

COMPETENCY BASED QUESTION BANK

CLASS XII

ECONOMICS(030)



SESSION 2025-26

KENDRIYA VIDYALAYA SANGATHAN **ZONAL INSTITUTE OF EDUCATION & TRAINING, GWALIOR**

OUR MENTOR: MR. B.L. MORODIA, DEPUTY COMMISSIONER & DIRECTOR, ZIET GWALIOR

COURSE COORDINATOR : MRS. ANITA KANAJIA, T.A.
ECONOMICS

RESOURCE PERSONS

1. DR. NARENDRA KUMAR SHRIVASTAVA, PM SHRI KV-1 AFS HINDAN
2. MRS. SANJANA SINGH, PM SHRI KV CRPF RAMPUR

COMPILATION COMMITTEE

1. MR. HARSHIT MANGLIK, PM SHRI KV AMC SHIFT-II, LUCKNOW
2. MRS. RANJOO SINGH, KV BHU SHIFT -II, VARANASI
3. MRS. PRIYA SINGH, PM SHRI KV AYODHYA CANTT.
4. MR. HEERA LAL CHAUHAN, PM SHRI KV GOMTI NAGAR, SHIFT II, LUCKNOW
5. MR. SHIVASHISH BANERJEE, PM SHRI KV CMM, JABALPUR

PART A: - MACRO ECONOMICS

PART B: - INDIAN ECONOMIC DEVELOPMENT

ECONOMICS (Subject Code 030)
CLASS - XII (2025-26)

Theory: 80 Marks

3 Hours

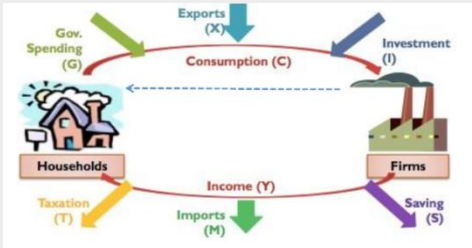
Project: 20 Marks

Units		Marks
Part A	Introductory Macroeconomics	
	National Income and Related Aggregates	10
	Money and Banking	06
	Determination of Income and Employment	12
	Government Budget and the Economy	06
	Balance of Payments	06
		40
Part B	Indian Economic Development	
	Development Experience (1947-90) and Economic Reforms since 1991	12
	Current Challenges facing Indian Economy	20
	Development Experience of India – A Comparison with Neighbours	08
	Theory Paper (40+40 = 80 Marks)	40
Part C	Project Work	20

TOPIC: NATIONAL INCOME, WORKSHEET-1

NAME_____ **ROLL NO.**_____

Q. 1	Assertion (A): Macroeconomics is essential for government policy making. Reason (R): It provides data on individual preferences. A. Both Assertion and Reason are true and Reason is the correct explanation. B. Both Assertion and Reason are true but Reason is not the correct explanation. C. Assertion is true but Reason is false. D. Assertion is false but Reason is true.	1 Marks
Q. 2	Assertion: The value-added method takes into account the value of only final goods and services. Reason: Intermediate goods are not included in the calculation of national income using the value-added method. Which of the following options is correct? A. Both Assertion and Reason are true and Reason is the correct explanation. B. Both Assertion and Reason are true but Reason is not the correct explanation. C. Assertion is true but Reason is false. D. Assertion is false but Reason is true	1 Marks
Q. 3	Assertion (A): Net investment is a better indicator of economic growth than gross investment. Reason (R): Net investment considers depreciation, showing the actual increase in productive assets. A. Both Assertion and Reason are true and Reason is the correct explanation.	1 Marks

	B. Both Assertion and Reason are true but Reason is not the correct explanation. C. Assertion is true but Reason is false. D. Assertion is false but Reason is true.	
Q. 4	Find the correct option based on the above picture A Leakage – Tax, Saving & Exports B Injection – Govt. Exp., Export & Investment C Injection – Govt. Exp., Export & Imports D. Leakage – Tourism, Saving & Export 	1 Marks
Q. 5	Macroeconomics does not consider international trade.(True/False)	1 Marks
Q. 6	Statement 1. Real GDP is better indicator of economic growth than nominal GDP. Statement.2. Real GDP eliminates the change in prices. (a) Both statement(A) and (R) are true and(R)is correct explanation of (A). (b) Both statement (A) and (R) is true but R is not correct explanation of (A) (c) Statement A is true but R is false. (d) Statement (A) is false but (R) is true.	1 Marks

Q. 7	Identify, which of the following is not considered as 'Normal Resident of India?' (1) (A) An Indian citizen working in U.S.A. embassy located at New Delhi. (B) An Indian officials working in Indian embassy in China. (C) An Indian diplomats visiting Canada for a summit. (D) An Indian working in an American Company located in New York for a period of more than one year	1 Marks
Q. 8	8 Suppose the Gross Domestic Product (GDP) of Nation X was Rs. 2,000 crores in 2018-19, whereas the Gross Domestic Product of Nation Y in the same year was Rs. 120,000 crores. If the Gross Domestic Product of Nation X rises to Rs. 4,000 crores in 2019-20 and the Gross Domestic Product of Nation Y rises to Rs. 200,000 crores in 2019-20. Compare the rate of change of GDP of Nations X and Y, taking 2018-19 as base year.	3 Marks
Q. 9	In response to an economic slowdown, the government of Country X introduced a series of stimulus measures aimed at increasing national income. These measures included significant tax cuts for individuals and businesses, increased government spending on public infrastructure projects, and low-interest loans for small businesses to stimulate investment. As a result of these policies, the country's Gross Domestic Product (GDP) grew by 4% in the following year, up from 1.5% the previous year. The increase in government expenditure on infrastructure directly boosted aggregate demand, leading to job creation in construction and related sectors. At the same time, lower taxes increased household disposable income, encouraging greater consumer spending on	4 Marks

	goods and services. However, the country's net exports remained negative as imports of capital goods, such as machinery for infrastructure, exceeded exports. Despite this, the overall increase in investment and consumption led to a significant rise in national income. Economists predict that as infrastructure improves and industrial productivity increases, the country will see long-term growth in exports, further enhancing national income. A) What were the key measures implemented by the government of Country X to boost national income? B) How did government spending on infrastructure affect national income in the short term? C) Why did net exports remain negative despite the increase in national income, and what were the main imports?	
Q. 10	(A) As per a report, India's solar power generation capacity reaches 50 GW in 2024-25. Analyze the likely impacts of this development on Gross Domestic Product (GDP) and Welfare. (4) (B). <i>Riya is analyzing the economic performance of her country. She found that the value of all final goods and services produced within the country during the year was Rs.200 lakh crore. She also found that the value of net factor income from abroad was Rs.5 lakh crore. Using this information, answer the following:</i>	6 Marks

	1. What is the Gross Domestic Product at Market Price (GDPMP) of the country? Calculate the National Income (NNP at Factor Cost).	
	Answer Hint Q. 1 (C) By adding up the value added at each stage of production Q. 2 (A) Both assertion and reason are true, and the reason is the correct explanation of the assertion. Q. 3 (C) Assertion is true, but the reason is false Q. 4 B Q. 5 False Q. 6 A Q. 7 D Q. 10 A- The increase in solar power generation capacity is likely to have a positive impact on both GDP and welfare. GDP Impact: - Increased investment in the renewable energy sector will contribute to GDP growth. - Job creation in the solar power industry will add to economic activity. - Reduced dependence on imported fossil fuels will save foreign exchange. Welfare Impact: - Cleaner energy will reduce air pollution, improving public health and welfare. - Increased access to renewable energy can improve energy security and reduce energy poverty. - The growth of the solar power industry can also promote sustainable development and reduce greenhouse gas emissions. This development is likely to have a positive impact on both GDP and welfare, contributing to sustainable economic growth and development.	

	TOPIC NATIONAL INCOME, WORKSHEET, NAME_____ ROLL NO._____	
Q. 1	How does the value-added method help in calculating national income? A) By adding up all the incomes earned by individuals B) By adding up the value of all goods and services produced C) By adding up the value added at each stage of production D) By subtracting imports from exports	1
Q. 2	Assertion (A): Unemployment is a macroeconomic issue. Reason (R): It reflects the individual worker's productivity. A. Both Assertion and Reason are true and Reason is the correct explanation. B. Both Assertion and Reason are true but Reason is not the correct explanation. C. Assertion is true but Reason is false. D. Assertion is false but Reason is true.	1
Q. 3	Which method is used in the given picture to measure the national income. 	1
Q. 4	If a country's aggregate expenditure is Rs.10000 crores, and the consumption expenditure is Rs.6000 crores, investment is Rs.1500 crores, and government spending is Rs.1000 crores, what is the value of net exports? (1) A) Rs.1500 crores	1

	B) Rs.1000 crores C) Rs.500 crores D) Rs.2500 crores	
Q. 5	The expenditure method is useful for calculating national income only in developed economies. (True or False)	1
Q. 6	GDP Deflator = _____ GDP ÷ Real GDP × 100	1
Q. 7	What is subtracted from GDP at Market Price to arrive at GDP at Factor Cost? a) Depreciation b) Net Exports c) Net Indirect Taxes d) Net Factor Income from Abroad	1
Q. 8	Will the following be included in the domestic product of india ? Give reasons for your answer (A) Profits earned by foreign companies in India. (B) Salaries of Indians working in the Russian Embassy in India.	3
Q. 9	Read the following report and answer the questions based on it. New Delhi: un asserting that the “worst is behind us” veteran banker Deepak Parekh on Thursday said that India’s GDP growth will be in positive territory in the fourth quarter as demand has started picking up in all sectors. Citing an example, he said during the virtual conference organised by Canada – India based Council. he said toll collection are back to 88% of pre Covid level, e way bills are increasing and electricity consumption has stabilized. India is domestic-based economy and demand is set to rise	4

	in the future. a) Do you think higher level of Real GDP always lead to higher availability of goods per person in the domestic economy? With valid reason b) Can we say GDP is true indicator of welfare? c) Real GDP is the index of ____.																									
Q. 10	a) ‘Circular flow of income in a two sector economy is based on the axiom that one’s expenditure is other’s income’. Do you agree with the given statement? Support your answer with valid reasons. <table border="1"> <tr> <td>b) Calculate compensation of employees from the following data:</td><td>Particulars</td><td>Amount (in Rs.crores)</td></tr> <tr> <td>S. No.</td><td></td><td></td></tr> <tr> <td>I</td><td>Profits after tax</td><td>20</td></tr> <tr> <td>ii</td><td>Interest</td><td>45</td></tr> <tr> <td>iii</td><td>Gross Domestic Product at Market Price</td><td>200</td></tr> <tr> <td>iv</td><td>Goods and Services Tax</td><td>10</td></tr> <tr> <td>v</td><td>Consumption of Fixed Capital</td><td>50</td></tr> <tr> <td>vi</td><td>Rent</td><td>25</td></tr> </table>	b) Calculate compensation of employees from the following data:	Particulars	Amount (in Rs.crores)	S. No.			I	Profits after tax	20	ii	Interest	45	iii	Gross Domestic Product at Market Price	200	iv	Goods and Services Tax	10	v	Consumption of Fixed Capital	50	vi	Rent	25	6
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v	Consumption of Fixed Capital	50																								
vi	Rent	25																								

	vii	Corporate Tax	5	
	Answer Hint			
	Q. 1 C			
	Q. 2 C			
	Q. 3 Expenditure Method			
	Q. 4 (A) ₹1500 crores			
	Q. 5: FALSE (The expenditure method can be used to calculate national income in any economy, regardless of its level of development)			
	Q. 6 Nominal Q. 7 c) Net Indirect Taxes			

TOPIC NATIONAL INCOME, WORKSHEET,**NAME**_____ **ROLL NO.**_____

1	An economy that invests more in capital goods than in consumption goods may sacrifice present comfort for future growth. Which of the following best illustrates this trade-off? A) Increasing food imports for immediate needs B) Buying luxury cars for private use C) Building more factories instead of shopping malls D) Increasing wages to boost consumer spending	1
Q. 2	Assertion (A): Macroeconomics deals with the study of national income. Reason (R): National income is a part of individual household budgets. A. Both Assertion and Reason are true and Reason is the correct explanation. B. Both Assertion and Reason are true but Reason is not the correct explanation. C. Assertion is true but Reason is false. D. Assertion is false but Reason is true.	1
Q. 3	Assertion: The value-added method is useful for calculating national income in economies with complex production processes. (1) Reason: This method not helps to identify the contribution of each sector to national income. Which of the following options is correct? A. Both Assertion and Reason are true and Reason is the correct explanation. B. Both Assertion and Reason are true but Reason is not the correct explanation. C. Assertion is true but Reason is false. D. Assertion is false but Reason is true.	1

Q.4	Writedown the name of two negative externalities based on given picture. 	1
Q. 5	Statement I: Macroeconomic models help forecast economic trends. Statement II: They are only theoretical and have no real-world applications. (a) Both statement(A) and (R) are true and(R)is correct explanation of (A). (b) Both statement (A) and (R) is true bute R is not correct explanation of (A) (c) Statement A is true but R is false. (d) Statement (A) is fals but (R) is true.	1
Q.6	Goods used in the production of other goods and services are called _____ goods.	1
Q. 7	Identify whether the following is a stock or a flow: “National Income of India in the year 2024-25”	1
Q.8	Case Study: A company, XYZ Inc., produces electronic components. The company purchases raw materials worth Rs.50,000 and uses them to produce components worth Rs.1,00,000. The company then sells these components to a manufacturer for Rs.1,20,000. 8.1 What is the value added by XYZ Inc. in the production process? A) Rs.50,000 B) Rs.70,000 C) Rs.1,00,000 D) Rs.50,000 (Value added = Value of output - Value of input = Rs.1,00,000 - Rs.50,000 = Rs.50,000)	3

	Q.8.2 If the company sells the components for Rs.1,20,000, what is the additional value added? A) Rs.20,000 B) Rs.30,000 C) Rs.40,000 D) Rs.50,000 (Additional value added = Selling price - Value of output = Rs.1,20,000 - Rs.1,00,000 = Rs.20,000) Q. 8.3 What is the total value added by XYZ Inc. in the entire process? A) Rs.50,000 B) Rs.70,000 C) Rs.1,20,000 D) Rs.70,000 (Total value added = Value added in production + Additional value added = Rs.50,000 + Rs.20,000 = Rs.70,000)																						
Q. 9	“ Higher GDP means greater per capita availability of goods in the economy. “ Do you agree with the given statement? Give valid reason in support of your answer.	4																					
Q. 10	(A) Calculate the value of ‘Change in Stock’ from the following data. <table border="1"> <thead> <tr> <th>S. No.</th><th>Items</th><th>Amount (in Rs.Crores)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Sales</td><td>400</td></tr> <tr> <td>2.</td><td>Net Value Added at Factor Cost (NVAFC)</td><td>200</td></tr> <tr> <td>3.</td><td>Subsidies</td><td>10</td></tr> <tr> <td>4.</td><td>Change in Stock</td><td>?</td></tr> <tr> <td>5.</td><td>Depreciation</td><td>40</td></tr> <tr> <td>6.</td><td>Intermediate Consumption</td><td>100</td></tr> </tbody> </table>	S. No.	Items	Amount (in Rs.Crores)	1.	Sales	400	2.	Net Value Added at Factor Cost (NVAFC)	200	3.	Subsidies	10	4.	Change in Stock	?	5.	Depreciation	40	6.	Intermediate Consumption	100	3 6
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5.	Depreciation	40																					
6.	Intermediate Consumption	100																					

	(B) Which among the following are final goods and which are intermediate goods ? Give Reasons. 3 (1) Milk Purchased by a tea stall (2) Bus Purchased by a School	
	Answer Hint Q. 1 C Q. 2 C Q. 3 A and R are both true, and R is the correct explanation of A. Q. 4 Example Q. 5 C Q. 6 Intermediate Goods Q. 7 Flow Q. 8.1 (D) ₹50,000 8.2 (A) ₹20,000 8.3 (B) ₹70,000	

TOPIC NATIONAL INCOME, WORKSHEET,**NAME_____ ROLL NO._____**

Q. 1	Statement I: Macroeconomics emerged as a separate discipline after the Great Depression. Statement II: The Great Depression had no impact on unemployment (a) Both statement(A) and (R) are true and(R)is correct explanation of (A). (b) Both statement (A) and (R) is true but R is not correct explanation of (A) (c) Statement A is true but R is false. (d) Statement (A) is fals but (R) is true.	1
Q. 2	Which of the following is deducted from GNP to get NNP? a) Indirect tax b) Depreciation c) Net exports d) Subsidies	1
Q. 3	Assertion (A): Depreciation affects the productive capacity of an economy. Reason (R): Depreciated assets can still be used effectively in production without any loss in efficiency. A. Both Assertion and Reason are true and Reason is the correct explanation. B. Both Assertion and Reason are true but Reason is not the correct explanation. C. Assertion is true but Reason is false. D. Assertion is false but Reason is true	1
Q. 4	Assertion (A): Continuous investment is necessary to maintain the capital stock of an economy. Reason (R): Depreciation gradually reduces the value of existing capital goods.	1

	A. Both Assertion and Reason are true and Reason is the correct explanation. B. Both Assertion and Reason are true but Reason is not the correct explanation. C. Assertion is true but Reason is false. D. Assertion is false but Reason is true.													
Q. 5	If nominal GDP increases but real GDP remains the same, what is likely happening? a) The economy is experiencing economic growth. b) The economy is experiencing deflation. c) The economy is experiencing inflation. d) The economy is experiencing a recession	1												
Q. 6	GDP includes only the value of _____ goods and services produced within a country in a given year.	1												
Q. 7	An increase in GDP Deflator indicates a rise in the general _____ level.	1												
Q. 8	<table><tr><th colspan="3">Country A (in \$M)</th></tr><tr><th></th><th>2019</th><th>2020</th></tr><tr><td>Nominal GDP</td><td>7.1</td><td>7.3</td></tr><tr><td>Real GDP</td><td>6.4</td><td>6.5</td></tr></table> Calculate GDP Deflator in year 2019 & 2020 on the basis of given data	Country A (in \$M)				2019	2020	Nominal GDP	7.1	7.3	Real GDP	6.4	6.5	3
Country A (in \$M)														
	2019	2020												
Nominal GDP	7.1	7.3												
Real GDP	6.4	6.5												
Q. 9	Answer the following questions by using expenditure method <table><tr><td>Component</td><td>Value (Rs.crores)</td></tr><tr><td>Consumption</td><td>5000</td></tr></table>	Component	Value (Rs.crores)	Consumption	5000	4								
Component	Value (Rs.crores)													
Consumption	5000													

Investment	1000
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Government Spending	2000
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Net Exports	500
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9.1 What is the national income using the expenditure method?

A) Rs.7000 crores

B) Rs.8000 crores

C) Rs.8500 crores

D) Rs.9000 crores

9.2 What percentage of national income is consumption expenditure?

A) 50%

B) 58.82%

C) 60%

D) 70%

9.3 If investment increases by 10%, what is the new national income?

A) Rs.8600 crores

B) Rs.8700 crores

C) Rs.8800 crores

D) Rs.8600 crores

(New Investment = $1000 + 10\% \text{ of } 1000 = 1100$, New National Income = $5000 + 1100 + 2000 + 500 = 8600$)

9.4 What is the ratio of government spending to national income?

A) 0.2

B) 0.235

C) 0.25

D) 0.235 (Ratio = Government Spending / National Income = $2000 / 8500 = 0.235$)

Q. 10	Case Study: India's GDP at market prices for the year 2023-24 is estimated to be Rs.300 lakh crore. During the same year, the depreciation of capital is Rs.20 lakh crore, and net factor income from abroad is Rs.(-5) lakh crore. The government provided subsidies worth Rs.3 lakh crore and collected indirect taxes of Rs.10 lakh crore. India also saw strong performance in the services sector, especially IT and finance, which contributed significantly to the GDP. However, agricultural output remained stagnant due to erratic monsoons. The government aims to improve national income figures by increasing public investment and enhancing export capabilities, while monitoring inflation and employment levels. (i) Calculate Net National Product (NNP) at Factor Cost. (ii) Identify which sector contributed the most to GDP in the above case. (iii) What challenges did the agricultural sector face in the given year? (iv) Suggest two measures the government can take to increase national income.	6
	Answer Hint Q. 1 C Q. 2 (B) The method that calculates national income by adding up all the expenditures made by households, businesses, government, and foreigners Q. 3 A is true, but R is false. Q. 4 A and R are both true, and R is the correct explanation of A. Q. 5 Answer: c) The economy is experiencing inflation. Q. 6 final Q. 7 price Q. 9 9.1 C) ₹8500 crores (National Income = Consumption + Investment + Government Spending + Net Exports = 5000 + 1000 + 2000 + 500 = 8500) 9.2 (B) 58.82% (Percentage = (Consumption / National Income) x 100 = (5000 / 8500) x 100 = 58.82%) 9.3 (A) ₹8600 crores 9.4 (B) 0.235	

TOPIC MONEY AND BANKING, WORKSHEET-1,
NAME _____ ROLL NO. _____

Q. 1	Assertion (A): Barter system lacked a standard unit of account. Reason (R): It was difficult to measure and compare the value of goods in barter exchange. Alternatives: - Both A and R are true, and R is the correct explanation of A - Both A and R are true, but R is not the correct explanation of A - A is true, but R is false - A is false, but R is true	1
Q. 2	Assertion (A): Legal tender money is accepted compulsorily for transactions. Reason (R): Acceptance of legal tender is backed by law. Alternatives: - Both A and R are true, and R is the correct explanation of A - Both A and R are true, but R is not the correct explanation of A - A is true, but R is false - A is false, but R is true	1
Q. 3	Read the statements given below and choose the correct option: Statement I: Money serves as a medium of exchange, which eliminates the need for a double coincidence of wants. Statement II: Under the barter system, transactions were easier as goods were exchanged directly. Options: - Both statements are true, and Statement II is the correct explanation of Statement I. - Both statements are true, but Statement II is not the correct explanation of Statement I. - Statement I is true, but Statement II is false. - Both statements are false.	1
Q. 4	Read the statements given below and choose the correct option: Statement I: Fiat money has intrinsic value. Statement II: Money supply includes currency held by the public and demand deposits. Options: - Both statements are correct - Both statements are incorrect - Statement I is correct, Statement II is incorrect - Statement I is incorrect, Statement II is correct	1
Q. 5	Refer to the image below and answer Questions	1



Q5. What type of money does the image represent?

- a. Commodity Money
- b. Digital Money
- c. Barter
- d. Token Money

Q. 6

Read the following passage carefully and answer the questions:

Seema runs a tailoring business and accepts payments in cash, UPI, and through mobile wallets. She finds UPI fast and reliable, while some of her older clients still prefer cash. Her bank encourages her to use digital payments as it increases transparency. Seema maintains a savings account and uses net banking to pay for raw materials. She sometimes deposits her excess income into a fixed deposit to earn interest.

UPI and mobile wallets used by Seema are examples of:

- a. Near money
- b. Commodity money
- c. Digital money
- d. non-monetary assets

Q. 7



.Identify the function of money and explain with suitable example

Q. 8

Explain the medium of exchange function of money

Q. 9

Explain the significance of standard of deferred payment function of money.

Q.
10

How does money overcome the problems of barter system? Explain briefly

	Answer Hint-W1	
	1. A2. A 3. C 4. C 5. D 6. C 7. Money is an asset that retains its value over time. People store their wealth in the form of money, without fearing for loss in its value. Money overcomes the problem of storing perishable item under barter system of exchange. With money, people hold liquidity and value in a much more convenient manner. 8. The primary function of money is, acting as a medium of exchange between two parties involved in a transaction. It avoids the practical problems of wastage of time and resources, involved in the barter system of an exchange and it improves the transactional efficiency. It also promotes allocational efficiency in the trade and production of goods and services. Hence, it can be said that money has separated the acts of sales and purchases. 9. Money simplifies the mechanism of deferred payments significantly. Deferred payments means future payment. When we take a loan from somebody, we not only pay the principal amount but also the interest amount. Under barter system of exchange, it was very difficult to make such transactions. As money maintains a standard value over a period of time, provided price remains constant, deferred payments can be easily made. 10. Money serves as a unit of value or common measure of value in terms of which the value of all goods and services are measured. This helps in measuring the exchange values of commodities. The prices of all the goods and services can be fixed in terms of money and the problem of expressing the value of each commodity in terms of quantities of other goods can be avoided. The related problem of barter which this function of money has solved is the problem of Lack of common measure of value. In barter system, there was absence of a common unit of measurement in which the value of goods and services can be measured. In the absence of common unit, proper valuation was not possible. e.g. cloth is measured in metre (i.e. length) while milk is measured in litre (i.e. capacity), hence both cannot be measured in a single unit, thereby complicating the process of exchange. But the evolution of money has solved this problem, and now every good or service can be measured in terms of money.	

TOPIC: MONEY AND BANKING, WORKSHEET-2,**NAME_____ ROLL NO._____**

Q. 1	Who is primarily responsible for creating money in an economy? 1 A. The Ministry of Finance B. Commercial banks and the central bank C. Stock exchanges D. Insurance companies	1
Q. 2	How do commercial banks create money? 1 A. By printing physical currency B. By collecting taxes C. By issuing loans and creating deposits D. By exporting goods	1
Q. 3	Assertion (A): Commercial banks create money through the process of lending. ¹ Reason : When banks give loans, they create new deposits in the borrower's account, increasing the money supply. (a.)A is true, R is true and R is the correct explanation of A. (b) A is true, R is true but R is not the correct explanation of A. (c))A is true, R is false. (d) A is false, R is true.	1
Q. 4	In the image, what form of money is depicted? 	1
Q. 5	Consider the following statements about the role of central banks: a) . The central bank is the sole authority for issuing currency in a country. b) .Central banks directly control the interest rates offered by commercial banks to their customers.	1

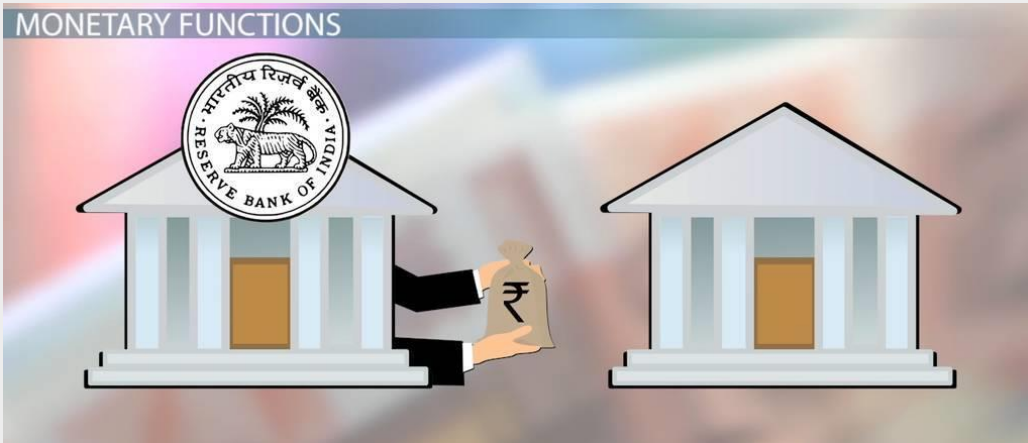
	Which of the statements given above is/are correct	
Q. 6	Case study based The central bank buys \$50 million worth of government bonds from commercial banks. 1 Question: What immediate effect does this have on the money supply? A) Decreases money supply B) Increases bank reserves and money supply C) Has no effect on money supply D) Decreases bank reserves	1
Q. 7	Discuss any two tools used by the central bank to control money supply in an economy	1
Q. 8	Explain the mechanism of credit creation by the commercial banking system if LRR is 10% and initial deposit in the banking system is Rs. 20,000?	3
Q. 9	Read the given excerpt taken from the article ‘What is ‘money’” published by The Economic Times on 20th September, 2022. “The money came into existence to overcome the drawbacks of the barter system. Earlier, people used to exchange goods and services as a form of commerce. this often led to many disadvantages, one of which was the double coincidence of wants. To solve this problem, a standard medium of exchange, money, was introduced.” Explain in brief the function of money highlighted in the given excerpt.	4
Q. 10	How do central banks respond to stagflation when inflation and unemployment are both high?	6
	Answer Hint	
	Q.1 Commercial banks and the central bank Q.2 By issuing loans and creating deposits Q.3 A is true, R is true and R is the correct explanation of A. Q.4 A is true, R is true and R is the correct explanation of A.	

	Q.6 Answer: B) Increases bank reserves and money supply Q.7 Answer: 1. Open Market Operations: The central bank buys or sells government securities to increase or decrease the money supply. 2. Bank Rate: The central bank increases or decreases the bank rate to make borrowing more expensive or cheaper, thereby controlling the money supply. Q.8 Ans. With a Legal Reserve Ratio (LRR) of 10% and an initial deposit of Rs. 20,000, the commercial banking system can create a total of Rs. 200,000 in credit. This is because the money multiplier, which determines how much the initial deposit can expand, is $1/\text{LRR} = 1/0.1 = 10$. Therefore, the total credit creation is $\text{Rs. } 20,000 * 10 = \text{Rs. } 200,000$. Q.10 In a stagflation environment where inflation and unemployment are both high, central banks face a difficult dilemma. They can't easily use traditional tools that address one issue without exacerbating the other. Typically, central banks use monetary policy, such as adjusting interest rates, to combat inflation. However, raising interest rates to curb inflation can also slow down economic growth and increase unemployment.	
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TOPIC MONEY AND BANKING, WORKSHEET-3,

NAME _____ ROLL NO. _____

Q. 1	1. Which of the following is the primary objective of the Reserve Bank of India's monetary policy? a) Maximizing employment b) Promoting economic growth c) Maintaining price stability d) Reducing income inequality	1
Q. 2	Assertion (A): The RBI issues currency notes and coins in India. Reason (R): It is the sole authority for currency issuance, ensuring uniformity and public confidence. a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A. c) A is true but R is false. d) A is false but R is true.	1
Q. 3	Assertion (A): The RBI acts as a lender of last resort for commercial banks in India. Reason (R): It provides financial assistance to banks facing temporary liquidity shortages to prevent financial instability. a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A. c) A is true but R is false. d) A is false but R is true	1
Q. 4	The Indian government needs to borrow a significant amount of money to finance its budget deficit. Which function of the RBI would be relevant in this situation? a) Banker's Bank b) Custodian of Foreign Exchange Reserves c) Banker to the Government d) Regulator and Supervisor of the Financial System	1
Q. 5	The Reserve Bank of India manages the country's _____ reserves, ensuring the stability of the Indian Rupee against other currencies.	1
Q. 6	The minimum percentage of a bank's deposits that it must hold with the RBI as cash is known as the _____ Reserve Ratio.	1
Q. 7	Fill in blank	1

	Measurers of Monetary Policy <pre> graph TD A[Measurers of Monetary Policy] --> B[] A --> C[Qualitative measures] B --> D[Bank rate] B --> E[Open market Operations] B --> F[Cash reserve ratio] C --> G[Margin requirements] C --> H[Moral suasion] </pre>	
Q. 8	Identify the function of the Reserve Bank of India in below picture and How does it help in maintaining the stability of the Indian banking system? 	3
Q. 9	Discuss the role of the RBI in maintaining price stability in India. What are the key tools it uses to achieve this objective, and how do they work?	4
Q. 10	(A) Explain the 'Custodian of Foreign Exchange Reserves' function of the RBI. Why is this function crucial for India's external sector stability and its ability to conduct international trade? (B) Describe any one qualitative measures used by the RBI to control credit in the Indian economy	6

	Answer Hint	
	1. c) Maintaining price stability 2. A) Both A and R are true and R is the correct explanation of A. 3. A) Both A and R are true and R is the correct explanation of A. 4. C) Banker to the Government 5. Foreign exchange 6. Cash 7. Quantitative measure 8. The RBI acts as the 'Banker's Bank' by providing banking facilities to all scheduled and commercial banks in India. It holds their cash reserves, provides financial assistance during liquidity crises, and ensures smooth interbank settlements. By regulating and monitoring banks, it maintains trust and prevents systemic failures, thus ensuring the overall stability of the banking system 9. . The RBI maintains price stability by controlling inflation and ensuring that the purchasing power of the rupee remains stable. Key tools include: Repo Rate: The rate at which RBI lends to commercial banks. Raising it reduces money supply and controls inflation. Reverse Repo Rate: Rate at which banks deposit with RBI; higher rates encourage banks to park excess funds with RBI. Cash Reserve Ratio (CRR): Reduces liquidity when raised, limiting inflation. Open Market Operations (OMO): Buying/selling government securities to control liquidity 10. (A) The RBI manages India's foreign exchange reserves and ensures that the country has adequate reserves for imports, debt payments, and currency stabilization. This role is crucial to avoid currency volatility, maintain investor confidence, and enable smooth international trade by ensuring that exchange rates remain stable and predictable. (B) Credit Rationing is a qualitative tool where RBI limits the amount of credit to specific sectors to control inflation or direct funds to priority areas. This ensures better allocation of credit in the economy based on national priorities.	

Worksheet- 1

CHAPTER - DETERMINATION OF INCOME AND EMPLOYMENT

Name-.....

Roll No.

Time: 35 Minutes

Maximum Marks: 20

Q.No.	Question	Marks																				
1.	Complete the following table by choosing the correct option: <table><tr><th>Income (Y) (in Rs. crore)</th><th>Savings (S) (in Rs. crore)</th><th>Consumption (C) (in Rs. crore)</th><th>Average Propensity to Consume (APC)</th></tr><tr><td>0</td><td>.....(i).....</td><td>300</td><td>—</td></tr><tr><td>1000</td><td>0</td><td>.....(ii).....</td><td>1</td></tr><tr><td>2000</td><td>300</td><td>1700</td><td>0.85</td></tr><tr><td>3000</td><td>600</td><td>2400</td><td>0.8</td></tr></table> (a) -300 , 1200 (b) 300 , 1200 (c) 0 , 700 (d) -300 , 1000	Income (Y) (in Rs. crore)	Savings (S) (in Rs. crore)	Consumption (C) (in Rs. crore)	Average Propensity to Consume (APC)	0	(i).....	300	—	1000	0	(ii).....	1	2000	300	1700	0.85	3000	600	2400	0.8	1
Income (Y) (in Rs. crore)	Savings (S) (in Rs. crore)	Consumption (C) (in Rs. crore)	Average Propensity to Consume (APC)																			
0	(i).....	300	—																			
1000	0	(ii).....	1																			
2000	300	1700	0.85																			
3000	600	2400	0.8																			
2.	Statement 1: Autonomous consumption is the consumption expenditure that is independent of the level of income. Statement 2: Induced investment refers to the investment expenditure that is determined by the rate of interest. (A) Both Statement 1 and Statement 2 are true. (B) Statement 1 is true, but Statement 2 is false. (C) Statement 1 is false, but Statement 2 is true.	1																				

	(D) Both Statement 1 and Statement 2 are false.	
3.	Assertion (A): Excess demand in an economy leads to inflationary pressure. Reason (R): Excess demand occurs when aggregate demand is greater than aggregate supply at full employment level. (a) Both A and R are true, and R is the correct explanation of A. (b) Both A and R are true, but R is not the correct explanation of A. (c) A is true, R is false. (d) A is false, R is true.	1
4.	Assertion (A): The saving function shows the relationship between income and saving. Reason (R): Saving increases as income increases because people save a part of their additional income. (a) Both A and R are true, and R is the correct explanation of A. (b) Both A and R are true, but R is not the correct explanation of A. (c) A is true, R is false. (d) A is false, R is true.	1
5.	Explain why the Aggregate Supply curve is drawn at a 45-degree angle in the Keynesian model. How does this representation help in understanding the equilibrium level of income and output in an economy?	3
6.	The government invests ₹100 crores in rural manufacturing units. The MPC in the region is 0.75. Calculate the total increase in income and consumption expenditure resulting from this investment.	3
7.	In BharatLok, a health crisis struck in the form of a pandemic. Fear and uncertainty caused people to cut down their spending drastically. Many households started saving more, reducing their consumption expenditure. The marginal propensity to consume (MPC) fell to 0.5. At the same time, investment in the economy was ₹400 crore. This change in behavior had a visible impact on the national income, which did not grow as expected. 1. Calculate the multiplier using the given MPC.	4

	2. How will lower MPC affect the overall income generation in the economy? 3. Why does excessive saving during a crisis reduce economic growth, even if investment levels remain the same? What kind of government measures could help restore consumption demand in such a situation?	
8.	<i>Riya reads in her Economics textbook that a small increase in investment by the government led to a much larger increase in national income. She is curious how this is possible and asks her teacher during a classroom discussion.</i> Question: With reference to Riya's curiosity, explain the concept of the investment multiplier. How does the multiplier effect contribute to an increase in national income? Support your answer with a relevant example.	6

Hints: Worksheet-1

Ans. 1-D

Ans. 2- (B)

Explanation: Statement 1 is true, as autonomous consumption represents the basic level of consumption even with zero income. Statement 2 is false; induced investment is typically influenced by the level of income and profit expectations, while autonomous investment is independent of income. The rate of interest primarily influences the cost of investment, not necessarily whether it's induced or autonomous based on income.

Ans 3.(a) Both A and R are true, and R is the correct explanation of A.

Explanation: Excess demand beyond full employment causes inflation, and that's due to $AD > AS$.

Ans 4.(a) Both A and R are true, and R is the correct explanation of A.

Explanation: The saving function reflects the income-saving relationship, and savings rise with income.

Ans. 5. The 45-degree inclination of the Aggregate Supply Curve represents the equilibrium condition where Aggregate Demand (AD) equals Aggregate Supply (AS). It helps determine the equilibrium level of income and output.

Ans.6. Multiplier = $1 / (1 - 0.75) = 4$

$\Delta Y = 4 \times 100 = ₹400$ crores

Consumption = $0.75 \times 400 = ₹300$ crores

Ans 7 (i) Multiplier (K) = $1 / (1 - MPC) = 1 / (1 - 0.5) = 2$
Ans 7 (ii) Lower MPC means people are spending less, which results in a **lower multiplier** and **less increase in income** for a given investment.

Ans 7 (iii) Reduced consumption leads to **lower demand**, which causes firms to reduce output and employment, thereby **slowing economic growth**.

Ans 7 (iv) The government can **reduce taxes, increase subsidies, or provide direct cash transfers** to encourage spending.

Ans. 8. Write definition and make table also.

Worksheet- 2

CHAPTER - DETERMINATION OF INCOME AND EMPLOYMENT

Name-.....

Roll No.

Time: 35 Minutes

Maximum Marks: 20

Q.No.	Question	Marks
1.	Statement 1: The propensity to consume (MPC) indicates the proportion of additional income that is saved. Statement 2: The value of the multiplier is inversely related to the marginal propensity to save (MPS). (A) Both Statement 1 and Statement 2 are true. (B) Statement 1 is true, but Statement 2 is false. (C) Statement 1 is false, but Statement 2 is true. (D) Both Statement 1 and Statement 2 are false.	1
2.	Statement 1: Full employment equilibrium implies a situation where there is no unemployment in the economy. Statement 2: Underemployment equilibrium occurs when the equilibrium level of output is less than the full employment level of output. (A) Both Statement 1 and Statement 2 are true. (B) Statement 1 is true, but Statement 2 is false. (C) Statement 1 is false, but Statement 2 is true. (D) Both Statement 1 and Statement 2 are false.	1
3.	If an upward sloping straight line consumption function makes an intercept at the Y-axis at a positive coordinate, it implies that Marginal Propensity to Consume (MPC)..... and Average Propensity to Consume (APC)..... as the income increases. (Choose the correct option to fill in the blanks) (a) remain constant, rises (b) rises, rises	1

	(c) remain constant, falls (d) falls, falls	
4.	Assertion (A): When marginal propensity to consume (MPC) increases, the value of the multiplier also increases. Reason (R): Multiplier is inversely related to marginal propensity to consume. (a) Both A and R are true, and R is the correct explanation of A. (b) Both A and R are true, but R is not the correct explanation of A. (c) A is true, R is false. (d) A is false, R is true.	1
5.	Assertion (A): Autonomous consumption exists when income is zero. Reason (R): Autonomous consumption depends on income level. (a) Both A and R are true, and R is the correct explanation of A. (b) Both A and R are true, but R is not the correct explanation of A. (c) A is true, R is false. (d) A is false, R is true.	1
6.	During a classroom debate, students discuss the relationship between saving and investment. One student says, “<i>If people plan to save more than what firms plan to invest, it might disturb the economy.</i>” Question: Using this scenario, explain what happens when ex-ante saving is greater than ex-ante investment. How does the economy adjust itself to reach equilibrium?	3
7.	The government of a country notices a rise in inflation. To control it, it decides to reduce its spending and increase taxes. Question: Using an Aggregate Demand–Aggregate Supply (AD-AS) diagram, explain how contractionary fiscal policy can help reduce an inflationary gap.	3

8.	An economy reports declining consumer demand and falling prices for several months. Economists warn about a deflationary gap. Question: With the help of an AD-AS diagram, explain how a leftward shift in aggregate demand can lead to a deflationary gap. What could be the possible effects on employment and production?	3
9.	India's economy witnessed a sharp decline in consumption and investment demand during a global crisis. Factories remained underutilized, and unemployment increased. In response, the government introduced a stimulus package and increased public spending on infrastructure and welfare schemes. This led to a gradual revival in demand and employment levels. Based on the above case, answer the following: (a) Identify and explain the type of demand gap initially faced by the economy. (b) How does this gap affect employment and output levels? (c) Explain how government spending helps reduce this gap using the concept of multiplier.	6

Hints: Worksheet -2

Ans: 1 (C) Explanation: Statement 1 is false because MPC indicates the proportion of additional income that is consumed, not saved. The propensity to save (MPS) indicates the proportion of additional income that is saved. Statement 2 is true; the multiplier formula is $1/(1-MPC)$ or $1/MPS$, showing an inverse relationship with MPS.

Ans: 2 (C) Explanation: Statement 1 is false. Full employment equilibrium does not mean zero unemployment; it means no involuntary unemployment. There can still be natural unemployment (frictional and structural). Statement 2 is true; underemployment equilibrium signifies that the economy is producing below its potential.

Explanation: Involuntary unemployment results from insufficient aggregate demand, even when people are willing to work.

Ans. 3-A

Ans. Ans 4.(c) A is true, R is false.

Explanation: Multiplier is directly (not inversely) related to MPC.

Ans 5.(C) A is True, R is false.

Explanation: Autonomous consumption exists even when income is zero; it is income-independent.

Ans.6. If ex-ante saving exceeds ex-ante investment, the economy will adjust through a decrease in income and output. As saving exceeds investment, inventories will pile up, leading firms to reduce production, thereby decreasing income until saving equals investment.

Ans.7 $AD > AS$, Diagram

Decreasing government spending, or

Increasing taxes

Ans.8 $AD < AS$, diagram

Potential Consequences:

Rising unemployment

Lower economic growth

Downward pressure on prices

Ans.9 **(a)** Deflationary gap: $AD < AS$ at full employment.

(b) Causes unemployment and lower output.

(c) Govt. spending raises AD; multiplier increases income and jobs.

Worksheet- 3

CHAPTER - DETERMINATION OF INCOME AND EMPLOYMENT

Name-.....

Roll No.

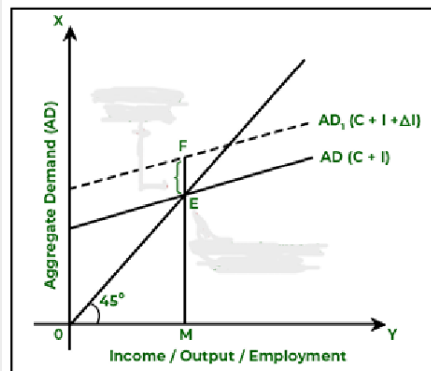
Time: 35 Minutes

Maximum Marks: 20

Q.No.	Question	Marks
1.	If the value of Investment Multiplier (K) is 2, the relevant consumption function would be: (a) $C = 50 + .25Y$ (b) $C = 50 + .75Y$ (c) $C = 50 + .50Y$ (d) $C = 50 + .25Y$	1
2.	Assertion (A): Involuntary unemployment occurs when people are willing to work at the prevailing wage rate but cannot find jobs. Reason (R): Involuntary unemployment arises due to deficiency of aggregate demand in the economy. (a) Both A and R are true, and R is the correct explanation of A. (b) Both A and R are true, but R is not the correct explanation of A. (c) A is true, R is false. (d) A is false, R is true.	1
3.	Assertion (A): The equilibrium level of income is determined where aggregate demand equals aggregate supply. Reason (R): At this point, there is no tendency for output and income to change. (a) Both A and R are true, and R is the correct explanation of A. (b) Both A and R are true, but R is not the correct explanation of A. (c) A is true, R is false. (d) A is false, R is true.	1

4.	Statement 1: According to Keynesian theory, the equilibrium level of income and employment is determined at the point where aggregate demand equals aggregate supply. Statement 2: In a two-sector economy, aggregate demand is the sum of consumption expenditure and government expenditure. (A) Both Statement 1 and Statement 2 are true. (B) Statement 1 is true, but Statement 2 is false. (C) Statement 1 is false, but Statement 2 is true. (D) Both Statement 1 and Statement 2 are false.	1
5.	India's economy recently experienced rapid increases in consumer spending and government expenditure. As a result, prices began to rise sharply. Question: Using an AD-AS diagram, illustrate the concept of an inflationary gap. Based on the scenario, explain the causes of such a gap and discuss its possible consequences on the economy.	3
6.	The government observes that the consumption function in the economy is $C = 200 + 0.8Y$. Investment is ₹3000 crores. (i) Find equilibrium national income (ii) Calculate saving at equilibrium level.	3
7.	In the country X, the government initiated an ambitious infrastructure development program by investing ₹500 crore in building highways, rail networks, and bridges. This investment created jobs for workers, engineers, suppliers, and local businesses. As incomes rose, people increased their spending on goods and services, which encouraged private businesses to expand production. This led to multiple rounds of income generation. Economists later found that this ₹500 crore investment led to a total increase in national income of ₹1500 crore. Questions: 1. Calculate the investment multiplier in Country X. (1M) 2. If the government increases its investment to ₹800 crore, how much increase in income can be expected, assuming the same MPC? (1M) 3. What would happen to the multiplier effect if people started saving more and consuming less? (2M)	4

8.	Look at the following graph and answer the questions below: a) What happens to the equilibrium level of income when AD shifts from AD to AD1? b) Explain one possible reason for the shift in AD. c) If the economy was initially in recession, how does this shift affect employment?	1 3 2
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Hints: Worksheet 3

Ans: 1 (C) Explanation: Statement 1 is false because MPC indicates the proportion of additional income that is consumed, not saved. The propensity to save (MPS) indicates the proportion of additional income that is saved. Statement 2 is true; the multiplier formula is $1/(1-MPC)$ or $1/MPS$, showing an inverse relationship with MPS.

Ans: 2 (C) Explanation: Statement 1 is false. Full employment equilibrium does not mean zero unemployment; it means no involuntary unemployment. There can still be natural unemployment (frictional and structural). Statement 2 is true; underemployment equilibrium signifies that the economy is producing below its potential.

Explanation: Involuntary unemployment results from insufficient aggregate demand, even when people are willing to work.

Ans. 3-A

Ans. Ans 4.(c) A is true, R is false.

Explanation: Multiplier is directly (not inversely) related to MPC.

Ans 5.(C) A is True, R is false.

Explanation: Autonomous consumption exists even when income is zero; it is income-independent.

Ans.6. $Y = C + I \rightarrow Y = 200 + 0.8Y + 3000$

$0.2Y = 3200 \rightarrow Y = ₹16000$ crores

$C = 200 + 0.8 \times 16000 = ₹13000$ crores

$S = 16000 - 13000 = ₹3000$ crores

Ans.7 $AD > AS$, Diagram

Decreasing government spending, or Increasing taxes

Ans 8 The equilibrium level of income increases as the new intersection of AD_1 and AS is at a higher output level. b) One possible reason for the AD shift is an increase in government expenditure, investment, or consumer spending. c) If the economy was in recession, the shift increases demand, leading to higher production and employment.

Worksheet- 4

CHAPTER - DETERMINATION OF INCOME AND EMPLOYMENT

Name-.....

Roll No.

Time: 35 Minutes

Maximum Marks: 20

Q.No.	Question	Marks
1.	An economy is facing a persistent rise in consumer prices which attracts real economic hardship. This situation may be the result of ----- (a) deflationary gap (b) inflationary gap (C) both deflationary as well as inflationary gap (d) neither inflationary gap nor deflationary gap	1
2.	Assertion (A): According to Keynes, full employment is a rare situation in an economy. Reason (R): Full employment is achieved when there is no involuntary unemployment in the economy. (a) Both A and R are true, and R is the correct explanation of A. (b) Both A and R are true, but R is not the correct explanation of A. (c) A is true, R is false. (d) A is false, R is true.	1
3.	Assertion (A): When investment increases, income increases by a multiple of the increase in investment. Reason (R): This happens due to the working of the investment multiplier. (a) Both A and R are true, and R is the correct explanation of A. (b) Both A and R are true, but R is not the correct explanation of A. (c) A is true, R is false. (d) A is false, R is true.	1
4.	Assertion (A): When investment increases, income increases by a multiple of the increase in investment.	1

	Reason (R): This happens due to the working of the investment multiplier. (a) Both A and R are true, and R is the correct explanation of A. (b) Both A and R are true, but R is not the correct explanation of A. (c) A is true, R is false. (d) A is false, R is true.													
5.	An economy exists in equilibrium only at full employment level of income and employment. Defend or Refute this statement with valid reasons.	3												
6.	During a festive season, people increase their spending significantly. How will this affect the level of income and employment in the economy? Explain using the concept of Aggregate Demand.	3												
7.	A family has a disposable income of ₹2500 crores and is saving ₹500 crores. Question: Calculate the average propensity to consume (APC). What does this tell us about consumer behavior?	4												
8.	Given the following data on a hypothetical economy: Assume MPC = 0.8. a) Find the Marginal Propensity to Consume (MPC). b) Calculate the equilibrium level of income if the Autonomous Investment is ₹200 crore. c) If government expenditure increases by ₹50 crore, what will be the new equilibrium income? <table><thead><tr><th>National Income (Crores Rs.)</th><th>Consumption (Crores Rs.)</th></tr></thead><tbody><tr><td>0</td><td>100</td></tr><tr><td>100</td><td>180</td></tr><tr><td>200</td><td>260</td></tr><tr><td>300</td><td>340</td></tr><tr><td>400</td><td>420</td></tr></tbody></table>	National Income (Crores Rs.)	Consumption (Crores Rs.)	0	100	100	180	200	260	300	340	400	420	2 2 2
National Income (Crores Rs.)	Consumption (Crores Rs.)													
0	100													
100	180													
200	260													
300	340													
400	420													

Hints: Worksheet-4

Ans. 1-B

Ans 2.(a) Both A and R are true, and R is the correct explanation of A.

Explanation: Keynes argued full employment is rare due to persistent involuntary unemployment.

Ans 3.(a) Both A and R are true, and R is the correct explanation of A.

Explanation: The multiplier causes a larger income increase from a smaller investment increase.

Ans. (a) Both A and R are true, and R is the correct explanation of A.

Explanation: The multiplier causes a larger income increase from a smaller investment increase.

Ans. 5 This statement can be refuted. According to Keynesian economics, equilibrium can occur at less than and more than full employment levels of income and employment due to deficient and excess aggregate demand. The economy can be in equilibrium with unemployment and over full employment. Full employment is not a necessary condition for equilibrium.

Ans. 7. Consumption = 2500 - 500 = ₹2000 crores

$$APC = 2000 / 2500 = 0.8$$

Interpretation: 80% of income is used for consumption.

Ans.8. a) $MPC = \text{Change in Consumption} / \text{Change in Income}$

$$(180 - 100) / (100 - 0) = 80/100 = 0.8$$

b) Equilibrium level of income is determined using: $Y=C+I$

$$C = \bar{C} + MPC$$

$$Y = 100 + 0.8 Y$$

$$Y = 100 + 0.8 Y + 200$$

$$(1 - 0.8) Y = 300$$

$$0.2 Y = 300$$

$$Y = 300/0.2 = 1500 \text{ crore}$$

c) Using the Multiplier Formula, We know, $K = \Delta Y / \Delta I$ or $\Delta Y = K \times \Delta I$

$$K = 1/(1 - MPC) = 1/(1-0.8) = 1/0.2 = 5$$

Therefore, $\Delta Y = 5 \times 1500 = 1750$ crores. New equilibrium income = ₹1500 + ₹250 = ₹1750 crore

UNIT 4- GOVERNMENT BUDGET

WORKSHEET: 1

Name of Student

Roll No.....

Time allowed: 35 minutes

Max Marks: 20

Q.N .	QUESTION	MAR K
1	Borrowing in government budget is: (a) Revenue deficit (b) Fiscal deficit (c) Primary deficit (d) Deficit in taxes	1
2	Government expenditure on Mid-Day Meal scheme running in government (state run) schools is a type of -----expenditure in government budget (Fill up the blank with correct answer).	1
3	Statement -1 : Government budget is an accounting statement showing actual receipts and expenditure of the government during a fiscal year. Statement -2 : Two components of government budget are : Revenue budget and Capital budget. Alternatives: (a). Both the statements are true. (b) Both the statements are false. (c). Statement 1 is true, but Statement 2 is false (d.) Statement 2 is true, but Statement 1 is false	1
4	ASSERTION (A) : Interest paid on National Debt is a revenue expenditure. REASON (R): Revenue expenditure refers to those expenditures which either create assets or decrease the liability of the government. (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 and Reason (R) is not the correct explanation of Assertion (A).	1

	(C) Assertion (A) is true but Reason (R) is false. (D) Assertion (A) is false but Reason (R) is true.																									
5	<u>CASE STUDY:</u> Fiscal deficit can prove inflationary if deficit is financed by printing of new currency as it will increase the money supply and purchasing power in the economy. It will further worsen the situation if new money is used to finance the current consumption expenditure of the government. However, if the increase in money supply leads to increased supply of goods and services or new money is used for infrastructural activities or other capital projects, then fiscal deficit will not prove to be inflationary. <u>Questions:</u> 1. In which condition fiscal deficit cause inflation in an economy. 2. In which condition fiscal deficit will not prove to be inflationary.	1*2=2																								
6	The maximum value of primary deficit can be equal to fiscal deficit. (True/False).	1																								
7	Which of the following is not a tax receipt? (a) Gift Tax (b) Sale Tax (c) Dividend (d) Excise Duty	1																								
8	Given the following data estimate the values of (i) Revenue deficit and (ii) Fiscal deficit. <table border="1"> <thead> <tr> <th></th><th>Items</th><th>Rs. in crore</th></tr> </thead> <tbody> <tr> <td>I</td><td>Tax revenue</td><td>1,000</td></tr> <tr> <td>II</td><td>Revenue expenditure</td><td>3,821</td></tr> <tr> <td>III</td><td>Non-tax revenue</td><td>2,000</td></tr> <tr> <td>IV</td><td>Recovery of loans</td><td>135</td></tr> <tr> <td>V</td><td>Capital expenditure</td><td>574</td></tr> <tr> <td>VI</td><td>Disinvestment</td><td>100</td></tr> <tr> <td>VII</td><td>Interest payment</td><td>1,013</td></tr> </tbody> </table>		Items	Rs. in crore	I	Tax revenue	1,000	II	Revenue expenditure	3,821	III	Non-tax revenue	2,000	IV	Recovery of loans	135	V	Capital expenditure	574	VI	Disinvestment	100	VII	Interest payment	1,013	4
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VI	Disinvestment	100																								
VII	Interest payment	1,013																								
9	Which of the following is/are included in the capital budget of the government? Give reasons for your answer. (a) Borrowings from the public.	4																								

	(b) Loans received from foreign government. (c) Expenditure on acquisition of assets like roads, buildings, machinery etc. (d) Loans and advances granted to the States Government.	
10	Explain (a) allocation of resources, and (b) economic stability as objectives of government budget.	2*2=4

HINT ANSWERS-WORKSHEET-1

Q1-(b) Fiscal deficit

Q2-Revenue Expenditure

Q3-(d.) Statement 2 is true, but Statement 1 is false

Q4- (c) **Assertion (A) is true but Reason (R) is false**

Q5 (i) if deficit is financed by printing of new currency as it will increase the money supply and purchasing power in the economy

(ii) If new money is used for infrastructural activities or other capital projects.

Q6-True

Q7-(c) Dividend

Q8- Ans. Revenue deficit = Revenue expenditure – Revenue Receipts (tax revenue + non- tax revenue) = Rs.3821 crore – (Rs.1000crore + 2000 crore) = Rs. 821 crore

Fiscal deficit = total expenditure (Revenue expenditure + Capital expenditure) – Total

Receipts (Revenue receipts + Capital receipts) other than borrowings

= 3,821 crore + 574 crore – (1000 crore + 2000 crore) – (135 crore + 100 crore)

= 3821 crore + 574 crore – 3000 crore – 235 crore

= Rs. 4,395 crore – Rs. 3,235 crore

= Rs. 1,160 crore

Q9- All are included in capital budget (Marks will be accorded when valid reason is given)

Q10-Correct explanation of the objectives of govt. budget.

UNIT 4- GOVERNMENT BUDGET

WORKSHEET: 2

Name of Student

Roll No.....

Time allowed: 30 minutes

Max Marks: 20

Q.N .	QUESTION	MAR K
1	Receipts which do not affect assets or liability status of the government, Capital Receipts (b) Revenue Receipts (c) Budgetary Receipt (d) None of these	1
2	Example of non-debt creating capital receipts (a) Borrowings (b) Extension of Borrowings (c) Recovery of loans (d) None of these	1
3	Statement -1 : Tax is legally compulsory payment Statement -2 : Directs are capital receipts of the government . (a)Both the statement is true (b) Both the statement is false. (c). Statement 1 is true, but Statement 2 is false (d.) Statement 2 is true, but Statement 1 is false	1
4	ASSERTION (A) : In case of public goods ,Nonpaying users are known as free riders . REASON (R): Public goods are rivalrous and non-excludable in nature. (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 and 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.	1
5	<u>CASE STUDY</u> India's fiscal deficit touched 115% of the budgeted target in the first half of 2020-21 as the Covid-19 pandemic continued to hurt government's receipts while expenditure remained close to the same level of last year. The gap between revenue and expenditure stood at Rs 9.14 lakh crore during April-September, according to data on the website of the Controller General of Accounts. <u>Questions:</u> Q1. Why fiscal deficit touched 115% of the budget target in the first half of 2020-21? .	1
6	Q6- Government budget helps maintaining economic stability. (True/False).	1

7	Fiscal deficit equals: (a) interest payments (b) borrowings (c) Interest payments less borrowings (d) borrowings less interest payments		1
8	On the basis of following data calculate the value of revenue deficit.		3
	SN	ITEMS	AMOUNT (In crores)
	1	Tax Receipts	1542
	2	Revenue Expenditure	1927
	3	Direct Taxes	670
	4	Non-Tax Receipts	303
9	Giving reason categories the following into revenue receipts and capital receipts: (a) Recovery of loans (b) (B) cooperation tax (c) Dividends on investment made by government (d) Sale of public sector undertaking		4
10	(a) “Through its budgetary policy, a government allocates resources as per the requirements of the country” Do you agree with the given statement? Support your answer with a valid reason. (b) Define direct tax.		3*2=6

ANSWERS-WORKSHEET- 2

Q1(b) Revenue Receipts

Q2-(c) Recovery of loans

Q3-(c). Statement 1 is true, but Statement 2 is false

Q4- (c) **Assertion (A) is true but Reason (R) is false**

Q5- It is due to covid-19 pandemic.

Q6-True

Q7-(b) borrowings

Q8- Ans. 82 crores

Q9- Marks will be accorded on the basis of valid reason.

Q10- (i)Yes (Marks will be accorded on the basis of valid reasons.)

Correct explanation of the objectives of govt. budget.

(ii) The tax which burden cannot be transferred on some one other....as Income Tax

Balance of Payment Graded Worksheet 1

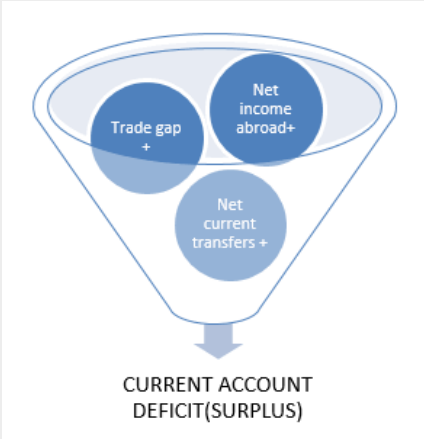
Name _____

Roll No. _____

Time 35 min

MM - 20

Q.No	Questions	Marks
1.	The measurement of Balance of Payments deficit is based on _____ transaction a) Accommodating b) Autonomous c) Current account d) Capital account	1
2.	Assertion (A): Trade of invisible items between two nations is a part of capital account of Balance of Payment Reason(R): Transactions that affect the asset-liability status of a country in relation to the rest of the world are known as Capital Account transaction. A statement of Assertion (A) followed by a statement of Reason (R) is given. Choose the correct answer out of the following choices. (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 and 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	1
3.	Which of the following statement is <i>not</i> true? (A) Borrowing from the Asia development bank by the Government is an accommodating transaction. (B) Loans given to Sri Lanka by the Government are an accommodating transaction. (C) Buying of machinery from Japan is an accommodating transaction. (D) Borrowing from the public is an accommodating transaction.	1

4.	Agrawal group of real estate company received rent from a foreign firm in New York. This transaction would be recorded on _____ side _____ account of Balance of Payment. (A) Credit, Current (B) Debit, Current (C) Credit, Capital (D) Debit, Current	1
5.	 Based on the interpretation of above given picture should a current account deficit be always a cause for alarm?	3
6.	Suppose balance of payment of current account of India in a year was (–) 2579 million US\$, whereas Balance on its capital account was 8409 million \$, how will it affect the foreign exchange reserve of India?	3
7.	Discuss the effect of the following on the Balance of Payments: (i) ‘Make in India’ Programme, (ii) Import of Petrol. Or Deficit or Disequilibrium in BOP may occur either due to autonomous transactions or due to accommodating transactions.’ Defend or refute	4
8.	Are the following entered (i) on the credit side or the debit side and (ii) in the current account or capital account in the Balance of Payments account? You must give reason for your answer - Purchase of shares of TATA by Microsoft. - Imports of computer spare parts from France. - Borrowings from World Bank. - Repayment of loan by Indian Government taken from Russia.	6

Or

Case Study: -

India's Balance of Payments for the fiscal year 2023–24 showed a widening current account deficit, mainly due to increased imports of crude oil and gold. However, the capital account recorded a surplus owing to higher Foreign Direct Investment (FDI) and portfolio investment inflows. The country's foreign exchange reserves remained stable due to RBI's interventions in the forex market.

During this period:

1. Merchandise exports slightly declined due to a global economic slowdown.
2. Service exports, especially in IT and business outsourcing, grew significantly.
3. Remittances from overseas Indians increased.
4. Loan repayments to foreign lenders rose

Based on the above case study answer the following questions

- a) Identify two components of the Current Account mentioned in the case.
- b) Are remittances from overseas Indians included in the Current or Capital Account? Justify.
- c) Why do foreign exchange reserves remain important in managing the Balance of Payments?(GNP), there's an important distinction:

ANSWER

1. **b) Autonomous transaction.**

2. **(D) Assertion (A) is false but Reason (R) is true**

3. **(A) Borrowing from the Asia development bank by the Government is an accommodating transaction.**

(C) Buying of machinery from Japan is an accommodating transaction.

4. Agrawal group of real estate company received rent from a foreign firm in New York. This transaction would be recorded on **(A) Credit, Current** account of Balance of Payment. (It's an inflow of income, hence credit, and relates to services/income from factors of production, hence current account).

5. Based on the interpretation of the picture (which is not provided, so I will answer generally about current account deficit), should a current account deficit always be a cause for alarm?

No, a current account deficit should not always be a cause for alarm.

A current account deficit essentially means a country is importing more goods and services than it is exporting, and/or net income from abroad is negative. While a persistent and large deficit can be problematic, signaling a country living beyond its means, it's not inherently alarming for several reasons:

6. Since the overall BOP is positive (a surplus of 5830 million US\$), it means that the country has received more foreign currency than it has spent. This surplus will lead to an **increase in the foreign exchange reserves of India by 5830 million US\$.**

7. Discuss the effect of the following on the Balance of Payments: (i) 'Make in India' Programme, (ii) Import of Petrol.

(i) 'Make in India' Programme: The 'Make in India' program aims to boost domestic manufacturing and reduce reliance on imports. Its effects on the Balance of Payments would likely be:

- **Reduced Imports, Current Account** balance (specifically, the balance of visible trade) by reducing outflows.
- **Increased Exports**
- **Increased Foreign Direct Investment (FDI)**
- **Technology Transfer and Skill Development**

- **(ii) Import of Petrol:** Import of petrol (crude oil) has a significant effect on the Balance of Payments:
Increased Imports:
- **Deterioration of Current Account:**
- **Impact on Exchange Rate:**

8. **a. Purchase of shares of TATA by Microsoft.**

- **(i) Credit side:** This is an inflow of foreign currency into India because Microsoft (a foreign entity) is investing in an Indian company (TATA).
- **(ii) Capital Account:** This is a foreign direct investment (FDI) or portfolio investment, which affects the asset/liability position of the country.

b. Imports of computer spare parts from France.

- **(i) Debit side:** This is an outflow of foreign currency from India as payment is made for goods imported from France.

- **(ii) Current Account:** This relates to the trade in visible goods.

c. Borrowings from World Bank.

- **(i) Credit side:** This represents an inflow of foreign currency into India as the country is receiving a loan from the World Bank.
- **(ii) Capital Account:** This is an external borrowing, which changes the country's external debt (a liability).

d. Repayment of loan by Indian Government taken from Russia.

- **(i) Debit side:** This is an outflow of foreign currency from India as the Indian government is sending money to Russia to repay its loan.
- **(ii) Capital Account:** This transaction reduces India's external liability.

Balance of Payment Graded Worksheet II

COMPONENTS OF BALANCE OF PAYMENT MM – 20

Name _____

Roll No. _____

S.No	Questions	Marks
9.	If Indian students pay fees to foreign universities, it will be recorded as: a) Debit in current account b) Credit in current account c) Debit in capital account d) Credit in capital account	1
10.	Which of the following scenarios would most likely require official reserve transactions? a) Increase in gold imports b) Continuous capital inflows c) Current account deficit leading to pressure on rupee d) Rise in tourism revenue	1
11.	A fall in foreign exchange reserves due to RBI intervention is recorded as: a) Credit in current account b) Debit in current account c) Credit in capital account d) Debit in capital account	1
12.	Which of the following will lead to a credit entry in the BOP? a) Import of machinery b) Payment of interest on foreign loans c) Exports of software d) Purchase of shares in a foreign company	1
13.	India has been witnessing a continuous increase in petroleum imports due to rising domestic demand. Simultaneously, there has been a surge in remittances from Indians working in the Gulf countries. Answer the following: a) What impact do petroleum imports have on the BOP? b) Under which account will remittances be recorded? c) Suggest one policy measure the government can take to manage this situation	3

14.	Analyze the relationship between exchange rate fluctuations and Official Reserve Transactions and Evaluate the effectiveness of Official Reserve Transactions in correcting persistent BoP imbalances.	3
15.	Trade winds So far this fiscal, India's goods exports have fallen 6.5% year-on-year. India's trade, in \$ billion ■ Exports ■ Imports ▼ y-o-y growth (in %) Nov 2023 Apr-Nov 2023 Source: Ministry of commerce and industry Based on the picture given above, answer the following questions - a) Whether the trade account is in surplus or deficit in the year April – Nov 2023. Calculate the trade balance for the quarter Nov 2023. b) Which component of balance of trade contributes negatively and why might that be a concern? c) Suggest a way to improve the trade account balance.	4
16.	India's Capital Account Surplus: Role of FDI and NRI Deposits In recent years, India's capital account has recorded high inflows, primarily due to: • Increased Foreign Direct Investment (FDI): Global companies are investing in India's sectors like digital technology, infrastructure, and manufacturing under the "Make in India" and "Digital India" initiatives. • Rising Non-Resident Indian (NRI) Deposits: With greater trust in India's financial system and attractive interest rates, NRIs are sending more money into Indian bank accounts and long-term deposit schemes. a) Under which account are FDI and NRI deposits recorded? b) Why are capital inflows important for a developing country	6

	like India? c) What risk does over-reliance on capital inflows pose?	
	Or	
	Case Study: India's Balance of Payments showed a deficit due to rising oil imports and a weak export performance. The rupee began to depreciate sharply, increasing the cost of imports further. To manage the situation, the Reserve Bank of India sold \$5 billion from its foreign exchange reserves in the global market.	
	Answer the following:	
	a) What type of transaction did the RBI carry out?	1
	b) How is this recorded in the BoP accounts?	1
	c) What is the intended effect of this action on the rupee?	2
	d) Mention one risk of frequent use of official reserves.	2

Answers

1 a , 2 c, 3 d, 4 c,

Ans 5 a)Petroleum imports **increase debit entries** in the **current account**, widening the **current account deficit (CAD)**.

b) Under which account will remittances be recorded?
→ **Remittances** are recorded as **current transfers** in the **current account** (credit side), as they bring in foreign exchange.

c) Suggest one policy measure the government can take to manage this situation
→ The government can **promote renewable energy or electric vehicles** to reduce petroleum dependence OR **diversify export markets** to improve trade balance.

Ans 6 In **accounting terms**, every debit has a corresponding credit. If there's a current account deficit, it is matched by a surplus in the capital account (like foreign loans or RBI reserves).**Economically**, a deficit in the current account indicates problems like **over-dependence on imports, low exports, or weak competitiveness**.

Example - India has a large trade deficit, it might cover this by borrowing externally or using forex reserves.

Ans 7 a) Trade balance is in deficit b) exports have decreased by 6% hence this will reduce foreign exchange earnings c) increase exports of goods and services and reduce imports.

Foreign Exchange Rate

Name _____

Time 35 min

20

Graded Worksheet 1

Roll No. _____

MM -

S.No	Questions	Marks
17	Which of the following best describes a flexible exchange rate system? A. Fixed by the central bank B. Determined by government C. Determined by demand and supply in the market D. Fixed by international agreement	1
18	Assertion (A): An increase in imports leads to a depreciation of the domestic currency. Reason (R): Higher imports increase the demand for foreign currency. Options: A. Both A and R are true, and R is the correct explanation of A B. Both A and R are true, but R is not the correct explanation of A C. A is true, but R is false D. A is false, but R is true	1
19	Assertion (A): Under a flexible exchange rate system, the central bank frequently intervenes in the foreign exchange market. Reason (R): Flexible exchange rate is determined by the forces of demand and supply. Options: A. Both A and R are true, and R is the correct explanation of A B. Both A and R are true, but R is not the correct explanation of A C. A is true, but R is false D. A is false, but R is true	1
20	Under a fixed exchange rate system, the value of currency is determined by the market forces of demand and supply. (True / False)	1
21	A student claims that if the exchange rate changes from ₹75 = \$1 to ₹70 = \$1, Indian exports will increase.	3

	a. Do you agree or disagree with the student? Justify your answer with economic reasoning. or b. How will this appreciation of the Rupee affect importers in India?									
22	Ravi wants to visit Europe and exchange ₹1,00,000 for Euros. a. If the exchange rate changes from ₹90 = €1 to ₹100 = €1, how will it impact his travel budget? (2 marks) b. Explain how changes in foreign exchange rate affect international tourism. (1 marks)	3								
23	ON A DECLINE India foreign exchange reserve (in \$ bn) <table><thead><tr><th>Date</th><th>Reserve (\$ bn)</th></tr></thead><tbody><tr><td>Jan 5, '24</td><td>617</td></tr><tr><td>Sep 27, '24</td><td>705</td></tr><tr><td>Dec 13, '24</td><td>653</td></tr></tbody></table> Compiled by BS Research Bureau Source: RBI : a) What does the sharp decline in "Foreign Exchange Reserves" as shown in the graph typically indicate about the country's Balance of Payments? (1 mark) b) Explain how the central bank (represented by the icon) might intervene using these reserves to manage the situation depicted in the graph and stabilize the economy. (3 marks)	Date	Reserve (\$ bn)	Jan 5, '24	617	Sep 27, '24	705	Dec 13, '24	653	4
Date	Reserve (\$ bn)									
Jan 5, '24	617									
Sep 27, '24	705									
Dec 13, '24	653									
24	Read the following case and answer the questions that follow: India is experiencing an increase in demand for foreign goods, resulting in a surge in demand for US dollars. At the same time, foreign investors are withdrawing their investments from the Indian stock market. a. What impact will the above situation have on the exchange rate of the Indian Rupee? (3 marks) b. Suggest any two government or RBI measures that can be taken to stabilize the Rupee. (3 marks)	6								

ANSWER

Q1.? C. Determined by demand and supply in the market

Q2. A. Both A and R are true, and R is the correct explanation of A

Q3.. D. A is false, but R is true

Q4. False

Q5. When the exchange rate changes from ₹75 = \$1 to ₹70 = \$1, it means that now ₹70 buys \$1, whereas previously ₹75 was needed to buy \$1. This signifies an appreciation of the Indian Rupee. An appreciation of the domestic currency (Rupee) makes Indian goods more expensive for foreign buyers

OR

b. An appreciation of the Rupee from ₹75 = \$1 to ₹70 = \$1 means that Indian importers now need to pay fewer Rupees to obtain the same amount of foreign currency. For example, to import goods worth \$1, an Indian importer now pays ₹70 instead of ₹75. This effectively makes imports cheaper for Indian importers. As a result, the cost of imported goods will decrease, which could lead to an increase in imports into India.

Q6. Analyze and Reason (3 marks) Ravi wants to visit Europe and exchange ₹1,00,000 for Euros. a. If the exchange rate changes from ₹90 = €1 to ₹100 = €1, how will it impact his travel budget? (2 marks) When the exchange rate changes from ₹90 = €1 to ₹100 = €1, it means that more Indian Rupees are now required to buy one Euro. This indicates a depreciation of the Indian Rupee against the Euro.

- At ₹90 = €1, Ravi would get: ₹1,00,000 / ₹90 = €1111.11
- At ₹100 = €1, Ravi would get: ₹1,00,000 / ₹100 = €1000 This change in the exchange rate will negatively impact Ravi's travel budget because he will get fewer Euros for the same amount of Indian Rupees (from €1111.11 to €1000). His purchasing power in Europe will decrease.

b. Explain how changes in foreign exchange rate affect international tourism. (1 mark)

- Depreciation of domestic currency
- Appreciation of domestic currency
- Q7.

Answer: a) The sharp decline in "Foreign Exchange Reserves" typically indicates that the country is experiencing a Balance of Payments deficit. Sells foreign currency from its reserves:

- Impact on exchange rate:
- Restores confidence:

Q8. The situation described will lead to a depreciation of the Indian Rupee against the US dollar. Here's why:

- Increase in demand for foreign goods:
- Foreign investors withdrawing investments:
- Combined effect: b. Suggest any two government or RBI measures that can be taken to stabilize the Rupee. (3 marks) To stabilize the Rupee (i.e., prevent or reverse its depreciation), the government or RBI can take the following measures:
 1. Intervention in the Foreign Exchange Market (RBI):
 2. Increase Interest Rates (RBI): The RBI can raise domestic interest rates.
 3. Encourage Foreign Direct Investment (FDI) and Exports (Government)

FOREIGN EXCHANGE RATE MM – 20**Name _____ Roll No. _____ Time: 35 Minutes**

S.No	Questions	Marks
25	Assertion (A): When the value of Indian Rupee depreciates against the US Dollar, imports become more expensive. Reason (R): Depreciation of the domestic currency increases the cost of buying foreign goods and services. 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.	1
26	Which of the following is NOT a component of the Capital Account? A. Foreign Direct Investment (FDI) B. Portfolio Investment C. External Commercial Borrowings D. Unilateral transfers (e.g., gifts, remittances)	1
27	India is planning to import electronic components from the USA. Last month, the exchange rate was ₹75 = \$1, but now it has changed to ₹82 = \$1. Based on this change, what should Ravi expect? A. The cost of importing components will decrease. B. The cost of importing components will remain the same. C. The cost of importing components will increase. D. Exchange rate changes have no impact on imports.	1
28	When the Indian Rupee appreciates against the US Dollar, Indian exports become more competitive in the global market. (True / False)	1
29	Explain how changes in foreign exchange rates can affect a country's imports and exports. Give one real-life example to support your answer.	3
30	Katrina is planning to study abroad in the USA. Recently, the Indian Rupee has depreciated against the US Dollar. How will this affect her expenses, and how can this be explained using the concept of foreign exchange rate?	3

31	A recent report from the Reserve Bank of India (RBI) indicated that for the fiscal year 2024-25, India experienced a significant increase in its foreign direct investment (FDI) inflows, reaching an all-time high. Simultaneously, there was a noticeable decline in the number of Indian students opting for higher education abroad, and a rise in foreign tourists visiting India. However, the software and IT services exports, which traditionally contribute significantly to India's foreign exchange earnings, saw a slight dip due to global economic slowdown. (a) Identify two components of the Current Account that would be positively impacted by the trends mentioned in the case study. (1 mark) (b) Explain how the increased FDI inflows would be recorded in India's Balance of Payments account and discuss its likely impact on the overall balance and in the economy(3 marks)	4
32	Read the situation carefully and answer the following questions. 6Marks(3+3) Situation: Ashok is an Indian businessman who imports electronic gadgets from Japan. Recently, the exchange rate between the Indian Rupee (INR) and Japanese Yen (JPY) changed from 1 INR = 1.7 JPY to 1 INR = 1.5 JPY. (a) Explain how this change in the exchange rate will affect Ravi's import business. (3 marks) (b) Suggest two ways Ravi can reduce the negative impact of the exchange rate fluctuation on his business. (3 marks)	6

ANSWER

Q.No.1- A. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

Q.No.2-? D. Unilateral transfers (e.g., gifts, remittances)

Q.No.3- C. The cost of importing components will increase.

Q.No.4- (False)

Q. No.-5

Changes in foreign exchange rates significantly impact a country's imports and exports:

- **Appreciation of Domestic Currency:**

- Imports become cheaper:
- Exports become more expensive
- Depreciation of Domestic Currency:
 - Imports become more expensive:
 - Exports become cheaper
 - Real-life example

Q.No-6- : Riya's expenses for studying in the USA will **increase significantly**.

Explanation using the concept of foreign exchange rate: The foreign exchange rate is the price of one currency in terms of another. When the Indian Rupee (INR) depreciates against the US Dollar (USD), it means that you need more Indian Rupees to buy one US Dollar.

For example:

- Before depreciation: ₹75 = \$1
- After depreciation: ₹82 = \$1 (or even more)

Q.No 7-

(a) Services (Travel/Tourism):.

1. **Services (Education): (b)**

Recording of Increased FDI Inflows: Increased Foreign Direct Investment (FDI) inflows would be recorded as a **credit item** in the **Capital Account** of India's Balance of Payments (BOP) account.

Q.No.8-Read the situation carefully and answer the following questions. 6Marks(3+3)

(a)The change in the exchange rate from 1 INR = 1.7 JPY to 1 INR = 1.5 JPY signifies an **appreciation of the Japanese Yen against the Indian Rupee**, or conversely, a **depreciation of the Indian Rupee against the Japanese Yen**.

To understand the impact on Ravi's import business, let's consider it from the perspective of how many Rupees he needs to buy a certain amount of Yen.

- **Earlier:** 1 INR = 1.7 JPY. This means to get 1 JPY, Ravi needed $1/1.7 \approx 0.588$ INR.
- **Now:** 1 INR = 1.5 JPY. This means to get 1 JPY, Ravi now needs $1/1.5 \approx 0.667$ INR.

(b)Here are two ways Ravi can reduce the negative impact of the exchange rate fluctuation:

Diversification of Sourcing/Importing from Multiple Countries:

PART-B

**(INDIAN ECONOMIC
DEVELOPMENT)**

UNIT 6- DEVELOPMENT EXPERIENCE (1947-90) AND ECONOMIC REFORMS SINCE 1991

A BRIEF INTRODUCTION OF THE STATE OF INDIAN ECONOMY ON THE EVE OF INDEPENDENCE

WORKSHEET: 1

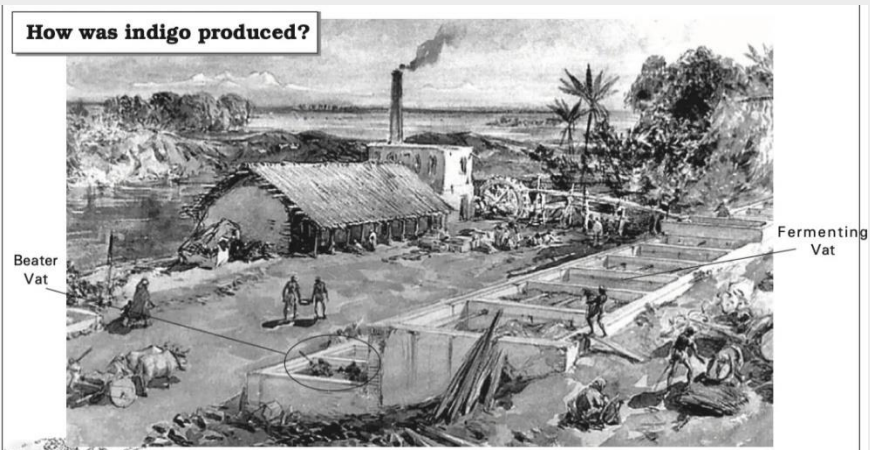
Name of Student _____

Roll No _____

Time: 30min

Max Marks: 20

S.No.	Questions	marks
1	Assertion (A): The introduction of railways by the British led to the revival of Indian industries. Reason (R): Railways enabled faster transportation of raw materials to ports for export, but not necessarily for industrial growth within India. Alternatives: (a) Both Assertion (A) and Reason (R) are true and the Reason (R) is the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are true and the 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.	1
2	Assertion (A): The Indian economy witnessed significant industrial growth during the British colonial period. Reason (R): The British established modern industries to develop India's self-reliant manufacturing base. Alternatives: (a) Both Assertion (A) and Reason (R) are true and the Reason (R) is the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are true and the 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.	1

3	Which of the following statements are true regarding India's foreign trade on the eve of independence? 1. India had a large export surplus that benefited the Indian economy. 2. British policies led to India exporting raw materials and importing finished goods. 3. The composition of India's exports included mainly agricultural and primary products. 4. India had control over its trade policy during the British period. Options: A. 1 and 2 only B. 2 and 3 only C. 2, 3, and 4 only D. 1, 2, 3, and 4	1
4	Identify the correct statements about India's trade partners during the colonial period: 1. Britain was India's chief trading partner. 2. India's trade was diversified across many countries. 3. India imported capital goods and exported raw materials. 4. Most of India's trade was directed to countries under British influence. Options: A. 1, 3, and 4 B. 2 and 3 only C. 1 and 4 only D. 1, 2, 3, and 4	1
5	In sector most of the work force were engaged during british rule.(Agriculture/Service/Industry)	1
6	"There was regional variation in the occupational structure of India during British rule." True/False?	1
7	Analyse the picture and answer the following questions: 	1+1+2=4

	a) What does the image tell you about the scale and organization of indigo production during British rule? b) Why was indigo such an important crop for the British? c) Discuss whether the indigo production system shown in the image was beneficial or exploitative for Indian peasants. Justify your answer.	
8	"British policy affected positively the agriculture sector". Defend or Refute the statement with valid reason	4
9	Case Based Questions: During the British colonial period, India's foreign trade was heavily controlled by the British. The East India Company first gained monopoly rights over India's trade, and later, the British government continued to direct the terms of trade to suit British economic interests. India was turned into a supplier of raw materials like cotton, indigo, and jute, and a market for British manufactured goods, particularly textiles. High tariffs were imposed on Indian goods exported to Britain, while British goods entered India with little to no duties. India had no control over its trade policy, and the profits from India's export surplus were not invested in the Indian economy but transferred to Britain, a phenomenon known as the "economic drain." (a) Why did the British promote export of raw materials from India and import of manufactured goods into India? (b) What is meant by the term "economic drain," and how is it related to British monopoly over trade? (c) How did the lack of control over trade policy affect India's economy before independence? Answer:	2+2+2=6
Remarks-		Teacher's Signature-

S.No.	Answers	marks
1	Answer: Option C: A is false, but R is true.	1
2	Answer: Option D: A is false, but R is true.	1

3	Answer: B. 2 and 3 only <i>(Explanation: Export surplus benefited Britain, not India. India had no control over its trade policy.)</i>	1
4	Answer: A. 1, 3, and 4 <i>(Explanation: India's trade was largely limited to Britain and its allies, not diversified.)</i>	1
5	Agriculture sector.	1
6	Answer: ☒ True ☒ Reason is correct Explanation: Different regions had varying degrees of development; for example, Madras and Bengal were more agriculture-dependent, while Bombay had some industrial employment.	1
7	a) The image shows a large, industrial-style setup with many workers, vats, and buildings, indicating that indigo production was organized on a large scale under British supervision. b) Indigo was in high demand in Europe for dyeing textiles. Natural indigo from India was a valuable export, and the British profited greatly from its trade. c) The system was exploitative. Indian peasants were often forced into unfavorable contracts (like the Tinkathia system) and were paid very little. They had no control over the price or market. While the British profited, the farmers suffered poverty, food insecurity, and sometimes violent repression.	1+1+2=4
8	The statement is refuted with valid reason .	4
9	(a) To support the growth of British industries by ensuring a steady supply of cheap raw materials from India and providing a ready market in India for their finished goods. This helped Britain industrialize while keeping India dependent and underdeveloped. (b) "Economic drain" refers to the transfer of wealth from India to Britain without equivalent returns. This was a result of trade policies where export profits, administrative costs, and remittances were taken out of India, benefiting Britain at India's expense. (c) India could not protect or develop its own industries, nor could it diversify trade. The colonial trade policies kept the economy backward, agriculture-based, and dependent on Britain, leading to stagnation and poverty.	6

INDIAN ECONOMY 1950-1990**WORKSHEET: 1****Name of Student**
No.....**Roll****Time allowed: 30 minutes**
Marks: 20**Max**

Q.N	QUESTION	MAR K
1	The main objectives to develop the agriculture sector ensure food security and build basic infrastructure was the objective of which Five-year plan? (A) First five-year plan 1951 to 1956 (B) Second five-year plan 1956 to 1961 (C) Third five-year plan 1961 to 1966 (D) None of the above	1
2	India adopted a type of economic system between 1950 -1990 _____. (A) Capitalistic economy (B) Socialistic economy (C) Mixed the economy (D) None of these	1
3	Statement 1: The Industrial Policy Resolution of 1956 aimed at establishing a socialist state pattern of society. Statement 2: It encouraged private sector dominance in all industries. (A) Both statements are true (B) Both statements are false (C) Statement 1 is true and 2 is false (D) Statement 1 is false and 2 is true	1
4	Statement 1: Import substitution policy led to rapid modernisation of Indian industries. Statement 2: It discouraged foreign competition to protect domestic industries. (A) Both statements are true (B) Both statements are falls (C) Statement 1 is true and 2 is false (D) Statement 1 is false and 2 is true	1

5	ASSERTION (A): India adopted Five-year plans for economic development. REASON (R): The Soviet Union successfully used planning to grow its economy. (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 and 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	1
6	ASSERTION (A): Land reforms in India achieved only limited success. REASON (R): Implementation of land reforms varied widely across States. (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 and 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	1
7	ASSERTION (A): India's trade policy from 1950 - 1990 was inward looking. REASON (R): The governments focus on import substitution to reduce foreign dependence. (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 and 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	1
8		3



See the above picture carefully. On the basis of your observation explain the objectives of Government planning.

9	Read the passage and answer the questions: The Industrial Policy Resolution of 1956 classified industries into three categories: those exclusively under the public sector, those where both public and private sectors could operate, and those left to the private sector. The policy aimed to build a strong industrial base through state ownership and control in key sectors such as heavy industries, defense, and transport. Questions: 9.1. Why were certain industries reserved for the public sector? (2 marks) 9.2. Mention any two limitations of this industrial policy. (2 mark)	4
10	Read the passage and answer the questions: The Green Revolution in the 1960s introduced high-yielding variety (HYV) seeds, chemical fertilizers, and irrigation methods. It significantly increased food grain production, especially in Punjab, Haryana, and Western Uttar Pradesh. However, it also led to regional imbalances, increased mechanization, and greater income disparity among farmers. The green revolution in India refers to a period when Indian Agriculture was converted into an industrial system due to the adoption of modern methods and technology such as the use of HYV seeds, tractors, irrigation facilities, pesticides and fertilizers. It was funded by the US and the Indian Government and the Ford and Rockefeller Foundation. The Green Revolution in India is largely the Wheat Revolution as the wheat production increased by more than three times between 1967-68 and 2003-04, while the overall increase in the production of cereals was only two times. Questions:	6

	1. Elaborate the key components of the Green Revolution? (3 marks) 2. Name two states that benefited the most. (1 mark) 3. Mention two negative consequences of the Green Revolution. (2 marks)	
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	Answers Hints: 1. A 2. C 3. C 4. D 5. B 6. A 7. A 8. Explain the role of major projects initiated by government of India during 1950-1990. 9.1 Due to the need for strategic control and the difficulty private sector faced with large, risky investments and long gestation periods. 9.2 Any two limitation of IPR 1956. 10.1 HYV Seeds, Chemical fertilizers. 10.2 Punjab, Haryana 10.3 Degradation of Land, degradation of quality of food.	
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INDIAN ECONOMY 1950-1990		
WORKSHEET: 2		
Name of Student		Roll No.....
Time allowed: 30 minutes		Max Marks: 20
Q. N.	QUESTION	MAR K
1	Main objective of India's First Five-Year Plan initiated in 1951-1956 was.....? (A) Industrial development (B) Self-reliance in defence (C) Agricultural development (D) Import substitution	1
2	The Green Revolution in India was mainly associated with the increase in the production of: (A) Pulses (B) Wheat and rice (C) Sugarcane (D) Oilseeds	1
3	Read the following statements and choose the correct option: Statement 1: The public sector was given a leading role in India's economic development during the early planning years. Statement 2: The private sector was restricted due to the lack of capital and technical know-how. Options: a) Only Statement 1 is correct b) Only Statement 2 is correct c) Both statements are correct d) Both statements are incorrect	1
4	Read the following statements and choose the correct option: Statement 1: Demographic transition in India has resulted in a higher dependency ratio. Statement 2: Youth in the working-age group is an asset to the economy. Options:	1

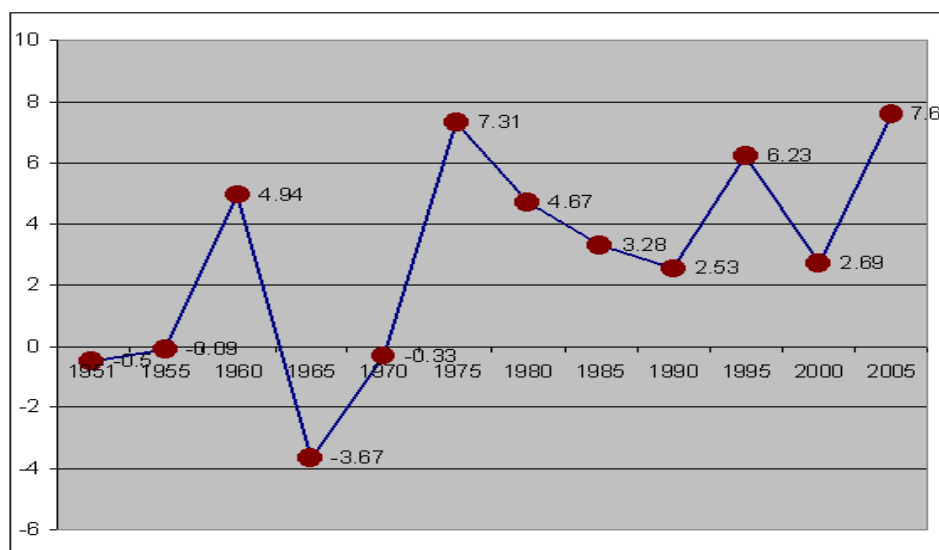
	a) Only Statement 1 is correct b) Only Statement 2 is correct c) Both statements are correct d) Both statements are incorrect	
5	Assertion (A): India adopted economic planning to ensure equitable distribution of wealth. Reason (R): Economic planning helps eliminate poverty and bridge income disparities. Options: a) Both A and R are true, and R is the correct explanation of A b) Both A and R are true, but R is not the correct explanation of A c) A is true, R is false d) A is false, R is true	1
6	After studying the economic strategies adopted by India between 1950 and 1990, a student concluded that the government played a central role in economic planning, focusing on self-reliance and heavy industry. Which of the following developments best supports this conclusion? A. Rapid liberalization of foreign trade and investment policies B. Growth of private sector enterprises with minimal government control C. Implementation of Five-Year Plans emphasizing public sector and import substitution D. Adoption of a free market economy with limited state intervention	1
7	During the period 1950–1990, India adopted a mixed economy model. What does a mixed economy imply in the Indian context? a) Complete control of private sector over resources b) Complete government ownership of all businesses c) Co-existence of public and private sectors with planned development d) Economy driven entirely by market forces	1
8	Read the passage and answer the questions below: India launched the New Economic Policy (NEP) in 1991 due to a severe balance of payments crisis. The policy aimed to liberalize the economy through deregulation, privatization, and globalization (LPG). The policy helped increase foreign investment and improved export performance, but also led to rising inequality.	3

	Q8.1. On the basis of above passage state the main reason for launching the New Economic Policy in 1991? (1 mark) Q8.2. As per your ideas from the above passage state the most effective tool of NEP 1991. (1 mark) Q8.3. On consequence of economic reforms mentions one positive impact of the policy. (1 marks)	
9	Read the case and answer the questions: India's economic development was characterized by state-led planning and an emphasis on import-substitution industrialization. Five-Year Plans, developed by the Planning Commission, guided economic development, aiming for growth, modernization, self-reliance, and equity. The period saw significant progress in agriculture, with land reforms and the Green Revolution boosting food production. Industrialization was promoted through public sector expansion and import substitution policies. However, the economy also faced challenges, including a focus on inward-looking policies, which hindered export growth and led to dissatisfaction with the performance of public sector enterprises. Q9.1. If you were a policy advisor in the 1980s, based on the information in the passage, what changes would you suggest to improve the economic strategy of India? Justify your answer. (2 mark) Q9.2. Compare the intended goals of import-substitution industrialization with its actual outcomes, as highlighted in the passage. What inferences can you draw about the effectiveness of this strategy? (2 mark)	4

10

10.1 Analyze the trend in GDP growth rates from the 1950s to the 1990s. What does this suggest about the effectiveness of economic policies during

6



this era? (3Marks)

10.2 Read the passage and answer the following questions:

Modernization and self-reliance, by themselves, may not improve the kind of life which people are living. A country can have high growth; the most modern technology developed in the country itself, and also has most of its people living in poverty. It is important to ensure that the benefits of economic prosperity reach the poor sections as well instead of being enjoyed only by the rich. So, in addition to growth, modernisation and self-reliance, equity is also important. Every Indian should be able to meet his or her basic needs such as food, a decent house, education and health care and inequality in the distribution of wealth should be reduced.

Q10.2.1. A country can be technologically advanced and still have a majority of its population living in poverty. Analyze this statement in light of the passage and explain the role of equitable wealth distribution. (2 mark)

Q10.2.2. Suggest one policy measures a government could take to ensure that economic growth benefits all sections of society, especially the poor. Justify how these would help achieve equity. (1 mark)

Answers Hints:

1. C 2. B 3. C 4. B 5. A 6. C 7. C

8.1 Economic crisis.

8.2 Liberalisation

8.3 Gradual increase in foreign exchange reserves.

9.1 Shift Focus from Only Growth to Inclusive Growth, Increase Investment in Human Development (Health & Education) Any other.

9.2 Self-reliance, Modernization of Industry, Economic Growth, Achieve high GDP growth through industrial expansion.

10.2.1 Lack of medical facilities compare to urban areas.

10.2.2 A country may achieve high economic growth and develop advanced technologies domestically. However, if the benefits of growth are concentrated among the rich, most people especially the poor continue to live in poverty. This leads to a situation where progress is visible on paper, but not in the lives of the majority.

Economic Reforms

Worksheet – 1

Name of the student:

Roll No.

Time allowed: 30 min.

Max. Marks: 20

Q.No.	Questions	Marks
Q.1.	Read the following statements assertion (A) and reason (R), and choose the correct alternative given below: Assertion (A): Agriculture sector experienced an increase in growth during the reform period. Reason (R): Decline in public investment and removal of fertilizer subsidy adversely affected the status of agriculture. (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, and 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) are true.	1
Q.2.	Read the following statements assertion (A) and reason (R), and choose the correct alternative given below: Assertion (A): The economic reforms of 1991 in India were primarily triggered by a severe balance of payments crisis, leading to the liberalization of the economy. Reason (R): The 1991 reforms completely eliminated the role of the public sector in India, shifting the economy entirely to a market-driven model. (a) Both A and R are true, and R is the correct explanation of A. (b) Both A and R are true, but R is not the correct explanation of A. (c) A is true, but R is false. (d) A is false, but R is true.	1

Q.3.	Read the following statements carefully and choose the correct option: Statement I: The 1991 economic reforms in India promoted greater government control over industries to ensure balanced growth. Statement II: One of the key features of the 1991 reforms was the removal of licensing requirements for most industries. Options: (a) Both statements I and II are correct. (b) Both statements I and II are incorrect. (c) Statement I is correct, but Statement II is incorrect. (d) Statement I is incorrect, but Statement II is correct.	1								
Q.4.	Which of the following statements about the 1991 economic reforms in India is correct? (a) The reforms focused mainly on improving agricultural subsidies to boost rural income. (b) Privatization involved increasing government ownership in public sector enterprises. (c) Liberalization aimed at reducing government restrictions on economic activities. (d) Globalization meant limiting foreign investment to protect domestic industries	1								
Q.5.	Match the components of economic reforms with their correct objectives: <table><tr><th>Column A (Reform Component)</th><th>Column B (Objective)</th></tr><tr><td>A. Liberalization</td><td>1. Opening up to foreign trade</td></tr><tr><td>B. Privatization</td><td>2. Reducing government control</td></tr><tr><td>C. Globalization</td><td>3. Selling public sector units</td></tr></table> Options: (a) A–2, B–3, C–1 (b) A–3, B–1, C–2 (c) A–1, B–2, C–3 (d) A–2, B–1, C–3	Column A (Reform Component)	Column B (Objective)	A. Liberalization	1. Opening up to foreign trade	B. Privatization	2. Reducing government control	C. Globalization	3. Selling public sector units	1
Column A (Reform Component)	Column B (Objective)									
A. Liberalization	1. Opening up to foreign trade									
B. Privatization	2. Reducing government control									
C. Globalization	3. Selling public sector units									

Q.6.	Anita is a chartered accountant advising a client who operates across multiple Indian states. The client is confused about how taxes will apply when goods are sold from Delhi to Maharashtra. Anita explains that under GST, the tax mechanism differs based on the type of transaction — inter-state or intra-state. Based on this situation, which of the following statements is most accurate about how GST works in such inter-state transactions? (a) The seller will charge only SGST and CGST because the transaction is between registered businesses. (b) The buyer must pay SGST in Maharashtra and claim a refund from the seller's state. (c) IGST will be levied, which is shared between the Centre and the destination state. (d) No tax is charged in inter-state sales under GST due to the "One Nation, One Tax" policy.	1
Q.7.	Apple is planning to shift its production from China to India. What could be the reasons behind this decision of the company.	3
Q.8.	<i>John noticed that after the 1991 reforms, many government-owned companies were sold to private firms or saw private investment. She wondered why the government made such a move.</i> Question: Based on Anita's observation, explain why privatization was adopted as a part of economic reforms in 1991 and how it helped improve the performance of public sector enterprises.	3
Q.9.	<i>Rohit read in the newspaper that after 1991, many foreign companies started investing in India, and Indian consumers got access to a wider variety of goods at competitive prices. He is curious to know how this change happened.</i> Question: Using Ravi's observation, explain how globalization as a part of the 1991 economic reforms impacted the Indian economy and consumers.	4
Q.10.	In 1991, India faced a severe balance of payments crisis with foreign exchange reserves barely enough to cover two weeks of imports. This prompted the Indian	

government to implement major economic reforms under the guidance of Finance Minister Dr. Manmohan Singh. These reforms aimed at liberalizing the economy, reducing government control, and encouraging private and foreign investments. The reforms included de-licensing of industries, reduction of import tariffs, deregulation of interest rates, privatization of public sector enterprises, and encouragement of foreign direct investment (FDI). These steps marked a shift from a planned economy to a market-oriented one. The reform policies were based on Liberalization, Privatization, and Globalization (LPG).

As a result, India witnessed increased industrial and service sector growth, rise in exports, and a substantial increase in foreign exchange reserves. However, the reforms also led to greater income inequality and regional disparities. While urban areas and skilled labor benefited, rural regions and unskilled workers faced challenges.

Thus, the 1991 reforms played a crucial role in transforming India's economy, laying the foundation for high economic growth in the subsequent decades.

(a). Explain how liberalization under the 1991 reforms affected the industrial sector in India.

2

(b). Give your opinion regarding positive and negative impacts of the economic reforms of 1991.

2

Hint- Answers:

Q.1- d. Assertion (A) is false but Reason(R) are true.

Q.2- c) A is true, but R is false.

Q.3- D. Statement I is incorrect, but Statement II is correct

Q.4- C. Liberalization aimed at reducing government restrictions on economic activities.

Q.5- A. A–2, B–3, C–1

Q.6- C. IGST will be levied, which is shared between the Centre and the destination state.

Q.7- Cheap Labour, Favourable govt. policies, Availability of skilled work force. Or any 3 valid points.

Q.8- Privatization was adopted to reduce the financial burden on the government and improve the efficiency of public sector enterprises (PSEs). Many PSEs were running at losses due to bureaucratic control and lack of competition. By allowing private investment or transferring ownership, the reforms aimed to bring better management practices, accountability, and profitability. This move encouraged competitiveness and improved the overall productivity of the economy.

Q.9- Globalization, introduced in the 1991 economic reforms, opened India's economy to the global market. It allowed foreign companies to invest in India, leading to increased competition, improved product quality, and availability of a wide range of goods and services. Consumers benefited from better choices and competitive prices, while Indian firms gained access to international markets and advanced technology.

Q.10- (a) Liberalization removed industrial licensing for most industries, reduced government control over production and pricing, and opened markets to competition. This led to increased efficiency, innovation, and growth in the industrial sector.

(b) Urban middle class and skilled professionals benefited from increased job opportunities and higher incomes, especially in the service and IT sectors.

Rural and unskilled workers saw limited benefits as agriculture was not prioritized, leading to income inequality and slower rural development.

Economic Reforms

Worksheet – 2

Name of the student:

Roll No.

Time allowed: 30 min.

Max. Marks: 20

Q. No.	Questions	Marks
Q.1.	“The 1991 LPG reforms aimed to transform India’s economic structure. A major challenge was balancing liberalisation with social equity”. Which of the following policy changes best illustrates the paradox between economic efficiency and social welfare in the LPG reforms? (a). Reduction of import tariffs and quantitative restrictions on goods (b). Abolition of industrial licensing for most sectors (c) Introduction of targeted Public Distribution System (TPDS) and reduced subsidies (d). Permission for 100% FDI in certain sectors	1
Q.2.	“India’s New Economic Policy of 1991 focused on reducing the role of the public sector”. Which of the following outcomes best reflects a long-term risk associated with excessive privatisation under the LPG model? (a). Increase in foreign exchange reserves (b). Decline in government fiscal deficit (c). Monopolisation and widening income inequality (d). Enhanced efficiency and innovation in production	1
Q.3.	Liberalisation opened the Indian economy to global trade and investment. Which scenario best demonstrates the impact of liberalisation on domestic industries? (a). Local textile producers expanding to foreign markets with competitive pricing (b). Government increasing corporate tax to fund welfare schemes (c). Nationalised banks opening rural branches for financial inclusion (d). Farmers receiving minimum support prices for their crops	1

Q.4.	Read the following statements assertion (A) and reason (R), and choose the correct alternative given below: Assertion (A): Demonetisation in 2016 led to a sudden decline in cash-intensive informal sector activities in India. Reason (R): The informal sector primarily relies on digital transactions and was thus unaffected by the withdrawal of ₹500 and ₹1000 notes. Options: (a). Both A and R are true, and R is the correct explanation of A. (b). Both A and R are true, but R is not the correct explanation of A. (c). A is true, but R is false. (d). A is false, but R is true.	1
Q.5.	Read the following statements assertion (A) and reason (R), and choose the correct alternative given below: Assertion (A): The economic reforms of 1991 led to a shift in India's development strategy from a public sector-driven model to a market-oriented approach. Reason (R): The government reduced its role in direct production and allowed private and foreign players to operate in sectors previously reserved for the public sector. Options: (a). Both A and R are true, and R is the correct explanation of A. (b). Both A and R are true, but R is not the correct explanation of A. (c). A is true, but R is false. (d). A is false, but R is true.	1
Q.6.	Read the following statements assertion (A) and reason (R), and choose the correct alternative given below: Assertion (A): The implementation of GST in India has improved tax compliance and widened the tax base.	1

	Reason (R): GST is levied only at the final point of consumption, eliminating the need for tax payments at each stage of production. Options: (a). Both A and R are true, and R is the correct explanation of A. (b). Both A and R are true, but R is not the correct explanation of A. (c). A is true, but R is false. (d). A is false, but R is true.	
Q.7.	Consider the following statements about the economic reforms of 1991: Statement 1: The reforms abolished industrial licensing for most industries to encourage private sector participation. Statement 2: The government increased import tariffs to protect domestic industries from foreign competition. Which of the following is correct? (a). Both Statement 1 and Statement 2 are true. (b). Statement 1 is true, but Statement 2 is false. (c). Statement 1 is false, but Statement 2 is true. (d). Both Statement 1 and Statement 2 are false.	1
Q.8.	 Think and analyse the image given above. Also explain how it has benefitted Indian economy?	3

Q.9.	“The LPG reforms of 1991 significantly increased the inflow of foreign investment by liberalising regulations and allowing greater foreign direct investment (FDI) in various sectors of the Indian economy”. In the light of given statement explain that how did the LPG reforms of 1991 impact the inflow of foreign investment in India?	4
Q.10.	Read the following case study and answer the question on the basis of the case study and your common understanding. Case Study: Liberalisation, Privatisation, and Globalisation (LPG) in India In 1991, India faced a severe economic crisis characterized by a balance of payments deficit and low foreign exchange reserves. To overcome this, the government introduced a series of economic reforms collectively known as Liberalisation, Privatisation, and Globalisation (LPG). Liberalisation involved reducing government control over industries by abolishing industrial licensing and lowering import tariffs. This encouraged private sector participation and opened the economy to international trade. Privatisation meant reducing the role of the public sector by disinvesting government stakes in public enterprises and encouraging private ownership. Globalisation focused on integrating India’s economy with the world by inviting foreign direct investment (FDI) and removing restrictions on capital flows. These reforms transformed the Indian economy from a closed, centrally planned system to a more market-oriented and globally connected economy. As a result, India experienced higher economic growth, increased foreign investment, and greater access to technology and global markets. However, the reforms also posed challenges such as increased competition for domestic industries and concerns about income inequality. Overall, LPG reforms laid the foundation for India’s emergence as one of the fastest-growing major economies in the world. (a) What was the main reason behind India adopting LPG reforms in 1991? (b) How did liberalisation affect industrial licensing in India? (c) What role did globalisation play in transforming the Indian economy after 1991?	1 2 3

Tutorial Link: <https://youtu.be/roZYXtmq6I0?si=VeHPZZWqMxmabbCbw>

Answer Hints:

Q.1- C. Introduction of targeted Public Distribution System (TPDS) and reduced subsidies.

Q.2- C. Monopolisation and widening income inequality.

Q.3- A. Local textile producers expanding to foreign markets with competitive pricing.

Q.4- C. A is true, but R is false.

Q.5- A. Both A and R are true, and R is the correct explanation of A.

Q.6- B. Both A and R are true, but R is not the correct explanation of A.

Q.7- B. Statement 1 is true, but Statement 2 is false.

Q.8- Employment Generation, Foreign Exchange Earnings, Skill Development, Growth of Urban Infrastructure, Boost to IT and Telecom.

Q.9- The LPG reforms of 1991 liberalised India's economy by reducing restrictions on foreign investment and allowing greater foreign direct investment (FDI) in many sectors. This encouraged more foreign investors to invest in India, leading to increased inflow of foreign capital, technology, and expertise, which helped accelerate economic growth.

Q.10- (a) India adopted LPG reforms in 1991 primarily to overcome a severe economic crisis marked by a balance of payments deficit and low foreign exchange reserves.

(b) Liberalisation abolished or reduced industrial licensing requirements, allowing private companies to set up and expand businesses more freely without heavy government restrictions.

(c) Globalisation integrated India's economy with the world by encouraging foreign direct investment, removing restrictions on capital flows, and opening up markets for trade and technology exchange.

GST & DEMONETIZATION WORKSHEET

Name of Student

Roll No.....

Time allowed: 30 minutes

Max Marks: 20

Q.N.	QUESTION	MARK
1	GST introduced by Government of India. Choose the correct objective of GST from the following. a) Increase direct taxes b) Simplify indirect tax structure c) Promote black money d) Increase import duties	1
2	Demonetisation was a major initiative of India. Find the primary goals of demonetisation in 2016? a) Reduce FDI b) Promote cash economy c) Tackle black money and counterfeit currency d) Increase inflation	1
3	Statement 1: GST is a destination-based tax. Statement 2: GST is applicable only on imported goods. a) Only Statement 1 is correct b) Only Statement 2 is correct c) Both statements are correct d) Both statements are incorrect	1
4	Statement 1: Demonetisation impacted the informal sector more severely. Statement 2: High denomination currency notes were banned during demonetisation. a) Only Statement 1 is correct b) Only Statement 2 is correct c) Both statements are correct d) Both statements are incorrect	1
5	Assertion (A): GST eliminates the cascading effect of taxes.	1

	Reason (R): GST allows input tax credit across goods and services. a) Both A and R are true, and R is the correct explanation of A b) Both A and R are true, but R is not the correct explanation of A c) A is true, R is false d) A is false, R is true	
6	Assertion (A): Demonetisation led to a short-term fall in consumption. Reason (R): Cash shortage affected daily transactions across the economy. a) Both A and R are true, and R is the correct explanation of A b) Both A and R are true, but R is not the correct explanation of A c) A is true, R is false d) A is false, R is true	1
7	Assertion (A): GST helps in improving tax compliance. Reason (R): Under GST, transactions are recorded digitally and matched online. a) Both A and R are true, and R is the correct explanation of A b) Both A and R are true, but R is not the correct explanation of A c) A is true, R is false d) A is false, R is true	1
8	 On the basis of the above picture find the concept and its consequences.	3

9	Read the passage and answer the questions: GST was implemented on 1st July 2017 as a single unified indirect tax. It replaced multiple indirect taxes like VAT, service tax, and excise duty. GST is levied at each stage of the supply chain and allows seamless input tax credit, making it more efficient and transparent. Mention four benefits of GST for businesses or consumers.	4
10	Read the passage and answer the questions: The government is saying that there are only advantages of demonetization policy and this will be seen in the long term. Former Prime Minister Manmohan Singh who is a noted economist, former RBI governor and former Finance Minister of the country, dubs the demonetization move as an 'organized loot and legalized plunder'. However, if we compare the merits verses demerits, it will be safe to conclude that the former outweighs the latter. Even though there is suffering and agony among the masses right at the moment but the forecast is that its benefits will be seen in the long run. The government is taking all the necessary steps and actions to meet the currency demand and soon the trial and tribulations of the people will be over with the smooth flow of the new currency. Post demonetisation, digital payment platforms like UPI, Paytm, and Google Pay witnessed a sharp rise in usage. Even small vendors began accepting cashless payments, indicating a shift toward a more formal economy. Government schemes like “Digital India” supported this transformation. Q10.1 Some economist argue that Demonetization is harmful for developing countries like India. Give your opinion regarding this. (3 marks) Q10.2 Demonetization promotes digital transactions. How it is beneficial for general public. Elaborate. (3 marks)	6
	Answers Hints: 1. B 2. C 3. A 4. B 5. A 6. A 7. A 8. Demonetization, Positive and Negative effects on general public. 9.1 Any four benefits of GST 10.1 Give your opinion. Open end question. 10.2 Benefits of digitalization.	

ZONAL INSTITUTION OF EDUCATION & TRAINING GWALIOR

INDIAN ECONOMIC DEVELOPMENT

CLASS XII

WORKSHEET-1 HUMAN CAPITAL

FORMATION

NAME OF STUDENT-		ROLL NO-
TIME:- 35 MINUTES		MAX MARKS:-20
Q.N	QUESTIONS	M
	From Que 1 to 3 Read the following statements – Assertion (A) and Reason (R). Choose the correct alternative from the options given below: 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.	
1	Read the following statements – Assertion (A) and Reason (R). Choose the correct alternative from the options given below: Assertion (A):Information plays a crucial role in judicious decision-making about investing in human capital. Reason (R):Individuals invest to acquire information about the labour market and other areas such as education and healthcare.	1
2	Read the following statements carefully: Assertion (A) and Reason (R). Choose the correct option from those given below: Assertion (A): Human capital formation increases the rate of participation of population to economic activities and leads to economic growth. Reason (R): Rate of participation of people refers to the percentage of people engaged in production process of a country.	1

3	Read the following statements - Assertion (A) and Reason (R). Choose the correct option from the options given below : Assertion (A) :People spend to acquire information related to labour and other markets (like, education and health). Reason (R) :Expenditure on information is necessary for efficient utilisation of the human capital stock.	1
4	Statement 1- basic education and basic health are important in themselves, irrespective of their contribution to labour productivity. Statement 2- Human capital treats human beings as a means to an end;. a) Both the statements are correct b) Both the statements are incorrect c)Statement 1 is correct and statement 2 is incorrect d)Statement 1 is incorrect and statement 2 is correct	1
5	Identify, which of the following is a feature of physical capital. (Choose the correct option) (i) Tangibility (ii) Tradability (iii) Immobility Options: (A) (i) and (ii) (B) (ii) and (iii) (C) (i) and (iii) (D) (i), (ii), and (iii)	1
6	_____ is based on the idea that education and health are integral to human well-being. (Choose the correct option to fill up the blank) (A) Human Resource (B) Human Development (C) Human Capital (D) Economic Development	1
7	Mahesh and Dinesh both had their own farms. Mahesh invested in a few agricultural courses, learnt modern farming techniques and trained her labourers on best practices related to soil fertility, crop management, pest control etc. Whereas, Dinesh invested heavily in, by purchasing advanced farming machinery, irrigation systems, and high quality seeds. Do you agree that, Dinesh had made investment in human capital? Give valid reason in support of your answer.	3

8	“Expenditure on preventive medicine, curative medicine and social medicine helps in building human capital and economic development.” Do you agree with the given statement ? Give valid arguments in support of your answer.	3
9	On the basis of the given image, explain the source of human capital formation which may contribute to the economic growth in India. 	4
10	This enhanced productivity of human beings or human capital contributes substantially not only towards increasing labour productivity but also stimulates innovations and creates ability to absorb new technologies. Education provides knowledge to understand changes in society and scientific advancements, thus, facilitate inventions and innovations. Similarly, the availability of educated labour force facilitates adaptation to new technologies. On the basis of above passage give answers of the following questions : (a) Which factor is responsible to enhance productivity of human capital? (b) Why do you think that educated labour force is considered as for human capital?	4=1+3

ANSWER KEY OF WORKSHEET 1 HUMAN CAPITAL FORMATION

1 A, 2 A, 3 A, 4A , 5D, 6B 7 NO Dinesh invest in physical capital

8 yes agree give any three valid reasons

9 The source of Human Capital Formation (HCF) indicated in the given image is investment in education.

10 a education **b)** changes in society and scientific advancements, thus, facilitate inventions and innovations, educated labour force facilitates adaptation to new technologies.

WORKSHEET-2 HUMAN CAPITAL FORMATION

NAME OF STUDENT-		ROLL NO-
TIME:- 35 MINUTES		MAX MARKS:-20
Q.N	QUESTIONS	M
	From Que 1 to 3 Read the following statements – Assertion (A) and Reason (R). Choose the correct alternative from the options given below: 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 <i>not</i> 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.	
1	Read the following statements – Assertion (A) and Reason (R). Choose the correct alternative from the options given below: Assertion (A):Expenditure incurred for acquiring information relating to the labour market and other markets is also a source of human capital formation.. Reason (R):This information is necessary to make decisions regarding investments in human capital as well as for efficient utilisation of the acquired human capital stock.	1
2	Read the following statements carefully: Assertion (A) and Reason (R). Choose the correct option from those given below: Assertion (A): expenditure on migration is also a source of human capital formation. Reason (R): The enhanced earnings in the new place outweigh the costs of migration.	1
3	Read the following statements - Assertion (A) and Reason (R). Choose the correct option from the options given below : Assertion (A) :Expenditure regarding on-the-job training is a source of human capital formation. Reason (R) :on-the-job training may take different forms :one, the workers may be trained in the firm itself under the supervision of a skilled worker; two, the workers may be sent for off-campus training.	1
4	Statement 1- Health expenditure directly increases the supply of healthy labour force	1

09

2+2+
2

Fig. 4.2 *Creating human capital: a school being run in make shift premises in Delhi*

Look at picture and give answers

- (a) What are the advantages of having proper 'classroom'?
- (b) Do you think the children going to this school are receiving quality education?
- (c) Why these schools do not have buildings?

ANSWER KEY OF WORKSHEET 1 HUMAN CAPITAL FORMATION

1 A, 2 A, 3 A, 4A , 5C, 6C

7 Defend, give any two valid reasons.

8 Explain education as source of HCF give any three valid reasons

9 A) advantage of infrastructure b) YES as per HCF , LACK of expenditure by govt

WORKSHEET-3 HUMAN CAPITAL FORMATION		CLASS- XII
NAME OF STUDENT-		ROLL NO-
TIME:- 30 MINUTES		MAX MARKS:-20
Q. N	QUESTIONS	M
	From Question 1 to 3 Read the following statements – Assertion (A) and Reason (R). Choose the correct alternative from the options given below: 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.	
1	Read the following statements – Assertion (A) and Reason (R). Choose the correct alternative from the options given below: Assertion (A) In the case of human capital, depreciation takes place with ageing Reason (R):It can be reduced, to a large extent, through continuous investment in education, health, etc..	1
2	Read the following statements carefully: Assertion (A) and Reason (R). Choose the correct option from those given below: Assertion (A): Though, on an average, the government spends less on tertiary education., Reason (R): expenditure per student' in tertiary education is higher than that of elementary..	1
3	Read the following statements - Assertion (A) and Reason (R). Choose the correct option from the options given below : Assertion (A) : During 1952-2020,education expenditure as percentage of total government expenditure Increased from 7.92 to 16.54 and as percentage of GDP increased from 0.64 to 4.47. Reason (R) :The Education Commission (1964–66) had recommended that at least 6 per cent of GDP be spent on education so as to make a noticeable rate of growth in educational achievements.	1
4	On the basis of the given picture below give reason of the question arise in the mind of the farmer at right side in the picture	1

	 Fig. 4.1 Adequate education and training to farmers can raise productivity in farms	
5	The ownership of physical capital is the outcome of the conscious decision of the owner — the physical capital formation is mainly an economic and technical process. A substantial part of the human capital formation takes place in one's life when she/he is unable to decide whether it would maximize her/his earnings. Children are given different types of school education and health care facilities by their parents and the society. On the basis of above paragraph give answer the following question : When will human capital formation takes place one's life?	1
6	_____ is based on the idea that education and health are integral to human well-being. (Choose the correct option to fill up the blank) (A) Human Resource (B) Human Development (C) Human Capital (D) Economic Development	1
7	 On the basis of above picture give answer of the following questions— (a) The above picture is related with(School training / On the job training) (b) Why such kind of investment made by investors in an economy? (c) How this kind of investment benefited the economy?	3

8	This expenditure by the government is expressed in two ways(i) as a percentage of ‘total government expenditure’ (ii) as a percentage of Gross Domestic Product (GDP).The percentage of education expenditure of total government expenditure’ indicates the importance of education in the scheme of things before the government. The percentage of ‘education expenditure of GDP’ expresses how much of people’s income is being committed to the development of education in the country. During 1952 2020,education expenditure as percentage of total government expenditure Increased from 7.92 to 16.54 and as percentage of GDP increased from 0.64 to 4.47. (a) Do you think government provide proper importance to education sector? Give reason (b) Compare with reason to the The percentage of ‘education expenditure of total government expenditure’ during 1952-2020	3																																											
9	Select Indicators of Development in Education and Health Sectors <table><tr><th>Particulars</th><th>1951</th><th>1981</th><th>1991</th><th>2001</th><th>2018-21</th></tr><tr><td>Real Per Capita Income (in Rs)</td><td>7,651</td><td>12,174</td><td>15,748</td><td>23,095</td><td>94,054</td></tr><tr><td>Crude Death Rate (Per 1,000 Population)</td><td>25.1</td><td>12.5</td><td>9.8</td><td>8.1</td><td>6.0</td></tr><tr><td>Infant Mortality Rate</td><td>146</td><td>110</td><td>80</td><td>63</td><td>28</td></tr><tr><td rowspan="2">Life Expectancy at Birth (in Years)</td><td>Male</td><td>37.2</td><td>54.1</td><td>59.7</td><td>63.9</td><td>68.6</td></tr><tr><td>Female</td><td>36.2</td><td>54.7</td><td>60.9</td><td>66.9</td><td>71.4</td></tr><tr><td>Literacy Rate (%)</td><td>16.67</td><td>43.57</td><td>52.21</td><td>65.20</td><td>78</td></tr></table> Source: Economic Survey for various years, Ministry of Finance; National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India. On the basis of above table give answers of the following questions (a) In which decade education sector shows highest growth ? (b) How many % IMR declined between 1951 to 1981? (c) What changes shown in the life expectancy of male and female in the year 1951 to 2018-21 (d) Do you think living standard of people in India has been increased ? How can be determined it?	Particulars	1951	1981	1991	2001	2018-21	Real Per Capita Income (in Rs)	7,651	12,174	15,748	23,095	94,054	Crude Death Rate (Per 1,000 Population)	25.1	12.5	9.8	8.1	6.0	Infant Mortality Rate	146	110	80	63	28	Life Expectancy at Birth (in Years)	Male	37.2	54.1	59.7	63.9	68.6	Female	36.2	54.7	60.9	66.9	71.4	Literacy Rate (%)	16.67	43.57	52.21	65.20	78	4
Particulars	1951	1981	1991	2001	2018-21																																								
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	Female	36.2	54.7	60.9	66.9	71.4																																							
Literacy Rate (%)	16.67	43.57	52.21	65.20	78																																								
10	In India, the ministries of education at the union and state level, departments of education and various organizations like National Council of Educational Research and Training(NCERT), University Grants Commission(UGC) and All India Council	4																																											

	of Technical Education (AICTE) facilitate institutions which come under the education sector. On the basis of above paragraph identifies any one objectives of the following institutions (a) NCERT (B) UGC (C) AICTE (D) ICMR	
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ANSWER KEY OF WORKSHEET 1 HUMAN CAPITAL FORMATION

1 A, 2 A, 3 A, 4 -adequate training and education of farmers , 5by expenditure on education &health, 6B 7 A) on-the-job training B) to enhance efficiency and productivity of employee C) enhances human capital which lead to enhance productivity & production

8 a) no, not spending required The percentage of 'education expenditure of GDP' , b) enhance

9 as per table.

10 . give one objectives of ea

RURAL DEVELOPMENT WORKSHEET-1

NAME OF THE STUDENT:

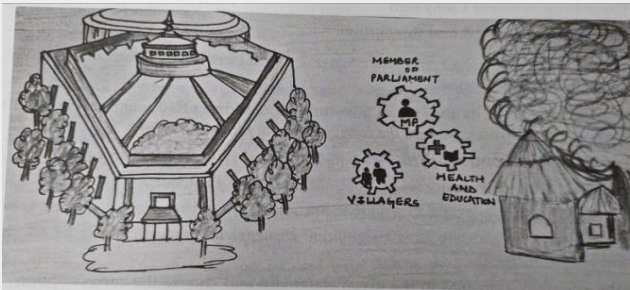
ROLL NO.:

TIME:30 Minutes

MM:20

Q NO	QUESTION	MARKS
1	1.Assertion (A): Even today more than 10% of goods produced in farms are wasted. Reason (R): The current storage facilities are quite inadequate to meet the growing demands. (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 and Reason (R) is not 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.	1
2	2. _____can be classified as one of the alternative sources of diversification from farm output a) Green revolution b) Horticulture c) Organic farming d) Conventional farming	1
3	3.Which type of problem of agricultural marketing in India shown here?  a)Lack of infrastructural facilities b)Lack of transport facilities	1

	c)Distress sale due to lack of market information d)Predominance of private traders	
4	4. Assertion (A). Since the default rates of farm loans have become chronically high due to multiple reasons, the rural banks are facing a lot of cash crunch. Reason (R). Due to lack of proper storage facilities a lot of farm produce is wasted. 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 and 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.	1
5	5. Assertion (A). The institutional structure of rural banking consists of a set of multi-agency institutions, namely commercial banks, regional rural banks, cooperatives and land development banks. Reason (R). Self-Help groups have emerged to fill the gap in the formal rural credit system. These promote thrift in small proportions by a minimum contribution from each member. From this pooled money. Credit is given to the needy members. 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 and 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.	1
6	6. Statement 1: Small and marginal farmers find it difficult to adapt to organic farming.	1

	Statement 2: Organic farming may have a longer shelf life than sprayed produce. a) Both the statements are true. b) Both the statements are false c) Statement 1 is true and statement 2 is false d) Statement 2 is true and statement 1 is false.	
7	7. A rural community is struggling with low agricultural yields. What could be a possible solution? (a) Encouraging farmers to grow only traditional crops. (b) Providing farmers with access to better seeds and fertilizers. (c) Implementing stricter land laws.(d) Disallowing private investment in agriculture.	1
8	Short Answer Type Question (3x1=3) 8. Interpret the given picture based on an initiated by Government of India. 	3
9	Source Based Questions (1x4=4) 9. Read the following News report and answer the following questions on the basis of same The government is planning to enhance welfare schemes for villagers by making sure that all eligible people in various databases in different ministries get benefits. Officials said they have begun the process by	4

	looking at the Aadhar-based list of ration card holders and the rural development ministry's data on deprived household. “The convergence of data will help in mapping the eligible people in rural areas who are still not covered under Food Security Act that provides rice and wheat at subsidized prices. At the same time, it will bring a fair picture of rural households in the country which are deprived of basic amenities. This will also help government to reach out to people who are in need”, said a food ministry official. The government has database of more than 800 million beneficiaries covered under Food Security Act. It has implemented ‘one nation one ration card scheme in 28 states and union territories covering 686 million people where a person can get subsidized food grains from any ration shop irrespective of the state, municipality or panchayat where the person is registered. Source: The Economic Times, Nov. 19, 2020 9.1.The government of India is targeting welfare schemes for people in rural areas by taking data from (a) Aadhar-based list of ration card holders (b) Rural development ministry's data on deprived households (c) both (a) and (b) (d) Neither (a) nor (b). 9.2. Government has implemented _____(one nation one card/Food security act) to provide subsidised food grain through fair price shops to the eligible persons. 9.3. Rural development includes development of (a) Human resources (b) Infrastructure (c) productive resources of each locality (d) All of these. 9.4 To develop rural India: (a) Special measures for alleviation of poverty must be undertaken (b) Significant improvements in their living conditions must be focused (c) access to employment opportunities should be ensured (d) All of these.	
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10	Long Answer Type Question (6x1=6) 10.(A) Rohit visited his uncle in Solon during summer vacation . He noticed that his uncle supplied plums @ Rs. 6 per kg from his orchard .He was surprised to find that plums are usually sold at Rs. 35 to 40 per kg in his city. He realized that the long chain of middleman leads to high profit margin. What do you suggest to solve this inefficiency? (2) (B)“Over the past few years, India has witnessed a shift from traditional conventional farming to natural/organic farming”. Discuss briefly any two reasons behind this shift towards organic produce and give two challenges in organic farming . (4)	6
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TOPIC: RURAL DEVELOPMENT

Answers

WORKSHEET -1

1. a; 2. b) Horticulture
3. c)Distress sale due to lack of market information
4. (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
5. (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
6. c) Statement 1 is true and statement 2 is false
7. (b) Providing farmers with access to better seeds and fertilizers.
8. SansadAdarsh Gram Yojana (SAGY) is a rural development
- 9.1 both (a) and (b) 9.2 one nation one card
- 9.3 All of these. 9.4 All of these.
10. A) He is right to analyze that the long chain of middlemen creates high marketing margin or profits. any other relevant answer
- 10 B) 1.Environmental Sustainability Conventional farming practices 2. **Economic Benefits for Farmers** : Farmers are increasingly turning to organic farming. (any other relevant answer)

RURAL DEVELOPMENT WORKSHEET-2

NAME OF THE STUDENT:

ROLL NO.:

TIME:30 Minutes

MM:20

Q NO	QUESTION	MARKS
1	Q1. Assertion (A): Self Help Groups (SHGs) help in promoting savings among rural women. Reason (R): SHGs allow women to participate in international trade. Options: a) Both A and R are true, and R is the correct explanation of A. b) Both A and R are true, but R is not the correct explanation of A. c) A is true, but R is false. d) A is false, but R is true	1
2	Q2. Assertion (A): Agriculture is no longer the only source of income for rural people. Reason (R): Rural non-farm activities have seen a gradual rise in employment share. Options: a) Both A and R are true, and R is the correct explanation of A. b) Both A and R are true, but R is not the correct explanation of A. c) A is true, but R is false. d) A is false, but R is true	1
3	Q3. Which of the following is a rural employment generation scheme in India? a) Make in India b) MGNREGA c) Digital India d) Smart Cities Mission	1
4	Q4. Which organization is responsible for providing and regulating rural credit in India?	1

	a) RBI. SIDBI b) SEBI c) NABARD. d)	
5	Q5. Read the statement and choose the correct option: “Rural roads improve access to health, education, and markets. This statement refers to: a) Social infrastructure b) Market reform c) Financial assistance d) Irrigation services	1
6	Q6. Choose the most appropriate option: “Diversification in agriculture means:” a) Growing the same crop on a large scale b) Engaging only in farming activities c) Combining crop cultivation with allied activities like dairy, poultry, etc. d) Using more chemical fertilizers	1
7	Q7. True or False: “Only urban people benefit from rural development schemes in India.”	1
8	Q8. 	3

	On the basis of above picture which kind of non-farm activities are performed that provide employment in rural areas.and explain briefly.	
9	Q9.  Do you think that the above picture shows, infrastructure development play an important role in promoting rural development? Give examples to support your answer.	4
10	Read the following passage and answer the questions that follow (2+2+2) “The development of rural India is essential not only for improving the standard of living of a large segment of the population but also for ensuring the overall economic development of the country. The government has launched several programs such as MGNREGA, PMGSY (Pradhan Mantri Gram Sadak Yojana), and the National Rural Health Mission to improve rural employment, connectivity, and healthcare. Financial institutions like NABARD also play a critical role in providing rural credit.” a) Why is rural development essential for national economic growth? (2 marks) b) Name any two government schemes mentioned in the passage and state their objectives. (2 marks) c) How does NABARD contribute to rural development? (2 marks)	6

Answer Key: Rural Development Worksheet-2

Q1. Answer: c) A is true, but R is false.

Q2. Answer: a) Both A and R are true, and R is the correct explanation of A.

(Rural people are increasingly engaging in non-farm activities, making agriculture no longer the only income source.)

Q3. Answer: b) MGNREGA

Q4. Answer: c) NABARD

Q5. Answer: a) Social infrastructure

Q6. Answer: c) Combining crop cultivation with allied activities like dairy, poultry, etc.

Q7. Answer: False

Q8. Three non-farm activities providing rural employment:

1. Dairying: Involves production and sale of milk and milk products.
2. Poultry farming: Rearing chickens and other birds for meat and eggs.
3. Cottage and Handicraft Industry: Producing goods like handwoven clothes, pottery, etc., for income generation.

Q9. Role of infrastructure in rural development:

1. Roads: Improve connectivity to markets, schools, and hospitals, reducing isolation.
2. Electricity: Enables irrigation, cold storage, and small-scale industries.
3. Irrigation: Reduces dependence on rainfall and increases crop yields.

Q10. a) Rural development is crucial for national growth because a large portion of India's population lives in villages. Improved rural living standards contribute to higher productivity, reduced poverty, and balanced economic growth. (2 marks)

b)

- MGNREGA: Provides at least 100 days of guaranteed wage employment in a year to rural households.
- PMGSY: Aims to provide all-weather road connectivity to unconnected villages. (2 marks)

c) NABARD contributes by offering credit facilities to farmers and rural institutions, promoting rural infrastructure, supporting agricultural and non-agricultural projects, and strengthening cooperative banks and SHGs. (2 marks)

RURAL DEVELOPMENT WORKSHEET-1

NAME OF THE STUDENT:

ROLL NO.:

TIME:35 Minutes

MM:20

Q N O	QUESTION	MARK S
1	Which of the following activities <i>does not</i> fall under agricultural diversification? a) Sericulture b) Floriculture c) Sugarcane monoculture d) Organic vegetable farming	1
2	Assertion (A): Agricultural marketing includes activities beyond just selling crops. Reason (R): Marketing also involves grading, packaging, storage, and transportation. a) Both A and R are true, and R explains A. b) Both A and R are true, but R does not explain A. c) A is true, R is false. d) A is false, R is true.	1
3	One key objective of agricultural diversification is: a) Increasing government revenue b) Increasing dependency on imports c) Enhancing income and reducing risk for farmers d) Promoting only food grain production	1
4	A major barrier to agricultural diversification is: a) Availability of water b) Crop insurance c) Lack of awareness and poor infrastructure d) Digital literacy	1
5	Assertion (A): Grading and standardization of agricultural produce help in better marketing. Reason (R): Grading reduces confusion and helps consumers identify quality products easily. a) Both A and R are true, and R is the correct explanation of A. b) Both A and R are true, but R is not the correct explanation of A. c) A is true, but R is false. d) A is false, but R is true	1

6	Assertion (A): Storage facilities are not important in agricultural marketing. 1 Reason (R): Farmers can sell all their produce immediately after harvest. a) Both A and R are true, and R is the correct explanation of A. b) Both A and R are true, but R is not the correct explanation of A. c) A is true, but R is false. d) Both A and R are false.	1
7	<i>Complete the flowchart by filling in the missing steps in the journey from farmer to consumer.</i>¹ Farmer → _____ → Mandi → _____ → Retail Shop → Consumer .	1
8	Due to frequent droughts in Rajasthan, farmers are unable to rely only on wheat cultivation. Some have _____ started goat-rearing and growing drought-resistant crops like bajra (pearl millet). 8.1. What is agricultural diversification ?¹ 8.2. How can diversification make farming more sustainable in drought-prone areas? ¹ 8.3. How many type of agricultural diversification is being practiced here? ¹	3
9	Read the passage and answer the following questions: The government of India has been making several efforts to modernize the agricultural marketing system. The launch of the e-NAM platform was a step in this direction. It integrates the existing mandis and promotes transparency in the buying and selling of agricultural produce. However, issues like lack of infrastructure, poor digital literacy among farmers, and limited market access still persist. Questions: a) What is the main objective of e-NAM? (1 mark) b) Identify one major benefits of e-NAM for farmers. (1 marks) c) Suggest two solutions to overcome the challenges faced by e-NAM. (2 marks)	3

10	Question-10. Observe the image And answer following questions.  a) Identify the type of marketing system shown in the image.(1 mark) b) What are two possible disadvantages for the farmer in this system?(2 marks) c) Suggest two government initiative that can help the farmer avoid middlemen.(2 marks) d) Why agricultural marketing is required ? (Any one purpose) (1 marks)	3
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ANSWER KEY WORKSHEET -3

Rural development

Q.1.Answer: c) Sugarcane monoculture

(Monoculture is the opposite of diversification.)

Q.2.Answer: a) Both A and R are true, and R explains A

Q.3.Answer: c) Enhancing income and reducing risk for farmers

Q.4.Answer: c) Lack of awareness and poor infrastructure

Q.5.Answer: a) Both A and R are true, and R is the correct explanation of A.

Q.6.

Answer: d) Both A and R are false

Q.7.

Complete the flowchart:

Answer: Farmer → Village Trader/Agent → Mandi → Wholesaler → Retail Shop → Consumer

Q.8.

8.1. Answer: The practice of shifting from traditional farming of only food grains to the cultivation of other crops and allied activities like animal husbandry, horticulture, etc.

8.2. Answer: It reduces dependency on one crop and provides alternative sources of income, making farmers less vulnerable to climate risks like drought.

8.3. Answer: Mixed farming (crop + livestock) and cultivation of climate-resilient crops (like bajra).

Q.9.

a) Answer: To create a unified national market for agricultural produce through digital platforms.

b) Answer: It promotes transparency and better price discovery for farmers.

c) Answer:

1. Improve digital literacy through farmer training programs.
 2. Upgrade rural market infrastructure and internet connectivity.
-

Q. 10 . A.Middle man In marketing .

B.e-NAM (Electronic National Agriculture Market) and other relevant suggestions

C Agricultural marketing system refers to the processes and activities involved in the movement of agricultural produce from the farm to the final consumer, including storage, transportation, grading, packaging, and selling

d) Any one purpose) (1 marks)

WORKSHEET-1 EMPLOYMENT		CLASS- XII								
NAME OF STUDENT-		ROLL NO-								
TIME:- 35 MINUTES MAX MARKS:-20										
Q. N.	QUESTIONS	M								
1.	Read the following statements – Assertion (A) and Reason (R). Choose the correct alternative from the options given below: 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. A: Most people in India are employed in primary sector. R: India is an agriculture-dominated economy	1								
2.	Case: A family of 6 works on a small farm. The work can be easily done by 2 people. Yet, all members work What kind of unemployment is this?	1								
3.	Is the marginal productivity of extra members zero?	1								
4	Match the Following <table><tr><td>A</td><td>B</td></tr><tr><td>A. Self-employed –</td><td>i. Own enterprise</td></tr><tr><td>B. Casual labour –</td><td>ii. No job security</td></tr><tr><td>C. Regular salaried –</td><td>iii. Fixed monthly pay</td></tr></table>	A	B	A. Self-employed –	i. Own enterprise	B. Casual labour –	ii. No job security	C. Regular salaried –	iii. Fixed monthly pay	1
A	B									
A. Self-employed –	i. Own enterprise									
B. Casual labour –	ii. No job security									
C. Regular salaried –	iii. Fixed monthly pay									

5	Fill in the blanks Unemployment where marginal productivity is zero is called ____.	1																								
6	A line graph shows drop in rural regular employment. What does it suggest.	1																								
7	True or False MGNREGA provides unemployment allowance.....																									
8	On the basis of table given below analysis the conditions of primary ,secondary and services sectors From 1972-73 to 2011-12 Trends in Employment pattern (sector- wise), 1972-2012 (in %) <table><tr><td>Item</td><td>1972-73</td><td>1983</td><td>1993-94</td></tr><tr><td colspan="4">Sector</td></tr><tr><td>Primary</td><td>74.3</td><td>68.6</td><td>64</td></tr><tr><td>Secondary</td><td>10.9</td><td>11.5</td><td>16</td></tr><tr><td>Services</td><td>14.8</td><td>16.9</td><td>20</td></tr><tr><td>Total</td><td>100.0</td><td>100.0</td><td>100.0</td></tr></table>	Item	1972-73	1983	1993-94	Sector				Primary	74.3	68.6	64	Secondary	10.9	11.5	16	Services	14.8	16.9	20	Total	100.0	100.0	100.0	3
Item	1972-73	1983	1993-94																							
Sector																										
Primary	74.3	68.6	64																							
Secondary	10.9	11.5	16																							
Services	14.8	16.9	20																							
Total	100.0	100.0	100.0																							
9	Ravi works in a government office and receives a fixed salary, pension, paid leaves, and other social security benefits. His friend Arjun works in a private shop with no job security or benefits. a) Identify the employment sectors for both. b) Mention two key differences between the two sectors.	4																								
10	(A)Given:- Work Participation Rate Rural Male – 54% Rural Female – 25% Urban Male – 56% Urban Female – 16%	3+ 3																								

	Interpret two major insights about gender and regional disparities in employment. (B) "The nature of unemployment in India is different from that of developed countries." Justify this statement using any two relevant points. 	
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ANSWER KEY WORKSHEET-1 EMPLOYMENT

CLASS- XII

Q.1 (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

Q.2 Disguised unemployment

Q.3 Yes

Q.4 A-i, B-ii, C-iii

Q.5 Disguised unemployment

Q.6 Lack of formal jobs in rural areas

Q.7 False

Q.8 1. Fall in primary sector, increase in secondary & tertiary sector give reasons by calculation

Q.9 a) Ravi – Formal sector Arjun – Informal sector

b) 1. Job Security: Formal sector provides job security, informal does not.

2. Social Benefits: Formal sector offers benefits like pension and leave; informal lacks these.

Q.10 (A) 1. Gender disparity: Males have a significantly higher participation rate than females in both rural and urban areas.

2. Regional variation: Rural female participation is higher than urban, indicating that rural women are more likely to work due to necessity.

(B) Yes, the nature of unemployment in India is different from that of developed countries.

1. Disguised Unemployment: In India, many people work in agriculture where more workers are employed than needed, leading to disguised unemployment. This is rare in developed countries.

2. Informal Sector Dependence: A large portion of India's workforce is employed in the informal sector without job security or regular income, unlike the formal sector dominance in developed nations.

WORKSHEET-2 EMPLOYMENT		CLASS- XII
NAME OF STUDENT- ROLL NO-		
TIME:- 35 MINUTES		MAX MARKS:20
Q.N.	QUESTIONS	M
	Read the following statements – Assertion (A) and Reason (R). Choose the correct alternative from the options given below: 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.	
1	Assertion: Women have lower work participation rate. Reason: Social norms and household responsibilities affect female employment.	1
2	Assertion: Informalisation leads to better working conditions. Reason: Informal workers do not get legal protection.	1
3	Which of the following helps reduce disguised unemployment?	1

	a) Encouraging migration tools b) Providing better agricultural tools c) Introducing rural job schemes d) Both b and c	
4	Name a type of unemployment due to lack of skill match.	1
5	31. Match the following: A B 1. Self-employed a. Factory worker 2. Regular salaried b. Street vendor 3. Casual worker c. Construction labourer	1
6	True / False India has a higher share of employment in the organised sector.	1
7	_____ workers do not have social security benefits.	1
8	The government is planning to generate employment in rural areas by promoting cottage industries. How can this move help reduce disguised unemployment? Explain with an example.	3
9	 A. Observe the image and explain what does it shows ? B. What are disadvantages of casualization of workforce ?	4
10	(A) India has seen periods of high GDP growth without a corresponding rise in employment. What is this phenomenon called ? Explain its implications for income inequality and youth employment. (B) Why is it important for India to promote Micro, Small and Medium Enterprises (MSMEs) to tackle jobless growth? Give two reasons to support your answer.	3+3

ANSWER KEY WORKSHEET-2 EMPLOYMENT

Q.1 (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).

Q.2 (D) Assertion (A) is false, but Reason (R) is true.

Q.3 d) Both b and c

Q.4 Structural unemployment

Q.5 $1 \rightarrow b, 2 \rightarrow a, 3 \rightarrow c$

Q.6 Informal

Q.7 False

Q.8 Promoting cottage industries can provide individual jobs to people who were earlier working together on the same small farm, where all were not fully needed. For example, if 5 people were doing the work of 3 on a farm, 2 can shift to cottage industries and become fully employed, reducing disguised unemployment.

Q.9 a. casualization b. low income ,job insecurity(any other relavant point)

Q.10 (A) 1. Income Inequality Increases

2. Youth Employment Crisis

(B) 1. Employment Generation

2. Inclusive Growth and Regional Balance

SUSTAINABLE DEVELOPMENT

WORKSHEET-1

NAME OF THE STUDENT:

ROLL NO.:

TIME:35 Minutes

MM:20

Q NO	QUESTION	MARKS
1	Assertion (A): Sustainable development ensures a better quality of life for present and future generations. Reason (R): It emphasizes meeting the needs of the present without compromising the ability of future generations to meet their own needs. Alternatives: (A) Both A and R are true, and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.	1
2	Assertion (A): India has achieved full sustainability in its economic growth. Reason (R): India ranks high on the Environmental Performance Index. Alternatives: (A) Both A and R are true, and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.	1
3	Assertion (A): Use of non-renewable resources is encouraged in sustainable development. Reason (R): Non-renewable resources are unlimited in supply. Alternatives: (A) Both A and R are true, and R is the correct explanation of A.	1

	(B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.	
4	Statement I: Sustainable development involves optimal use of natural resources. Statement II: Sustainable development ignores the needs of future generations. Alternatives: (A) Only Statement I is correct (B) Only Statement II is correct (C) Both Statement I and II are correct (D) Neither Statement I nor II is correct	1
5	Statement I: Solar and wind energy are examples of renewable resources. Statement II: Coal and petroleum can be renewed within one year. Alternatives: (A) Only Statement I is correct (B) Only Statement II is correct (C) Both Statement I and II are correct (D) Neither Statement I nor II is correct	1
6	Statement I: The carrying capacity of the environment is infinite. Statement II: Overuse of resources leads to environmental degradation. Alternatives: (A) Only Statement I is correct (B) Only Statement II is correct (C) Both Statement I and II are correct (D) Neither Statement I nor II is correct	1

7	A village replaces diesel pumps with solar-powered pumps for irrigation. Which principle of sustainable development is being applied here? a) Wasteful use of energyb) Use of renewable resources c) Promotion of fossil fuelsd) Increasing carbon footprint	1
8	Ramesh lives in a city where the air quality index remains in the 'hazardous' range. Identify two challenges to sustainable development reflected here. Suggest one measure the government can take.	3
9	A company decides to recycle its industrial waste and uses solar energy in its factories. What does this indicate about its development approach? Mention any three indicators of sustainable development reflected here.	3
10	Aman reads about a city facing severe water shortage and pollution due to rapid industrialization. As a student of economics, suggest sustainable development strategies that could help solve these challenges. Also, explain how indicators like HDI and Carbon Footprint can assess the effectiveness of these strategies.	3
11	 Look at the image and answer: a) Identify any two environmental challenges shown. b) Suggest any two sustainable development actions that could improve this situation.	2+2=4

ANSWERS(worksheet-1)

Q NO	QUESTION	MARKS
1	(A) Both A and R are true, and R is the correct explanation of A.	1
2	(D) A is false, but R is true.	1
3	(D) A is false, but R is true.	1
4	(A) Only Statement I is correct	1
5	(A) Only Statement I is correct	1
6	(B) Only Statement II is correct	1
7	(b) Reduction in biodiversity	1
8	Challenges: Air pollution and health risk Measure: Promote use of electric public transport or reduce industrial emissions	3
9	Approach: Eco-friendly and responsible industrial practices Indicators: Low carbon footprint, conservation of non-renewable energy resources	3
10	Strategies: Use of water-saving technologies Recycling and reuse of water in industries Pollution control regulations Rainwater harvesting and afforestation Promoting green industrial practices Indicators: HDI (Human Development Index) shows overall improvement in health, education, and living standards. Carbon Footprint measures reduction in pollution and harmful emissions, showing environmental improvement.	3
11	a) Air pollution, Water pollution b) Use of pollution control devices, treatment of industrial waste before discharge	4

SUSTAINABLE DEVELOPMENT

WORKSHEET-2

NAME OF THE STUDENT:

ROLL NO.:

TIME:30 Minutes

MM:20

Q NO	QUESTION	MARKS
1	Assertion (A): Afforestation is a measure to promote sustainable development. Reason (R): Trees help reduce carbon dioxide levels and enhance ecological balance. Alternatives: (A) Both A and R are true, and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.	1
2	Assertion (A): Rapid industrialization always promotes sustainable development. Reason (R): Industrialization reduces environmental degradation. Alternatives: (A) Both A and R are true, and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.	1
3	Assertion (A): Pollution control is essential for sustainable development. Reason (R): Environmental degradation affects the quality of life. Alternatives: (A) Both A and R are true, and R is the correct explanation of A. (B) Both A and R are true, but R is not the correct explanation of A. (C) A is true, but R is false. (D) A is false, but R is true.	1

4	Statement I: Sustainable development is only concerned with economic growth. Statement II: Sustainable development considers ecological, economic, and social dimensions. Alternatives: (A) Only Statement I is correct (B) Only Statement II is correct (C) Both Statement I and II are correct (D) Neither Statement I nor II is correct	1
5	Statement I: Sustainable development ensures intergenerational equity. Statement II: It encourages excessive use of exhaustible resources. Alternatives: (A) Only Statement I is correct (B) Only Statement II is correct (C) Both Statement I and II are correct (D) Neither Statement I nor II is correct	1
6	Statement I: Use of cleaner technologies helps reduce pollution. Statement II: Adoption of clean energy sources is a step towards sustainability. Alternatives: (A) Only Statement I is correct (B) Only Statement II is correct (C) Both Statement I and II are correct (D) Neither Statement I nor II is correct	1
7	Which of the following is not an economic indicator of sustainable development? a) GDP growthb) Per capita income c) Air quality indexd) Employment rate	1

8	Case Study:India is facing multiple environmental challenges, such as air and water pollution, deforestation, and declining groundwater levels. In recent years, the government has launched initiatives like Swachh Bharat Abhiyan and the International Solar Alliance to tackle these issues. Despite these efforts, rapid urbanization and industrial growth continue to strain the country's natural resources. Based on the above case, answer the following questions: a) Identify two environmental issues mentioned in the case. b) Mention any two government initiatives to promote sustainability. c) Suggest two ways how individuals can contribute to sustainable development.	1+1+1=3
9	"Economic growth alone is not sufficient for sustainable development." Justify the statement.	3
10	What role does technology play in promoting sustainable development? Give examples.	3
11	 Look at the image above. How does the use of solar panels contribute to sustainable development? Explain with two benefits.	2+2=4

ANSWERS(worksheet-2)

Q NO	QUESTION	MARKS
------	----------	-------

1	(A) Both A and R are true, and R is the correct explanation of A.	1
2	(D) A is false, but R is true..	1
3	((A) Both A and R are true, and R is the correct explanation of A.	1
4	(B) Only Statement II is correct	1
5	(A) Only Statement I is correct	1
6	(C) Both Statement I and II are correct	1
7	(c) Air quality index	1
8	a) Air and water pollution; deforestation b) Swachh Bharat Abhiyan International Solar Alliance c) Reducing the use of plastic and switching to reusable items. Conserving water and electricity at home.	3
9	Sustainable development requires a balance between economic growth, environmental protection, and social equity. If economic growth leads to environmental degradation (e.g., pollution, deforestation), it may harm future generations. Hence, economic policies must ensure long-term ecological balance along with income growth.	3
10	Technology promotes sustainable development by improving efficiency and reducing environmental harm. Examples: Drip irrigation saves water in agriculture. Electric vehicles reduce fossil fuel consumption. Waste-to-energy plants convert waste into usable energy.	3
11	Solar panels help in: Reducing dependence on non-renewable energy sources like coal or oil. Lowering greenhouse gas emissions and air pollution, thus preserving environmental quality.	2+2=4

4.	From the set of events/systems given in column I and the corresponding relevant fact given in column II, about China, choose the correct pair of statements: <table><tr><td>Column I</td><td>Column II</td></tr><tr><td>A. Great Leap Forward</td><td>i. Cultivating land Collectively</td></tr><tr><td>B. Commune System</td><td>ii. Opening of the Industries in their homes</td></tr><tr><td>C. Proletarian Cultural Revolution</td><td>iii. Students were sent to work and learn from the countryside</td></tr><tr><td>D. Economic Reforms in China</td><td>iv. 1988</td></tr></table> Alternatives: a) A – I b) B – ii c) C – iii d) D – iv	Column I	Column II	A. Great Leap Forward	i. Cultivating land Collectively	B. Commune System	ii. Opening of the Industries in their homes	C. Proletarian Cultural Revolution	iii. Students were sent to work and learn from the countryside	D. Economic Reforms in China	iv. 1988	1										
Column I	Column II																					
A. Great Leap Forward	i. Cultivating land Collectively																					
B. Commune System	ii. Opening of the Industries in their homes																					
C. Proletarian Cultural Revolution	iii. Students were sent to work and learn from the countryside																					
D. Economic Reforms in China	iv. 1988																					
5.	Imagine you are an economic advisor to India. Based on the comparison with China and Pakistan, suggest two key policy areas India should prioritize to improve its Human Development Index.	3																				
6.	Suppose Pakistan improves its education and healthcare systems significantly. How might that affect its long-term economic development?	3																				
7.	Read the table below showing economic indicators of India, China, and Pakistan (data is indicative). <table><tr><td>Country</td><td>GDP Growth Rate (%)</td><td>Literacy Rate (%)</td><td>Infant Mortality Rate (per 1000)</td><td>HDI Rank</td></tr><tr><td>India</td><td>6.5</td><td>77</td><td>28</td><td>132</td></tr><tr><td>China</td><td>8.0</td><td>96</td><td>7</td><td>79</td></tr><tr><td>Pakistan</td><td>5.3</td><td>59</td><td>56</td><td>161</td></tr></table> Based on the table above, answer the following: (a) Which country has the highest human development index (HDI) and why? (2) (b) Compare the infant mortality rates of the three countries. What does it suggest about their healthcare systems? (2) OR	Country	GDP Growth Rate (%)	Literacy Rate (%)	Infant Mortality Rate (per 1000)	HDI Rank	India	6.5	77	28	132	China	8.0	96	7	79	Pakistan	5.3	59	56	161	4
Country	GDP Growth Rate (%)	Literacy Rate (%)	Infant Mortality Rate (per 1000)	HDI Rank																		
India	6.5	77	28	132																		
China	8.0	96	7	79																		
Pakistan	5.3	59	56	161																		

	Despite a lower GDP growth rate than China, can India be considered better in any indicator?	
8.	Read the case study and answer the questions below: Case Study: In 1978, China introduced sweeping economic reforms by shifting to a market-oriented economy under state control, starting with agriculture and gradually expanding to industry and trade. It encouraged Special Economic Zones (SEZs) and Foreign Direct Investment (FDI), resulting in rapid industrialisation and poverty reduction. India, facing a severe Balance of Payments crisis in 1991, liberalised its economy through reduced import tariffs, deregulation, and opening to foreign investment. This led to strong GDP growth, especially in the services sector. However, challenges remain in healthcare, education, and employment generation. Pakistan started economic reforms in 1988 with support from the IMF and World Bank, but political instability, low public spending on health and education, and security issues have hampered consistent development. Its agricultural dependence and weak industrial base remain concerns. Despite all three nations beginning as low-income countries, China has moved rapidly into the upper-middle-income group, while India and Pakistan are still lower-middle-income economies. --- Answer the following questions: a) What specific reforms helped China accelerate its economic growth? (1) b) Why did India adopt liberalisation policies in 1991? (1) c) Mention one major strength and one weakness of India's economic development model. (2) d) Based on the case, explain why Pakistan has lagged in comparison to India and China. (2)	6

Answer of Worksheet

1. B. Mixed economy model
2. B. Better health and education indicators
3. C. Commune System
4. a) A – I
5. India should prioritize:
 - Investment in health and education
 - Reducing income inequality and improving basic services
6. Improving education and healthcare in Pakistan can lead to:
 - Better human capital
 - Enhanced productivity and long-term economic growth
7. (a) China has the highest HDI due to better literacy, healthcare, and infant mortality rates.
(b) Infant Mortality Rates:
 - India: 28
 - China: 7
 - Pakistan: 56

This suggests China has the best healthcare system, followed by India, with Pakistan lagging.

OR

India has a better literacy rate (77%) than Pakistan and a lower infant mortality rate, despite lower GDP growth than China.
8. (a) Agriculture reforms, FDI, and SEZs
(b) India faced a Balance of Payments crisis in 1991.
(c) Strength: Growth in service sector; Weakness: Healthcare and employment challenges
(d) Pakistan lagged due to political instability, low spending on health/education, and security issues.

UNIT 8- DEVELOPMENT EXPERIENCE OF INDIA – A COMPARISON WITH NEIGHBOURS

WORK SHEET-2

**UNIT 8- DEVELOPMENT EXPERIENCE OF INDIA –
A COMPARISON WITH NEIGHBOURS**

WORK SHEET-1

Name of Student

Roll No.....

Time: 30 Min

Max Marks: 20

S.No.	Questions	Marks								
1.	Read the following statements carefully. Statement 1: Both India and Pakistan initiated their economic reforms without any external pressures. Statement 2: Pakistan has successfully implemented the SEZ policy and reaped its benefits using the Export Promotion policy. In the light of the given statements, choose the correct alternative: 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	1								
2.	The understanding of the economy of neighboring country is essential because (Fill in the blank with correct alternative) a) It allows countries to better comprehend their own strengths and weaknesses b) It helps countries to identify their competitors c) For overall human development d) All of the above	1								
3.	From the set of the events given in column I and corresponding facts given in Column II, choose the correct pair of statement: <table><tr><td>COLUMN- I</td><td>COLUMN- II</td></tr><tr><td>A. Dual pricing</td><td>I. Economic Reforms of 1991</td></tr><tr><td>B. Setting up of Special Economic Zones in China</td><td>II. To attract Direct foreign Investment</td></tr><tr><td>C. Commune System</td><td>III. Backyard based Industrial production units</td></tr></table>	COLUMN- I	COLUMN- II	A. Dual pricing	I. Economic Reforms of 1991	B. Setting up of Special Economic Zones in China	II. To attract Direct foreign Investment	C. Commune System	III. Backyard based Industrial production units	1
COLUMN- I	COLUMN- II									
A. Dual pricing	I. Economic Reforms of 1991									
B. Setting up of Special Economic Zones in China	II. To attract Direct foreign Investment									
C. Commune System	III. Backyard based Industrial production units									

	D. Great Proletarian Cultural Revolution	IV. Collective Farming	
	Alternatives: a) A – I d) D – IV		b) B – II c) C – III
4.	Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below: Assertion (A): In the late 1970s, China's population growth rate had sharply declined. Reason (R): China has witnessed an increase in the proportion of elderly people owing to stringent family planning programs. (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 and 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.		1
5.	In the late 1970s, China introduced the One Child Policy that led to arrest in the population coupled with skewed sex ratio." Justify the given statement with valid arguments in support of your answer.		3
6.	Read the extract given below and answer the questions on the basis of the same: Though India, Pakistan and China have totally different political systems, but all of them have followed plans for their economic and social development. India and Pakistan have followed the path of mixed economy. China, on the other hand, had command economy. All the three countries launched their economic development programme almost simultaneously in the early part of the decade of 1950s. While India and Pakistan depended heavily on the public sector for giving a big push to the economy, China was absolutely the state controlled economy. Till the early 1980s, the major development indicators of all the three nations such as growth rate, sectorial distribution of output/income and employment and human development were more or less similar. The level of development was also low in all these three countries. But with the introduction of economic reforms, changes in their level of development became visible. As a result of various policy measures in three countries, China has surpassed both India and Pakistan in terms of social and economic development.		3

	Q1. What is peculiar about the structural transformation process in context of Indian and Pakistan economy? Q2. Which factor is not considered while constructing the HDI Index? Q3. State any one difference between Mixed economy and Command economy.	
7.	 The infographic is titled 'REFORMS UNDER CHINA'S OPEN DOOR POLICY' in large, bold, yellow letters on a red background. Below the title, it states 'ENCOMPASSING AGRICULTURE, INVESTMENT, INDUSTRY ETC., THESE REFORMS DRIVING RAPID ECONOMIC GROWTH'. The infographic is divided into two main sections. The left section is titled 'AGRICULTURAL REFORMS' and 'HOUSEHOLD RESPONSIBILITY SYSTEM', featuring an illustration of a farmer in a straw hat holding a bundle of wheat. The right section is titled 'OPENING UP TO FOREIGN INVESTMENT' and 'SPECIAL ECONOMIC ZONES', featuring an illustration of a factory with smokestacks and two silhouetted figures shaking hands in front of a city skyline. A large yellow arrow points upwards from the bottom left towards the top right, symbolizing economic growth. ‘The reform process implemented in the late 1970s, commonly known as China’s open door policy, encompassed a wide range of reforms across sectors like agriculture, investment, industry etc. These reforms played a pivotal role in driving the rapid growth of the Chinese economy over subsequent decades.’ In the light of the given text, discuss any two reforms responsible for the rapid economic growth of China.	4
8.	Case Study: India, China, and Pakistan started with similar levels of development. Today, China is ahead of both in terms of industrial output, while India leads in service sector exports. Pakistan, however, is still agriculture-dependent. a) Identify one strength and one weakness of each country’s pectoral composition. b) How does this affect their economic growth? c) Suggest a strategy for Pakistan to improve its growth.	6

Answer of Worksheet 2

1. a) Statement 1 is true and statement 2 is false

2. d) All of the above
3. b) B – II
4. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- 5 .The One Child Policy controlled population growth, reducing dependency but led to an imbalanced sex ratio and aging population, creating future economic burdens.
6. Q1. Structural transformation in India and Pakistan saw slow shift from agriculture to industry/services.
- Q2. Military strength or political system is not considered in HDI Index.
7. Two reforms:
- Introduction of Special Economic Zones (SEZs)
 - Opening up to Foreign Direct Investment (FDI)
8. a) India: Strength – Services; Weakness – Manufacturing
China: Strength – Manufacturing; Weakness – Aging population
Pakistan: Strength – Agriculture; Weakness – Industrial development
- b) China’s industrial strength boosted exports; India’s service sector drives GDP; Pakistan lags in growth.
- c) Pakistan should invest in education, industrialization, and attract FDI to diversify its economy.

**UNIT 8- DEVELOPMENT EXPERIENCE OF INDIA –
A COMPARISON WITH NEIGHBOURS**

WORK SHEET- 3

Name of Student

Roll No.....

Time: 30 Min**Max Marks: 20**

S.N o.	Questions	Mark s										
1.	Identify the correctly matched pair in Column A and Column B from the following: <table><tr><th>COLUMN- A</th><th>COLUMN- B</th></tr><tr><td>1. India</td><td>(a) Economic reforms in 1997</td></tr><tr><td>2. Pakistan</td><td>(b) Economic reforms in 1991</td></tr><tr><td>3. China</td><td>(c) Economic Reforms in 1978</td></tr><tr><td>4. India</td><td>(d) GST rolled out in 1999</td></tr></table> (a) 1-(b), 2-(c), 3-(d), 4-(a) (b) 1-(c), 2-(b), 3-(a), 4-(d) (c) 1-(a), 2-(b), 3-(c), 4-(d) (d) 1- (d), 2-(b), 3-(a), 4-(c)	COLUMN- A	COLUMN- B	1. India	(a) Economic reforms in 1997	2. Pakistan	(b) Economic reforms in 1991	3. China	(c) Economic Reforms in 1978	4. India	(d) GST rolled out in 1999	1
COLUMN- A	COLUMN- B											
1. India	(a) Economic reforms in 1997											
2. Pakistan	(b) Economic reforms in 1991											
3. China	(c) Economic Reforms in 1978											
4. India	(d) GST rolled out in 1999											
2.	Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below: Assertion (A): In the late 1970s, China's population growth rate had sharply declined. Reason (R): China has witnessed an increase in the proportion of elderly people owing to stringent family planning programs. (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 and 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	1										
3.	Read the following statement carefully: Statement 1: China introduced structural economic reforms on its own, without any pressure. Statement 2: Scholars argue that in India, the economic reforms process led to the worsening of all the economic indicators. In the light of the given statements, choose the correct alternatives from the following:	1										

	(a) Statement 1 is true and Statement 2 is false (b) Statement 1 is false and Statement 2 is true (c) Both Statements 1 and 2 are true. (d) Both Statements 1 and 2 are false.													
4.	Arrange the following events of China in chronological order and choose the correct alternative: 1. Great Proletarian Cultural Revolution campaign 2. Great Leap Forward 3. Introduction of Economic Reforms 4. First five-year plan Choose the correct alternative: a) 2, 4, 3, 1 b) 4, 2, 1, 3 c) 2, 4, 1, 3 d) 4, 1, 2, 3	1												
5.	Observe the bar graph below and answer the following questions: Literacy Rate (%) <table><thead><tr><th>Country</th><th>Literacy Rate (%)</th></tr></thead><tbody><tr><td>India</td><td>77.7%</td></tr><tr><td>China</td><td>96.8%</td></tr><tr><td>Pakistan</td><td>58.0%</td></tr></tbody></table> a) Arrange the countries in descending order of literacy rates. b) Give two reasons why Pakistan lags behind in literacy compared to China and India. c) How does a high literacy rate contribute to overall human development?	Country	Literacy Rate (%)	India	77.7%	China	96.8%	Pakistan	58.0%	3				
Country	Literacy Rate (%)													
India	77.7%													
China	96.8%													
Pakistan	58.0%													
6.	Study the data table below carefully and answer the questions. <table><thead><tr><th>Country</th><th>Total Population (in crores, 2023)</th><th>Population Growth Rate (%)</th><th>Population Density (per sq. km)</th></tr></thead><tbody><tr><td>India</td><td>141</td><td>0.9%</td><td>464</td></tr><tr><td>China</td><td>142</td><td>-0.2%</td><td>153</td></tr></tbody></table>	Country	Total Population (in crores, 2023)	Population Growth Rate (%)	Population Density (per sq. km)	India	141	0.9%	464	China	142	-0.2%	153	3
Country	Total Population (in crores, 2023)	Population Growth Rate (%)	Population Density (per sq. km)											
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	<table><tr><td>Pakistan</td><td>24</td><td>1.9%</td><td>287</td></tr></table> a) Which country has the highest population density and why is this a concern for resource management? b) Why is China’s growth rate negative despite having the highest population? c) Suggest one economic implication of Pakistan’s high population growth rate.	Pakistan	24	1.9%	287													
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7.	Case Study: India, Pakistan, and China started their economic planning around the same time. However, China adopted market reforms in 1978, whereas India and Pakistan liberalized much later in the 1990s. China's emphasis on manufacturing and export-led growth gave it an edge in development indicators. Answer the following: a. Identify two factors that contributed to China’s economic success post-1978. b. What can India learn from China’s development experience? c. Highlight two difference in the approach between India and Pakistan’s economic reforms.	4																
8.	(A) Study the data table below carefully and answer the questions. (3) <table><tr><td>Country</td><td>Total Population (in crores, 2023)</td><td>Population Growth Rate (%)</td><td>Population Density (per sq. km)</td></tr><tr><td>India</td><td>141</td><td>0.9%</td><td>464</td></tr><tr><td>China</td><td>142</td><td>-0.2%</td><td>153</td></tr><tr><td>Pakistan</td><td>24</td><td>1.9%</td><td>287</td></tr></table> Answer the following: a) Which country has the highest population density and why is this a concern for resource management? (1) b) Why is China’s growth rate negative despite having the highest population? (1) c) Suggest one economic implication of Pakistan’s high population growth rate. (1)	Country	Total Population (in crores, 2023)	Population Growth Rate (%)	Population Density (per sq. km)	India	141	0.9%	464	China	142	-0.2%	153	Pakistan	24	1.9%	287	6
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China	142	-0.2%	153															
Pakistan	24	1.9%	287															

(B) Study the table below and answer the questions: (3)

Country	Literacy Rate (%)	Life Expectancy (Years)
India	77.7	70.8
China	96.8	78.2
Pakistan	58.0	67.3

a) Which country performs the best in both indicators?

(1)

b) What could be the reason for low life expectancy in Pakistan?

(1)

c) Why is literacy important for human development?

(1)

Answer-Worksheet 3

1. (a) 1-(b), 2-(c), 3-(d), 4-(a)
2. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
3. (a) Statement 1 is true and Statement 2 is false
4. b) 4, 2, 1, 3
- 5.a) China > India > Pakistan
b) Pakistan invests less in education and has political instability.
c) High literacy improves employment, innovation, and health awareness.
6. a) India – 464 per sq. km, which strains resources like water, housing, and jobs.
b) China’s low birth rate and aging population from one-child policy causes negative growth.
c) High population growth in Pakistan leads to unemployment, poverty, and pressure on services.
7. a) Reforms like FDI and SEZs
b) India can learn to focus on manufacturing and infrastructure
c) India’s reforms were externally pressured, Pakistan’s reforms faced political hurdles
- 8A:
a) India – highest density; concern due to limited resources and infrastructure strain.
b) China's population decline is due to low birth rate from earlier strict family planning.
c) Pakistan's high growth may lead to increased dependency ratio, straining economy.
- 8B:
a) China performs best in both.
b) Poor healthcare, low literacy, and underinvestment
c) Literacy enhances skills, job opportunities, and economic participation

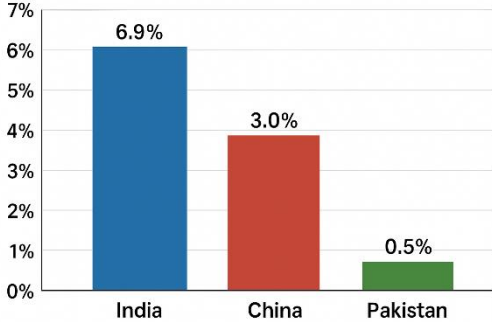
Worksheet TOPIC: COMPARATIVE DEVELOPMENT
EXPERIENCES: INDIA & ITS NEIGHBOURS

Name _____

Roll No. _____

Time: 35 Minutes

Marks: 20

1.	Which of the following correctly represents the structural transformation in China's economy after reforms? A. Increase in primary sector share B. Shift from agriculture to industry and services C. Dominance of public sector in all areas D. High dependence on foreign aid	1
2.	GDP Growth Rate (2022)  The bar graph shows GDP growth rates of India, China, and Pakistan for 2022. Which of the following statements is correct? A. Pakistan had a higher growth rate than China. B. India had the lowest growth rate among the three. C. China had the highest growth rate among the three. D. India had the highest growth rate among the three.	1
3.	Assertion (A): India adopted a mixed economy model after independence. Reason (R): India wanted both the public and private sector to co-exist.	1

	Options: A. Both A and R are true, and R is the correct explanation of A. B. Both A and R are true, but R is not the correct explanation of A. C. A is true, R is false. D. A is false, R is true.	
4.	Assertion (A): Pakistan's economic growth in the 1960s was higher than India's. Reason (R): Pakistan received huge military and economic support from western countries during that period. Options: A. Both A and R are true, and R is the correct explanation of A. B. Both A and R are true, but R is not the correct explanation of A. C. A is true, R is false. D. A is false, R is true.	1
5.	Statement I: China implemented economic reforms in 1978. Statement II: China followed a capitalist economy model post-reforms. Options: A. Both statements are correct B. Statement I is correct, Statement II is incorrect C. Statement I is incorrect, Statement II is correct D. Both statements are incorrect	1
6.	Statement I: India's life expectancy is higher than that of Pakistan. Statement II: Life expectancy indicates the quality of health and sanitation. Options: A. Both statements are correct B. Statement I is correct, Statement II is incorrect C. Statement I is incorrect, Statement II is correct	1

	D. Both statements are incorrect	
7.	Why is China referred to as a ‘command economy’? a) It depends on foreign trade b) Private sector dominates c) State controls major production and planning d) It follows democratic planning	1
8.	How did the role of the government in economic planning differ in China and Pakistan? What impact did this have on their growth and development indicators?	3
9.	Case Study: China implemented economic reforms in 1978 that allowed foreign direct investment, decentralized decision-making, and promoted private entrepreneurship. The government invested heavily in infrastructure and export-led manufacturing. As a result, it witnessed double-digit growth for several years. Meanwhile, India initiated economic reforms in 1991, liberalizing trade, reducing government control, and opening up to foreign investment. However, India’s democratic structure often slowed the pace of implementation. Questions a) Compare and evaluate how the nature of political systems in India and China influenced the pace and outcomes of economic reforms in both countries. b) Identify two key strategies adopted by China post-1978 to boost economic growth.	4
10.	Data Interpretation Question: The table below shows selected economic indicators for the year 2020:	6

	Country	GDP (Trillion USD)	Life Expectancy (Years)	Literacy Rate (%)	
	India	2.87	70.80	74.4	
	Pakistan	0.27	67.3	58.0	
	China	14.72	77.4	96.8	
	Questions: (a) Which country has the highest GDP and what does it indicate about its global economic status? (b) Arrange the countries in descending order based on life expectancy. What does this reflect about their healthcare development?				
	ANSWERS				1
1	B. Shift from agriculture to industry and services				1
2	India had the highest growth rate among the three.				1
3	A. Both A and R are true, and R is the correct explanation of A.				1
4	A. Both A and R are true, and R is the correct explanation of A.				1
5	B. Statement I is correct, Statement II is incorrect				1
6	A. Both statements are correct				1
7	c) State controls major				1

8	The strong, consistent role of the Chinese government in planning and implementing long-term policies helped it achieve sustained growth and improve human development indicators. In contrast, Pakistan's weak and unstable planning structure led to lower socio-economic outcomes despite occasional periods of growth.	3
9	a) China's centralized system allowed for faster decision-making, while India's democratic system led to slower but more inclusive growth. b) Establishment of Special Economic Zones (SEZs) Encouragement of Foreign Direct Investment (FDI)	2+2
10	a) China has the highest GDP at 14.72 trillion USD. It reflects China's large-scale industrialization, high productivity, export-led growth strategy, and significant global trade influence. b) Descending order of life expectancy: China – 77.4 years India – 70.8 years Pakistan – 67.3 years This reflects that China has better healthcare infrastructure and public health policies, resulting in higher life expectancy. India has made progress, but still lags behind China. Pakistan's lower life expectancy suggests comparatively weaker healthcare services and public health systems.	3+3

**COMPARATIVE DEVELOPMENT EXPERIENCES: INDIA & IT'S
NEIGHBOURS**

WORKSHEET-5

NAME OF THE STUDENT:

ROLL NO.:

TIME: 30 MINUTES

MM: 20

Q N O	QUESTION	MAR KS
1	ASSERTION (A): Great Leap Forward (GLF) campaign initiated in China brought a new era of industrialisation and agricultural development. REASON (R): Students and professionals were sent to countryside under the Great Leap Forward (GLF) campaign. Alternatives: (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are true and 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.	1
2	Arrange the following events in chronological order and choose the correct answer from the given alternatives: (i) Establishment of People's Republic of China (ii) Creation of Pakistan (iii) First Five-Year Plan of India (iv) First Five-Year Plan of China Alternatives : (A) (i), (iv), (ii), iii) (B) (iii), (ii), (i), iv)	1

	(C) (ii), (i), (iii),(iv) (D) (iv), (iii), (ii), (i)													
3	In which year the economic reforms introduced in India? (a) 1978 (b)1980 (c) 1988 (d)1991	1												
4	Which country has the highest Human Development Index (HDI)? a) India b) China c) Pakistan d) All are equal	1												
5	<table border="1"> <thead> <tr> <th>Country</th> <th>Literacy Rate (%)</th> <th>Infant Mortality Rate (per 1000)</th> </tr> </thead> <tbody> <tr> <td>India</td> <td>80</td> <td>30</td> </tr> <tr> <td>China</td> <td>95</td> <td>10</td> </tr> <tr> <td>Pakistan</td> <td>60</td> <td>55</td> </tr> </tbody> </table> a) Study the following bar graph and answer the questions: (i) Which country performs best on these social indicators? (ii) Which country has lowest Literacy Rate? (iii) Arrange the countries in ascending order to Infant Mortality Rate.	Country	Literacy Rate (%)	Infant Mortality Rate (per 1000)	India	80	30	China	95	10	Pakistan	60	55	3
Country	Literacy Rate (%)	Infant Mortality Rate (per 1000)												
India	80	30												
China	95	10												
Pakistan	60	55												

	b) What are the key challenges facing Pakistan's economy today?	3																																				
6	Despite having similar historical <i>and</i> geographical contexts, China has outpaced India and Pakistan in many developmental indicators. Critically analyze the factors that led to China’s rapid growth.	4																																				
7	Study the following table and answer the questions: <table><tr><th>Indicator</th><th>India (2022)</th><th>China (2022)</th><th>Pakistan (2022)</th></tr><tr><td>GDP (in trillion US\$)</td><td>3.73</td><td>17.96</td><td>0.38</td></tr><tr><td>Per Capita Income (US\$)</td><td>2601</td><td>12720</td><td>1680</td></tr><tr><td>Population (in billions)</td><td>1.41</td><td>1.42</td><td>0.24</td></tr><tr><td>Life Expectancy (years)</td><td>70.9</td><td>78.2</td><td>66.8</td></tr><tr><td>Literacy Rate (%)</td><td>77.7</td><td>96.8</td><td>58.0</td></tr><tr><td>HDI (2022)</td><td>0.633</td><td>0.788</td><td>0.544</td></tr><tr><td>Infant Mortality Rate (per 1000)</td><td>27</td><td>6</td><td>55</td></tr><tr><td>Access to Sanitation (%)</td><td>70</td><td>80</td><td>60</td></tr></table> Questions: (i) Which country has the highest per capita income? 1 (ii) Compare the literacy rates of the three countries. 1 (iii) Arrange the countries in ascending order of HDI. 1 (iv) What can you infer from the sanitation access percentages? 1 (v) Why is infant mortality rate considered an important indicator of development? 2	Indicator	India (2022)	China (2022)	Pakistan (2022)	GDP (in trillion US\$)	3.73	17.96	0.38	Per Capita Income (US\$)	2601	12720	1680	Population (in billions)	1.41	1.42	0.24	Life Expectancy (years)	70.9	78.2	66.8	Literacy Rate (%)	77.7	96.8	58.0	HDI (2022)	0.633	0.788	0.544	Infant Mortality Rate (per 1000)	27	6	55	Access to Sanitation (%)	70	80	60	6
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Access to Sanitation (%)	70	80	60																																			

Q NO	ANSWERS
1	(c) Assertion (A) is true but Reason (R) is false.
2	(C) (ii), (i), (iii),(iv)
3	(d)1991
4	(b) China
5	a) Study the following bar graph and answer the questions: (i) China (ii) Pakistan (iii) China, India and Pakistan
	b) Political instability Low investment in education & health High fiscal deficits
6	China adopted aggressive economic reforms in 1978, moving from a centrally planned economy to a market-oriented one. Key factors include: • Massive investment in infrastructure and manufacturing. • Export-led growth strategy. • One-child policy helped control population pressure. • Heavy state control ensured efficiency in execution. • Rapid urbanization and SEZs boosted FDI.
7	(i)China 1 (ii)China>India>Pakistan 1 (iii)Pakistan<India<China 1 (iv)Better sanitation access reflects better public health infrastructure 1 (v) Shows healthcare qualityIndicates overall well-being of infants & mothers 2