69. Anushka, it is absolutely true that in Harrod-Domar model, output depends mainly on the net savings rate and capital-output ratio.

But the answer does not include net savings rate and capital-output ratio, it does not mean that option (A) is incorrect. Because it also may be possible that there may be the more appropriate option than (A). In this case, option (D) is the answer which does not mean that option (A) is incorrect but it shows that option (D) is more appropriate than option (A). Let us see how.

Suppose that in an economy, net savings is high and capital-output ratio is low. Then we can expect that due to high savings, interest rate will be low. Lower interest rate will induce more investment and output will grow. But this is always not true and not as smooth as we say. Because only low interest rate do not cause higher investment. There are also some other factors which affect investment. For example: Profit expectations which depends on the political stability, peaceful environment, etc. Minimum Govt. interference.

But if we say that industrial growth it means that all the factors affecting investment are favourable to the investment which led to industrial growth.

Therefore, inspite of saying, output depends on net savings, it will be more appropriate that growth of the GDP depends on industrial growth. Since, industrial sector obtain the raw materials from the agricultural sector. Indirectly, agricultural sector should also be grown for industrial growth.

Note: Some explanations need to talk because I cannot write everything. While talking, I can exactly understand whats your doubt so if you are comfortable, you can also call me for more clarification.