

**BCM SCHOOL, BASANT AVENUE,
DUGRI ROAD, LUDHIANA**

CLASS – XII

**ECONOMICS ASSIGNMENT
(OCTOBER)**

ANSWER KEY

Q.1 Compare and analyse the given data of India and China, with valid reasons:

(3 marks)

Country	Annual Growth rate of population (2019)	Gender Ratio (per thousand males)
India	1.03%	924
China	0.46%	949

Source : World Development Indicators, 2019

- Ans.** (a) The given data shows that China could arrest its annual population growth rate with the implementation of some stringent measures in late 1970's like the introduction of One Child Norm. This step has been instrumental in controlling the growth of population in China. India stands virtually more than double to China's annual population growth rate of 1.03% as compared to China's annual population growth rate of 0.46% p.a.
- (b) The social dynamics of both the countries are similar to each other; sex ratio is low and biased in both the countries due to preference for male child. Whereas, India stands at 924 females per 1000 males, China is not far ahead at 949 females per 1000 males.

Q.2 Answer the following questions on the basis of the following data:

(4 marks)

- (a) Comment upon the population growth rates among the three countries.
- (b) Which country has most skewed in sex ratio?

Country	Estimated Population (in million)	Annual Growth of Population (in %)	Sex Ratio
India	1352	1.03	924
China	1393	0.46	949
Pakistan	212	2.05	943

Source: World Development Indicators, 2019, www.worldbank.org

- Ans.** (a) The given data shows that the annual growth rate of population is maximum in Pakistan standing at 2.05%, whereas; the same stands at a meager 0.46% in case of China (might be a direct result of the One Child Policy adopted). The annual population growth rate of India is in the danger zone of more than 1% p.a. India will be overtaking China as the most populous country in the world in near future.
- (b) Amongst the three countries stated above, India has most skewed data sex ratio (924 female per 1000 male). This is one of the major concerns for the demographers in India.

Q.3 Compare and analyse the given data of India and China with valid arguments.

(4 marks)

Annual Growth of Gross Domestic Product (%), 1980-2017

Country	1980-90	2015-2017
India	5.7	7.3
China	10.3	6.8

Source: Key Indicators for Asia and Pacific 2016, Asian Development Bank, Philippines; World Development Indicators 2018.

- Ans.** The given data shown that China has gained economic strength over the years. When many developed countries were finding it difficult to maintain a growth rate of even 5%, China was able to maintain near double-digit growth during the decade of 1980s. The growth rate of China has decelerated to an average of 6.8%, over the period 2015-17. In the recent past India has posted a decent rise in the growth rate. While India had maintained a reasonable growth rate of 5.7% in the decade of 1980's it has shown great calibre and character in the period 2015-17 by registering an average of 7.3%, over the period 2015-17. Nevertheless, Indian elephant has to travel a long distance before it could present itself as a real threat to the growth story of the Chinese dragon.

Q.4 Explain the Great Leap Forward campaign of China as initiated in 1958. Also, state the problems which GLF campaign met with.

(4 marks)

- Ans. The Great Leap Forward (GLF) campaign was initiated in China in 1958, which aimed at industrialising the country on a massive scale.
- People were encouraged to set up industries in their backyards.
 - In rural areas, communes were started. Under the Commune system, people collectively cultivated lands. In 1958, there were 26,000 communes covering almost all the farm population.

However, GLF campaign met with many problems:

1. A severe drought caused havoc in China killing about 30 million people.
2. When Russia had conflicts with China, it withdrew its professionals who had earlier been sent to China to help in the industrialisation process.

Q.5 Describe the path of developmental initiatives taken by Pakistan for its economic development. (4 marks)

Ans. Development initiatives taken by Pakistan:

1. In the late 1950s and 1960s, Pakistan introduced a variety of regulated policy framework (for import substitution-based industrialisation). The policy combined tariff protection and direct-import controls. The introduction of Green Revolution led to mechanisation and increase in public investment in infrastructure, which led to a rise in the production of food grains.
2. In the 1970s, nationalisation of capital goods industries took place.
3. Pakistan then shifted its policy orientation in the late 1970s and 1980s when the major thrust areas were denationalisation and encouragement of private sector. During this period, Pakistan received financial support from western nations and remittances from Pakistani workers in the middle-east. This helped the country in stimulating economic growth. The government also offered incentives to the private sector. All this created a conducive climate for new investments.
4. In 1988, economic reforms were initiated in Pakistan.

Q.6 Compare and contrast India and China's sectoral contribution towards GDP.

(NCERT) (6 marks)

Ans. India and China's sectoral contribution towards GDP:

Sectoral Share of Employment GVA and GDP (%) in 2018–2019

Sector	Contribution to GVA		
	India	China	Pakistan
Agriculture	16	7	24
Industry	30	41	19
Services	54	52	57
Total	100	100	100

Share of Agricultural Sector: In China, due to topographic and climatic conditions, the area suitable for cultivation is relatively small — only about 10 per cent of its total land area. The total cultivable area in China accounts for 40 per cent of the cultivable area in India. In 2018-19, its contribution to the GDP in China is 7 per cent. In India, the contribution of agriculture to GDP was 16 per cent.

Share of Manufacturing and Service Sectors: In China, manufacturing and service sectors contribute the highest to GDP at 41 and 52 per cent, respectively whereas in India, it is the service sector which contributes the highest by more than 54 per cent of GDP.

Q.7 "India, China and Pakistan have travelled more than seven decades of developmental path with varied results." Explain the given statement with valid arguments. (4 marks)

- Ans.
- (i) Till the late 1970s, all the three countries were maintaining the same level of low development.
 - (ii) Over the last three decades, the three countries have taken different levels of development
 - India has performed moderately over the years. Majority of its people still depend on agriculture. Infrastructure is lacking and more than one fourth of its population live below poverty line.
 - Pakistan performed low because of political instability, overdependence on remittances and foreign aid along with volatile performance of agriculture.
 - China has used the market system to succeed in raising the rate of growth in economy with stress on alleviation of poverty.

Q.8 Read the following text carefully and answer the questions that follow: (CBSE SQP 2021-22 Term-II) (6 marks)

SINO-PAK FRIENDSHIP CORRIDOR

The **China-Pakistan Economic Corridor (CPEC)** has deepened the decades-long strategic relationship between the two nations. But it has also sparked criticism for burdening Pakistan with mountains of debt and allowing China to use its debt decades debt-trap diplomacy to gain access to strategic assets of Pakistan.

The foundations of CPEC, part of China's Belt and Road Initiative, were laid in May 2013. At the time, Pakistan was reeling under weak economic growth. China committed to play an integral role in supporting Pakistan's economy.

Pakistan and China have a strategic relationship that goes back decades. Pakistan turned to China at a time when it needed a rapid increase in external financing to meet critical investments in hard infrastructure, particularly power plants and highways. CPEC's early harvest projects met this need, leading to a dramatic increase in Pakistan's power generation capacity, bringing an end to supply-side constraints that had made rolling blackouts a regular occurrence across the country. Pakistan leaned into CPEC, leveraging Chinese financing and technical assistance in an attempt to end power shortages that had paralyzed its country's economy. Years later, China's influence in Pakistan has increased at an unimaginable pace.

China As Pakistan's Largest Bilateral Creditor: China's ability to exert influence on Pakistan's economy has grown substantially in recent years, mainly due to the fact that Beijing is now Islamabad's largest creditor. According to documents released by Pakistan's finance ministry, Pakistan's total public and publicly guaranteed external debt stood at \$44.35 billion in June 2013, just 9.3 percent of which was owed to China. By April 2021, this external debt had ballooned to \$90.12 billion, with Pakistan owing 27.4 percent — \$24.7 billion — of its total external debt to China, according to the International Monetary Fund (IMF).

Additionally, China provided financial and technical expertise to help Pakistan build its road infrastructure, expanding north-south connectivity to improve the efficiency of moving goods from Karachi all the way to Gilgit-Baltistan (POK).

These investments were critical in better integrating the country's ports, especially Karachi, with urban centers in Punjab and Khyber- Pakhtunkhwa provinces.

Despite power asymmetries between China and Pakistan, the latter still has tremendous agency in determining its own policies, even if such policies come at the expense of the long-term socio-economic welfare of Pakistani citizens.

(<https://www.usip.org/publications/2021/05/pakistans-growing-problem-its-china-economic-corridor> - Modified)

(a) **Outline and discuss any two economic advantages of China Pakistan Economic Corridor (CPEC) accruing to the economy of Pakistan.**

(b) **Analyse the implication of bilateral 'debt-trap' situation of Pakistan vis-à-vis the Chinese Economy.**

Ans. (a) Economic advantages of China Pakistan Economic Corridor (CPEC) to the economy of Pakistan are:

i. China provided financial and technical expertise to help Pakistan build its road infrastructure, supporting employment and income in the economy.

ii. CPCE has led to a massive increase in power generation capacity of Pakistan. It has brought an end to supply-side constraints in the nation, which had made blackouts a regular phenomenon across the country.

(b) China has become famous for its 'Debt Trap Diplomacy' in recent times. Under this China provides financial and technical expertise/assistance to help various nations to bring them under its direct or indirect influence. The first and the foremost implication of the diplomacy is that Beijing has now become Islamabad's largest creditor. According to documents released by Pakistan's finance ministry, its total public external debt stood at \$44.35 billion in June 2013, just 9.3 percent of which was owed to China. By April 2021, this external debt had ballooned to \$90.12 billion, with Pakistan owing 27.4 percent — \$24.7 billion — of its total external debt to China, according to the IMF.