

MARKING SCHEME SAMPLE QUESTION PAPER 2

1	c) Both statements 1 and 2 are false	1
2	d) all of the above.	1
3	b) Average Propensity to Consume	1
4	b) i and iii	1
5	a) store of value	1
6	b) 720,5000,3000,2000	1
7	a) consumption, saving	1
8	b) II and III	1
9	c) $S = -100 + 0.25Y$	1
10	c) trade in goods	1
11	(i) False, as the current Balance of Payments account also records unilateral transfers. (ii) True, as all kinds of foreign investments (foreign direct investments and portfolio investments) are included in the capital account of Balance of Payments as they affect the assets positions of the country.	1.5 +1.5=3
12	Domestic Income (NDP fc) = COE + O.S. + MI = 1700 + 1300 + 400 + 300 + 400 + 1400 = 5500 Crores. OR <ol style="list-style-type: none">1. National income is referred to as the total monetary value of all services and goods that are produced by a nation during a period of time. In other words, it is the sum of all the factor income that is generated during a production year.2. Intermediate goods are referred to as goods that are used by businesses for producing goods or services. These goods are also known as producer goods. Capital loss refers to the loss in value of the fixed assets due to unforeseen obsolescence, natural calamities, thefts, accidents, etc	1 1 1
13	$\Delta Y = Y_1 - Y_0$, = 60000 - 50000 = 10000 $\Delta C = C_1 - C_0$, = 48000 - 40000 = 8000 $MPC = \Delta C / \Delta Y$, = 8000/10000 = 0.8	1 1 1 1 Mark for formulas
14	(A) When aggregate supply is more than aggregate demand or when investment is less than savings, then the planned inventory rises above the desired level. To clear the unwanted increase in inventory, firms plan to reduce the production output till Aggregate demand becomes equal to Aggregate supply OR When the situations are perfect for increasing the inflation, RBI then cuts the reverse repo rate and repo rate so as to inject liquidity into the economy.	4
15	RBI acts as a bank to both the central as well as the state	

	<p>government. It provides them the short-term loan whenever necessary. The government deposit accounts are also maintained by the RBI.</p> <p>On behalf of the government, it collects the receipts of the funds and makes the payment. It is also responsible for advising the government on financial and banking subjects.</p>	4
16	<p>(A) (i) Fiscal deficit = 38 crores (ii) Primary deficit = Fiscal deficit - Interest payment = 38 -27 = 11 crores</p> <p>(B) Private goods are those goods whose property does not belong to the State, but to private persons or organizations, and whose main purpose is to satisfy particular needs. These assets usually require a previously established monetary contribution to access them. The organization or person who owns these private goods has the power to dispose of them, at their convenience; therefore, the owner can make use of this asset in a totally exclusive way, or even offer it in exchange for an economic contribution if he so wishes.</p> <p>OR</p> <p>(C) Reducing Inequalities in Income: – Government through its budget seeks to reduce the divide between the rich and the poor. This is done by increasing taxes on the rich and increasing the government's expenditure on the welfare schemes for the poor. Such a policy, reduces disposable income of the rich and results in increased quality of life of the poor, thereby reducing the effects of income divide.</p> <p>(D) MUDRA helped in generation of large-scale employment opportunities at grassroots level and also proved a game changer while boosting the Indian economy. PMMY eased collateral free access to credit in a seamless manner to micro enterprises in the country.</p>	2+2+2=6
17	<p>(A) (1) It will not be included in the national income of India. Appropriate reason. (2) Bonus will be included in national income. Appropriate reason.</p> <p>The statement, 'Subsidies to the producers should be treated as transfer payments.' is refuted. Transfer payments are those payments corresponding to which there is no value addition in the economy, like scholarships to students or old-age pensions.</p>	3
18	(b) 2 - (b)	1
19	(b) Secondary sector	1
20	(b) institutional reform	1
21	(c) Fisheries	1
22	a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1
23	(c) G-7	1
24	(b) Apex	1

25	(b) Mixed	1
26	c) Both Statements 1 and 2 are true.	1
27	(c) C - III	1
28	<p>(i) At the time of Independence, the process of industrialisation was limited to the plantation and textile industry. It was supported by imported ; machinery and technical know-how.</p> <p>(ii) It didn't generate employment opportunities due to their capital intensive nature.</p> <p>(iii) As a result, the percentage of the workforce engaged in the secondary or industrial sector declined from 12.6 in 1901 to 10.7 in 1951. As a result of this, our industrial sector was very much depressed on the eve of independence</p> <p>OR</p> <p>The salient features of India's pre-independence occupational structure include a predominance of agriculture, lack of opportunities in the Industries, unequal distribution among different sectors, unbalanced growth of individuals that affects the economy, and regional imbalance.</p>	3
29	Human capital allows an economy to grow. When human capital increases in areas such as science, education, and management, it leads to increases in innovation, social well-being, equality, increased productivity, improved rates of participation, all of which contribute to economic growth.	3
30	Common wisdom is that the preference for sons is motivated by economic, religious, social and emotional desires and norms that favour males and make females less desirable: Parents expect sons—but not daughters—to provide financial and emotional care, especially in their old age; sons add to family wealth and property	4
31	<p>Unemployment is both an economic and a social problem. Unemployment is an economic problem in the sense that unemployed persons will be consumers only without being a producer. Non-utilisation of human resources due to unemployment involves double cost of maintenance and loss of output. Unemployment is a social problem in the sense that it causes enormous suffering to unemployed workers due to their reduced or nil income. Many social evils like dishonesty, immorality, drinking, gambling, robbery, etc are the outcome of unemployment. It causes social disruption in the society and the government has to incur heavy unproductive expenditure on law and order.</p> <p>OR</p> <p>True (2) True Give proper reasons also.</p>	4
32	<p>a. Casualisation of workforce</p> <p>It can be shown that casual workers are less psychologically committed to their jobs and organisations. This leads to employers finding it difficult to motivate staff in their job and there is an increase in the turnover rate.</p>	4
33	<p>(a) Yes, the green revolution has made India self-sufficient in food grains. India has adopted a new strategy in the field of agriculture. In this, insecticides and pesticides were used which resulted in great production of wheat and rice. Due to the green revolution, the highest rate of growth was achieved in Punjab and Haryana in 1964-65.</p>	3

	<p>(b) GST is game-changing reform for the Indian Economy, as it will bring the net appropriate price of the goods and services. The various factors that have impacted the Indian economy are: (i) Increases competitiveness: GST has removed the Cascading effect of taxes, i.e., tax on tax.</p> <p>OR</p> <p>(C) 1. Industrial policy 1948 2. Industrial policy resolution 1956 and other reforms (D) The Government has decided to give special treatment to some of the important profit-making PSUs. The granting of Navaratna status resulted in better performance of these companies. They were given greater managerial and operational autonomy. In taking various decisions to run the company efficiently and thus increase their profits they also became highly competitive and some of them are becoming the giant global players. Therefore the Navaratna policy has certainly improved the performance of the PSU's.</p>	3
34	<p>(1) Global warming is a gradual increase in the average temperature of the earth's lower atmosphere as a result of the increase in greenhouse gases since the Industrial Revolution.</p> <p>Causes and consequences of global warming.</p>	2+2+2=6
1	c) Both statements 1 and 2 are false	1