	Marking scheme (Economics FIRST PRE-BOARD)2025-26	
S.NO.	**Macroeconomics**	MARKS
1	(B) increasing the Bank rate	1
2	(C) both statements 1 and 2 are true	1
3	(A)fiscal imbalances	1
4	(C)Both statements 1 and 2 are true	1
5	(C)autonomous payment over autonomous receipts	1
6	(B) decrease in trade deficit	1
7	(D)Net Indirect taxes, subtracted **OR** (B) 4000 (Baker Value of Output), 10400 (Total Value of Output), 4000 (Retail Seller IC), 4400 (Total Value Added)	1
8	(D) Both statements one and 2 are false	1
9	(B) Statement 1 is false and statement 2 is true	1
10	(C)remains constant, falls	1
11	**Consumption function** $C = C_a + MPC \times YC = 250 + 0.8Y$ **Break-even level of income** At the **break-even point**, $Y = C$ So, $Y = 250 + 0.8Y$ Now solve for Y: $Y - 0.8Y = 2500.2Y = 250Y = \frac{250}{0.2} = 1250$ **Break-even income = ₹1250 crore** **Equilibrium level of income** At **equilibrium**, $Y = C + I$ Substitute the values: $Y = (250 + 0.8Y) + 200Y = 450 + 0.8YY - 0.8Y = 4500.2Y = 450Y = \frac{450}{0.2} = 2250$ **Equilibrium level of income = ₹2250 crore** **Concept — Formula Used — Income Level (₹ crore)** Break-even Income — $Y = C$ — **1250** Equilibrium Income — $Y = C + I$ — **2250**	3

12	**"Gross Domestic Product (GDP) and sum of Gross Value Added (GVA) in an economy are always equal** ● **Gross Value Added (GVA)** measures the value of goods and services produced in an economy **from the producer's side**. $$GVA = Value\ of\ Output - Intermediate\ Consumption$$ ● When we sum up the GVA of all producing sectors within a country, we get the **total value added** in the economy. ● **Gross Domestic Product (GDP)** measures the **total value of goods and services produced** within the domestic territory of a country during a year, valued at **market prices**. **Relationship between GVA and GDP** $$GDP_{MP} = \Sigma GVA_{FC} + (Net\ Indirect\ Taxes)$$ where **Net Indirect Taxes (NIT)** = Indirect Taxes − Subsidies So, ● If GVA is measured **at market price**, then $$GDP_{MP} = \Sigma GVA_{MP}$$ ● Hence, **GDP is simply the sum of all sectoral GVAs**, after adjusting for taxes and subsidies. ● Both GDP and GVA measure **the same total output**, but from **different perspectives**: o **GVA** → from the **producers' view** (factor cost) o **GDP** → from the **market view** (market price) ● Therefore, when all adjustments are made (for indirect taxes and subsidies), **the sum of GVA of all sectors equals GDP**. **Conclusion:** Yes, **GDP and the sum of GVA are always equal**, provided they are measured at the **same price basis** (both at market prices or both at factor cost). They represent two sides of the same economic activity — one from the **production** side and the other from the **expenditure/value-added** side. **or** **"GDP deflator is represented by the ratio of Real GDP and Nominal GDP."** The given statement says: GDP Deflator = Real GDP ÷ Nominal GDP This statement is incorrect. **Correct Formula** $$GDP\ Deflator = \frac{Nominal\ GDP}{Real\ GDP} \times 100$$ **Nominal GDP**: Value of goods and services produced in a year **at current prices**. **Real GDP**: Value of goods and services produced in a year **at base-year prices**.	3

	The GDP deflator shows **the overall level of price change** (inflation) between the base year and the current year. **Hypothetical Example** **Year** **Real GDP (₹ crore)** **Nominal GDP (₹ crore)** Current Year 100 120 $GDP\ Deflator = \frac{120}{100} \times 100 = 120$ This means the **price level has increased by 20%** since the base year. If we took the ratio the other way around (Real ÷ Nominal), we'd get 0.833 (or 83.3), which **does not represent the price level correctly**. **Conclusion:** No, the statement is **not correct**. The **GDP deflator** is the **ratio of Nominal GDP to Real GDP**, multiplied by 100. It measures the **average price change (inflation)** in the economy. **Option** **Correct Answer Summary** **1. GDP = ΣGVA** True, both measure the same output at market prices. **2. GDP Deflator** False — Correct formula is (Nominal GDP / Real GDP) × 100.	
13	Credit creation is the process by which commercial banks create money in the form of demand deposits, many times greater than their initial cash reserves. Banks do this by lending a portion of their deposits while keeping only a small percentage as reserves (as required by the central bank). **Assumptions** Let: ● Initial deposit = ₹1,000 crore ● Cash Reserve Ratio (CRR) = 20% (i.e., 0.2) **Round** **Deposit (₹ crore)** **Reserve (20%)** **Loan Given (80%)** **New Deposit Created (₹ crore)** 1 1000 200 800 800 2 800 160 640 640 3 640 128 512 512 … … … … … This process continues until the total credit created equals a multiple of the initial deposit. $Credit\ Multiplier = \frac{1}{CRR} = \frac{1}{0.2} = 5 Total\ Deposits = 1000 \times 5 = ₹5000\ crore$ So, the banking system has created **₹5000 crore of deposits** from an initial cash reserve of **₹1000 crore**. Thus, commercial banks create credit by lending money and thereby increasing deposits in the banking system. The **lower the CRR**, the **greater** is the **credit creation capacity** of banks. ***OR***	4

	The **Reserve Bank of India (RBI)** acts as a **banker to the Government** (both Central and State). This is one of its **important functions**. ● **Maintaining Government Accounts:** RBI holds the **deposit accounts** of the Central and State Governments. ● **Managing Receipts and Payments:** It undertakes all **payments** (e.g., salaries, pensions) and **receives revenues** (e.g., taxes, duties) on behalf of the government. ● **Public Debt Management:** RBI manages **borrowing operations** of the government by issuing **treasury bills and government securities**. ● **Advisory Role:** It also advises the government on **monetary and financial policy matters**.	
14	**Explanation:** ● The government uses its **budgetary policy** to reduce **inequalities of income and wealth** in society. ● By providing **subsidised or free essential goods and services** (like food grains, education, healthcare, housing, etc.) to the **poor sections**, the government ensures that everyone has access to basic needs. ● These welfare measures are financed through **progressive taxation** and **transfer payments**, redistributing income from the rich to the poor. ● The objective of the government budget indicated here is **redistribution of income and wealth**, achieved through welfare schemes and subsidies to reduce economic inequalities.	4
15	**Meaning of key terms** 1. **Trade Deficit:** When the **value of imports of goods** exceeds the **value of exports of goods**, i.e. $$Trade\ Deficit = Imports\ of\ goods > Exports\ of\ goods$$ 2. **Current Account Deficit (CAD):** When the **total value of payments made to the rest of the world** (for goods, services, income, and transfers) **exceeds the total receipts**, i.e. $$CAD = (Imports\ of\ goods + services + income\ payments) > (Exports\ of\ goods + services$$ Thus, CAD includes not just the **trade balance (goods)** but also **net invisibles** — services, income, and current transfers. **Evaluating the statement** The statement says **a trade deficit must exist** whenever there is a **current account deficit**. This is **not necessarily true**. A country can have: ● a **trade deficit**, but **net surplus in invisibles** (like software exports, remittances, tourism receipts, etc.) → which may **offset** the trade deficit and even create a **current account surplus**.	4

	Conversely, ● a **small trade surplus** might still result in a **current account deficit** if **net income payments to abroad** or **transfer outflows** are large. Example Suppose (in ₹ crore): **Item** **Exports** **Imports** **Balance** Goods 100 150 **–50 (trade deficit)** Services + Transfers 70 0 **+70 (invisibles surplus)** → Current Account Balance = (–50 + 70) = **+20 (surplus)** So, even with a **trade deficit**, the country can have a **current account surplus**. The statement is **refuted**. A **trade deficit need not necessarily exist** when a country has a **current account deficit**. A current account deficit depends on the overall balance of **goods, services, income, and transfers**. If the surplus on invisibles is large enough, a country can have a current account surplus **despite** a trade deficit. Every current account deficit involves a trade balance component, but every trade deficit does **not necessarily** imply a current account deficit.	
16	In the **Keynesian model of income determination**, equilibrium in the economy is achieved when **aggregate demand (AD)** equals **aggregate supply (AS)**, or equivalently when **planned saving (S)** equals **planned investment (I)**. $$S = I$$ This equality ensures that total income generated in production is fully spent—either on **consumption** or **investment**—so that there are no unplanned changes in inventories. Planned saving equals planned investment at that **level of income** where: ● **Households' plans to save** exactly match ● **Firms' plans to invest**. At this point: $$Y = C + I and Y - C = I \Rightarrow S = I$$ ● **If Planned Saving > Planned Investment** → Aggregate demand < Aggregate supply → **Unintended accumulation of inventories** → Output and income fall. ● **If Planned Saving < Planned Investment** → Aggregate demand > Aggregate supply → **Unintended depletion of inventories** → Output and income rise. Hence, equilibrium is restored when **S = I**. **Importance** ● Ensures **stability of the circular flow** of income and expenditure. ● Prevents **unplanned inventory changes**. ● Maintains **macroeconomic balance** between production, income, and expenditure.	6

	• Provides a foundation for **policy decisions** on fiscal or monetary interventions. **Conclusion:** In the Keynesian framework, **macroeconomic equilibrium** is achieved at the level of income where **planned saving equals planned investment**. This condition ensures that the total income produced is completely absorbed through consumption and investment, keeping the economy in balance. **or** **Government Measures to Control Deflation** **Deflation** is a situation where aggregate demand is less than aggregate supply at full employment level of income, leading to **falling prices, output, and employment**. The government can counter deflation through **fiscal policy** measures: **(A) Taxation Policy** • The government can **reduce taxes** (both direct and indirect). • Lower taxes → increase in **disposable income** → higher **consumption expenditure**. • Lower corporate taxes → encourage **private investment**. This **raises aggregate demand**, helping to remove deflationary pressure. **(B) Government Expenditure Policy** • The government should **increase its expenditure** on public works, infrastructure, and welfare schemes. • Increased government spending directly **raises aggregate demand** and **creates employment**. • This stimulates production and income, helping the economy move out of deflation. **Conclusion-**By **reducing taxes** and **increasing public expenditure**, the government can effectively **boost aggregate demand**, thereby overcoming deflation and restoring **macroeconomic equilibrium**.	
17	**(a)Mixed income of self-employed** is the earnings of persons who run unincorporated small businesses (for example, shopkeepers, small farmers, artisans, professionals working on their own account). It is called *mixed* because it contains two elements combined in one figure: • a return to **labour** (the owner's own labour), and • a return to **capital** (the operating surplus / profit from the business). In national accounts we record this combined return as *mixed income* (separately from wages, rent, interest and corporate profits) because it is difficult to split the owner's earnings into pure wage and pure profit. **(b)** First compute depreciation (consumption of fixed capital): Net domestic capital formation = (Gross fixed capital formation − Depreciation) + change in stocks 650 = (700 − Depreciation) + 50 ⇒ Depreciation = 100. **(i) Gross Domestic Product at Market Price (GDP_mp)** Sum of known domestic factor incomes excluding any separate mixed income: 1500 (wages) + 300 (rent) + 400 (interest) + 500 (profits) = **2700**. Depreciation= GDCF (GDFCF + Change in Stock) – NDCF (700+50) - 650	2+4=6

	= 100 GDP at **market price** = (sum of domestic factor incomes) + net indirect taxes + Depreciation → GDP_mp = 2700 + 250+ 100 = **₹3050 crore**. **(ii) Factor income from abroad** GNP at factor cost = GDP at factor cost + Net factor income from abroad (NFIA). GDP at factor cost = GDP_mp − net indirect taxes = 3050 − 250 = **2800**. Given GNP_fc = 2800, so NFIA = GNP_fc − GDP_fc = 2800 − 2800 = **0**. NFIA = (Factor income from abroad) − (Factor income to abroad). Factor income from abroad = NFIA + factor income to abroad = 0 + 120 = **₹120 crore**.	
	IED	
18	(B) statement one is false and statement 2 is true	1
19	(A) (i) and (iii)	1
20	(C) Both statements 1 and 2 are true	1
21	(A)Regulated	1
22	(D)Deteriorates quality of life	1
23	(C)Montreal Protocol OR (B) Input inefficient technological progress	1
24	(C)Removal of restrictions imposed by the government on different sectors of the economy.	1
25	(C)(i), (ii) and (iii)	1
26	(C)(i) and (ii)	1
27	(C) (i),(ii)and (iii)	1
28	**Any 3 relevant points of each 1 x3=3** **Basis of Difference** / **Human Capital** / **Human Development** **1. Meaning** — Human capital refers to the *stock of skills, knowledge, and abilities* possessed by people which helps in producing goods and services. / Human development refers to the *process of enlarging people's choices and improving their well-being* through education, health, and standard of living. **2. Focus** — Focuses on **investment in people** to enhance their productivity and efficiency. / Focuses on **improving the overall quality of life** and human welfare. **3. Objective** — The main aim is to achieve **economic growth** through a more skilled and efficient workforce. / The main aim is to achieve **human welfare and social progress**. **4. Measurement** — Measured in terms of **returns on education, training, and skills** (e.g., productivity, income). / Measured through **Human Development Index (HDI)** — which includes health, education, and income indicators. **5. Approach** — Means-oriented — people are considered as a *means* to achieve economic development. / Ends-oriented — people are considered as the *end* of all development efforts.	3

	Human capital is about **investing in people for economic gains**, while human development is about **enabling people to lead better, fuller lives**. **OR** **Any three relevant points 1x3=3** ● **Human capital** refers to the *skills, knowledge, education, and health* that people acquire, which increase their productivity. ● **Economic growth** refers to a sustained increase in the country's output (GDP) over time. 1. **Investment in human capital** (education, training, health) improves workers' **efficiency and productivity**. 2. More productive workers contribute to **higher output and income levels**, promoting **economic growth**. 3. Higher economic growth, in turn, enables greater **investment in human capital** — creating a **virtuous cycle**. 4. Countries that invest more in education and health (like Japan, South Korea) have shown **faster economic growth** compared to those that don't.	
29	Any 2 valid arguments (1.5 for each) Yes, I **agree** with the statement that *"Trade and investment policy of India underwent comprehensive changes in the post-reform period of 1991."* After 1991, India introduced **New Economic Policy (NEP)** based on **Liberalisation, Privatisation, and Globalisation (LPG)**, which brought major reforms in trade and investment policies. **Liberalisation of Trade:** ● Before 1991, India followed a restrictive trade policy with high import duties, import licensing, and quantitative restrictions. ● After 1991, these controls were relaxed — **import licensing was abolished**, **tariffs were reduced**, and **quantitative restrictions were removed**, making India's trade more open and competitive. → **Result:** Increased foreign trade, greater variety of goods, and integration with the global economy. **Encouragement to Foreign Investment (FDI):** ● Earlier, foreign investment faced strict controls and government approvals. ● Post-1991 reforms allowed **automatic approval routes** for many industries, **raised FDI limits**, and provided a more **investor-friendly environment**. → **Result:** Increased inflow of foreign capital, technology, and global partnerships in India. **Conclusion:** Thus, India's post-1991 trade and investment policies marked a shift from a **closed and controlled economy** to an **open and globally integrated economy**, confirming that comprehensive changes indeed took place.	3
30	Any two relevant points with explanation (2 marks for each) The statement *"Globalization has been a process for India with only positive results"* is **refuted**. While **globalization** has brought **many benefits** to India, it has also created **certain challenges**. Therefore, its results have been **mixed — both positive and negative**.	4

Positive Effects of Globalization on India

1. **Increase in Foreign Investment (FDI):**
   Globalization opened India's economy to the world, attracting foreign companies and investments in sectors like IT, telecom, automobiles, and finance.
2. **Expansion of Exports and Trade:**
   India's exports of goods and services, especially IT and software, have grown significantly, improving foreign exchange reserves.
3. **Employment and Technological Advancement:**
   Global firms brought **new technologies**, **modern management**, and **job opportunities**, raising productivity and living standards.
4. **Improved Consumer Choice:**
   Entry of global brands has given consumers a **wider variety of goods and better quality products**.

Negative Effects of Globalization on India

1. **Unequal Distribution of Benefits:**
   Gains are concentrated in **urban and skilled sectors**, while rural and unskilled workers have benefited less — increasing **income inequality**.
2. **Threat to Small Industries:**
   Small-scale and traditional industries face tough competition from **MNCs**, leading to closures and unemployment in some areas.
3. **Cultural and Environmental Impact:**
   Globalization has promoted **western lifestyles**, leading to **cultural erosion** and **environmental stress** due to industrial expansion.
4. **Conclusion**

Globalization has helped India integrate with the world economy and achieve faster growth, but it has **not been only positive**. It has brought both **opportunities and challenges** — benefiting some sections while disadvantaging others. Hence, the statement is **refuted**, as globalization's impact on India has been **mixed**, not entirely positive.

Or

2 marks for explanation of each points

The **economic reforms of 1991** — based on **liberalisation, privatisation, and globalisation (LPG)** — transformed many aspects of India's economy. However, their impact on different sectors has been **uneven**.

(a) Impact on Agriculture Sector **Positive Impacts**

- **Export opportunities:** Agriculture became more outward-oriented, as reforms encouraged export of agricultural commodities like fruits, vegetables, and marine products.
- **Technological improvement:** Globalisation allowed access to better technologies, high-yield seeds, and farm machinery.
- **Increased private participation:** Private investment in storage, marketing, and agro-processing began to rise.

Negative Impacts

- **Neglect in policy focus:** Economic reforms mainly targeted industry and services; **agriculture was left largely untouched**.
- **Rising input costs:** Reduction in subsidies on fertilizers, power, and irrigation raised **cost of cultivation**, hurting small farmers.
- **Price instability:** Dependence on international markets increased vulnerability to **global price fluctuations**.

	• **Rural inequality:** Benefits of globalisation accrued more to large farmers, widening the **rural income gap**. **Conclusion for Agriculture:** While reforms opened new opportunities, agriculture did **not benefit equally**; growth remained unstable and rural distress persisted. --- **(b) Impact on Industrial Sector** **Positive Impacts** • **End of Licence Raj:** Abolition of industrial licensing (except for a few industries) encouraged **competition and efficiency**. • **Rise in Foreign Investment:** Easier FDI norms attracted global companies, bringing **modern technology** and **capital inflows**. • **Increased productivity and exports:** Indian industries, especially automobiles, IT, and pharmaceuticals, became **globally competitive**. • **Growth of private sector:** Greater autonomy to private enterprises promoted **entrepreneurship and innovation**. **Negative Impacts** • **Small-scale industries suffered:** Unable to face global competition, many **small and cottage industries declined**. • **Jobless growth:** Industrial growth became **capital-intensive**, creating fewer jobs. • **Regional imbalance:** Growth concentrated in **urban and industrially advanced states**, widening regional disparities. **Conclusion for Industry:** Economic reforms made Indian industry **more efficient and globally integrated**, but also led to **unequal and jobless growth** in some areas.	
31	2 marks for 2 merits & 2marks for 2 demerits The Green Revolution refers to the period (starting in the mid-1960s) when modern agricultural techniques — such as high-yield variety (HYV) seeds, chemical fertilizers, irrigation, and mechanized farming — were introduced in India to increase food production. **Merits of Green Revolution** 1. **Increase in Foodgrain Production:** o The most important achievement was a sharp rise in the production of wheat and rice. o India became **self-sufficient in food grains**, reducing dependence on imports. 2. **Rise in Farmer's Income:** o Higher yields and multiple cropping increased **farmers' income**, improving their living standards. 3. **Expansion of Irrigation and Infrastructure:** o Growth in irrigation facilities, rural electrification, and fertilizer industries supported overall **agricultural development**. 4. **Employment Generation:** o Green revolution created jobs in **agriculture-related sectors** such as fertilizer, transport, and agro-machinery. 5. **Strengthening of Allied Sectors:** o Boosted industries like **pesticides, seeds, and farm equipment**, linking agriculture with industrial growth.	4

	Demerits of Green Revolution 1. **Regional Disparities:** o Benefits were concentrated in **Punjab, Haryana, and western Uttar Pradesh**, while eastern and southern regions lagged behind. 2. **Neglect of Non-Food Crops:** o Focus was mainly on **wheat and rice**, leading to stagnation in crops like pulses, oilseeds, and coarse cereals. 3. **Environmental Degradation:** o Overuse of **chemical fertilizers and pesticides** polluted soil and water, and excessive irrigation led to **soil salinity**. 4. **Inequality among Farmers:** o Large and rich farmers benefited more as they could afford modern inputs, while small farmers were left behind, widening **income inequality**. 5. **Decline in Soil Fertility:** o Continuous use of HYV seeds and chemicals reduced the **natural fertility of soil** over time. **Conclusion:** The **Green Revolution** was a turning point in Indian agriculture — it ensured **food security** and **self-sufficiency**, but also created **economic and environmental challenges**. To sustain agricultural growth, India now needs a **"Second Green Revolution"** that is **more inclusive and eco-friendly**.	
32	Explanation Yes, the statement is **justified** — **Self Help Groups (SHGs)** have played a vital role in promoting **institutional lending, employment generation, and women empowerment** in rural India. **Promotion of Institutional Lending** ● SHGs are small, voluntary groups (usually 10–20 members, mostly women) who **pool their savings** and lend to each other at reasonable interest rates. ● These groups are linked with **banks under the SHG–Bank Linkage Programme** (initiated by NABARD in 1992). ● As members develop **credit discipline and repayment habits**, banks find it easier to **extend formal loans** to them. This expands **institutional credit** access in rural areas, reducing dependence on moneylenders. **Employment Generation** ● SHG members use credit for **income-generating activities** like dairy farming, poultry, handicrafts, tailoring, or small trade. ● These activities create **self-employment opportunities** and sometimes generate additional jobs within the community. Thus, SHGs contribute directly to **rural employment and income growth**. **Women Empowerment** ● Most SHGs consist of **rural women**, giving them a platform to **save, borrow, and manage finances collectively**. ● Participation in SHGs increases **decision-making power**, **confidence**, and **social status** of women. ● Economic independence helps women contribute to household welfare and community development. Hence, SHGs are powerful instruments of **social and economic empowerment**.	4

	Conclusion-Self Help Groups have become a **grassroots financial and social movement** in rural India.They **promote access to institutional credit**, **create livelihood opportunities**, and **empower women** — fulfilling multiple developmental objectives of inclusive growth.**Therefore, the statement stands fully justified.**	
33	(A) (2marks) (B) 2marks for 2points (C)2marks for 2points **(A)Two concerns owing to which the Central Pollution Control Board (CPCB) was established** 1. **Water Pollution:** Rapid industrialization and urbanization led to contamination of rivers, lakes, and groundwater due to untreated sewage and industrial effluents. 2. **Air Pollution:** Emissions from factories, vehicles, and burning of fossil fuels caused rising air pollution levels, posing serious health and environmental hazards. Hence, the CPCB was set up in **1974** to address these two major environmental concerns — **water and air pollution**. **(B) Two functions performed by the Central Pollution Control Board** 1. **Setting Standards and Monitoring:** CPCB lays down **standards for discharge of sewage and industrial effluents**, and **emission limits** for industries to control air and water pollution. It also **monitors air and water quality** across the country. 2. **Research and Awareness:** The Board conducts and sponsors **research and investigations** related to pollution control and organizes **mass awareness programmes** through media to educate people on environmental protection. **(C) Two strategies adopted by India to ensure sustainable development** 1. **Use of Renewable Energy Sources:** Promotion of solar, wind, and hydropower under schemes like the **National Solar Mission** helps reduce dependence on fossil fuels and mitigate pollution. 2. **Afforestation and Conservation Programmes:** Initiatives like the **National Afforestation Programme** and **Joint Forest Management** aim to conserve forests, enhance green cover, and maintain ecological balance. **OR** (A) Yes, the environmental crisis is a recent phenomenon, and it's due to human activities that have increased the pressure on the environment: 🎬 Population growth The population of developing countries is rising, and the consumption and production standards in developed countries are high. 🎬 Industrialization Heavy industrialization has increased the rate at which natural resources are exploited. 🎬 Urbanization	6

Urbanization has contributed to the environmental crisis.
- Pollution

The dumping of nuclear and industrial waste into water bodies, and the pollution of land and air, have contributed to the environmental crisis.
- Technology

(any three points)

(B) Marks should be awarded for relevant answer .

34

(a) 1marks for explanation of agriculture sector, 1 marks for explanation of industrial sector, 1 marks for explanation of service sector. 3+3=6

(b) 1 marks for explanation of annual growth rate with reason,
1 marks for explanation of sex ratio, 1marks for explanation of fertility rate

(A)

Sector	India (Approx.)	China (Approx.)	Analysis
Agriculture	Contributes about **16–17%** to GVA; employs ~**45%** of workforce	Contributes about **7–8%** to GVA; employs ~**25%** of workforce	India has a **larger share of workforce in agriculture** compared to its output, showing **low productivity** and dependence on agriculture for livelihood. China has **modernized agriculture**, improving productivity and moving labour to other sectors.
Industry	Around **30%** of GVA; employs ~**25%** of workforce	Around **39%** of GVA; employs ~**30%** of workforce	China's industrial sector is **stronger**, with large-scale manufacturing, better infrastructure, and higher employment share, whereas India's industrial growth is slower and less labour-absorbing.
Services	Around **53%** of GVA; employs ~**30%** of workforce	Around **54%** of GVA; employs ~**45%** of workforce	Both countries have a growing service sector. However, **India's services sector contributes high GVA** mainly through IT and financial services but employs **fewer workers**, reflecting a **jobless growth pattern**.

Overall Analysis:

- India's economy is **more dependent on agriculture for employment** but less productive in that sector.
- China has achieved **structural transformation** by shifting workforce from agriculture to industry and services, leading to **higher productivity and GDP growth**.

(b)

Indicator	India	China	Pakistan	Analysis
Annual Population Growth Rate (%)	~1.0	~0.2	~2.0	China has the **lowest growth rate** due to strict population control (One-Child Policy). Pakistan has the **highest growth rate**, indicating slower demographic transition. India lies in between, showing gradual stabilization.

	Sex Ratio (females per 1000 males)	~943	~950	~926	China and India both show **male-dominant sex ratios**, reflecting gender bias, though China's ratio has improved slightly after policy reforms. Pakistan's ratio remains low due to **socio-cultural discrimination**.	
	Fertility Rate (children per woman)	~2.0	~1.2	~3.4	China has achieved **replacement-level fertility**; India is nearing it, while Pakistan still has a **high fertility rate**, indicating less access to education and family planning.	

Reasons and Analysis:

- **Education and Family Planning:** China's strong family planning policies and better female literacy reduced fertility.
- **Economic Development:** Higher per capita income and urbanization in China led to smaller families.
- **Social Factors:** In India and Pakistan, cultural preference for male children and lower female empowerment still affect sex ratio and fertility.

Conclusion:

India vs China: China is ahead in structural transformation and demographic transition.

India vs Pakistan: India performs better in population control and fertility, showing faster progress towards sustainable growth.

Overall: China has achieved **more efficient use of resources** and **better demographic outcomes**, while India is **in transition** and Pakistan **lags behind** on most indicators.

**********THE END **********