

**Economics Class: - XII
Marking Scheme**

SET-2

SECTION A (Macro Economics)																																		
1	c)	1																																
2	m=1/LRR OR Refer to the total volume of money held by public at a particular point of time in an economy.	1																																
3	D	1																																
4	C	1																																
5	A	1																																
6	False	1																																
7	Change in consumption	1																																
8	autonomous consumption	1																																
9	induced consumption	1																																
10	C	1																																
11	Definition of Circular Flow , Diagram	1+2																																
12	Any three differences between BOP & BOT OR Any three differences between Current Ac & Capital Ac.	1+1+1 =3																																
13	Any four functions of RBI. OR Credit creation by commercial banks Banks by their experience knows that all the depositors would not withdraw their money at the same time Therefore after keeping some legal reserve banks give loans from rest of the deposits. <table border="1"> <thead> <tr> <th>Bank</th> <th>Additional deposit</th> <th>Additional loans</th> <th>Legal Reserve Ratio (10 %)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>1000</td> <td>900</td> <td>100</td> </tr> <tr> <td>B</td> <td>900</td> <td>810</td> <td>90</td> </tr> <tr> <td>C</td> <td>810</td> <td>729</td> <td>81</td> </tr> <tr> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>10,000</td> <td>9000</td> <td>1000</td> </tr> </tbody> </table> Credit Multiplier = 1 / LRR LRR: Legal Reserve Ratio •	Bank	Additional deposit	Additional loans	Legal Reserve Ratio (10 %)	A	1000	900	100	B	900	810	90	C	810	729	81	-	-	-	-	-	-	-	-	-	-	-	-	Total	10,000	9000	1000	4
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Total	10,000	9000	1000																															
14	Y = 2200 (Economy will not be in equilibrium at 2000)	4																																
15	Meaning of inflationary gap. Correct Diagram and Reasons.	1+3																																
16	Definition/formula of Revenue, Fiscal & Primary Deficit	2x3=6																																

	RD = RE-RR FD = TE-TR excluding borrowings PD = FD-Interest Payment.	
17.	1. Included in national income as it net factor income form abroad. 2. Not included, Transfer income 3. Not include, intermediate goods. OR Three precautions while calculating NI with Income method Three precautions while calculating NI with Income method	2x3= 6 2x3 =6

SECTION-B (I.E.D.)

18	a. Industrialisation.	1
19	b. GATT	1
20	a.	1
21	a.	1
22	d.	1
23	d. or Indirect Tax	1
24	Gradual increase in the average temperature of the earth's lower atmosphere	1
25	CO ₂ , CH ₄	1
26	d. Deforestation.	1
27	Chlorofluorocarbon.	1
28	Casualisation of workforce refers to a situation when the % of casually-hired workers in the total workforce tends to rise. Reasons: bulk of self-employed workforce in rural areas, massive unemployment etc. OR Difference between formal and informal sector on the basis of: social security, job security, salaries etc.	1x3 =3
29	1. Power, Transportation & Communication (Economic) & Education, health & sanitation (Social) 2. Essential vs Supportive 3. Foster economic growth vs foster human growth.	1x3=3
30	1. Abolition of Industrial licensing. 2. Decrease in role of public sector. 3. Import of capital goods. With meaning of liberalization. OR A. Any two features of Privatisation B. Any two features of Globalisation	1x4 = 4

31	<p>(Analysis of Data: Any four point on the basis of table</p> <ol style="list-style-type: none"> 1. Structural changes have been observed among the different sectors of the Indian economy during the said period. 2. Trend indicates the development of economy as share of primary sectors is decreasing and share of secondary and service sector increasing during the period 1950-91 which is the sign of economic development. 3. Due to low growth of secondary sector in comparison of other sectors unemployment would be the issue. 4. Service sector emerged as leading sector during the period. 	4
32	Due to GLF, GPCR, One Child Policy, SEZ, economic reforms at early stage etc.	1+1+1+1=4
33	<p>Providing the credit to the farmers at reasonable rate. Institution sources are banks, NABARD etc, an non-institutional sources are money lenders, relatives etc. Institutional sources are significant due to low interest, no exploitation etc.</p>	2+2+2=6
34	<p>Rapid increase in agricultural production due to use of HYV seeds, fertilizer, pesticides and water. It was implemented to attain self-reliance in food grain. Farmer' s income increased, commercial agriculture etc.</p> <p style="text-align: center;">OR</p> <p>(a) GST is indirect tax, destination based tax, eliminated the cascading effect etc. MSP is an assurance to farmers for reasonable price of their crops.</p> <p>(b) Inward looking trade policy, replacing the imports with domestic production eg. Make in India. Export promotion-Providing the incentives to the industry for promoting the exports of the country eg. Reduction in tax, increasing the subsidy etc.</p>	<p>2+2+2=6</p> <p>3+3=6</p>