



B.K. Birla Centre For Education

Date: 09-12-2025

PRE BOARD EXAMINATION-II

Duration: 3 Hrs

Class: XII

Economics

Total Marks : 80

Instructions to the Students

- Write only question numbers clearly outside the margin (1, 2, 3.i, 5.b, 4.c.ii, etc.).
- Do not write questions or any titles. (For ex. - Do not write **II. Answer the following**).
- After every answer, give a one-line space.
- For Multiple choice Questions - Both Option and Answer should be written.
- Bullet points & Sub-points should be written inside the margin.
- Do not fold / staple the paper.

Section A

Answer all questions:

(10 x 1 = 10)

1. **Assertion (A):** The government can reduce the deflationary gap by purchasing government securities in the open market.

Reason (R): The Central Bank purchases government securities in the open market to increase the lending capacity of commercial banks.

- 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 correct but (R) is wrong
- d) (A) is wrong but (R) is correct

Answer ↻

- a) Both (A) and (R) are true and (R) is the correct explanation of (A) (1)

2. Under the _____ exchange rate system, market forces automatically adjust the surplus and deficit in the Balance of Payments account.

- a) fixed
- b) managed floating
- c) flexible
- d) dirty floating

Answer ↻

- c) flexible (1)

3. GDP_{Mp} equals:

- a) $NNPMP - \text{Net Indirect Taxes}$
- b) $GDPFC + \text{Net Indirect Taxes}$
- c) $\text{Depreciation} + NNPFC$
- d) $NDPFC + \text{Net Factor Income from Abroad}$

Answer ↻

- b) $GDPFC + \text{Net Indirect Taxes}$ (1)

4. In a two-sector economy, Aggregate Demand can be determined by adding _____.

- a) Autonomous Consumption, Induced Consumption and Induced Investment
- b) Autonomous Consumption, Autonomous Investment and Induced Investment
- c) Autonomous Consumption and Autonomous Investment
- d) Autonomous Consumption, Induced Consumption and Autonomous Investment

Answer ↻

- d) Autonomous Consumption, Induced Consumption and Autonomous Investment (1)

5. **Statement 1:** Import of gold from Dubai will be recorded on the debit side of the current account in Balance of Payments of India.

Statement 2: Outflow of Foreign Institutional Investment (FII) from Indian stock markets will be recorded on the credit side of the capital account.

- a) Both Statements 1 and 2 are true
- b) Both Statements 1 and 2 are false
- c) Statement 1 is true and Statement 2 is false
- d) Statement 1 is false and Statement 2 is true

Answer

c) Statement 1 is true and Statement 2 is false (1)

6. According to the theory of Keynesian Economics, the value of Average Propensity to Consume can never be

- a) More than one
- b) unity (1)
- c) zero
- d) Less than one

Answer

c) zero (1)

7. The balance of payments is a comprehensive and systematic record of all _____ transactions made between residents of a country and the rest of the world over a specified period.

- a) Economic
- b) Political
- c) Cultural
- d) Social

Answer

a) Economic (1)

8. Aggregate demand is sum of_____.

- a) $C + I$
- b) $C + I + G$
- c) C
- d) $C + I + G + (x - m)$

Answer

d) $C + I + G + (x - m)$ (1)

9. When the Reserve Bank of India wants to reduce the money supply in the economy, it can _____ the Repo Rate.

- a) Decrease
- b) Increase
- c) Stabilize
- d) Eliminate

Answer

b) Increase (1)

10. **Statement 1:** Accommodating transactions take place on both current and capital accounts.

Statement 2: Autonomous transactions are undertaken to maintain the balance in BOP account.

- a) Both Statements 1 and 2 are true
- b) Both Statements 1 and 2 are false
- c) Statement 1 is true and Statement 2 is false
- d) Statement 1 is false and Statement 2 is true

Answer

b) Both Statements 1 and 2 are false (1)

Answer the following questions :**(2 x 3 = 6)**

11. The Government is incurring expenditure on "Child immunisation programme". Does the given statement mean that welfare of the people of India will increase along with increase in its GDP. Comment with reason.

Answer 

Government's spending on child immunization programme is (1.5)
government's final consumption expenditure. Hence, it will raise
the Gross Domestic Product (GDP).

Such a programme like child immunization improves the health (1.5)
of the children. It will raise the efficiency level in the long-run, as
these children will grow up into healthy adults with a higher
efficiency level. This will thereby increase the welfare of the
people.

- 12.a. Giving reasons, explain whether the given statements are true or false.

(i) Current account of balance of payments account records only export and import of goods and services.

(ii) Foreign investments are recorded in the capital account of balance of payments.

Answer 

False, as current account of balance of payments account also (1.5)
records unilateral transfers.

True, as all kinds of foreign investments (foreign direct (1.5)
investments and portfolio investments) are included in the
capital account of balance of payments.

(OR)

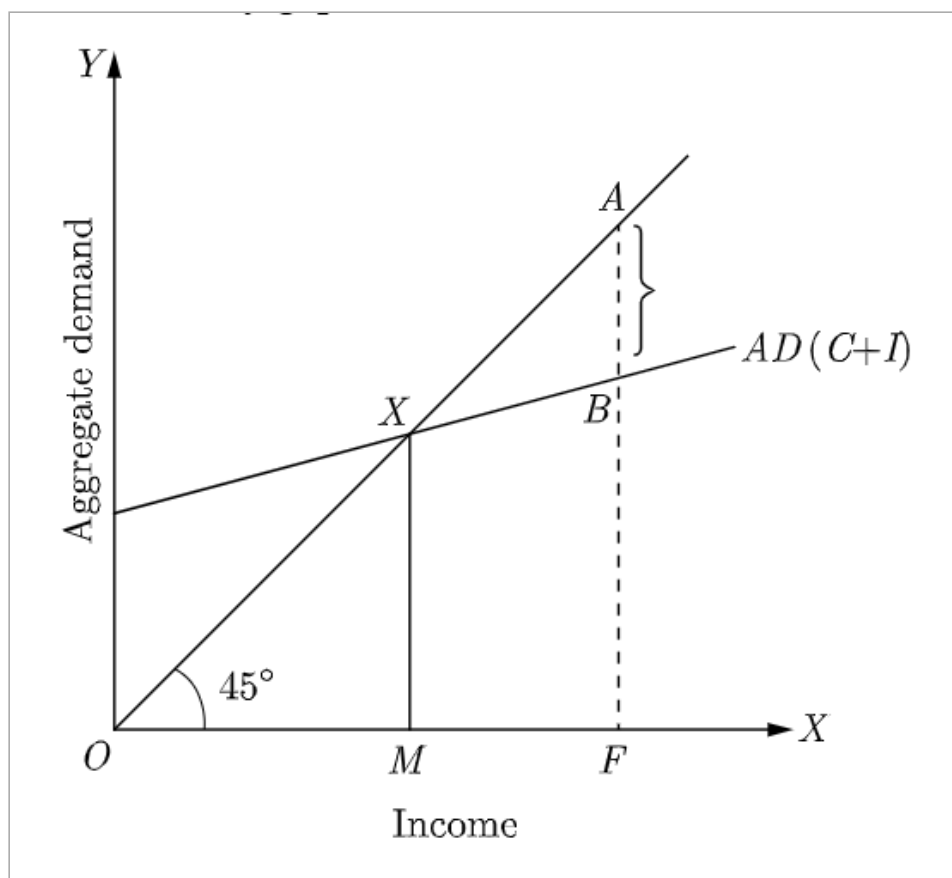
- 12.b. Define full employment. Can an equilibrium situation be reached in an economy at less than full employment level? Explain.

Answer ↻

Full employment refers to a situation where all those who are able to work, wants to work and willing to work are getting the work. (0.5)

Yes, the economy can be in equilibrium, at less than full employment level. It is a situation of deficient demand (deflationary gap) where underemployment equilibrium exist. (0.5)

In the given diagram, we observe that the economy is in equilibrium at point X and OM is the equilibrium income or output which is less than the full employment income or output denoted by OF, i.e., $OM < OF$. At full employment level, output is greater than AD, as shown by $AF > BF$ by the distance 'AB' which denotes a situation of "deflationary gap" or deficient demand. (1)



Demand

(1)

Answer the following questions:**(3 x 4 = 12)**

- 13.a. Explain the concept of GNP_{MP} and how it differs from GDP_{MP} . Also, mention the components included in the calculation of GNP_{MP} .

Answer 

GNP_{MP} (Gross National Product at Market Prices) is the total value of all final goods and services produced by the normal residents of a country, measured at market prices in a year. (1)

It includes the income earned by residents both within the country and abroad. (1)

In contrast, GDP_{MP} (Gross Domestic Product at Market Prices) only considers the value of goods and services produced within the country's borders. (1)

GNP_{MP} differs from GDP_{MP} by adding net factor income from abroad (NFIA), which accounts for income residents earn from abroad minus income paid to foreign residents. (1)

The formula is $GNP_{MP} = GDP_{MP} + NFIA$ (1)

(OR)

- 13.b. Complete the following table:

Income (Y)	Consumption (C)	Marginal Propensity to Save (MPS)	Average Propensity to Save (APS)
0	40		
50	70
100	100
150	120

Income (Y)	Change in Income (ΔY)	Consumption	Saving (S)	Change in Saving (ΔS)	Marginal Propensity to Save	Average Propensity to Save
0	-	40	-40	-	-	-
50	50	70	-20	20	0.4	-0.4
100	50	100	0	20	0.4	0.0
150	50	120	30	30	0.6	0.2

table completed

(2.5)

Answer 

Formulae used $S = Y - C$, (0.5)

$MPS = \Delta S / \Delta Y$ (0.5)

$APS = S / Y$ (0.5)

14. Atmanirbhar Bharat had been at the roots of the Indian planning process in the form of self reliance as an objective of the planning process. Do you agree with the given statement? Justify the rationale of the given statement.

Answer ↻

The given statement is correct. In the early post-independence period, the aim of the government's policy was to reduce the dependence on the foreign countries for goods, services, technology and capital. (1.5)

The first seven five year plans gave importance to self-reliance which stressed on the use of domestic resources to avoid foreign interference, as it was feared that the dependence on the imported food supplies, foreign technology and foreign capital may increase foreign interference in the policies of our country. (1.5)

Similarly, the main thrust of the 'Atmanirbhar Bharat' is also to make India an economy that is self-reliant and self sufficient. (1)

15. Read the following text carefully :

The concept of the multiplier explains how an initial investment leads to a multiplied increase in national income. It operates on the principle that one person's expenditure is another's income. For instance, an investment of ₹100 crores with a marginal propensity to consume (MPC) of 0.8 leads to successive rounds of income increase. In the first round, income rises by ₹100 crores, and in the second, by ₹80 crores (80% of ₹100 crores). This process continues, with each round generating smaller increases, until the total income increase reaches ₹500 crores. Explain how the multiplier works and determine the total increase in national income when the MPC is 0.8 and the initial investment is ₹100 crores.

Answer ↻

The multiplier generates additional income from an initial investment, as one person's expenditure becomes another's income. With an MPC of 0.8 and an investment of ₹100 crores, income increases by ₹100 crores, ₹80 crores, ₹64 crores, and so on. This continues until the total income increase reaches ₹500 crores, stopping when savings equal the initial investment. (4)

Answer the following questions:**(2 x 6 = 12)**

- 16.a.i. Suppose in a hypothetical economy, people save 20% of their additional income. Ex-Ante Investments equals ₹ 100 and the equilibrium level of income stands at ₹ 700. Calculate dissavings at zero level of income. [3]

Answer 

Given, Marginal Propensity to Save (MPS) = 20% = 0.2 Ex-Ante (1)

Investments (I) = ₹ 100 Equilibrium level of Income (Y) = ₹ 700 As we know, at Equilibrium level of Income; $S = I -$

$$-C + (MPS) Y = I \quad (2)$$

$$-C + (0.2) 700 = 100$$

$$-C = -40$$

Thus, dissavings at zero level of income = ₹ -40

- 16.a.ii. Define Effective Demand. Explain the adjustment mechanism to attain the level of Effective Demand, if ex-ante Aggregate Demand is more than ex-ante Aggregate Supply. [3]

Answer 

Effective Demand refers to that level of Aggregate Demand, (1.5)
which can be met by the corresponding Aggregate Supply in the economy. If ex-ante Aggregate Demand is more than ex-ante Aggregate Supply, it means that the households and firms are planning to consume more than what the firms intend to produce.

Thus, the inventories will fall below the desired level. To restore (1.5)
the desired level of inventories, producers may increase output and employment in the economy. This mechanism will continue till the equilibrium is reinstated and effective demand can be restored.

(OR)

16.b. Read the following text carefully:

The government budget is a powerful tool for economic management, influencing resource distribution and ensuring financial stability. By utilizing instruments like taxes, subsidies, and public expenditure, the government can prioritize sectors, address economic disparities, and support developmental goals. Effective budgeting ensures a balance between short-term needs and long-term growth.

(a) Elaborate how the “allocation of resources” can be influenced in the government budget through taxes, expenditure and subsidies.

(b) Giving reason, classify the following items as revenue expenditure and capital expenditure:

(i) Subsidies (ii) Repayment of Loan

Answer 

Government can through the budget influence allocation of resources with the help of taxes, expenditure and subsidies. (3)

Production units which produce harmful products like cigarettes, liquor etc. can be heavily taxed. On the other hand, tax concessions and subsidies should be given to encourage those production units which produce products useful for the masses. Government can also directly produce goods and services (thereby increase its expenditure) which are normally ignored by the private sector enterprises due to lack of enough profit and longer waiting period.

Expenditure on 'subsidies' is revenue expenditure as it neither leads to any reduction in liability nor an increase in assets. (1.5)

Expenditure on 'repayment of loan' is capital expenditure as it leads to a reduction in liability. (1.5)

17.a. (a) From the following data, calculate National Income by Income Method:

[3]

		(₹ in crores)
(i)	Interest	150
(ii)	Rent	250
(iii)	Government final consumption expenditure	600
(iv)	Private final consumption expenditure	1,200
(v)	Profits	640
(vi)	Compensation of employees	1,000
(vii)	Net factor income to abroad	30
(viii)	Net indirect taxes	60
(ix)	Net exports	(—) 40
(x)	Consumption of fixed capital	50
(xi)	Net domestic capital formation	340

Answer

NI / NNP_{FC} by the Income Method:

(1.5)

$$NNP_{FC} = (i) + (ii) + (v) + (vi) - (vii)$$

$$= 150 + 250 + 640 + 1000 - 30 = 2,010 \text{ crores}$$

(1.5)

17.b. “India’s GDP is expected to expand 7.5% in 2019-20: World Bank” —The Economic Times Does the given statement mean that welfare of people of India increase at the same rate? Comment with reason.

[3]

Answer

Generally it is considered that an increase in the Gross Domestic Product (GDP) of any economy (India in this case) ensures increase in welfare of the people of the country. However, this may not always be correct.

(1.5)

Some of the prime reasons for the same are: Unequal distribution and composition of GDP Non-monetary transactions in the economy which are not accounted for in GDP. Occurrence of externalities in the economy (both positive and negative).

(1.5)

Section B

Answer all questions:

(10 x 1 = 10)

18. India entered the _____ stage of Demographic Transition after the year 1921.

a) first

b) third

c) second

d) fourth

Answer

c) second

(1)

19. The portion of agricultural produce which is sold in the market by the farmers is called _____
 a) surplus b) marketed surplus. c) capital goods d) goods

Answer ↻

b) marketed surplus. (1)

20. Observe the given picture carefully and answer the question that follows:



Roadside vending is an increasing shows which variety of unemployment?

- a) informal b) formal
 c) Neither (A) nor (B) d) Both (A) and (B)

Answer ↻

a) informal (1)

21. India is not a member of which of the following regional/global economic groups?
 a) G-20 b) G-7 c) BRICS d) SAARC

Answer ↻

b) G-7 (1)

22. **Assertion (A):** Human development and human capital formation are identical concepts.
Reason (R): Both focus exclusively on improving the educational qualifications of individuals
 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 correct but (R) is wrong
 d) (A) is wrong but (R) is correct

Answer ↻

d) (A) is wrong but (R) is correct (1)

23. Which of the following are effects of economic development on the environment?

(i) Deforestation

(ii) Air pollution

(iii) Water contamination

(iv) Biodiversity loss

a) (i) and (ii)

b) (i), (ii), and (iii)

c) (ii), (iii), and (iv)

d) (i), (ii), (iii), and (iv)

Answer ↻

d) (i), (ii), (iii), and (iv)

(1)

24. "Liberalisation refers to the relaxation of previous government restrictions, usually in areas of social and economic policies. In the Indian context, it involved deregulation of industries, reduction in tariffs, and allowing private sector participation in sectors previously reserved for the public sector." What was the primary aim of liberalisation in India?

a) To increase government control over the economy

b) To make the economy more market-oriented and increase efficiency

c) To isolate the Indian economy from global influences

d) To restrict the entry of multinational corporations

Answer ↻

b) To make the economy more market-oriented and increase efficiency

(1)

25. Which of the following factors have contributed to China's rapid economic growth compared to India?

a) Lower investment in infrastructure

b) Less emphasis on education

c) Strong government planning and export-oriented policies

d) Restricted foreign investment

Answer ↻

c) Strong government planning and export-oriented policies

(1)

26. Identify which of the following policies were part of the agricultural strategies in India's Five Year Plans.

a) Green Revolution

b) Nationalization of banks

c) Import substitution

d) Establishment of Special Economic Zones

Answer ↻

a) Green Revolution

(1)

27. **Statement I:** The colonial government made many sincere attempts to estimate India's national and per capita income.

Statement II: During the British colonial period, most studies did find that the country's growth of aggregate real output during the first half of the twentieth century was less than two per cent coupled with a meagre half per cent growth in per capita output per year.

- a) Both Statements 1 and 2 are true
- b) Both Statements 1 and 2 are false
- c) Statement 1 is true and Statement 2 is false
- d) Statement 1 is false and Statement 2 is true

Answer ↻

- d) Statement 1 is false and Statement 2 is true (1)

Answer the following questions: (2 x 3 = 6)

28. State the financial sector reforms introduced under liberalisation policy of economic reforms.

Answer ↻

Following are the financial sector reforms introduced under the liberalisation policy of economic reforms: Role of Reserve Bank of India- Prior to 1991, the role of RBI was to act as a regulator. Under liberalisation, its role has been changed to facilitator of the financial sector. (0.5)

Autonomy has been given to financial institutions to take decisions in the matter of interest rates, expansion, capital adequacy, income recognition etc., without consulting it. (0.5)

Private Banks- Setting-up of private sector banks, Indian as well as foreign was allowed which benefitted the consumers through better services. (1)

Foreign Investment- Foreign institutional investors (FII) such as merchant bankers mutual funds, and pension funds are now allowed to invest in Indian financial markets. Foreign investment limit in banks has been raised to around 51%. (1)

- 29.a. Why were the benefits of Green Revolution restricted to few states and few crops in initial stages of planning?

Answer ↻

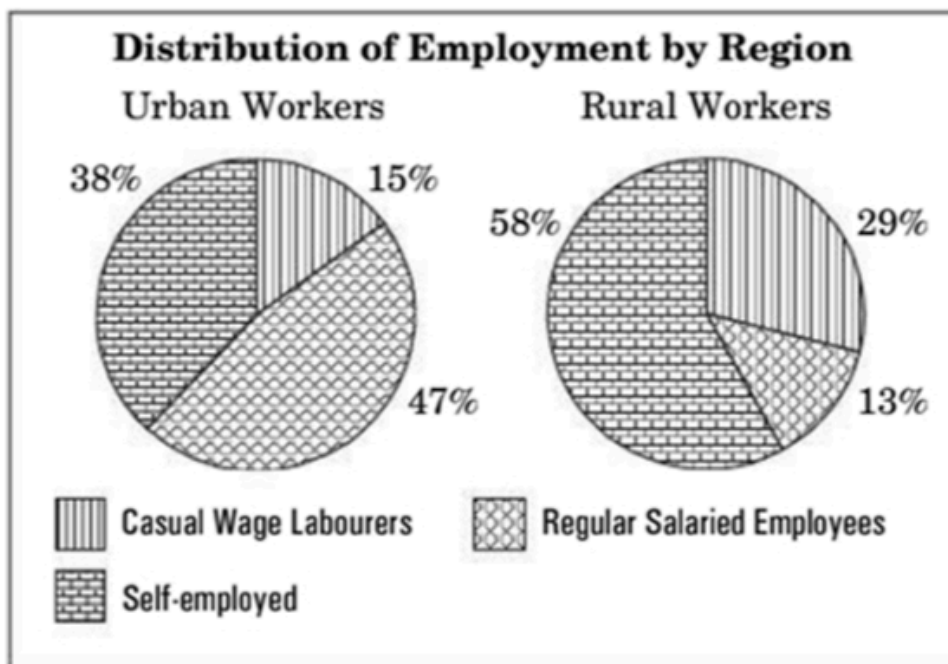
The new agricultural strategy - "Green Revolution" implied use of high yielding varieties of seeds which required reliable irrigation and financial resources to buy better inputs (1)

The strategy was thus restricted to the more affluent states of Punjab, Andhra Pradesh and Tamil Nadu. Further, the use of HYV seeds primarily benefitted the wheat growing regions only. (1)

Thus, the benefit of the Green Revolution was initially restricted to few states and the crops of wheat and rice only. (1)

(OR)

- 29.b. Analyse and compare the nature of the workforce distribution in India as depicted in the diagram given below:



Answer ↗

The given diagram shows that in the rural areas majority of employment is created under the self-employment (58%) and casual wage labourers (29%) category. This may be due to the fact that, in the rural areas, majority of people depend on farming on their own land and those who do not own land work on others' farms as casual labourers. Only 13% population is engaged in the regular salaried employment. However, the urban areas are dominated by the regular salaried employees (47%) as enterprises in these areas require employees on a regular basis. Self-employment category is the second largest one standing at 38% and the casual wage workers at 15%.

(3)

Answer the following questions:**(3 x 4 = 12)**

30.a.i. Differentiate between agricultural diversification and Organic farming.

[2]

Answer ↗

Agricultural diversification

It refers to shifting from crop production to other allied activities such as livestock, poultry, fisheries, etc., or producing a variety of crops instead of depending on a single crop. (0.5)

Its main aim is to increase farmers' income and reduce risk by diversifying sources of earning. (0.5)

Focus is on expanding the range of activities within the farm sector. (0.5)

Not always eco-friendly (depends on crops chosen). (0.5)

Organic farming

It refers to a system of farming that involves the use of organic inputs such as bio-fertilisers, compost, green manure, and avoids chemical fertilisers and pesticides. (0.5)

Its main aim is to produce eco-friendly, chemical-free food and maintain soil fertility and environmental sustainability. (0.5)

Focus is on changing the method of cultivation to a natural, sustainable one. (0.5)

Strongly eco-friendly due to no chemical usage. (0.5)

30.a.ii. Critically examine the role of rural banking sector in India.

[2]

Answer ↗

With the nationalisation of commercial banks after 1969, the concept of social banking came into existence. It implies extending institutional credit at a moderate rate of interest. The National Bank for Agricultural and Rural Development (NABARD) has made significant progress in the field of rural credit. It cannot be denied that institutional credit has freed the farmers from the trap of money lenders and Mahajans. But, on the other hand, institutional credit is not free from deficiencies. Rural or institutional credit has invariably been associated with security or collateral. Consequently, a substantial number of farmers cannot avail of credit. Also, the commercial banks failed to encourage the habit of thrift among farmers. In addition to this, the leniency on the part of the government to collect taxes was another setback in rural banking. This further led to the emergence of the feeling among the farmers of not repaying the borrowed amount. This increased the defaulter's rate and led to financial unfeasibility for the rural banks. (2)

(OR)

- 30.b. Many economists believe that the economic reforms process of 1991 had adversely affected the agricultural sector. Do you agree with the given statement? Quote valid arguments in favour of your answer.

Answer ↪

Yes. The agricultural sector was adversely affected by the reform process as public investment in agriculture sector especially in infrastructure had fallen. (2)

Further, the partial removal of fertiliser subsidy had led to increase in the cost of production, which had severely affected the small and marginal farmers. (1)

Moreover, there had been a shift from production for the domestic market towards production for the export market focusing on cash crops putting pressure on prices of food grains. (1)

31. "Existence of widespread unemployment in India is the cumulative result of many causes." Explain any four main causes of unemployment in India.

Answer ↪

The causes of unemployment problem in India are: Slow rate of economic growth: The actual growth rate always lies far below the rate targeted in the five decade of planning. Employment opportunities created under the plans could not keep balance with the additions to the labour force. (1)

Population explosion: The rapid increasing rate of population growth has been another cause of increasing unemployment in the country. It has not been possible to generate so many employment opportunities to absorb the large growing labour force. (1)

Slow growth of industry: Due to shortage of capital and lack of modern and advanced technology, industrial sector could not gain its momentum and could not generate sufficient employment opportunities in the country. (1)

Agriculture still a seasonal occupation: Even after approximately 70 years of independence, agriculture in India, still does not have access to adequate irrigation facilities, rendering it to be a seasonal occupation. Because of this, the workforce engaged in farming activities remain unemployed for 3-4 months in a year. (1)

32. The Infant Mortality Rate (IMR) and percentage of undernourished children highlight health disparities. Pakistan has an IMR of 66 per 1000 live births, much higher than China's IMR of 9. Similarly, 45% of children in Pakistan are undernourished compared to just 9% in China, reflecting significant differences in health outcomes.

Analyse the following :

(a) Infant Mortality Rate (IMR) in Pakistan

(b) Percentage of Undernourished Children among the given two countries.

Answer ↩

Infant Mortality Rate (IMR) is the highest in Pakistan at 66 (per 1000 live births) in contrast to 9 in China. The sex ratio is low and biased against females. Preference for a son prevails which leads to the above problem in Pakistan. (2)

Undernourished children in Pakistan are very high (45%) as compared to China (9%). This is because of high level of poverty and large sized families. Mothers are undernourished during pregnancy so the children also suffer from malnutrition even after birth. Whereas in China because of the 'One-child' norm for a long time the children are healthy and better nourished. (2)

Answer the following questions:**(2 x 6 = 12)**

- 33.a.i. "China's economic growth has been driven by a combination of factors including agriculture, industries, investments, exports etc." Discuss various factors that led to the rapid growth in economic development in China. [4]

Answer 

China's rapid economic development is an aggregate outcome of the introduction of the reforms in phases since 1978. The following are the various factors that led to the rapid growth in the economic development in China: In the initial phase, reforms were initiated in agriculture, foreign trade and investment sectors. The system of collective farming known as Commune System was implemented. Under this system, land was divided into small plots that were allocated to the individual households. These households were allowed to keep the remaining income from land after paying the taxes to the government. In the later phase, reforms were initiated in the industrial sector. During this phase, the private firms, village and township enterprises were allowed to produce goods and services and to compete with the State Owned Enterprises. (2)

The dual pricing were implemented. This implies that the farmers and the industrial units were required to buy and sell a fixed quantity of inputs and output at the price fixed by the government and the remaining quantities were traded at the market price. Gradually, with rapid increase in aggregate production in the later years, the quantities traded in the market increased by many folds. The reforms also included setting up of Special Economic Zones to attract foreign investors and to encourage its exports. Therefore, the aggregate focus of all these economic reforms resulted in rapid industrial growth and economic development in China. (2)

- 33.a.ii. Explain the Great Leap Forward campaign of China as initiated in 1958. [2]

Answer 

The Great Leap Forward (GLF) was a campaign initiated in 1958 in China. The aims of this campaign are as follows: The aim of the campaign was to initiate large scale industrialisation in the country concentrating not only in the urban areas but also in the rural ones. The people in the urban areas were motivated to set up industries in their backyards. In the rural areas, Commune System was implemented. Under this system, people were engaged in collective farming. (2)

(OR)

33.b.i. The following table shows distribution of workforce in India for the year 1972-73. Analyse it and give reasons for the nature of workforce distribution.

[3]

Place of Residence	Workforce (in millions)		
	Male	Female	Total
Rural	125	69	195
Urban	32	7	39

Answer 

On the basis of the information provided in the given table we notice: The total workforce in India in the year 1972-73 was 234 million that includes 195 million workforce of rural and 39 million of the urban population. This indicates a greater involvement of rural workforce comprising of 83% of the total workforce as compared to 17% of the urban workforce. This is because a majority of rural population was engaged in agricultural and allied sectors. (1)

The rural workforce comprises of 64% of the male workforce and 36% of female workforce. In contrast, the urban workforce comprises of about 82% of male workforce and 18% of female workforce. The participation of males in both rural as well as in the urban areas is higher than the females because of the lack of opportunities available to women for acquiring education. Also, families often discouraged female members to take up job and, consequently, women were confined to household work only. (1)

Comparing urban female workforce with that of the rural female workforce, we can conclude that the females in the rural areas formed 36% of the workforce, whereas, the females in the urban areas formed only 18% of the workforce. In the rural areas, despite a majority of the population was engaged in farming and allied activities, agricultural sector had low productivity. Consequent to the low productivity, rural people had low earnings that further led to widespread poverty in the rural areas. (0.5)

Thus, it can be concluded by analysing the given data that Indian economy suffered from low productivity, acute unemployment and widespread poverty, disguised unemployment in agricultural sector and low female participation rate in the workforce 30 years ago. (0.5)

33.b.ii. Define the following:

- a) Golden Revolution
- b) Carrying capacity of Environment
- c) Sustainable Development

Answer ↪

Golden Revolution. It led to increase in production of fruits, vegetables, flowers, aromatic plants, spices, etc. As a result of this revolution, India became a world leader in the production of mangoes, bananas, coconut and spices. (1)

The carrying capacity of the environment is like a 'plimsoll line' of the ship which is its load limit mark. In the absence of the plimsoll line for the economy, human scale grows beyond the carrying capacity of the earth and deviates from sustainable development. The environment is able to perform its functions without any interruption as long as the demand on these is within its carrying capacity. (1)

Sustainable development is an approach to growth and human development that aims to meet the needs of the present without compromising the ability of future generations to meet their own needs. The aim is to have a society where living conditions and resources meet human needs without undermining planetary integrity. Sustainable development aims to balance the needs of the economy, environment, and society. The Brundtland Report in 1987 helped to make the concept of sustainable development better known. (1)

34.

Read the following text carefully:

THE NEED FOR ECO-FRIENDLY AGRICULTURE IN INDIA

A major highlight of this year's budget was achieving green growth for a cleaner, greener Earth. Launched under the Green Growth Targets, the PM-PRANAM Scheme is designed as a programme for Restoration, Nourishment and Amelioration of the Earth. This scheme will incentivise the states and union territories to use alternative fertilisers. Furthermore, the budget also outlined that the Centre will assist the transition of one crore farmers to organic farming, reiterating the long-term vision of eco-friendly agriculture. The need for eco-friendly agriculture in India Emphasis on natural farming techniques and optional chemical usage has strong linkages with the green revolution that aided the large-scale usage of chemical fertilizers in India. Over the period of time, fertilizer runoff to water bodies and subsequent nutrient overload resulted in eutrophication, massive algal blooms in lakes and rivers and the formation of dead zones. These runoffs also pollute the groundwater resources in the long term. It also accelerates land degradation and desertification by destroying the natural soil properties. Thus, the rationale behind the government's move to include sustainable and natural farming techniques becomes clear. Organic farming will aid in reducing cumulative GHG emissions as chemical fertilizers account for over 77% of agricultural nitrogen oxide emissions in India. Hence, promoting agro-forestry initiatives will boost soil organic carbon and fertility. Trees will also serve as storehouses of sequestered carbon.

34.a. Explain any two problems associated with the usage of chemical fertilizers.

[3]

Answer ↻

Water Pollution: Fertiliser runoff enters water bodies, causing nutrient overload, eutrophication and algal blooms, which damage aquatic ecosystems. (1.5)

Soil Degradation: Long-term usage destroys natural soil properties, leading to land degradation and even desertification. (1.5)

34.b. Discuss briefly the economic rationale behind the government's move to promote organic farming.

[2]

Answer ↻

Organic farming reduces cumulative greenhouse gas emissions, as chemical fertilisers account for 77% of agricultural nitrous oxide emissions. (1)

Promoting natural farming improves soil fertility and productivity, ensuring long-term sustainable agricultural output and reducing environmental costs. (1)

34.c. State the meaning of green growth.

[1]

Answer ↻

Green growth means economic growth that is environmentally sustainable, reducing pollution and conserving natural resources for future generations. (1)