

HMJ/1

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Senior School Certificate Examination - 2020

Marking Scheme – ECONOMICS Subject Code : 030
PAPER CODE –58/1/1

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($\sqrt{\quad}$) 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.

	<p style="text-align: center;">OR</p> <p>Question: “Central bank acts as the banker to the government”. Elaborate the given statement.</p> <p>Answer: The central bank acts as the banker to the Government, maintain accounts of government for the purpose of accepting deposits and advancing loans. The central bank purchases and sells government securities in the open market on behalf of the government. It may also advise the government on policy matters, if solicited. (to be marked as a whole)</p>	4																					
14	<p>Question: “India is taking huge leaps in the index of Ease of doing Business; as a result many MNCs are shifting their production base to India.” In the light of the above statement, comment upon the flow of foreign exchange and its likely impact on the Indian Economy.</p> <p>Answer: India, with greater ease of doing business, may attract many more MNC’s to shift their production base to India, thereby increasing the inflow of foreign exchange (say \$) to the Indian economy. This increase in foreign direct investments (FDI) by MNCs will lead to increase in the supply of foreign exchange in India leading to a fall in the rate of foreign exchange, i.e. Indian Rupee (₹) may appreciate. Increase in FDI will result in increase in production and hence may also generate employment opportunities in the Indian economy. (to be marked as a whole)</p>	4																					
15	<p>Question: (a) Define ‘Revenue Expenditure’.</p> <p>Answer: (a) Revenue Expenditures are those expenditures of the government that neither create any assets nor reduce any liabilities of the government.</p> <p>Question: (b) Distinguish between Direct tax and Indirect Tax</p> <p>Answer:(b) Direct taxes are those taxes in which the impact and incidence of the tax lie on the same entities. The burden of direct taxes cannot be shifted on any other entity like Income tax. Where as,</p> <p>Indirect taxes are those taxes in which the impact and incidence of the tax lie on different entities. The burden of indirect taxes can be shifted on other entities like GST.</p>	<p>1</p> <p>1 ½</p> <p>1 ½</p>																					
16	<p>Question: (a) Calculate the value of “ Change in Stock” from the following data:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>S.NO</th><th>Items</th><th>Amount (in ₹Crores)</th></tr> </thead> <tbody> <tr> <td>i.</td><td>Sales</td><td>400</td></tr> <tr> <td>ii</td><td>Net Value Added at Factor cost (NVA_{FC})</td><td>200</td></tr> <tr> <td>iii</td><td>Subsidies</td><td>10</td></tr> <tr> <td>iv</td><td>Change in Stock</td><td>?</td></tr> <tr> <td>v</td><td>Depreciation</td><td>40</td></tr> <tr> <td>vi</td><td>Intermediate Consumption</td><td>100</td></tr> </tbody> </table> <p>Answer: Change in stock = (ii) +(vi)+(v)-(iii)-(i) = 200+100+40-10-400 = (-) ₹70 Crores.</p> <p>Question: (b). Define Real Gross Domestic Product.</p> <p>Answer: Real Gross Domestic product is the sum total of the money value of all final goods and services produced in an economy during the year estimated at some given base year’s prices.</p>	S.NO	Items	Amount (in ₹Crores)	i.	Sales	400	ii	Net Value Added at Factor cost (NVA _{FC})	200	iii	Subsidies	10	iv	Change in Stock	?	v	Depreciation	40	vi	Intermediate Consumption	100	<p>2</p> <p>1 ½</p> <p>½</p> <p>2</p>
S.NO	Items	Amount (in ₹Crores)																					
i.	Sales	400																					
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	<p style="text-align: center;">OR</p> <p>Question: (a) Discuss briefly the three components of ‘Income from Property and Entrepreneurship.’</p> <p>Answer: (a) Income from property and entrepreneurship (operating surplus) includes:</p> <div><div>i. Rent/Royalties</div><div>ii. Interest</div><div>iii. Profit</div></div> <p style="text-align: right;">(Brief explanation of each pointer)</p> <p>Question: (b) What are ‘externalities’? State its types with suitable examples.</p> <p>Answer: (b) Externalities refer to the benefits/harms caused by a firm/individual to the society in general, without being penalised.</p> <p>There are two types of externalities :-</p> <div><div>(i) Positive externalities – Social benefits. E.g. saving of time/fuel with construction of better roads in a country</div><div>(ii) Negative externalities - Social harms for example pollution caused by stubble burning in some states of India. (any other suitable definition/example to be allotted marks)</div></div>	<div>1</div> <div>1</div> <div>1</div> <div>1</div> <div>1</div> <div>½ + ½</div> <div>½ + ½</div>																														
17	<p>Question: In an economy, if initial investments are increased by ₹ 100 crores, discuss the working of investment multiplier presuming marginal propensity to consume is 0.8</p> <p>Answer: The working of investment multiplier is based on the principle that one’s expenditure is another’s income.</p> <p>Given initial investment = ₹ 100 crores and MPC = 0.8</p> <table><tr><th>Round</th><th>Change in Investment(₹ in crores)</th><th>Change in Income(₹ in crores)</th><th>Change in Consumption(₹ in crores)</th><th>Change in Saving(₹ in crores)</th></tr><tr><td>I</td><td>100</td><td>100</td><td>80</td><td>20</td></tr><tr><td>II</td><td>-</td><td>80</td><td>64</td><td>16</td></tr><tr><td>III</td><td>-</td><td>64</td><td>51.2</td><td>12.8</td></tr><tr><td></td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td></td><td></td><td>500</td><td>400</td><td>100</td></tr></table> <p style="text-align: right;">(Valid explanation of the table is required)</p> <div>$K = \frac{1}{1 - mpc}$$= \frac{1}{0.2} = 5$$\Delta Y = K \times \Delta I$$= 5 \times 100$$= ₹ 500 \text{ crores}$</div> <p style="text-align: right;">(Valid explanation in paragraph form should also be allotted marks).</p>	Round	Change in Investment(₹ in crores)	Change in Income(₹ in crores)	Change in Consumption(₹ in crores)	Change in Saving(₹ in crores)	I	100	100	80	20	II	-	80	64	16	III	-	64	51.2	12.8		-	-	-	-			500	400	100	<div>2</div> <div>1</div> <div>1</div> <div>½</div> <div>½</div> <div>1</div>
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	<p style="text-align: center;">SECTION- B (INDIAN ECONOMIC DEVELOPMENT)</p>																															
18	<p>Question: During India’s first seven five- year plans, the Government of India adopted _____ policy to protect domestic industries. (Fill in the blank with the correct answer)</p> <p>Answer: Import Substitution (or any other relevant term)</p>	<div>1</div>																														
19	<p>Question: Mention any one advantage of Organic farming.</p> <p>Answer: Safe and Healthy food (or any other valid advantage)</p>	<div>1</div>																														
20	<p>Question: State whether the statement is true or false.</p> <p>“In the past few decades, primary sector has created maximum jobs in India”</p> <p>Answer: False</p>	<div>1</div>																														

21	<p>Question: _____ was the predecessor organisation to World Trade Organisation. (Choose the correct alternative)</p> <p>(A) International Bank for Reconstruction and Development (IBRD) (B) International Monetary Fund (IMF) (C) Reserve Bank of India (RBI) (D) General Agreement on Tariffs and Trade (GATT)</p> <p>Answer- (D) General Agreement on Tariffs and Trade (GATT)</p>	1
22	<p>Question: India is not a member of which of the following regional/global economic grouping? (Choose the correct alternative)</p> <p>(A) European Union (C) G-20 (B) BRICS (D) SAARC</p> <p>Answer – (A) European Union</p> <p style="text-align: center;">OR</p> <p>Pakistan introduced its economic reforms in the year _____</p> <p>(A) 1974 (C) 1978 (B) 1976 (D) 1988</p> <p>Answer – (D) 1988</p>	1
23	<p>Question: State whether the statement is true or false. “Self- Help Groups (SHGs) are an example of a microcredit organisation.”</p> <p>Answer: True</p>	1
24	<p>Question: The main aim of ‘Great Leap Forward’ was to ensure rapid increase in _____ (primary/secondary/tertiary) sector in China. (Choose the correct alternative)</p> <p>Answer: secondary</p>	1
25	<p>Question: State any one outcome of implementation of Economic Reforms in India in 1991</p> <p>Answer: Greater inflow of investment. (or any other relevant outcome to be allotted marks)</p>	1
26	<p>Question: Arrange the following events in chronological order and choose the correct answer from the given alternatives:</p> <p>(i) Establishment of People’s Republic of China (ii) Creation of Pakistan (iii) First Five-Year Plan of India (iv) First Five-Year Plan of China</p> <p>Alternatives :</p> <p>(A) (i), (iv), (ii), (iii) (B) (iii), (ii), (i), (iv) (C) (ii), (i), (iii), (iv) (D) (iv), (iii), (ii), (i)</p> <p>Answer: (C) (ii), (i), (iii), (iv)</p>	1

27	<p>Question: First Industrial Policy Resolution of Independent India was announced in the year _____. (Fill in the blank with the correct alternative)</p> <p>(A) 1947 (B) 1948 (C) 1951 (D) 1956</p> <p>Answer: (B) 1948</p>	1									
28	<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. (any other valid argument to be allotted marks) (to be marked as whole)</p> <p style="text-align: center;">OR</p> <p>Critically evaluate the role of rural banking system in the process of rural development in India.</p> <p>Answer- Rapid expansion of the banking system had positive effect on rural farm and non farm output, income and employment. In spite of it, following problems have been faced in the rural banking such as-</p> <ul style="list-style-type: none"> ➤ The volume of rural credit in the country is still insufficient in comparison to its demand and institutional sources have failed to cover the entire rural farmers of the country. ➤ Less attention has been given on the credit requirements of needy (small and marginal farmers) and the problem of overdue in agricultural credit continues. <p>(any other valid argument to be allotted marks)</p>	<p>3</p> <p>1 ½</p> <p>1 ½</p>									
29	<p>Question- Compare and analyse the given data of India and China with valid reasons :</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Country</th><th>Annual growth rate of population (2015)</th><th>Sex 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> <p>a) The given data shows that China could arrest its annual population growth rate with the implementation of some stringent measure 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 at its annual population growth rate of 1.2% as compared to China's annual population growth rate of 0.5% pa.</p>	Country	Annual growth rate of population (2015)	Sex ratio (per thousand males)	India	1.2%	929	China	0.5%	941	2
Country	Annual growth rate of population (2015)	Sex ratio (per thousand males)									
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	<p>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.</p>	1
30	<p>Question- India is often called the 'Outsourcing Destination' of the World. Discuss the prime reasons for this name given to India.</p> <p>Answer- Reasons for India as outsourcing destination-</p> <ul style="list-style-type: none"> (i) Availability of skilled manpower- India has vast skilled manpower which enhances the faith of MNCs. (ii) Favourable Government policies- MNCs get various types of lucrative offers from the Indian government such as tax holidays, tax concessions etc. <p style="text-align: center;">(any other valid argument should be allotted marks)</p> <p style="text-align: center;">OR</p> <p>Question: State the meaning of import substitution Explain how import substitution can protect the domestic industries.</p> <p>Answer: Import substitution refers to a policy of replacement or substitution of imports by domestic production.</p> <p>The domestic industries of India were not in a position to compete against the goods produced by developed economies. So, the policy of import substitution helped in protecting them in two ways:</p> <ul style="list-style-type: none"> i. The tariff on imported goods, and ii. Fixation of quotas helped in restricting the level of imports. <p>As a result, the domestic firms could expand without fear of competition from the foreign market. (Students may also discuss infant industry argument, to be allotted marks).</p>	<p>2</p> <p>2</p> <p>1</p> <p>1 ½</p> <p>1 ½</p>
31	<p>Question: (a) State any one positive contribution made by the British in India.</p> <p>Answer: (a) Introduction of Railways (any other valid positive contribution).</p> <p>Question: (b) Indicate the volume and direction of foreign trade of India at the time of Independence.</p> <p>Answer: (b) The restrictive policies of commodity production, trade and tariff pursued by the colonial rule adversely affected the volume and direction of India's foreign trade, as:</p> <ul style="list-style-type: none"> i. British maintained monopoly control over India's exports and imports. ii. More than half of India's foreign trade was restricted to Britain while the rest was allowed with a few other countries like China, Ceylon(Sri Lanka) and Persia (Iran) iii. India had huge export surplus during the colonial rule. <p style="text-align: center;">(any other valid argument to be allotted marks)</p> <p>(data is only indicative, no marks should be deducted if not data not given by student)</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p>

32	<p>Question: Define any two of the following:</p> <p>(a) Absorptive capacity of environment (b) Carrying capacity of environment (C) Poverty Line (in terms of calorific value).</p> <p>Answers- (Any two of the following)</p> <p>(a) Absorptive capacity of the environment- It means the ability of the environment to absorb degradation without causing environmental damage.</p> <p>(b) 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.</p> <p>(c) Poverty Line is the cut off point which divides the population of the country as poor and the non-poor. It can be determined in terms of calorie intake and monthly per capita expenditure (MPCE). According to this a minimum intake of 2400 calories per person per day in rural areas and 2100 calories person per day in urban areas is needed. (any other relevant definitions should be allotted marks)</p>	2+2																
33	<p>Question- (a) Why are less women found in regular salaried employment?</p> <p>Answer- a) (i) Lesser women are found in regular salaried employment in India, as such jobs require skills and high level of literacy. (ii) Lack of mobility among women in India due to social constraints.</p> <p>Question- (b) Analyse the recent trends in sectoral distribution of workforce in India: Trends in Employment Pattern (Sector wise), 1983-2012(in %)</p> <table><tr><td>Sector</td><td>1993-94</td><td>1999-2000</td><td>2011-2012</td></tr><tr><td>Primary</td><td>64</td><td>60.4</td><td>24.3</td></tr><tr><td>Secondary</td><td>16</td><td>15.8</td><td>24.3</td></tr><tr><td>Services</td><td>20</td><td>23.8</td><td>26.8</td></tr></table> <p>Answer- (b) 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 has gone up by approximately 9% recently, the corresponding figure for services sector has gone up by approximately 7%. (to be marked as a whole)</p>	Sector	1993-94	1999-2000	2011-2012	Primary	64	60.4	24.3	Secondary	16	15.8	24.3	Services	20	23.8	26.8	1 ½ 1 ½ <
Sector	1993-94	1999-2000	2011-2012															
Primary	64	60.4	24.3															
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	<p>Question: b) “The Indian Health System needs a stronger dose of public expenditure to cure itself.” Justify the given statements with valid arguments.</p> <p>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.</p> <p>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 GDP in the year 2014-15. Thus, actually Indian health system needs the increased dose of public expenditure to cure itself. (to be marked as a whole) (any other relevant point is to be marked) (data is only indicative/to support the argument, marks should not be deducted if data is not provided)</p> <p style="text-align: center;">OR</p> <p>Question- Critically examine the results of Poverty Alleviation Programmes implemented in India since independence.</p> <p>Answer- Poverty Alleviation Programmes are the designated programmes to target reduction in/removal of poverty in a country. India, which inherited poverty from British rule, tried her level best to eradicate poverty through various Poverty Alleviation Programmes over the years. As a result, the percentage of absolute poor in some states has fallen well below the national average of poverty. However, the problems of malnourishment, hunger and illiteracy continue to be a common feature in many parts of India, because of the following reasons:</p> <ul style="list-style-type: none"> • There has been no radical change in the ownership of assets. • Due to unequal distribution of land and other assets, benefits from such programmes have been appropriated by the non-poor. • Inadequate resource allocation for these programmes. • The Government officials responsible for implementing these programmes were ill motivated and inadequately trained. <p>To conclude we may say that poverty alleviation programmes were a great step but could not achieve desired results due to improper implementation. (to be marked as a whole) (any other relevant answer should be allotted marks)</p>	<p>3</p> <p>6</p>
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