

HMJ/1

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Senior School Certificate Examination - 2020

Marking Scheme – ECONOMICS
SUBJECT CODE:030 PAPER CODE –58/4/3

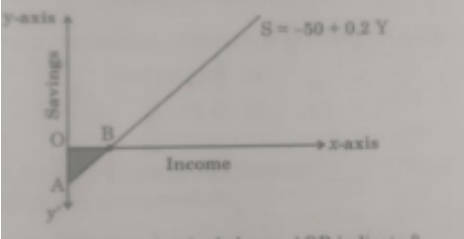
General Instructions: -

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($\sqrt{\quad}$) 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.

9	Question: Give any one example of 'debt creating capital receipts' in the Government Budget. Answer: Borrowings.	1																					
10	Question: Define unplanned inventories (stock) Answer: Unplanned inventories refer to the unanticipated change in stock due to unexpected fall in sales. (any other valid definition to be allotted marks)	1																					
11	Question: Calculate Net Value added at Factor Cost (NVA_{FC}) from the following data: <table border="1" data-bbox="391 436 1179 957"> <thead> <tr> <th>S. No.</th><th>Particulars</th><th>Amount (in ₹ crores)</th></tr> </thead> <tbody> <tr> <td>(i)</td><td>Value of Output</td><td>800</td></tr> <tr> <td>(ii)</td><td>Intermediate Consumption</td><td>200</td></tr> <tr> <td>(iii)</td><td>Indirect Taxes</td><td>30</td></tr> <tr> <td>(iv)</td><td>Depreciation</td><td>20</td></tr> <tr> <td>(v)</td><td>Subsidies</td><td>50</td></tr> <tr> <td>(vi)</td><td>Purchase of machinery</td><td>50</td></tr> </tbody> </table> Answer: $NVA_{FC} = (i) - (ii) - (iv) - [(iii) - (v)]$ $= 800 - 200 - 20 - [30 - 50]$ $= ₹ 600 \text{ crores}$ <p style="text-align: center;">Or</p> 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	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	1 ½ 1 ½ 1 1 1
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12	Question: "Management of a water polluting oil refinery says that it (oil refinery) ensures welfare through its contribution to Gross Domestic Product (GDP)." Defend or refute the argument of management with respect to GDP as a welfare measure of the economy. Answer: No, the given statement is not true. The value added by oil refinery to the Gross Domestic Product (GDP) may also be polluting the nearby source of water. Such harmful effects that the refinery is causing to people and marine life is not penalized for the same. Thus these negative externalities are not ensuring the welfare of the economy through Gross Domestic Product (GDP). (to be marked as a whole)	3																					
13	Question: Define effective demand. Discuss how effective demand can be restored if ex-ante saving is less than ex-ante investment Answer: Effective Demand refers to that level of employment where Aggregate Demand (AD) is equal to Aggregate Supply (AS). If ex-ante Saving is less than ex-ante Investment, it means buyer are planning to buy more than what producers are planning to produce. It will lead to creation of shortage of inventories in	1																					

	 <p>Answer (b): (i) APS will be equal to zero at Point B as it indicates break-even level of income where Savings (S) are zero or Consumption (C) is equal to Income (Y). (ii) 'OA' signifies Autonomous Consumption with respect to consumption curve. For Visually Impaired candidates only Question: (b) i) Define Consumption Function. ii) What is the significance of dis-savings? Answer: b) i. Consumption function : Consumption function refers to the functional relationship between Consumption (C) and Income (Y) 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.</p>	1 2
17	<p>Question: State, giving valid reasons whether following statements are true or false:</p> <ul style="list-style-type: none"> (i) Trade deficit is always a great cause of worry for an economy. (ii) Depreciation of currency has same effect on exports as devaluation of currency. (iii) 'Indians investing in assets abroad' will be recorded under debit side of capital account in Balance of Payments. <p>Answer:</p> <ul style="list-style-type: none"> (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. 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. (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. <p style="text-align: center;">Or</p> <p>Question:</p> <ul style="list-style-type: none"> a. Explain what can be the likely impact of depreciation of the home currency on imports to the country. b. Distinguish between Current Account Deficit (CAD) and Current Account Surplus (CAS). <p>Answer:</p> <ul style="list-style-type: none"> a. Depreciation of home currency results in a fall in the value of domestic currency (say ₹) in terms of foreign currency (say \$). Consequently foreign goods may become dearer in terms of the domestic currency, leading to losses for importers. Hence, imports of the economy may tend to fall. b. Current Account Deficit (CAD) refers to excess of payments for value of imports of visible items, invisible items and unilateral transfers over the receipts from value of export of visible items, invisible items and unilateral transfers. <p style="text-align: center;">Whereas;</p> <p>Current Account Surplus (CAS) refers to excess of receipts from value of exports of visible items, invisible items and unilateral transfers over payments for value of import of visible items, invisible items and unilateral transfers.</p>	2 2 2 3 1 ½ 1 ½

28	<p>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.</p> <p>Answer- This statement is refuted because-</p> <ul style="list-style-type: none"> (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 the rich and the poor farmers. (iii) The gains of economic growth have been grabbed by the rich. <p style="text-align: center;">(any other valid argument to be awarded marks)</p> <p style="text-align: center;">Or</p> <p>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.</p> <p>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.</p> <p>Investment in education creates ability to adopt newer technologies, facilitates invention and innovation since educated workforce generally adapts to modern technologies and innovation.</p> <p style="text-align: center;">(any other valid argument to be allotted marks)</p> <p style="text-align: center;">(to be marked as whole)</p>	<div style="text-align: right;">1 1 1</div> <div style="text-align: right;">3</div>									
29	<p>Question- Compare and analyse the given data of India and China with valid reasons :</p> <table border="1" data-bbox="167 1003 1406 1209"> <thead> <tr> <th>Country</th><th>Annual Growth rate of population (2015)</th><th>Gender Ratio (per thousand males)</th></tr> </thead> <tbody> <tr> <td>India</td><td>1.2%</td><td>929</td></tr> <tr> <td>China</td><td>0.5%</td><td>941</td></tr> </tbody> </table> <p>Source: World Development Indicators, 2015</p> <p>Answer-</p> <ul style="list-style-type: none"> 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 1.2% as compared to China’s annual population growth rate of 0.5% 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 929 females per 1000 males, China is not far ahead at 941 females per 1000 males. 	Country	Annual Growth rate of population (2015)	Gender Ratio (per thousand males)	India	1.2%	929	China	0.5%	941	<div style="text-align: right;">2</div> <div style="text-align: right;">1</div>
Country	Annual Growth rate of population (2015)	Gender Ratio (per thousand males)									
India	1.2%	929									
China	0.5%	941									
30	<p>Question- Discuss briefly any two salient features of India’s pre independence occupational structure.</p> <p>Answer-The occupational structure of India on the eve of independence had the following two main features:</p> <ul style="list-style-type: none"> i) <u>Predominance of agriculture sector:</u> The agricultural sector accounted for the largest share of workforce with approximately three-fourth of the workforce depending on agriculture, directly or indirectly. 	<div style="text-align: right;">2</div>									

	<p>ii) Growing regional variation- Due to rise of manufacturing and services sector in some parts of India (like the then Madras, Bombay and Bengal Presidencies) the dependency ratio of workforce on agricultural sector declined. (any other relevant argument to be allotted marks)</p> <p>Or</p> <p>Question: Discuss briefly the rationale behind choosing 'self-reliance' as a planning objective for the Indian economy.</p> <p>Answers- The main rationale behind choosing 'self-reliance' as a planning objective for the Indian economy were-</p> <p>i. To reduce foreign dependence: Planning objective of 'self-reliance' targeted to promote economic growth and modernisation, the Indian five year plans in the early years of post independence era stressed on the use of domestic resources in order to reduce our dependence on foreign countries.</p> <p>ii. To avoid foreign interference: 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.</p>	<p>2</p> <p>2</p> <p>2</p>
31	<p>Question: "Some economists believe that the economic reforms have adversely affected the agriculture sector in India." Do you agree with the given statement? Justify your answer with valid reason.</p> <p>Answer: The given statement that 'Agriculture Sector was adversely affected by reform process' is correct. This can be supported with the following arguments:</p> <p>a. Reduction in public investment in agriculture sector: especially in infrastructure such as irrigation, power etc. has been reduced in reform period.</p> <p>b. Removal of fertilizers: subsidy increased the cost of production, which adversely affected the small and marginal farmers. (any other valid reason with relevant explanation)</p>	<p>2</p> <p>2</p>
32	<p>Question:a. State the names of six Indian Systems of Medicines (ISM) under AYUSH scheme of Government of India.</p> <p>Answer: The six Indian Systems of Medicines (ISM) under AYUSH scheme of Government of India includes: Ayurveda, Yoga, Unani, Siddha, Naturopathy and Homeopathy.</p> <p>b. Name any two non-conventional sources of energy.</p> <p>Answer:The two non-conventional sources of energy are: solar energy and wind energy. (or any other relevant source of energy)</p>	<p>$\frac{1}{2} \times 6 = 3$</p> <p>$\frac{1}{2} + \frac{1}{2}$</p>
33	<p>Question: What is meant by sustainable development? Discuss briefly any two strategies of sustainable development.</p> <p>Answer: 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.</p> <p>Use of Non-conventional Sources of Energy (any two)</p> <p>CNG in Urban Areas: In some cities of India, the use of Compressed Natural Gas (CNG) as fuel in public transport system has significantly lowered air pollution and the air has become cleaner in the last few years.</p> <p>Wind Power: In areas where speed of wind is usually high, wind mills can provide electricity without any adverse impact on the environment. The initial cost is high but the long term benefits easily absorb the cost incurred. (Any other relevant point with explanation)</p>	<p>2</p> <p>2</p> <p>2</p>

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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.

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

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 %)

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, poultry, 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)

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)