

ii)	Positive externalities - Example: Newly developed public park. Negative externalities - Example: Smoke emitted by a factory	1 1
17	i) Cash Reserve Ratio (CRR) is the minimum percentage of deposits of Net Time and Demand Liabilities (NTDL) that commercial banks are required to keep with the Central Bank as reserves. ii) The economy of BETA was facing the problems of slower economic growth and rising unemployment due to low investment and weak consumer demand. iii) When the Central Bank will reduce CRR, commercial banks were able to lend more money. Loans became cheaper and easily available. Businesses borrowed more for investment and production, while consumers borrowed more for spending. This increased Aggregate Demand, production, employment, and national income in the economy.	1 2 3
<u>SECTION - B INDIAN ECONOMIC DEVELOPMENT</u>		
18	A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1
19	A) Both statements are true	1
20	A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1
21	B) Goods and Services Tax	1
22	D) i, ii & iii	1
23	A) Preventive	1
24	D) National Council of Educational Research and Training (NCERT).	1
25	A) Statement 1 is true and Statement 2 is false.	1
26	A) Absorptive	1
27	A) India, China & Pakistan	1
28	i) Deforestation ii) Deforestation is the large-scale cutting down of forests and trees for human activities like agriculture, industries, and urbanization. It causes loss of biodiversity, soil erosion, floods, global warming, and disturbed rainfall patterns. It also increases carbon dioxide levels and negatively affects agriculture, climate balance, wildlife, and human survival.	1 2
Q29	In India, the Primary sector has emerged as a major source of employment with a greater concentration of female workers (57.1%) as compared to males (40.7%). The secondary sector accommodates 17.7% of female workers and 26.5% of male workers. The service sector consists of 32.8% of male and 25.2% of female workers. Thus, it can be concluded that men get more opportunities in both secondary and service sectors whereas females are mainly found working in the primary sector. Or B. Women in rural areas are more actively engaged in the economic activities as compared to their urban counterparts due to a paucity of resources. In rural areas, women are compelled to work as their economic condition may force them to do so. Moreover, in urban areas, where men are able to earn high incomes, families discourage female members from taking up jobs.	3 3
30	Two measures initiated by the government to improve agricultural marketing are:	

	<p>i. Regulated Markets (Mandis): The government established regulated markets to protect farmers from exploitation by middlemen. These markets ensure fair weighing, proper pricing, and transparent transactions.</p> <p>ii. Cooperative Marketing Societies: The government promoted cooperative societies to help farmers sell their produce collectively. This increases their bargaining power and enables them to get better prices for their products.</p>	<p>$\frac{1}{2} + 1\frac{1}{2}$</p> <p>$\frac{1}{2} + 1\frac{1}{2}$</p>
31	<p>The rationale behind the disinvestment policy of India under the 1991 reforms was primarily to improve financial discipline and facilitate modernisation. It was also envisaged that private capital and managerial capabilities could be effectively utilised to improve the performance of PSUs and provide strong impetus to the inflow of Foreign Direct Investment.</p> <p style="text-align: center;">OR</p> <p>With the onset of globalisation post-1991 economic reforms, developing countries are compelled to open up their economies to the greater flow of goods and capital from developed countries. Cheaper imports have, thus, replaced the demand for domestic goods. Domestic manufacturers are facing competition from foreign producers leading to a slowdown of industrial growth. Hence, Globalisation adversely affected the performance of the industrial sector.</p>	<p>4</p> <p>4</p>
32	<p>A) Under colonial rule, basic infrastructure facilities were developed in India. It enabled people to travel long distances thereby breaking geographical and cultural barriers. Moreover, it fostered commercialisation of Indian agriculture which adversely affected the self-sufficiency of the village economies in India. Furthermore, the colonial dispensation also took measures for developing the inland trade and sea lanes. Nevertheless, these measures were far from satisfactory.</p> <p>B) Tea. Indigo (any other valid answer)</p>	<p>3</p> <p>1</p>
Q33	<p>Since independence the government has played an important role in generating employment directly / indirectly. Various government departments/enterprises employ people and increase their output of goods and services, leading to direct employment. When the output of goods and services from government enterprises increases, then private enterprises which receive raw materials from government enterprises will also raise their output. Subsequently, private enterprises using this output are indirectly benefitted with increase in scale of production. This leads to an increase in the employment opportunities indirectly in the economy.</p> <p>ii) Disguised unemployment refers to a situation where marginal productivity of a given unit of labour is zero. In simple words, more people are employed than actually required, so some workers have zero or negligible contribution to production. Example: In agriculture, six family members work on a farm where only four workers are actually needed.</p> <p style="text-align: center;">Or</p> <p>Owing to the introduction of the Green Revolution in India, the usage of more and more chemical pesticides had adverse impacts such as contaminated soil, water bodies and groundwater. The use of bio-pesticides serves as an eco-friendly alternative to chemical pesticides. In addition to this, promoting natural predators like snakes and birds help to control pests, support the ecosystem, and contribute to sustainable agriculture.</p>	<p>3</p> <p>3</p>

ii)	Human capital formation increases the knowledge, skills, health and efficiency of people through education, training and healthcare. A skilled and healthy workforce raises productivity and production levels, leading to higher income, employment and economic growth. Thus, human capital formation plays an important role in the growth and development of an economy.	3
34	<p>i) Two similar developmental strategies of India and Pakistan:</p> <ul style="list-style-type: none"> • Mixed Economy Model – Both India and Pakistan adopted a mixed economy where both the public and private sectors operated together for economic development. • Importance to Public Sector – Both countries relied heavily on the public sector to promote industrialization, infrastructure, and economic growth. <p>ii) China has outperformed India and Pakistan through its reforms.</p> <ul style="list-style-type: none"> • Rapid Industrial Growth – China focused strongly on manufacturing and industrial development, which increased production and exports. • Economic Reforms – China introduced effective reforms such as opening the economy to foreign investment and promoting market-oriented policies. • Higher Economic Growth – China achieved faster GDP growth compared to India and Pakistan. 	<p>1½</p> <p>1½</p> <p>1</p> <p>1</p> <p>1</p>