

NIOS - Class 12th

Tutor Marked Assignment (TMA)

Economics (318)

Session: 2026-2027

Total Marks: 20

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Question 1 (Any One) — 2 Marks

Q.1(a): India is still a developing economy — List any four reasons. (Lesson-1)

Answer:

Despite remarkable progress in economic growth, India is still considered a developing economy due to the following reasons:

1. **Low Per Capita Income:** India's per capita income is very low compared to developed countries. A large section of the population still lives below the poverty line.
2. **Dependence on Agriculture:** A major part of India's population (nearly 45-50%) still depends on agriculture for livelihood, which reflects low industrial and service sector dominance.
3. **High Rate of Unemployment and Poverty:** India faces massive unemployment (especially disguised unemployment in rural areas) and widespread poverty, indicators common in developing economies.
4. **Low Level of Human Development:** Despite improvements, India still ranks low on the Human Development Index (HDI) due to inadequate healthcare, education, and standard of living for a large population.

Question 2 (Any One) — 2 Marks

Q.2(b): Prepare Exclusive and Inclusive Series with Tally Sheet and Frequency (Class Interval = 5). (Lesson-6)

Answer:

The following are marks (out of 100) of 60 students in Science. We prepare Exclusive and Inclusive series with Tally Sheet taking class interval = 5.

Class Interval(Exclusive)	Class Interval(Inclusive)	Tally Marks	Frequency	Cumulative Frequency
5 - 10	5 - 9	I	1	1
10 - 15	10 - 14	I	1	2
15 - 20	15 - 19	IIII I	6	8
20 - 25	20 - 24	II	2	10
25 - 30	25 - 29	IIII	4	14
30 - 35	30 - 34	IIII I	6	20
35 - 40	35 - 39	IIII	5	25
40 - 45	40 - 44	II	2	27
45 - 50	45 - 49	III	3	30
50 - 55	50 - 54	IIII	4	34
55 - 60	55 - 59	IIII	5	39
60 - 65	60 - 64	IIII	4	43
65 - 70	65 - 69	I	1	44
70 - 75	70 - 74	IIII	5	49
75 - 80	75 - 79	III	3	52
80 - 85	80 - 84	II	2	54
85 - 90	85 - 89	III	3	57
90 - 95	90 - 94	I	1	58
95 - 100	95 - 99	II	2	60

Class Interval(Exclusive)	Class Interval(Inclusive)	Tally Marks	Frequency	Cumulative Frequency
Total			60	

Note: Exclusive Series — upper limit of one class is the lower limit of the next class (e.g., 5-10, 10-15).
 Inclusive Series — both limits are included in the class (e.g., 5-9, 10-14). Here upper limit = Exclusive upper limit - 1.

Question 3 (Any One) — 2 Marks

Q.3(a): Agricultural sector is responsible for disguised unemployment — Explain with example. (Lesson-4)

Answer:

Disguised Unemployment refers to a situation where more people are engaged in a job than actually required, so that even if some are removed, output does not fall.

Explanation with Example:

1. In Indian agriculture, a family farm may require only 3 members to complete all tasks efficiently, but 6 family members work on it.
2. The extra 3 people are 'disguisedly unemployed' — they appear to be working but their marginal productivity is zero.
3. If these 3 extra people are removed, total farm output does not decrease, proving the existence of disguised unemployment.
4. This is very common in Indian agriculture, especially in rural areas where alternative employment opportunities are limited.

Thus, the agricultural sector, due to its labour-intensive nature and lack of mechanization, increases the extent of disguised unemployment in our economy.

Question 4 (Any One) — 4 Marks

Q.4(a): Prepare Pie Diagram of given expenditure of a family on various items.
(Lesson-7)

Answer:

Step 1: Given Data

Items	Expenditure (Rs.)	Calculation (Exp/Total × 360°)	Degrees (Central Angle)
Food	250	$250/600 \times 360 = 150.0^\circ$	150.0°
Clothing	100	$100/600 \times 360 = 60.0^\circ$	60.0°
Housing	132	$132/600 \times 360 = 79.2^\circ$	79.2°
Comforts	50	$50/600 \times 360 = 30.0^\circ$	30.0°
Education	34	$34/600 \times 360 = 20.4^\circ$	20.4°
Miscellaneous	34	$34/600 \times 360 = 20.4^\circ$	20.4°
Total	600		360°

Step 2: Formula for Central Angle

Central Angle = (Expenditure on item / Total Expenditure) × 360°

Step 3: Calculations

- Food: $250/600 \times 360 = 150.0^\circ$
- Clothing: $100/600 \times 360 = 60.0^\circ$
- Housing: $132/600 \times 360 = 79.2^\circ$
- Comforts: $50/600 \times 360 = 30.0^\circ$
- Education: $34/600 \times 360 = 20.4^\circ$
- Miscellaneous: $34/600 \times 360 = 20.4^\circ$
- Total = 360°**

Step 4: Pie Diagram (Draw in Answer Sheet)

Draw a circle of any convenient radius. Using a protractor, draw sectors with the calculated angles:

- Food (150°) — largest sector
- Clothing (60°)
- Housing (79.2°)

- Comforts (30°)
- Education (20.4°)
- Miscellaneous (20.4°)

Label each sector with the item name and percentage. Add a title: 'Family Expenditure Pie Diagram'.

Question 5 (Any One) — 4 Marks

Q.5(b): Mr. X experienced three stages of production but decided to continue in the 2nd stage — Why? (Lesson-17)

Answer:

Three Stages of Production (Law of Variable Proportions)

When a variable factor (like labour) is added to a fixed factor (like land/capital), production passes through three stages:

1. Stage I — Increasing Returns: Marginal Product (MP) increases and is greater than Average Product (AP). Total Product (TP) increases at an increasing rate. Fixed factor is under-utilized. It is irrational to stop here as more output can be gained.
2. Stage II — Diminishing Returns (Rational Stage): MP falls but remains positive. AP also falls but is above MP. TP increases at a decreasing rate. This stage continues until MP = 0 and TP is maximum. THIS IS THE MOST RATIONAL STAGE OF PRODUCTION.
3. Stage III — Negative Returns: MP becomes negative. TP starts to fall. Variable factor is overused. It is irrational to operate here as total output decreases.

Why Mr. X chose Stage II?

- In Stage II, Total Product is maximum at the end of this stage, which helps achieve profit maximization.
- Both fixed and variable factors are most efficiently utilized in Stage II.
- Stage I is irrational (under-utilization) and Stage III is irrational (negative returns/losses).
- A rational producer always operates in Stage II as it gives maximum output for given inputs, leading to maximum profit.

Conclusion: Mr. X decided to continue production in the 2nd stage because it is the only rational stage of production where a producer can minimize costs and maximize output and profits.

Question 6 (Any One) — 6 Marks

Q.6(a): Project Work on Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). (Lesson-4)

Introduction

Employment is a critical factor for economic development and social well-being. In a developing country like India, where a large section of the population depends on agriculture and rural livelihoods, ensuring adequate employment is a major challenge. The Government of India, recognizing this challenge, launched the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2005, which is now commonly known as MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme). This scheme is one of the world's largest work guarantee programmes and is a landmark legislation in the history of Indian rural development.

Meaning and Present Situation of Employment in Recent Years

Employment means the engagement of a person in a productive activity in exchange for wages or salary. In India:

1. Around 65% of India's population still depends directly or indirectly on agriculture and allied activities.
2. Rural India suffers from seasonal unemployment (when no agricultural work is available), disguised unemployment (more workers than needed), and structural unemployment.
3. As per recent PLFS (Periodic Labour Force Survey) reports, rural unemployment continues to be a major concern, especially among women and marginal workers.
4. The COVID-19 pandemic (2020-21) caused reverse migration of millions of workers from urban areas to villages, increasing rural unemployment pressure.
5. MGNREGS has acted as a social safety net, especially during economic shocks, providing guaranteed wage employment to rural households.

A Brief Description of MGNREGS

- Full Name: Mahatma Gandhi National Rural Employment Guarantee Scheme
- Launched: 2nd February 2006 under NREGA; renamed MGNREGA in 2009.
- Coverage: Currently covers all districts of India.
- Guarantee: Every rural household is legally guaranteed 100 days of wage employment per year for adult members willing to do unskilled manual work.

- Works undertaken: Construction of roads, check dams, ponds, canals, land levelling, afforestation, etc.
- Wages: Paid as per state-specific minimum wage rates notified by the central government.
- Gender Equality: At least 1/3rd of workers must be women.
- Transparency: Job cards issued to each household; payments made through bank/post office accounts to ensure transparency.

Objectives and Relevance of MGNREGS in the Context of Indian Economy

1. **Poverty Alleviation:** By providing guaranteed wages, MGNREGS directly helps in reducing poverty among rural households.
2. **Employment Generation:** It creates productive employment during lean agricultural seasons, thus reducing seasonal and disguised unemployment.
3. **Rural Infrastructure Development:** Works like road construction, water conservation structures, and land development create durable assets that boost rural productivity.
4. **Women Empowerment:** Mandatory 33% participation of women increases their economic independence and social status.
5. **Preventing Migration:** By providing local employment, MGNREGS reduces distress migration from rural to urban areas.
6. **Social Safety Net:** During crises like droughts, floods, or pandemics, MGNREGS acts as a social security mechanism for rural poor.
7. **Demand Generation:** Wages paid under MGNREGS increase rural purchasing power, boosting demand for goods and services in rural economy.

Conclusion and Suggestions

MGNREGS is one of the most significant social welfare programmes launched by the Government of India. It has successfully provided employment to millions of rural households, created lasting infrastructure, and acted as a buffer against economic shocks. According to government data, the scheme has generated over 7-8 billion person-days of employment in recent years.

However, there are some challenges such as delayed wage payments, corruption at the local level, inadequate work quality, and limited awareness. The following suggestions can improve MGNREGS further:

- Timely payment of wages through direct benefit transfer (DBT) should be ensured.
- Social audits should be conducted regularly to ensure transparency and accountability.
- Quality of assets created under MGNREGS should be monitored and maintained.

- The number of guaranteed days may be increased from 100 to 150 days to further reduce rural poverty.
- Skill development components should be integrated to enhance long-term employability of rural workers.

In conclusion, MGNREGS remains a vital instrument for rural development and poverty eradication in India. With proper implementation and monitoring, it can play an even greater role in achieving inclusive economic growth and achieving the goals of sustainable development.

--- End of TMA Solution ---

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