

GULF SAHODAYA (SAUDI CHAPTER) EXAMINATION-2015

SET A

GRADE XI

Max Marks 100

Economics

Time : 3.5 hrs

General instructions

- 1) All questions in both the sections are compulsory
- 2) Marks for questions are indicated against each question .
- 3) Questions 1-2 and 13 -15 are very short answer questions carrying 1 mark each .They are required to be answered in one sentence each .
- 4) Questions 3-6 and 16-20 are short answer questions of 3 marks each .Answers to them should not exceed 60 words each.
- 5) Questions 7-8 and 21 are also short answer questions of 4marks each. Answers to them should not exceed 70 words each.
- 6) Questions 9-11 and 22-24 are long answer questions of 6 marks each .Answers to them should not exceed 100 words each.
- 7) Answers should be brief and to the point and the above word limit should be adhered to as far as possible .
- 8) Word limit is not applicable for numerical questions
- 9) Question 12 is project work and carries 10 marks
- 10) Questions 25 and 26 are open text based assessment Of 5 mks each.

Section A (Statistics for Economics)

- | | |
|--|---|
| 1) What is meant by central tendency? | 1 |
| 2) What do you mean by scarcity? | 1 |
| 3) State three functions of statistics. | 3 |
| 4) Distinguish between primary and secondary data. | 3 |

OR

Explain chronological classification of data with an example

5) Calculate Median from the following

3

Daily Income	No of workers
10-- 14	5
15--19	10
20--24	15
25--29	20
30--34	10
35--39	5

6) What is Correlation ? Distinguish between positive and negative correlation.

3

7) Find out Mean Deviation from Mean.

4

Item	5	10	15	20	25	30	35	40
Frequency	8	16	18	22	14	9	6	7

8) Calculate coefficient of variation from the following :

4

No of goals Scored	0	1	2	3	4
No of matches played	27	9	8	5	4

9) Prepare less than and More than Ogive from the following data: 6

weight	30--34	35--39	40--44	45--49	50--54	55--59	60--64
frequency	3	5	12	18	14	6	2

10) Calculate Karl Pearson's coefficient of correlation between the two variables and interpret the result.

6

X	65	66	67	68	69	70	71
Y	67	68	66	69	72	72	69

11) Calculate Laspeyre's and Passche's price index from the following data.

6

commodity	1980 price	1990 price	1980 expenditure	1990 expenditure

A	8	100	10	90
B	10	60	11	66
C	5	100	5	100
D	3	30	2	24
E	2	8	4	20

OR

Construct a Weighted Index Number for 2005 with 2000 as base year

Commodities	weight	Price in 2000	Price in 2005
wheat	15	10	15
rice	10	8	16
pulses	5	5	10
milk	4	2	4
oil	6	4	6
sugar	7	3	6
salt	3	1	2

12) PROJECT 10

SECTION B

- 13) In the history of demographic transition , which year is regarded as the year of great divide? 1
- 14) What are Special Economic Zones ? 1
- 15) What is Globalization? 1
- 16) Why was it necessary for a developing country like India to follow self reliance as a planning objective ? 3

OR

- Explain how import substitution can protect the domestic industry.3
- 17) Critically analyze some of the short falls of the industrial policies pursued by the British colonial administration 3

- 18) India has certain advantages which makes it a favorite outsourcing destination . What are these advantages? 3
- 19) Why has the industrial sector performed poorly in the reform period ? 3
- 20) Give reasons for the slow growth and re-emergence of poverty in Pakistan. 3
- 21) Explain the Great Leap Forward Campaign of China as initiated in 1958. 4
- 22) Compare and contrast the development of China ,India and Pakistan with respect to some salient human development indicators. 6
- 23) Discuss economic Reforms in India in the light of social justice and welfare . 6
- 24) When was Green revolution implemented ? What were the benefits and drawbacks of Green Revolution? 6

OR

What were the main causes of India's agricultural stagnation during the colonial period?

Section: Open Text- Based Assessment (OTBA)

Class XI

Subject – Economics (Code: 030)

Questions

Instructions for Students:

01. These questions are based on one of the themes provided to you by the Board.

02. Please ensure that you get a copy of the relevant themes from the school to refer while answering the questions.

03. Each Question carries 5 marks.

04. The suggested word limit for the questions is 100-120 words. However depending on the question, your answer could be shorter/ longer. It is important to present your views, arguments and conclusions logically, coherently in your own language; based on the concepts learnt during teaching learning sessions till class XI, their applicability with respect to the open text material and your own awareness of the given theme.

25. "Agriculture sustains the national economy, but it is the most neglected sector". Do you agree with the above statement?
(5 MARKS)

26. Excessive dependence on monoculture of wheat and rice has not only resulted in environmental damage but also harmed small farmers. Comment. **(5 MARKS)**

OPEN TEXT MATERIAL

2. Theme – A Critical Analysis of Farmers' Conditions in Punjab

Abstract

Agriculture sector has been recognized as engine of economic growth. Punjab economy is predominant in agriculture and has been a 'forerunner' in green revolution and earned crown of agriculturally advanced state. But, the benefits of green revolution have largely been reaped by the large farmers, leaving behind the small and marginal farmers in the clutches of poverty. The farmers in Punjab are facing problems such as crop failure, continued loss in farming, poor marketing system, pressure of credit agencies, high input costs and small land holdings etc. Agriculture is no more a profitable business and farmers are under a huge debt. Many farmers have committed suicides during the past two decades. This case study attempts to study the reasons behinds this critical situation of farmers of Punjab.

It is in the agricultural sector that the battle for long-term economic development will be won or lost.

(Prof. Gunnar Myrdal, Nobel Laureate)

Punjab is popularly known as 'grain bowl' of India. Punjab has been an agrarian economy and self-sufficient in food production, thereby generally crowned as 'bread basket' of Indians. Punjab occupies only 1.57% geographical area of India and it contributes more than 50% grain in the central grain pool. More than 83% of land in Punjab is under agriculture as compared to 40.38% of national average. During green revolution, modern agricultural tools were used and Punjab became the role model for the other States in India. The new technologies of green revolution have provided economic gains in the form of increase in production and productivity.

But today, Punjab is suffering a lot from the ecological point of view. Due to the new agricultural pattern, the demand for water, chemical fertilizers, insecticides and pesticides is increasing very sharply in the State, which is giving birth to many problems like water depletion and water logging, soil degradation and health problems. The productivity of agricultural land is declining and farmers are under the burden of huge debt.

There is a drastic decline in income of farmers due to increasing input costs and low productivity. According to a study conducted by CRRID (Centre for Research for Rural and Industrial Development), annual income of 93 percent farmers have shown substantial decline, while only 3 percent has recorded profitable earning and 4 percent have recorded static earning (Indian Express, Chandigarh, October 20, 2003).

Due to decline in income, the farmers are taking loan to meet their expenses. According to Rawal (2003), about 78 percent of farmers of Punjab have availed credit from non-institutional sources like money lenders, commission agents (aartiyas) and agro-input dealers. They are charging high

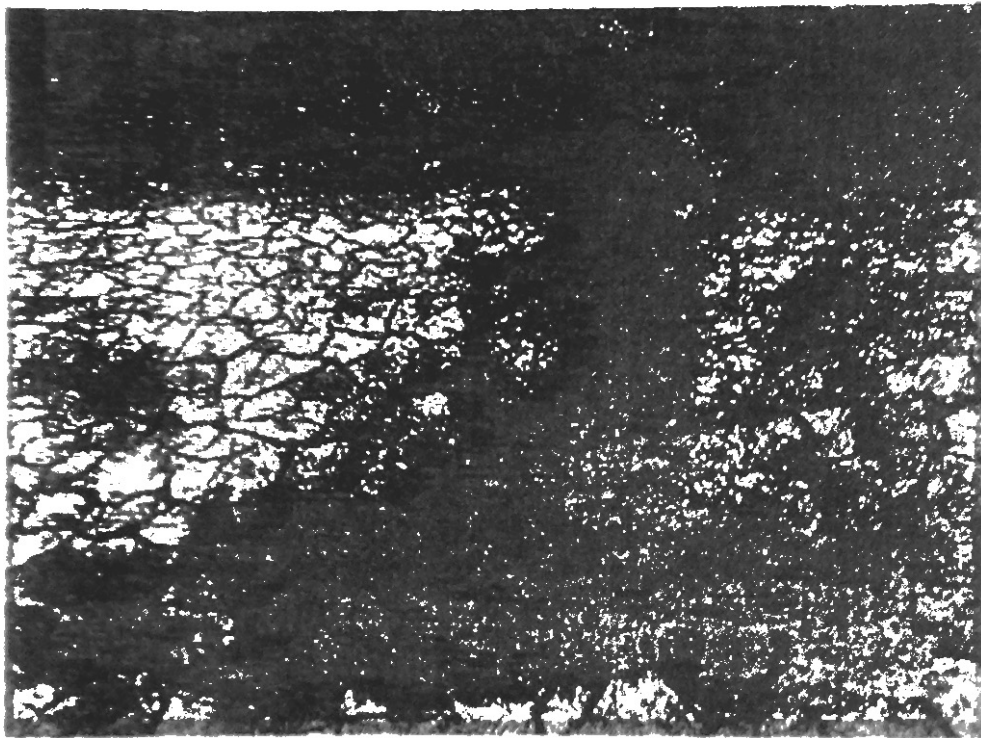
rate of interest as the farmers pay a minimum of 2 percent per month compounded rate of interest. It is an interesting fact that commercial banks take about two weeks time to process a loan and corporative banks take about seven days. But, money lenders and commission agents take only half a day to process a loan.

At an estimate, the farmers of Punjab are under debt of a monstrous amount of Rs. 10,000 crores. Further, the farmers who are having less than one acre land, are also burdened under the debt from Rs. one lakh to 11 lakhs (Sharma, 2003).

Problems being faced by farmers of Punjab

The major problems being faced by farmers of Punjab are:

1. **Crop Failure:** Agriculture in Punjab depends heavily on monsoon. Insufficient monsoon results in less production and drought. On the other hand, heavy rainfall damages the crop. Farmers are dependent only on agricultural income. So, in both the cases of crop failure, farmers commit suicide due to insufficient income and being incapable to meet daily needs.



Source: <http://punjabimohalla.com/drought-situation-in-punjab-state-demands-special-package/>

Fig. 1

2. **Small land holdings:** The land holdings are becoming small. Inherited land is divided among all siblings, which results in small land holdings. The production in small land holdings is not



a profitable business and results in less income. So, small and marginal farmers are forced to live in poverty which sometimes becomes the reason of their suicide.

3. **Unnecessary credit:** With small land holdings, the costly modern tools of cultivation are not affordable. But due to social obligations and show-off, small and marginal farmers in Punjab are indulged in unnecessary purchase of agricultural tools even if they don't afford it. For this, they take unnecessary credit. But due to small land holdings and less production, they are unable to repay the loan.
4. **Depleting water level:** Punjab mainly produces wheat and rice. Cultivation of rice requires a lot of water. Due to less interest of farmers in crop rotation, there is monoculture of rice-wheat rotation only, which has higher requirement of water resulting in depletion of water level in Punjab. The average fall of water table in the central Punjab was 0.55m/year during the last decade. As reported, the ground water level declined at the rate of even 0.75 to 1 m/year at some places of Punjab (Hira and Khaira, 2004). Due to depletion in water level, farmers have to get the bores of tube-wells deepened to get sufficient water. Fig. 1 shows a distressed farmer of Punjab in his field suffered by drought.
5. **Pressure of Credit Agencies or Money Lenders:** Agricultural credit is key input for farmers. Due to illiteracy and complex formalities for credit by banks, the farmers get credit from Money-lenders or Commission Agents (*Aartiyas*) as they find it an easy and simple way to get credit. These money lenders charge a higher amount of interest. The farmers live under depression due to insufficient time for repayment, high amount of interest etc.
6. **High cost of inputs:** The rate of chemical fertilizers, pesticides and insecticides are increasing every year. On the other hand, the farm income is not increasing at the same rate. So, due to decreasing profit margin, farmers are becoming poorer.
7. **Less availability of farm labour:** During the last few decades, labour from Bihar, Uttar Pradesh etc. used to come to Punjab as agricultural labour. But after the Indian government has started employment generation schemes like NREGA (National Rural Employment Guarantee Act), NRLM (National Rural Livelihoods Mission) Aajeevika etc., these labourers generally get employment in their home states. It results in lack of farm labour in Punjab. Due to less labour availability, the local labourers are hired at higher cost, which again decreases the profit of farmers.
8. **Poor Marketing of crops:** A stated fact is that farmers do not get a fair price for their crop. The price that consumers pay does not fully go to the farmers and the middlemen and traders get a large chunk. The reason for this is because farmers cannot reach the consumers directly and they have to be dependant on middlemen and traders. Fig. 2 shows the scene of a Grain market (*Mandi*) in Punjab.



Source: <http://www.dailymail.co.uk/indiahome/indianews/article-2767170/MY-Biz-Farmers-set-harvest-bumper-Basmati-crop-despite-drought-Punjab.html>

Fig. 2

9. **Social Factors:** It includes expenditure on marriages, social functions etc. It is a matter of fact that agriculturalists borrow 53% of their total borrowings for unproductive purposes and due to social obligation, they spend lavishly on marriages, construction of big houses, purchase of expensive cars etc. This results in huge economic burden on farmers.

The above factors make the condition of farmers very critical. They have no other source of income and are thereby compelled to live in clutches of poverty. Due to illiteracy, the farmers are unable to move to other job sectors. Even if some are educated, their mindset is orthodox and they are not willing to move to other jobs. Thus, the unfavourable economical and social factors force the farmers to vicious circle of poverty and financial crunch.

Forced by this financial crunch, about 5,000 farmers and farm labourers have committed suicide in Punjab state during the period 2000 to 2010, with an average of 500 suicides a year or three suicides in every two days. Out of these 5,000 suicides, about 3,000 farmers have committed suicide in just two districts of Punjab i.e. Sangrur and Bathinda. These are the shocking findings of a state government commissioned survey conducted by three universities of the Punjab state - Punjabi University (Patiala), Punjab Agricultural University (Ludhiana) and Guru Nanak Dev University (Amritsar).

NEWS in various Newspapers

Two debt-ridden farmers commit suicide

- May 22, 2014 (Bathinda, Punjab) *HTC, Hindustan Times*

In Punjab, three farmers kill themselves every two days

- May 26, 2014 (Chandigarh) *Tribune News Service*



Debt-ridden farmer commits suicide in Punjab

– September 07, 2014 (Chandigarh) *Outlook*

These types of news regarding farmers' suicides in Punjab could be seen almost every week. According to above mentioned news, a farmer who was allegedly debt-ridden, committed suicide by jumping before a train in Chehlanwala village in Mansa district of Punjab, police said. According to villagers, the farmer Roop Singh (62) was under a debt of Rs. two lakh and was under depression as his crop (about three acres) got damaged due to torrent rains. Fig. 3 shows the protest by family members of the farmers (who committed suicides owing to debt) outside a district administrative complex in Punjab.



Source: <http://www.dailymail.co.uk/indiahome/indianews/article-2798501/protesters-slam-apaty-punjab-government-farmer-suicide-compensation.html>

Fig. 3

Besides Punjab state, farmers in other states like Maharashtra, Odisha, Karnataka, Kerala and Andhra Pradesh are also committing suicides. According to National Crime Record Bureau (2010), in India, 10720 farmers committed suicide in 1995 and 16603 farmers in the year 2000. Data also shows that in year 2005, total 17,131 farmers committed suicide and 15,964 in the year 2010, with a total of 2,56,913 farm suicides from 1995 to 2010.



Conclusion

The critical situation of farmers puts a big question-mark on the concept of planning for agro-rural development in the country. Agriculture sustains the national economy, but it is still the most neglected sector. No one can afford to remain insensitive to the increasing cases of suicides committed by farmers. Governments at Centre and State level should come forward to take adequate measures in this direction.

Easy availability of credit facilities should be ensured in order to save the farmers from clutches of moneylenders and commission agents. The government should adopt the strategy of Self-Help Groups (SHGs) to provide low cost credit to the small and marginal farmers because these farmers are dependent on the moneylenders and commission agents for their credit needs.

Marketing of crops is a major issue to be solved by government. Role and number of middlemen should be reduced to minimum so that the farmers should be getting large chunk of price given by consumers for their produce. Minimum support price has to be increased and subsidies should be given to farmers on farm inputs. A comprehensive 'Agricultural Insurance Scheme' should also be launched. Organic farming should be promoted to avoid or minimize the cost of pesticides and fertilizers. Agriculture policy needs to shift from its current bias of 'corporates first' to 'farmers first'.

Farmers should be encouraged to adopt allied activities like dairy farming, fisheries, bee-hiving, poultry farming etc. to lower the burden of livelihood on agricultural sector only. Subsidies and low cost loans should be provided for these purposes. Specific attention should be given to cover cash crops - like cotton, sugarcane and edible oils.