Strictly Confidential: (For Internal and Restricted use only) Senior School Certificate Examination - 2020

Marking Scheme – ECONOMICS SUBJECT CODE:030 PAPER CODE –58/4/1

General Instructions: -

- 1. You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully. **Evaluation is a 10-12 days mission for all of us. Hence, it is necessary that you put in your best efforts in this process.**
- 2. Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one's own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed. However, while evaluating, answers which are based on latest information or knowledge and/or are innovative, they may be assessed for their correctness otherwise and marks be awarded to them.
- 3. The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
- 4. Evaluators will mark($\sqrt{}$) wherever answer is correct. For wrong answer 'X"be marked. Evaluators will not put right kind of mark while evaluating which gives an impression that answer is correct and no marks are awarded. This is most common mistake which evaluators are committing.
- 5. If a question has parts, please award marks on the right-hand side for each part. Marks awarded for different parts of the question should then be totaled up and written in the left-hand margin and encircled. This may be followed strictly.
- 6. If a question does not have any parts, marks must be awarded in the left-hand margin and encircled. This may also be followed strictly.
- 7. If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out.
- 8. No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
- 9. A full scale of marks 0-80 has to be used. Please do not hesitate to award full marks if the answer deserves it.
- 10. Every examiner has to necessarily do evaluation work for full working hours i.e. 8 hours every day and evaluate 20 answer books per day in main subjects and 25 answer books per day in other subjects (Details are given in Spot Guidelines).
- 11. Ensure that you do not make the following common types of errors committed by the Examiner in the past:-

- Leaving answer or part thereof unassessed in an answer book.
- Giving more marks for an answer than assigned to it.
- Wrong totaling of marks awarded on a reply.
- Wrong transfer of marks from the inside pages of the answer book to the title page.
- Wrong question wise totaling on the title page.
- Wrong totaling of marks of the two columns on the title page.
- Wrong grand total.
- Marks in words and figures not tallying.
- Wrong transfer of marks from the answer book to online award list.
- Answers marked as correct, but marks not awarded. (Ensure that the right tick mark is correctly and clearly indicated. It should merely be a line. Same is with the X for incorrect answer.)
- Half or a part of answer marked correct and the rest as wrong, but no marks awarded.
- 12. While evaluating the answer books if the answer is found to be totally incorrect, it should be marked as cross (X) and awarded zero (0)Marks.
- 13. Any unassessed portion, non-carrying over of marks to the title page, or totaling error detected by the candidate shall damage the prestige of all the personnel engaged in the evaluation work as also of the Board. Hence, in order to uphold the prestige of all concerned, it is again reiterated that the instructions be followed meticulously and judiciously.
- 14. The Examiners should acquaint themselves with the guidelines given in the Guidelines for spot Evaluation before starting the actual evaluation.
- 15. Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totalled and written in figures and words.

The Board permits candidates to obtain photocopy of the Answer Book on request in an RTI application and also separately as a part of the re-evaluation process on payment of the processing charges.

Q.	SECTION- A (MACRO ECONOMICS)	Marks Allocation					
No.	EXPECTED ANSWER						
	Question: Two components of money supply are and						
	(fill up the blank with correct answer)						
	Answer: Two components of money supply are						
	i) Currency with public ii) Demand deposits held by commercial banks	1⁄2+ 1⁄2					
1	Or						
	Question: The main aim of monetary policy is (Choose the correct alternative)						
	(a) to bring price stability in the economy (b) employment generation in the country (c) to increase trade surplus						
	(d) to generate greater tax revenue						
	Answer:(a) to bring price stability in the economy	1					
2	Question: State, whether the given statement is true or false:						
	'Unexpected obsolescence is a component of depreciation.'						
	Answer: False	1					
3	Question: ₹ 2,000 note lying in the wallet of Rohini, a student is an example of (stock/flow) variable. (Fill up the blank with correct alternative)						
	Answer: Stock	1					
4	Question: Define intermediate consumption.						
	Answer: Intermediate consumption refers to the value of goods and services used during the production process.	1					
5	Question: Loans offered by commercial banks	1					

6	Question: The sum of factor payments is equal to	
U	a) Domestic Income	
	b) National Income	
	c) Per Capita Real Income	
	d) Per Capita Nominal Income	
	Answer:	1
	a) Domestic Income	
	b) National Income (both options should be allotted marks)	
7	Question: State whether the given statement is true or false:	
	'Expenditure on Ujjwala Yojna launched by the Government is an example of capital	
	Expenditure.'	
		1
	Answer: False	
8	Question: Define full employment.	
	Answer: Full employment refers to a situation where all those who are willing and able to	1
	work, at the prevailing wage rate get work. (any other valid definition to be allotted marks)	
9	Question: If the value of Average Propensity to Consume (APC) is 0.8 and National Income is ₹ 4,000 crores, the value of savings will be (Choose the correct alternative)	
	a) ₹100 crores	
	b) ₹ 200 crores	
	c) ₹ 800 crores	
	d) ₹ 500 crores	
		_
	Answer:c) ₹800 crores	1
10	Question: Give any one example of 'debt creating capital receipts' in the Government Budget.	
	Answer: Borrowings.	1
11		
	Question: 'Domestic services (Household Services) performed by a woman are not considered	
	as an economic activity.'	
	Defend or refute the given statement with valid reason.	
	Answer: The given statement is defended. As the activities which are performed by a woman (homemaker) cannot be evaluated in monetary terms. Therefore these activities are not considered as an economic activity. (to be marked as whole)	3

2	Question: Calculate Net V	/alue added at Factor Cost (N I	vA _{FC}) from the following	g uala:				
	S. No.	Particulars	Amount (in ₹ crores)					
	(i)	Value of Output	800					
	(ii)	Intermediate Consumption	200					
	(iii)	Indirect Taxes	30					
	(iv)	Depreciation	20					
	(v)	Subsidies	50					
	(vi)	Purchase of machinery	50					
	Answer: $NVA_{FC} = (i) - (iv) - [(iii) - (v)]$							
	= 800 - 200 - 20- [30 - 50]							
	= ₹ 600 crores							
	Or							
	Question: State three components of Income from Property and Entrepreneurship.							
	Answer: Three components of Income from Property and Entrepreneurship are							
	a) Rent / Royalty b) Interest							
	c) Profit							
}	Question: Elaborate the objective of 'allocation of resources' in the Government Budget.							
	balance the goals of all	esources: Government seek sections of the society. Pro	duction of goods and s	evices which are				
	beneficial goods may be	e discouraged through taxatio encouraged through subsidies c Goods) government may di	s. If private sector does	not take initiative	4			

14	Question: Define effective demand. Discuss how, effective demand can be restored, if ex-ante Aggregate Demand (AD) is more than ex-ante Aggregate Supply (AS).	
	Answer: Effective Demand refers to that level of employment where Aggregate Demand is equal to Aggregate Supply.	1
	If ex-ante Aggregate Demand (AD) is more than ex-ante Aggregate Supply (AS), it means buyers are planning to buy more than what the producers are planning to produce.	3
	Thus, the inventories-in-hand of producers may fall. As a result, producers may plan to raise output and employment. This mechanism will continue to operate till the two forces become equal.	
15	Question: Explain the function of central bank as 'Banker, Agent and Advisor' of the government.	
	Answer: As the Government's banker, the Central bank accepts receipts and makes payments on behalf of the government. It lends loans to the government for varied purposes. As the agent and advisor to the government, it manages public debt on behalf of the government and also advices on policy matters. (to be marked as a whole)	4
	Or	
	Question: Elaborate how a Central Bank stabilizes money supply through 'Bank rate'.	
	Answer: Bank rate is the rate of interest at which central bank lends money to commercial banks to meet their long term needs. An increase in bank rate may force commercial banks to increase their lending rate. It will make borrowings costlier to general public. This leads to discouraging people to borrow and will thus restrict money supply in the economy or viceversa. (to be marked as a whole)	4
16	 Question: State, giving valid reasons weather following statements are true or false: Trade deficit is always a great cause of worry for an economy. Depreciation of currency has same effect on exports as devaluation of currency. 'Indians investing in assets abroad' will be recorded under debit side of capital account in Balance of Payments. 	
	 Answer: (i) False, trade deficit is a lesser cause of worry if it reflects a rise in investment which will build the capital stock and increase the future output in an economy. (ii) True, both depreciation and devaluation have same effect on exports of an economy. 	2
	The two terms, although synonymous, are used in different context. The term devaluation is used in a fixed exchange rate system whereas depreciation is under the flexible exchange rate system.	2
	(iii) True, Indians investing in assets abroad will lead to an outflow of foreign currency, it will be recorded under debit side of capital account of balance of payment.	2

	Or							
Question:								
	. Explain what can b ountry.	be the likely impact of depreciation of the home currency	y on imports to the	1				
b.	. Distinguish betwee	en Current Account Deficit (CAD) and Current Account Su	ırplus (CAS).					
Ar	nswer:							
te th	erms of foreign curr	ome currency results in a fall in the value of domestic ency (say \$). Consequently foreign goods may become cy, leading to losses for importers. Hence, imports of	dearer in terms of	- 3				
ite	ems, invisible items	Deficit (CAD) refers to excess of payments for value of and unilateral transfers over the receipts from value of and unilateral transfers. Whereas;	•	4 1/				
in		blus (CAS) refers to excess of receipts from value of expo unilateral transfers over payments for value of impor nilateral transfers.		- / -				
	uestion:							
a)	On the basis of foll Sr. No.	owing information, identify whether the economy is in Particulars	equilibrium or not: Amount					
	(i)	Autonomous Consumption and Investment Expenditure ($ar{A}$)	₹ 500 crores					
	(i) (ii)	Autonomous Consumption and Investment Expenditure (A) Marginal Propensity to Save (MPS)	₹ 500 crores 0.2					
	(ii) (iii)	Marginal Propensity to Save (MPS) National Income	0.2					
	(ii) (iii)	Marginal Propensity to Save (MPS) National Income my is in equilibrium when AD = AS (Y)	0.2					
	(ii) (iii)	Marginal Propensity to Save (MPS) National Income my is in equilibrium when AD = AS (Y) $AD = \overline{A} + MPC$ (Y)	0.2 ₹ 4,000 crores	1				
	(ii) (iii)	Marginal Propensity to Save (MPS) National Income my is in equilibrium when AD = AS (Y) $AD = \overline{A} + MPC$ (Y) AD = 500 + 0.8 (4,000) (Given Y = ₹	0.2 ₹ 4,000 crores	1 ½				
	(ii) (iii)	Marginal Propensity to Save (MPS) National Income my is in equilibrium when AD = AS (Y) $AD = \overline{A} + MPC$ (Y)	0.2 ₹ 4,000 crores					
	(ii) (iii)	Marginal Propensity to Save (MPS) National Income my is in equilibrium when AD = AS (Y) $AD = \overline{A} + MPC$ (Y) AD = 500 + 0.8 (4,000) (Given Y = ₹	0.2 ₹ 4,000 crores	1/2				

y-axis * / S = -50 + 0.2 Y	
sitist and a second sec	
O B z-axis	
A	
y*	
(i) What does the shaded area AOB indicate?	
(ii) What is the significance of point B?	
Answer (b): (i) The shaded area AOB represents the dis-savings.	1
(ii) Point B indicates break-even level of income where Consumption(C) is equal to Income (Y) or Savings (S) are zero.	2
For Visually Impaired candidates only	
Question: (b) i) Define Saving Function.	
ii) What is the significance of dis-savings?	
 Answer: b) i. Saving function : Saving function refers to the functional relationship between Savings (S) and Income (Y) 	1
ii) Dis-savings occur when Consumption (C) is greater than Income (Y). This signifies that spending for basic needs which are necessary for survival is financed by past savings and borrowings.	2
Section B Indian Economic Development	
• • • • • • • • • • • • • • • • • • •	
Question: policy followed in first seven five year plans of India, aimed at substituting imports with domestic production. (Fill up the blanks with correct answer)	

19	Question: Which of the following is not a benefit of organic farming?	
	a. Cheaper inputs	
	b. Attractive returns on investment	
	c. Greater import possibilities	
	d. Higher nutritional value	
	Answer: c) Greater import possibilities	1
20	Question: Define mixed economy.	
	Answer: Mixed economy is a market system will provide whatever goods and services it can provide well, and the government will provide essential goods and services which the market fails to do. (any other correct definition to be allotted marks)	1
21	Question: World Trade Organisation (WTO) was established in 1995, as a successor organisation to (Fill up the blank with correct answer)	
	Answer: General Agreement on Trade and Tariff (GATT)	1
22	Question: India is not a member of which of the following regional/global economic grouping?	
	a) SAARC b) BRICS c) G-7 d) G- 20	
	Answer: c) G-7	1
23	Question: In the past few decades (primary/ secondary/ tertiary) sector has created maximum job opportunities in India. (Fill up the blanks with correct alternative)	
	Answer: tertiary	1
24	Question: The main aim of 'Great Leap Forward' (GLF) in China was to ensure rapid increase of (Choose correct alternative)	
	a. agriculture	
	b. industries	
	c. services	
	d. exports	4
	Answer: b) industries	1
25	Question: Define disguised unemployment.	
	Answer: Disguised unemployment is a situation where in the number of workers engaged in a work is more than actually/optimally required.	1

26	Question: State whether the following statement is true or false:	
	'World Bank is known as International Bank for Registration and Delimitation (IBRD).'	
	Answer: False	1
	Or	
	Question: Define Marketed Surplus	
	Answer: The portion of agricultural produce which is sold in the market by the farmers is called marketed surplus.	1
27	Question: Introduction of Economic Reforms in China took place in the year	
	(Choose the correct alternative)	
	a. 1978 b. 1980 c. 1988	
	d. 1991	1
	Answer: a.1978	
28	Question: "Rapid increase in economic growth surely trickles down to the people under the absolutely poor category." Defend or refute the given statement with valid argument. Answer- This statement is refuted because-	
	 (i) Population growth has resulted in a very low growth in per capita income (ii) The Green Revolution has increased the regional disparity and also the gap between 	1
	the rich and the poor farmers.	1
	 (iii) The gains of economic growth have been grabbed by the rich. (any other valid argument to be awarded marks) Or 	1
	Question: 'Human Capital Formation gives birth to innovation, invention and technological improvements." Do you agree with the given statement? Support your answer with valid arguments.	
	Answer: The given statement is correct. Human Capital Formation not only increases the productivity of available human resources but also stimulates innovation and creates ability to adopt new technologies. Investment in education creates ability to adopt newer technologies, facilitates invention and innovation since educated workforce generally adapts to modern	
	technologies and innovation.	3
1	(any other valid argument to be allotted marks) (to be marked as whole)	

	Question- Compare and analyse the given data of India and China with valid reasons :						
	Country	Annual Growth (2015)	rate	of	population	Gender Ratio (per thousand males)	
	India		1.2%			929	
	China		0.5%			941	
	Source: W	orld Development	Indicato	ors,	2015		
	imı Chi Chi	olementation of so Id Norm. This step na. India stands vir	me strir has bee tually m	nge en i nore	nt measures i instrumental e than double	ts annual population growth rate with the n late 1970's like the introduction of One in controlling the growth of population in to China's annual population growth rate tion growth rate of 0.5% p.a.	2
	bia	sed in both the co	untries o	due	e to preferenc	similar to each other; sex ratio is low and e for male child. Whereas, India stands at head at 941 females per 1000 males.	1
30	Governme Answer:	nt of India. The six Indian Syste	ems of N	Лed	licines (ISM) u	Medicines (ISM) under AYUSH scheme of nder AYUSH scheme of Government of uropathy and Homeopathy.	½ x 6 = 3
	b. Name a	iny two non-conve	ntional	sou	irces of energ	у.	
	Answer: T	he two non-conve	ntional s	sou	rces of energy	vare: solar energy and wind energy.	
					(or any of	ther relevant source of energy)	1/2 + 1/2
81	Question- structure.	Discuss briefly an	y two s	alie	ent features o	of India's pre independence occupational	
	Answer- Th main featu		ucture d	of Ir	ndia on the ev	ve of independence had the following two	
	i) <u>Pre</u> sha	edominance of agr are of workforce w				icultural sector accounted for the largest e-fourth of the workforce depending on	2
		iculture, directly o				e lourdi of the workforce depending of	2

	Or Question: Discuss briefly the rationale behind choosing 'self-reliance' as a planning objective	
	for the Indian economy.	
	Answers- The main rationale behind choosing 'self-reliance' as a planning objective for the	
	Indian economy were- i. <u>To reduce foreign dependence:</u> Planning objective of 'self-reliance' targeted to promote economic growth and modernisation, the Indian five year plans in the early	2
	years of post independence era stressed on the use of domestic resources in order to reduce our dependence on foreign countries.	
	ii. <u>To avoid foreign interference</u> : In the post-independence era it was feared that the dependence on the imported food supplies, foreign technology and foreign capital may increase foreign interference in the policies of our country.	2
32	Question- "India is often called the 'Outsourcing Destination' of the world". Discuss the prime	
	reasons for this name given to India". Answer- The prime reasons for India being called as the outsourcing destination of the world	
	are:(i) Availability of skilled manpower- India has vast skilled manpower which enhances	
	the faith of MNCs.	2+2
	(ii) Favourable Government policies- MNCs get various types of lucrative offers from the Indian government such as tax holidays, tax concessions etc.	
	(any other valid argument/explanation should be allotted marks)	
33	Question- Define the following :	
	(a) Carrying capacity of environment	
	Carrying capacity of environment – It implies that the resources extraction is not above	
	the rate of regeneration of the resources and wastes generated are within the assimilating capacity of the environment.	
	(b) Bio- composting	
	Bio composting - It refers to the process of converting organic waste of various types into natural manure.	
	(c) Sustainable Development	
	Sustainable development - It refers to the development process that meets the needs of	
	present generation without compromising on the ability of the future generations to meet their respective needs.	
	(d) Absorptive capacity of the environment	
	Absorptive capacity of the environment- It means the ability of the environment to absorb degradation without causing environmental damage.	1 ½ x 4

34 Question:

(a) Define Worker- Population ratio. What does it signifies?

Answer: Worker Population Ratio refers to the ratio of total number of workers to the total population. It is generally expressed in percentage.

Worker population = $\frac{Total \ number \ of \ workers}{Total \ population} \times 100$

This ratio signifies the proportion of population that is actively contributing to the production of goods and services of a country

Question:

(b) Analyse the trends in sectoral distribution of workforce in India on the basis of data **Trends in Employment Pattern (Sector-wise), 1972 – 2012 (in %)**

		/	<u>, </u>		,
Sector	1972-73	1983	1993-94	1999-2000	2011-2012
Primary	74.3	68.6	64	60.4	48.9
Secondary	10.9	11.5	16	15.8	24.3
-					
Services	14.8	16.9	20	23.8	26.8
Total:	100.0	100.0	100.0	100.0	100.0

b) Answer: The given data indicates that over the given period, the proportion of workforce in primary sector has gone down rapidly. Whereas, the employment share of both secondary sector and the services sector has increased. While the share of secondary sector (between 1993-94 and 2011-12) has gone up by approximately 9%, the corresponding figure for services sector has gone up by approximately 7%. (to be marked as a whole)

(any other relevant explanation to be awarded marks)

Or

Question: (a) "The Prime Minister urged to increase the rural income by increasing non-farm activities".

Explain how non-farm activities can lead to rise in income of people of rural sector.

Answer: a. Non-farm activities (agro-processing industries, poultary, craft, handloom) provide alternative avenues for sustainable livelihood and may raise the level of income as the risks due to fluctuations in production and market prices is generally less. Agriculture in India is mainly a seasonal occupation, however, during off seasons, it becomes difficult to find employment and stabilize farmer's income. Thus, the Prime Minister has urged appropriately in the best interest of the farmers of the rural India.

(to be marked as whole)

3

2

1

3

Question:(b) "Indian health system needs the increased dose of public expenditure to cure itself."Defend or refute the given statement with valid arguments.

Answer:

b. The statement is defended as the improvement in the health system in India has been unreasonably slow since independence. Indian health system has been a victim of a relatively low public expenditure, along with other reasons. The health expenditure as a percentage of GDP is abysmally low as compared to some of the major developing countries. It stood at around 4.7% of the total Gross Domestic Product (GDP) in the year 2014-15. Thus, actually Indian health system needs the increased dose of public expenditure to cure itself.

(data is only to support the argument, marks should not be deducted if data not provided)

(to be marked as a whole)

3