

HUMAN CAPITAL FORMATION IN INDIA

Class XII Economics (Indian Economic Development) • Master Board Examination Worksheet

Board: CBSE Class XII

Syllabus Scope: NCERT
Chapter 5

Included: 15-20 Yr PYQs &
SQPs

Coverage: Objective, SA, LA &
Case Studies

SECTION A: Multiple Choice & Objective Type Questions (1 Mark Each • Total 8 Marks)

PYQ 2023 **1 Mark** **1. The stock of skill, expertise, education, and knowledge embodied in the nation's workforce at a point in time is referred to as:**

- (a) Human Development
- (b) Human Capital
- (c) Physical Capital
- (d) Financial Asset

CBSE SQP 2024 **1 Mark** **2. Read the following statements carefully and choose the correct alternative:**

Statement 1: Human capital treats education and health as a means to increase labour productivity.

Statement 2: Human development treats human beings as ends in themselves, asserting education and health are integral to human well-being.

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

DELHI PRE-BOARD **1 Mark** **3. Which of the following is an example of *preventive medicine*?**

- (a) Medical treatment during illness
- (b) Vaccination and immunization drives
- (c) Clean drinking water provision
- (d) Health literacy campaigns

PYQ 2020 **1 Mark** **4. Assertion (A): Expenditure incurred on on-the-job training is a major source of human capital formation.**

Reason (R): The productivity gains of workers resulting from such training exceed the cost incurred in providing it.

- (a) Both (A) and (R) are true and (R) is correct explanation
- (b) Both (A) and (R) are true but (R) is NOT correct explanation
- (c) (A) is true, but (R) is false
- (d) (A) is false, but (R) is true

PYQ 2019 **1 Mark** **5. In India, the apex regulatory institutions responsible for education sector standards are:**

- (a) UGC, AICTE, and NCERT
- (b) RBI, SEBI, and IRDAI
- (c) ICMR and Ministry of Ayush
- (d) NITI Aayog and Finance Commission

CBSE SQP **1 Mark** **6. People migrate from rural areas to urban centres primarily because:**

- (a) Better climatic conditions in cities
- (b) Earnings premium offsets transit and living costs
- (c) Lower cost of living in urban centres
- (d) Administrative and legal requirements

PYQ 2017 **1 Mark** **7. Which Five Year Plan explicitly recognized human capital as a key engine of national economic growth?**

- (a) Second Five Year Plan
- (b) Seventh Five Year Plan
- (c) Fifth Five Year Plan
- (d) Ninth Five Year Plan

GENERAL PYQ

1 Mark

8. Elementary education was made a Fundamental Right for all Indian children aged 6–14 under:

- (a) Article 19 (91st Amendment) (b) Article 21A (86th Amendment, 2002)
(c) Article 32 (44th Amendment) (d) Article 45 (42nd Amendment)

SECTION B: Short Answer Questions (3 to 4 Marks Each • Analytical & Conceptual)

PYQ 2018, 2023

4 Marks

9. Distinguish clearly between Physical Capital and Human Capital on the basis of: (i) Tangibility, (ii) Marketability, (iii) Separability from owner, and (iv) Nature of depreciation.

CBSE SQP 2023

3 Marks

10. "Expenditure incurred on acquiring information is regarded as an investment in human capital." Defend or refute the given statement with valid economic arguments.

PYQ 2019, 2022

4 Marks

11. Explain how Health Expenditure serves as a direct source of human capital formation. Clearly differentiate between *preventive*, *curative*, and *social* medicine with suitable examples.

PRE-BOARD STANDARD

3 Marks

12. "Migration involves substantial transportation costs and high cost of living in urban centres, yet people continue to migrate." Justify migration as a source of human capital formation in this context.

PYQ 2020 COMPARTMENT

4 Marks

13. State two major reasons why government intervention is critically indispensable in the education and health sectors in a developing economy like India. Mention the regulatory bodies involved.

PYQ 2021 SAMPLE

3 Marks

14. Differentiate between Human Capital and Human Development. Why do contemporary development economists consider human development to be a broader and more holistic concept?

SECTION C: Long Answer & Evaluative Questions (6 Marks Each • In-Depth Explanations)

PYQ 2017, 2020, 2024

6 Marks

15. "Human capital formation stimulates economic growth, but economic growth in turn facilitates human capital formation."

Elaborate upon this two-way cause-and-effect relationship. Discuss four specific mechanisms through which investments in human capital accelerate national real GDP growth.

ALL INDIA PRE-BOARD STANDARD

6 Marks

16. Critically examine the key problems and bottlenecks confronting human capital formation in India. In your answer, evaluate:

- Rapid population growth and dilution of available social infrastructure.
- Brain Drain (loss of highly trained medical, scientific, and technical manpower).
- Regional and gender disparities in educational attainment and healthcare accessibility.
- Mismatch between academic degree curriculum and dynamic industry skill demands (educated unemployment).

PYQ 2016, 2022

6 Marks

17. Analyze the growth and performance of the education sector in India post-independence. Address:

- Government budgetary spending as a percentage of GDP vs. the 6% benchmark recommended by the Kothari Commission (1964–66).
- Recommendations of the Tapas Majumdar Committee (1998) regarding financial commitments.
- The role of the 2% Education Cess (subsequently secondary/higher education cess) levied on union taxes.
- The persistent "pyramidal structure" of educational attainment across primary, secondary, and tertiary tiers.

SECTION D: Case Study & Data Interpretation (6 Marks • Integrated Analytical Problem)

CBSE PATTERN CASE STUDY

6 Marks

18. Read the extract given below and answer the subsequent sub-questions:

"While India has made commendable strides in gross enrolment ratios at the primary school level, educational progression presents a steep pyramidal attrition. Transition rates drop sharply at the secondary and tertiary stages. Concurrently, public spending on education has hovered between 3% to 4% of GDP, falling substantially short of the 6% national target recommended as early as 1966. In the healthcare sector, large regional disparities persist, with rural populations facing a deficit of qualified doctors and infrastructure. Heavy dependence on private out-of-pocket healthcare expenses pushes millions into medical poverty, eroding household capital reserves and reducing future productivity."

Sub-Questions:

- (i) What is meant by the "pyramidal structure" of education in India? Why is it considered an economic impediment? (2 Marks)
- (ii) Name two apex institutions entrusted with regulating higher technical education and medical research standards in India. (1 Mark)
- (iii) Explain how high "out-of-pocket" private health expenditure hampers sustained human capital formation. (2 Marks)
- (iv) Mention the percentage target of GDP recommended for education by the Kothari Commission. (1 Mark)