is zero</td></tr><tr><td>(iii)</td><td>Indirect employment by government</td><td>(c)</td><td>Indian Railways</td></tr><tr><td>(iv)</td><td>Direct employment by government</td><td>(d)</td><td>Indian Oil Corporation (IOC)</td></tr></table> Options: (A) (i) - (a) (B) (ii) - (b) (C) (iii) - (c) (D) (iv) - (d) Ans. (D) (iv) - (d)				Column - I		Column - II	(i)	Disguised Unemployment	(a)	Concentrated to a given season	(ii)	Seasonal Unemployment	(b)	Marginal productivity is zero	(iii)	Indirect employment by government	(c)	Indian Railways	(iv)	Direct employment by government	(d)	Indian Oil Corporation (IOC)	1
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20.	Growth of rural economy depends primarily on infusion of _____ to realise higher productivity in agricultural and non-agricultural sectors. (Choose the correct option to fill in the blank) (A) Capital (B) Road Construction (C) Green status (D) Outsourcing Ans. (A) Capital			1																				

21.	“In the formative stages of reforms development of credit markets, administrative intervention in interest rates is both necessary and desirable.” Identify the sector under which the aforesaid reform was introduced. (Choose the correct option) Options: (A) Tax reforms (B) Industrial sector reforms (C) Financial sector reforms (D) Foreign sector reforms Ans. (C) Financial sector reforms	1
22.	Read the following statements – Assertion (A) and Reason (R). Choose the correct option from those given below Assertion (A): The dynamic sub-sectors like agro-processing industries, food processing industries, etc. have potential to create alternative employment opportunities. Reason (R): Men usually seek non-farm jobs, but recently, women have also started looking for such jobs. 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 the 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 the not the correct explanation of Assertion (A).	1
23.	The steep Indian education pyramid indicates _____. (Choose the correct option to fill in the blank) Options: (A) equal distribution of students across all levels (B) increase in number of people reaching higher education (C) low unemployment among educated youth (D) few/less number of people reaching higher education Ans. (D) few/less number of people reaching higher education	1
24.	China adopted _____ strategy in which farmers and industries bought and sold certain quantities at government fixed prices, while remaining transactions occurred at market prices. (Choose the correct option to fill in the blank) Options: (A) Dual Pricing (B) Special Economic Zones (C) Great Proletarian Cultural Revolution (D) Great Leap Forward Ans. (A) Dual Pricing	1
25.	Identify that strategy given in the image that can be utilised for sustainable development. 	

	Options: (A) Non-conventional source of energy (B) Wind power (C) CNG in urban areas (D) Gobar Gas in rural areas Ans. (D) Gobar Gas in rural areas Note: The following question is for the Visually Impaired Candidates only in lieu of Q. No. 25. If a nation fails to enforce the regulations of the Montreal Protocol, the likely long term environmental and biological consequence of this will be _____. (Choose the correct alternative) (i) Rapid deforestation (ii) Increased possibility of skin cancer (iii) Greenhouse effect causing rise in global temperature (iv) Possibility of acid rain Options: (A) Only (i) (B) (ii), (iii) and (iv) (C) (i) and (iv) (D) (i) and (iii) Ans. (B) (ii), (iii) and (iv)	1
26.	Read the following statements carefully: Statement 1: The option for producing off-season crops are quite restricted in organic farming. Statement 2: Organic agriculture helps in substituting costlier agricultural inputs with locally produced organic inputs. In the light of the 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
27.	Education provides _____. (Choose the correct option to fill in the blank) (i) Scientific advancements (ii) Facilitate inventions and innovations (iii) Adapting to new technology Options: (A) (i) and (ii) (B) (i) and (iii) (C) (ii) and (iii) (D) (i), (ii) and (iii) Ans. (D) (i), (ii) and (iii)	1
28.	Explain the Great Leap Forward (GLF) campaign of China. Ans. The Great Leap Forward (GLF) campaign aimed at industrializing the country on a massive scale. People were encouraged to set up industries in their backyards. GLF campaign met with many problems. A severe drought caused havoc in China killing about 30 million people. Russia had conflicts with China and it withdrew its professionals who had earlier been sent to China to help in the industrialisation process. (To be marked as a whole)	3
29. (A)	Distinguish between formal and informal sector of employment with the help of suitable examples.	

	Ans. Formal Sector includes all the public sector establishments and those private sector establishments which employ 10 or more hired workers. Formal sector workers get regular income and are entitled to social security benefits. For example: a government hospital etc. Whereas; Informal Sector includes those private sector establishments which employ less than 10 hired workers. Workers in informal sector often lack job security, regular income and can be dismissed without any compensation. For example: agricultural labourer etc. (Any other valid example to be awarded marks) OR	1 $\frac{1}{2}$ 1 $\frac{1}{2}$						
		3						
(B)	Discuss the long term implications of increased demand for environmental resources exceeding their natural regenerative capacity. Ans. Owing to the rapid population growth and industrialisation, the demand of resources for production and consumption exceeded their natural rate of regeneration, placing heavy pressure on the absorptive capacity of the environment. As a result, issues like waste generation and pollution have intensified, leading to a serious environmental crisis. (To be marked as a whole)	3						
30.	(a) Refer the given image carefully: Distribution of Employment by Gender <table><tr><td> Male Workers 29% 51% 20% </td><td> Female Workers 31% 56% 13% </td></tr><tr><td> Self-employed </td><td> Regular Salaried Employees </td></tr><tr><td> Casual Wage Labourers </td><td></td></tr></table> Compare and analyse the distribution of work force with respect to gender. Ans. The data shows that self-employment is the major source of livelihood for both men and women, accounting for over 50% of the workforce for both male (51%) and female (56%) workers. Casual wage labour emerges as the second largest category, with 29% of men and 31% of women engaged in it. Regular salaried employment is more prevalent among men (20%) compared to women (13%). (To be marked as a whole) Note : The following question is for the Visually Impaired Candidates only in lieu of Q. No. 30(a). “Compared to 1970’s, there has hardly been any change in the distribution of workforce across various industries.” Defend or refute the above statement with valid explanation. Ans. The given statement is refuted. There has been a significant change in the distribution of workforce across industries in India since the 1970s. Earlier, a large proportion of the workforce was engaged in the primary sector, especially agriculture. Over time, there has been a noticeable shift towards the secondary and service sectors. This indicates structural transformation in the economy, with non-farm sectors emerging as important sources of employment and offering better growth opportunities for the workforce. (To be marked as a whole)	Male Workers 29% 51% 20%	Female Workers 31% 56% 13%	Self-employed	Regular Salaried Employees	Casual Wage Labourers		3 3
Male Workers 29% 51% 20%	Female Workers 31% 56% 13%							
Self-employed	Regular Salaried Employees							
Casual Wage Labourers								

	(b) State the meaning of worker-population ratio. Ans. Worker Population Ratio (WPR) is defined as the total number of workers in a country divided by population. It is represented in percentage.	1
		4
31.	(A) “The Restrictive policies under the colonial government adversely affected the structure, composition and volume of India’s foreign trade.” Justify the above statement with valid explanation. Ans. The restrictive policies under the colonial rule, adversely affected India’s foreign trade. India was made an exporter of primary products like cotton, jute, silk, and sugar, and an importer of finished goods and machinery from Britain. Furthermore, Britishers exercised monopoly control, with over half of India’s foreign trade directed towards them, while limited trade was allowed with other countries like China, Ceylon and Persia. The opening of the Suez Canal further strengthened British control, worsening the structure, composition and volume of India’s foreign trade. (To be marked as a whole) OR (B) Explain the main objectives and impacts of land settlement policies implemented under the British government rule. Ans. The main objectives of land settlement policies under the British rule were to create a systematic and efficient mechanism for tax collection and to maximise revenue. This revenue was targeted to meet administrative expenses and financing the military needs of the colonial government. The implementation of these policies worsened the condition of Indian farmers, leading to their exploitation and distress. As a result, agricultural productivity remained low and the sector faced stagnation, resulting in widespread poverty and social unrest. (Any other valid point to be awarded marks)	4
		2
		2
		4
32.	(i) State the meaning of Special Economic Zone (SEZ). Ans. Special Economic Zone (SEZ) is a geographical region that has economic laws different from a country’s typical economic laws. (ii) Discuss the ‘One Child Policy’ adopted by China. Ans. The ‘One Child Policy’ adopted by China in the late 1970s aimed to control rapid population growth. It significantly reduced population expansion but led to unintended consequences like a declining sex ratio due to son preference. Over time, it also resulted in an ageing population with fewer young people. To address these issues, China later revoked the policy and allowed couples to have two children.	1
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33.	Read the following text carefully: The Union Budget 2025-26 proposed a significant package for rural India allocating ₹ 1.88 lakh crore to drive comprehensive development. The budget emphasises on boosting employment, women employment, education and infrastructure in rural areas, reflecting the governments’ commitment for a stronger, self-reliant rural economy. The extension of Jal-Jeevan Mission until 2028, with focus on achieving 100% rural water supply coverage and enhancing infrastructure maintenance. Broadband connectivity is set to expand under the Bharatnet project, providing internet access to all rural government secondary schools and primary health care centres.	

	Also, the budget highlights major rural schemes like the Pradhan Mantri Gram Sadak Yojana which has provided all-weather roads to rural areas. The Pradhan Mantri Grameen Awaas Yojana, which has delivered housing to economically weaker sections. The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) continues to secure rural livelihoods with an allocation of ₹ 86,000 crore in FY 2024-25. On the basis of the above text and common understanding, answer the following questions: (i) Explain the significance of rural development. Ans. Rural development aims at generating employment, empowerment of women, improving education and strengthening infrastructure to achieve comprehensive development and a stronger, self-reliant rural economy. (ii) Discuss any two policies initiated by government of India for rural development. Ans. Two policies initiated by government of India for rural development as indicated in the above text are: • The Pradhan Mantri Grameen Awaas Yojana, which has delivered housing to economically weaker sections. • The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) continues to secure rural livelihoods with an allocation of ₹ 86,000 crore in FY 2024-25. (Any other valid policy to be awarded marks)	2 2 2
		6
34.	Read the following text carefully and answer the questions given below:	
(A)	“This organisation replaced General Agreement on Trade and Tariff (GATT) as global trade organisation.” (i) Identify the organisation which is known as the successor of GATT. Ans. World Trade Organisation (WTO) is the successor organisation of GATT. (ii) In which year was this new organisation established? Ans. World Trade Organisation (WTO) was established in 1995. (iii) Explain any two objective of the new organisation. Ans. The objectives of World Trade Organisation (WTO) are to: • administer all multilateral trade agreements by providing equal opportunities to all countries in the international market for trading purposes. • establish a rule-based trading regime in which nations cannot place arbitrary restrictions on trade. (Any other valid objective to be awarded marks)	1 1 2 2
	OR	6
(B)	Read the following text carefully and answer the questions given below: “It is an arrangement in which a firm hires some specialized firm(s) to carry out some of its activities (which were earlier being performed by itself). These service hirings could be from local / international markets.” (i) Identify the indicated outcome of the globalisation process. Ans. The indicated outcome of the globalisation process is Outsourcing.	1

	(ii) State any two factors responsible for making India as an important source of these activities. Ans. India has emerged as a favourite outsourcing destination because of the: • growth of faster modes of communication, particularly the growth of Information Technology (IT). • availability of skilled and qualified manpower at relatively affordable costs. (Any other valid factor to be awarded marks) (iii) Explain examples of services that have expanded due to advancements in information technology. Ans. With rapid advancements in information technology, India has emerged as a major outsourcing hub for a wide range of services. These include voice-based business processes, data and record management, accounting, banking services, film editing, book transcription, clinical consultation and even online teaching. (To be marked as a whole) (Any other valid example to be awarded marks)	1 1 3 6
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