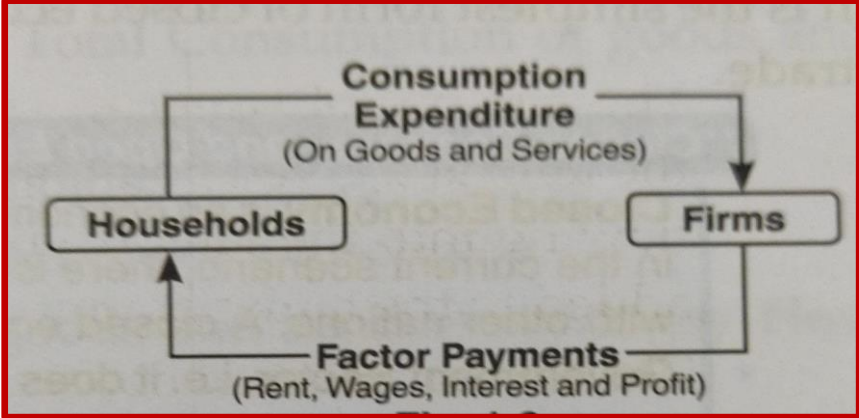




|           |   |          |
|-----------|---|----------|
| <p>4.</p> | <p><b>Read the following statements carefully:</b><br/> <b>Statement 1:</b> Loan received by a company located in India from a company located abroad will be recorded in Credit side of Capital Account.<br/> <b>Statement 2:</b> An Indian company located in India invests in a company located abroad.<br/> This transaction will be recorded in Debit side of Current Account in India's Balance of Payment.<br/> In the light of the given statements, choose the correct alternative:<br/> a) Statement 1 is true and statement 2 is false<br/> b) Statement 1 is false and statement 2 is true<br/> c) Both statements 1 and 2 are true<br/> d) Both statements 1 and 2 are false</p>   | <p>1</p> |
| <p>5.</p> | <p><b>Read the following statements carefully:</b><br/> <b>Statement 1</b> – Amount of bank deposits as on 31.03.2022 is a flow concept.<br/> <b>Statement 2 - Raw</b> material in a go down as on 31.12.2022 is a stock concept .<br/> In the light of the given statements, choose the correct alternative from the following:<br/> a) Statement 1 is true and statement 2 is false<br/> b) Statement 1 is false and statement 2 is true<br/> c) Both statements 1 and 2 are true<br/> d) Both statements 1 and 2 are false</p> <p style="text-align: center;"><b>OR</b></p> <p>Study the following figure carefully and choose the correct pair from the alternatives given below:</p> <div style="text-align: center;">  <pre> graph TD     H[Households] -- "Consumption Expenditure<br/>(On Goods and Services)" --&gt; F[Firms]     F -- "Factor Payments<br/>(Rent, Wages, Interest and Profit)" --&gt; H </pre> </div> <p><b>Alternatives:</b><br/> a) Money flow, Nominal flow<br/> b) Money flow, Real flow<br/> c) Physical flow, Real flow<br/> d) Nominal flow, Physical flow</p> | <p>1</p> |

| 6.                       | <p>If <math>S = (-) 20 + (1 - 0.8Y)</math>, then Consumption Function will be expressed as:</p> <p>a) <math>C = 20 + 0.8Y</math>                      b) <math>C = (-)20 + 0.2Y</math><br/> c) <math>C = (-)20 + 0.8Y</math>                      d) <math>C = 20 = 0.2Y</math></p> <p style="text-align: center;"><b>OR</b></p> <p>If increase in National Income is equal to increase in consumption, identify the value of Marginal Propensity to Save:</p> <p>a) Equal to unity                                      b) Greater than one<br/> c) Less than one                                      d) Equal to zero</p>   | 1        |           |                          |                          |                 |                                      |                     |   |                          |                       |   |
|--------------------------|--|----------|-----------|--------------------------|--------------------------|-----------------|--------------------------------------|---------------------|---|--------------------------|-----------------------|---|
| 7.                       | <p>In order to reduce the supply of Money in the Indian economy, RBI may (Choose the correct alternative)</p> <ol style="list-style-type: none"> <li>1. Increase the margin requirement.</li> <li>2. Sell government securities in the open market.</li> <li>3. Reduce the Statutory Liquidity Ratio.</li> <li>4. Raise the Reverse Repo Rate</li> </ol> <p><b>Alternatives:</b></p> <p>a) 1,2 and 3 are correct<br/> b) 2,3 and 4 are correct<br/> c) 1,3 and 4 are correct<br/> d) 1,2 and 4 are correct</p>   | 1        |           |                          |                          |                 |                                      |                     |   |                          |                       |   |
| 8                        | <p>Select the incorrect pair of statements given in Column I &amp; II:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">COLUMN I</th> <th style="text-align: center;">COLUMN II</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">(a) One-way transactions</td> <td style="text-align: center;">(i) Unrequited transfers</td> </tr> <tr> <td style="text-align: center;">(b) Credit side</td> <td style="text-align: center;">(ii) All inflows of foreign exchange</td> </tr> <tr> <td style="text-align: center;">(c) Capital Account</td> <td style="text-align: center;">(iii) Borrowings &amp; lending to and from abroad</td> </tr> <tr> <td style="text-align: center;">(d) Below the line items</td> <td style="text-align: center;">(iv) Autonomous items</td> </tr> </tbody> </table> <p style="text-align: center;"><b>OR</b></p> <p>If Balance of Trade is showing a deficit of ₹ 300 crores &amp; value of exports is ₹ 1,200 crores, then the value of imports would be _____</p> <p><b>Alternatives:</b></p> <p>(a) ₹ 300 crores                                      (b) ₹ 1,200 crores<br/> (c) ₹ 1,500 crores                                      (d) ₹ 900 crores</p> | COLUMN I | COLUMN II | (a) One-way transactions | (i) Unrequited transfers | (b) Credit side | (ii) All inflows of foreign exchange | (c) Capital Account | (iii) Borrowings & lending to and from abroad | (d) Below the line items | (iv) Autonomous items | 1 |
| COLUMN I                 | COLUMN II  |          |           |                          |                          |                 |                                      |                     |   |                          |                       |   |
| (a) One-way transactions | (i) Unrequited transfers   |          |           |                          |                          |                 |                                      |                     |   |                          |                       |   |
| (b) Credit side          | (ii) All inflows of foreign exchange   |          |           |                          |                          |                 |                                      |                     |   |                          |                       |   |
| (c) Capital Account      | (iii) Borrowings & lending to and from abroad  |          |           |                          |                          |                 |                                      |                     |   |                          |                       |   |
| (d) Below the line items | (iv) Autonomous items  |          |           |                          |                          |                 |                                      |                     |   |                          |                       |   |

|     |   |   |
|-----|---|---|
| 9.  | <p>Read the following statement -<b>Assertion (A)</b> and <b>Reason (R)</b>. Choose one of the correct alternatives given below:</p> <p><b>Assertion (A):</b> Marginal Propensity to Save (MPS) varies between zero and infinity.</p> <p><b>Reason (R):</b> Incremental income is either spent on consumption or saved for future use.</p> <p><b>Alternatives:</b></p> <ul style="list-style-type: none"> <li>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</li> <li>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).</li> <li>c) Assertion (A) is true but Reason (R) is false.</li> <li>d) Assertion (A) is false but Reason (R) is true.</li> </ul> | 1 |
| 10. | <p>Read the following statement -<b>Assertion (A)</b> and <b>Reason (R)</b>. Choose one of the correct alternatives given below:</p> <p><b>Assertion (A):</b> In the context of equilibrium, desired investment expenditure is assumed to be autonomous.</p> <p><b>Reason (R):</b> Autonomous investment is income inelastic.</p> <p><b>Alternatives:</b></p> <ul style="list-style-type: none"> <li>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</li> <li>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).</li> <li>c) Assertion (A) is true but Reason (R) is false.</li> <li>d) Assertion (A) is false but Reason (R) is true.</li> </ul>          | 1 |
| 11. | <p>Suppose Producer A sells ₹ 300 worth of his output to Producer B, ₹ 200 worth of his output to Producer C and ₹ 500 worth of output to households. The sales of producer B to producers A, C &amp; D are worth ₹ 400, ₹ 200 &amp; ₹ 300 respectively. Producer C sells to producers A, B &amp; D output worth ₹ 100 each. Sales by producer C to households are worth ₹ 900. Producer D sells to households output worth ₹ 700. His exports are worth ₹ 300 while stock worth ₹ 200 remains unsold with producer D. Estimate the value added by producers A, B, C &amp; as well as D.</p>  | 3 |
| 12. | <p>What is the difference between Fixed and Flexible exchange rate systems?<br/>OR<br/>What does Balance of Payments Account show? Name the two parts of BoP account.</p>   | 3 |
| 13. | <p>In an economy, the equilibrium level of income is ₹ 12,000 crore. The ratio of MPC &amp; MPS is 3:1. Calculate the additional investment needed to reach a new equilibrium level of income of ₹ 20,000 crore.</p>  | 4 |


| 14.         | <p>“On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting decided to increase the policy repo rate under the liquidity adjustment facility (LAF) by 50 basis points to 5.40 per cent with immediate effect.”</p> <p><b>SOURCE: The Economic Times August 2022.</b></p> <p>Identify the likely cause and the consequences behind, this type of action plan of the Reserve Bank.</p>   | 4                         |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
|-------------|--|---------------------------|----------------------------|---------------------------|------|------|-------|------|--|--|------|--|--|------|--|--|------|--|--|------|--|--|------|--|--|------|--|--|------|--|--|------|--|--|------|--|--|------|--|--|------|--|--|------|--|--|------|-------|-------|---------|-------|-------|---|
| 15.         | <p>The Reserve Bank of India (RBI) has imposed, by an order dated September 13, 2022, a monetary penalty of ₹1.50 lakh (Rupees One lakh and Fifty Thousand only) on a particular Nagarik Sahakari Bank in Gwalior (M.P) for contravention of/non-compliance with the directions issued by the RBI to Urban Co-operative Banks. A Notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the directions.</p> <p>After considering the bank's replies and oral submissions made during personal hearing, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.</p> <p><b>SOURCE: Press release RBI, 19<sup>th</sup> Sept. 2022.</b></p> <p>Discuss briefly the relevant function of the Central Bank indicated in the above press release.</p> <p style="text-align: center;"><b>OR</b></p> <p>Explain, using a numerical example, how an increase in reserve deposit ratio affects the credit creation power of the banking system.</p> | 4                         |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| 16.         | <p>a) State &amp; discuss any three limitations of using GDP as an index of welfare of people in an economy.</p> <p>b) State and discuss any three precautions to be considered while estimating national income by Value-added Method.</p>  | 3<br><br>3                |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| 17.         | <p>a) Compare the trends depicted in the figures given below:</p> <table border="1"> <caption>Fiscal Deficit Trends (FY07 to FY22(B))</caption> <thead> <tr> <th>Fiscal Year</th> <th>Fiscal Deficit (₹ Lakh cr)</th> <th>Fiscal Deficit (% of GDP)</th> </tr> </thead> <tbody> <tr><td>FY07</td><td>1.42</td><td>3.30%</td></tr> <tr><td>FY08</td><td></td><td></td></tr> <tr><td>FY09</td><td></td><td></td></tr> <tr><td>FY10</td><td></td><td></td></tr> <tr><td>FY11</td><td></td><td></td></tr> <tr><td>FY12</td><td></td><td></td></tr> <tr><td>FY13</td><td></td><td></td></tr> <tr><td>FY14</td><td></td><td></td></tr> <tr><td>FY15</td><td></td><td></td></tr> <tr><td>FY16</td><td></td><td></td></tr> <tr><td>FY17</td><td></td><td></td></tr> <tr><td>FY18</td><td></td><td></td></tr> <tr><td>FY19</td><td></td><td></td></tr> <tr><td>FY20</td><td></td><td></td></tr> <tr><td>FY21</td><td>18.48</td><td>9.50%</td></tr> <tr><td>FY22(B)</td><td>15.06</td><td>6.80%</td></tr> </tbody> </table> <p>FY22 Budgeted; Source: Union Budget/Finance Ministry</p>  | Fiscal Year               | Fiscal Deficit (₹ Lakh cr) | Fiscal Deficit (% of GDP) | FY07 | 1.42 | 3.30% | FY08 |  |  | FY09 |  |  | FY10 |  |  | FY11 |  |  | FY12 |  |  | FY13 |  |  | FY14 |  |  | FY15 |  |  | FY16 |  |  | FY17 |  |  | FY18 |  |  | FY19 |  |  | FY20 |  |  | FY21 | 18.48 | 9.50% | FY22(B) | 15.06 | 6.80% | 3 |
| Fiscal Year | Fiscal Deficit (₹ Lakh cr)   | Fiscal Deficit (% of GDP) |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY07        | 1.42   | 3.30%                     |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY08        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY09        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY10        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY11        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY12        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY13        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY14        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY15        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY16        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY17        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY18        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY19        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY20        |  |                           |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY21        | 18.48  | 9.50%                     |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |
| FY22(B)     | 15.06  | 6.80%                     |                            |                           |      |      |       |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |  |  |      |       |       |         |       |       |   |

|              |   |                            |
|--------------|---|----------------------------|
|              | <p>a) Elaborate the objective of “Economic stability” in the government budget.</p> <p style="text-align: center;"><b>OR</b></p> <p>b) Distinguish between revenue receipt and capital receipt of the government, with suitable examples.</p> <p>c) Distinguish between tax revenue and non-tax revenue, with suitable examples.</p>  | <p>3</p> <p>3</p> <p>3</p> |
| <b>Q.NO.</b> | <b>SECTION B – INDIAN ECONOMIC DEVELOPMENT</b>  | <b>MARKS</b>               |
| 18.          | <p>The main reason for stagnation in Agricultural sector during the British rule in India was:</p> <p>a) Land settlement system.<br/> b) De-industrialization.<br/> c) Lack of technology.<br/> d) Commercialization of agriculture.</p>  | 1                          |
| 19.          | <p>The basic goal of “Modernization” under the five-year plans refers to:</p> <p>a) Increasing the capacity of the country to produce goods.<br/> b) Adoption of new technology &amp; change in social outlook.<br/> c) Raising the standard of living of all people &amp; promoting social justice<br/> d) Making the economy self-reliant.</p> <p style="text-align: center;"><b>OR</b></p> <p>Under IPR 1956, Schedule C comprised of industries:</p> <p>a) exclusively owned by State                      b) which would be completely shut down<br/> c) which were to be in the private sector d) progressively state-owned</p> | 1                          |
| 20.          | <p>Arrange the following events of China in chronological order &amp; choose the correct alternative:</p> <p>(i) Great Proletarian Cultural Revolution<br/> (ii) Great Leap Forward Campaign<br/> (iii) Introduction of Economic Reforms<br/> (iv) First Five-Year Plan</p> <p>a) ii, iv, iii, i<br/> b) iv, ii, i, iii<br/> c) ii, iv, i, iii<br/> d) iv, i, ii, iii</p> <p style="text-align: center;"><b>OR</b></p> <p>Which of the following country followed the Five-Year Plan pattern of economic development?</p> <p>India    b) China    c) Pakistan    d) All the three countries</p>                                       | 1                          |



|     |   |   |
|-----|---|---|
| 25. | <p>_____ is the observed &amp; projected increase in the average temperature of earth's atmosphere &amp; oceans.</p> <p>a) Global warming<br/>b) Biodiversity loss<br/>c) Ozone depletion<br/>d) Deforestation</p> <p style="text-align: center;"><b>OR</b></p> <p>Sustainable Development can be achieved by:</p> <p>a) Restricting use of renewable resources<br/>b) Controlling the growth of population<br/>c) Controlling pollution<br/>d) All the above</p>   | 1 |
| 26. | <p>Read the following statement -Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p><b>Assertion (A):</b> Women workers are underestimated in our country.<br/><b>Reason(R):</b> The decision to take up employment is solely taken by women without any social &amp; family interference.</p> <p><b>Alternatives:</b></p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).<br/>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).<br/>c) Assertion (A) is true but Reason (R) is false.<br/>d) Assertion (A) is false but Reason (R) is true.</p> | 1 |
| 27. | <p>Read the following statement -<b>Assertion (A)</b> and <b>Reason (R)</b>. Choose one of the correct alternatives given below:</p> <p><b>Assertion (A):</b> China has the lowest density of population as compared to India &amp; Pakistan.<br/><b>Reason(R):</b> China has a very large geographical area.</p> <p><b>Alternatives:</b></p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).<br/>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).<br/>c) Assertion (A) is true but Reason (R) is false.<br/>d) Assertion (A) is false but Reason (R) is true.</p>                    | 1 |



| 28.      | <p>Interpret the given picture on account of current environmental challenges</p> <div style="text-align: center;">  </div> <p>Source: <a href="https://greenerideal.com/news/environment/top-environmental-concerns/">https://greenerideal.com/news/environment/top-environmental-concerns/</a></p>   | 3                        |                           |                          |                       |       |    |    |    |       |    |    |    |          |    |    |    |   |
|----------|--|--------------------------|---------------------------|--------------------------|-----------------------|-------|----|----|----|-------|----|----|----|----------|----|----|----|---|
| 29.      | <p>Bring out the difference between ‘Informalisation’ and ‘Casualisation’ of workforce.</p> <p style="text-align: center;"><b>OR</b></p> <p>Critically evaluate the role of rural banking system in the process of rural development in India.</p>   | 3                        |                           |                          |                       |       |    |    |    |       |    |    |    |          |    |    |    |   |
| 30.      | <p>Compare and analyse the following information related to distribution of workforce in 2018-19 in the three neighbouring nations:</p> <table border="1" data-bbox="352 1290 1358 1498" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Country</th> <th>Agriculture sector (in %)</th> <th>Industrial sector (in %)</th> <th>Service sector (in %)</th> </tr> </thead> <tbody> <tr> <td>India</td> <td>43</td> <td>25</td> <td>32</td> </tr> <tr> <td>China</td> <td>26</td> <td>28</td> <td>46</td> </tr> <tr> <td>Pakistan</td> <td>41</td> <td>24</td> <td>35</td> </tr> </tbody> </table> <p>Source: <a href="http://www.worldbank.org">www.worldbank.org</a></p> | Country                  | Agriculture sector (in %) | Industrial sector (in %) | Service sector (in %) | India | 43 | 25 | 32 | China | 26 | 28 | 46 | Pakistan | 41 | 24 | 35 | 4 |
| Country  | Agriculture sector (in %)  | Industrial sector (in %) | Service sector (in %)     |                          |                       |       |    |    |    |       |    |    |    |          |    |    |    |   |
| India    | 43   | 25                       | 32                        |                          |                       |       |    |    |    |       |    |    |    |          |    |    |    |   |
| China    | 26   | 28                       | 46                        |                          |                       |       |    |    |    |       |    |    |    |          |    |    |    |   |
| Pakistan | 41   | 24                       | 35                        |                          |                       |       |    |    |    |       |    |    |    |          |    |    |    |   |
| 31.      | <p>Discuss briefly, the features of ‘Goods and Services Tax’ Act which came into effect on 1<sup>st</sup> July,2017 in India.</p> <p style="text-align: center;"><b>OR</b></p> <p>Discuss briefly, how institutional reforms (land reforms) have played a significant role in transforming Indian agriculture.</p>   | 4                        |                           |                          |                       |       |    |    |    |       |    |    |    |          |    |    |    |   |
| 32.      | <p>State whether the following statements are true/false, with valid arguments:</p> <p>a) On-the-Job training is not a source of Human Capital formation.</p> <p>b) In India, higher education takes a major share of total education expenditure.</p>   | 2<br>2                   |                           |                          |                       |       |    |    |    |       |    |    |    |          |    |    |    |   |

|     |  |                            |
|-----|--|----------------------------|
| 33. | <p>Explain the following aspects of diversification of agricultural activities:</p> <p>a) Diversification of Crop-production</p> <p>b) Diversification of Productive activities</p> <p style="text-align: center;"><b>OR</b></p> <p>Discuss the remedial measures needed to solve the problem of unemployment in India.</p>  | <p>3</p> <p>3</p> <p>6</p> |
| 34  | <p><b>Read the following text carefully and answer the given questions on the basis of the same and common understanding:</b></p> <p>Subsidies are created, administered device intended for use only until such a time the basic set-up of the programme of activity can take up its own protection through its required competitiveness. If it fails to happen, there is no reason to protect it. The trend that the beneficiaries of subsidies expect them for every new programme and hope continuance of subsidies is noteworthy. Economists advocate that subsidies should be selective, limited and specially targeted for weaker sections only. Subsidies alter relative prices and budget constraints and thereby affect decisions concerning production, consumption and allocation of resources. Like many other countries, subsidies in Indian economy are pervasive. These are explicit or hidden and include the areas such as education, health, environment and variety of economic activities including agriculture and transport.</p> <p>a) Give your opinion on whether subsidies are vice or a virtue?</p> <p>b) ‘Economists advocate that subsidies should be selective, limited and specially targeted for weaker sections only.’ Justify the statement.</p> | <p>3</p> <p>3</p>          |

### MARKING SCHEME MODEL QP-1: CLASS XII

| SL.NO. | ANSWERS  | MARKS   |
|--------|--|---|
| 1.     | b  | 1   |
| 2.     | d  | 1   |
| 3.     | d  | 1   |
| 4.     | a  | 1   |
| 5.     | b OR part (a)  | 1   |
| 6.     | a OR part (d)  | 1   |
| 7.     | d  | 1   |
| 8.     | d—iv OR part (c)   | 1   |
| 9.     | d  | 1   |
| 10.    | b  | 1   |
| 11.    | Value-added by A = ₹ 500; B= ₹ 500; C= ₹ 800   | 3   |
| 12.    | <p>Fixed exchange rate: Officially fixed i.t.o. gold or any other currency by the government; generally, remains stable and only a small variation is possible; large stock of forex reserves to be maintained by the government; leads to devaluation/revaluation of domestic currency.</p> <p>Flexible exchange rate system: determined by forces of demand and supply of forex; no government intervention; exchange rate keeps on changing; large forex reserves not required to be maintained; leads to appreciation/depreciation of domestic currency. (Follow the word limit.)</p> <p><b>OR</b></p> <p>BoP provides a systematic record of all economic transactions relating to visible items, invisible items, unilateral transfers and capital transfers between the residents and R.O.W during a given period of time.</p> <p>BoP account has uses ‘Double Entry System’ which has two sides:</p> <ol style="list-style-type: none"> <li>i. Credit side: records all inflows/sources of forex.</li> <li>ii. Debit side: records all outflows/ uses of forex.</li> </ol> <p>(Follow the word limit.)</p> | <p style="text-align: center;">3</p> <p style="text-align: center;">1+1+1</p> |
| 13.    | <p>Ratio of 3:1 between MPC &amp; MPS signifies <math>MPC=3/4=0.75</math> and <math>MPS=1/4=0.25</math>.</p> <p><math>K=1/MPS=4</math>. <math>\Delta Y = 20,000-12,000=8,000</math>. Also, <math>K=\Delta Y/\Delta I= 4=8000/\Delta I</math>. Hence, <math>\Delta I=2000</math>.</p>   | 4   |
| 14.    | Dear Money Policy. Explain w.r.t Russia- Ukraine war causing Inflation and how making credit costlier will help curb price rise. ( Follow the word limit.)   | 4   |
| 15.    | <p>Explain the Bankers’ Bank and Supervisory function of the Central bank.</p> <p><b>OR</b></p> <p>Reserve deposit ratio/LRR is the minimum reserves that a commercial bank must maintain as per the instructions of central bank. Take hypothetical figures of Reserve ratio &amp; initial deposits to show that as reserve ratio increases/decreases, the credit creation power will decrease/increase.</p>  | 4   |

|  |  |   |
|--|--|---|
| 16.  | <p>a) * GDP does not take into account changes in inequalities in the distribution of income.<br/>* If increase in GDP is due to price rise and not increase in physical output then it will not be a reliable index of welfare.<br/>* GDP does not consider the non-monetary exchanges which influence the economic welfare. (Follow word limit)</p> <p>b) State and explain any three precautions such as intermediate goods, sale &amp; purchase of second-hand goods, production of services for self-consumption, production of goods for self-consumption, income from sale of shares and bonds, change in inventory, imputed value of owner-occupied houses etc.</p>  | <p>1+1+1</p> <p>3</p>   |
| 17.  | <p>a) Study the data and comment on the increasing or falling trend in the fiscal deficit in all the given financial years.</p> <p>b) It means absence of large-scale fluctuation in prices which might otherwise create uncertainties in the economy. Government can control these fluctuations during inflation and deflation through taxes and expenditure. (Follow word limit)</p> <p><b>OR</b></p> <p>a) Revenue Receipts: neither create any liability nor reduce any asset of the government. Recurring in nature. No future obligation to return the amount. E.g., income tax, GST, interest, fee etc.<br/>Capital Receipts: either creates a liability or reduce any asset of the government. Irregular &amp; Non-recurring in nature. Some of them create future obligations of returning along with interest such as borrowings. Other example is disinvestment.</p> <p>b) Tax-revenue : Sum total of receipts from taxes and other duties imposed by the government. Compulsory payment. No direct benefit received from government. E.g. Income tax, corporate tax, GST etc.<br/>Non-tax revenue : Receipts of government from all sources other than tax receipts. Not a compulsory payment. Paid in exchange of services received. E.g. Interest, profits, dividends etc.</p> | <p>3</p> <p>3</p> <p>1 ½</p> <p>1 ½</p> <p>1 ½</p> <p>1 ½</p> |
| <b>PART –B (INDIAN ECONOMIC DEVELOPMENT)</b> |  |   |
| 18.  | a  | 1   |
| 19.  | b OR part (c)  | 1   |
| 20.  | b OR part (d)  | 1   |
| 21.  | a  | 1   |
| 22.  | 3  | 1   |
| 23.  | d  | 1   |
| 24.  | c  | 1   |
| 25.  | a OR part (d)  | 1   |
| 26.  | c  | 1   |

|     |   |   |
|-----|---|---|
| 27. | a   | 1   |
| 28. | Discuss Global warming, melting of ice-sheets and glaciers adding water to the oceans, inundation of deltas as well as flooding of many marshes and wetlands, erosion of beaches, expansion of sea-water as it warms etc. (Follow word limit)   | 3   |
| 29. | <p>a) Informalization : A situation whereby the proportion of workforce in the informal sector to the total workforce increase.</p> <p>b) Casualization : Process of moving from self-employment and regular salaried employment to casual wage work. (Follow the word limit)</p> <p><b>OR</b></p> <p>Positive aspects: Rise in rural farm and non-farm output, income &amp; employment. Credit facilities helped farmers to avail loans for meeting production needs. With buffer stock of grains, famines became events of the past.</p> <p>Negative aspects: Insufficient volume of credit. Inadequate coverage of institutional sources. Less attention to poor/marginal farmers. Inadequate amount of loan sanction, Growing overdues.</p> | <p>1 ½</p> <p>1 ½</p> <p>1 ½</p> <p>1 ½</p> |
| 30. | Study the data and analyse on a comparative basis about the sectoral workforce distribution reflecting the stage of development of India, China & Pakistan.   | 4   |
| 31. | <p>A comprehensive indirect tax which replaced many indirect taxes in India. Passed in Parliament on 29<sup>th</sup> March 2017 and the Act came into effect 1<sup>st</sup> July 2017. Multi stage destination based tax that is levied on every value-addition. ‘One nation one tax’ policy to have a unified market in order to ensure smooth flow of goods &amp; services across the country. (Follow word limit)</p> <p><b>OR</b></p> <p>Involved change in ownership of landholdings. Discuss Abolition of intermediaries ; Ceiling on landholdings ; Consolidation of landholdings ; Regulation of Rent ; Co-operative farming. (Follow word limit)</p>   | 4   |
| 32. | <p>a) False. On-the-job training is a source of human capital formation because the return of expenditure on such training, in the form of enhanced labour productivity, is more than the cost of it. .</p> <p>b) False. Primary and middle school education(elementary education) takes a major share of total education expenditure.</p>  | <p>2</p> <p>2</p>                           |
| 33. | a) It involves shifting from single-cropping system to multi-cropping system. From food grains to cash-crops. Reduces dependence of farmers on one or two crops. Reduces risk of crop failure and increases the farmers’ income.  | 3   |

|     |   |   |
|-----|---|---|
|     | <p>b) As agriculture is already overcrowded, a major proportion of increasing labour force needs to find employment opportunities in other non-farm sectors. Provides alternative avenues of sustainable livelihood. Raise level of income. Dynamic linkages through sub-sectors such as agro-processing industries, food processing industries, leather industry, tourism etc. permit healthy growth. (Follow word limit)</p> <p style="text-align: center;"><b>OR</b></p> <p>Explain the various measures such as increasing the GDP growth rate, population control, agricultural sector development, encourage small-scale industries, better infrastructure, creation of self-employment opportunities, special employment programmes, reform of education system, manpower planning etc. (Follow word limit)</p>  | <p style="text-align: center;">3</p> <p style="text-align: center;">6</p> |
| 34. | <p>a) <b>Virtue aspects:</b> provides financial cushion to farmers, facilitated use of HYV technology for the farmers, facilitated purchase of expensive farm inputs.</p> <p><b>Vice aspects:</b> huge financial burden on the government, indirect subsidy in the form of MSP has mounted government expenditure, compulsion to cope with loan-waivers for the farmer, misappropriated benefits, wasteful consumption etc. (Follow word limit)</p> <p>b) I completely agree with the statement. The need of the hour is not to do away with subsidies but to ensure that it's benefits are directed towards the intended beneficiaries. Subsidies serve their true purpose when they are based on economic considerations in any sector whether agriculture, education, health etc.. For e.g. for helping the small farmers in agriculture subsidies must be given and that too in a time bound manner. But giving of subsidy is not justified when based on political considerations leading to the benefits being reaped by rich farmers rather than the poor farmers. (Follow word limit)</p> | <p style="text-align: center;">3</p> <p style="text-align: center;">3</p> |