

**Strictly Confidential: (For Internal and Restricted use only)**  
**Senior Secondary School Term II Examination, 2022**  
**Marking Scheme – ECONOMICS (SUBJECT CODE – 030)**  
**(PAPER CODE – 58/2/3 )**

**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.
2. **“Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, Evaluation done and several other aspects. Its’ leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in News Paper/Website etc may invite action under IPC.”**
3. 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. In class-XII, while evaluating two competency based questions, please try to understand given answer and even if reply is not from marking scheme but correct competency is enumerated by the candidate, marks should be awarded.**
4. 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.
5. Evaluators will mark(  $\checkmark$  ) 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.**
6. 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.
7. 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.
8. If a student has attempted an extra question, answer of the question deserving more marks should be retained and the other answer scored out.
9. No marks to be deducted for the cumulative effect of an error. It should be penalized only once.

10. A full scale of marks 40 (example 0-40 marks as given in Question Paper) has to be used. Please do not hesitate to award full marks if the answer deserves it.
11. Every examiner has to necessarily do evaluation work for full working hours i.e. 8 hours every day and evaluate 30 answer books per day in main subjects and 35 answer books per day in other subjects (Details are given in Spot Guidelines). This is in view of the reduced syllabus and number of questions in question paper.
12. 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.
13. 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.
14. 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.
15. The Examiners should acquaint themselves with the guidelines given in the Guidelines for spot Evaluation before starting the actual evaluation.
16. Every Examiner shall also ensure that all the answers are evaluated, marks carried over to the title page, correctly totaled and written in figures and words.
17. 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.

**MARKING SCHEME**  
Senior Secondary School Examination TERM–II, 2022  
**ECONOMICS (Subject Code–030)**  
[ Paper Code : 58/2/3 ]

**Maximum Marks : 40**

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1.	<b>(a) Justify the following statement: "Full employment is an essential condition to be fulfilled under Keynesian Economics Principles."</b>	
	The given statement is not an essential condition. According to Keynesian theory, an economy may attain equilibrium even at less than full employment level of income as well.  <b>(to be marked as a whole)</b>	2
	<b>OR</b>	
	<b>(b) "Involuntary Unemployment is a situation where an able bodied person unwilling to work does not get work at the prevailing wage rate." Do you agree with the given statement? Elucidate briefly.</b>	
	The given statement is not true. Involuntary unemployment is the situation in which, all those who are willing and able to work at existing wage rate, do not get work.  <b>(to be marked as a whole)</b>	2
2.	<b>(a) Define Worker Population Ratio' and mention its utility.</b>	
	Worker population Ratio is defined as total number of workers in a country divided by population. (In percentage).	1
	It is useful in analysing the employment situation in the country.	1
	<b>(any other relevant point/argument to be allotted marks)</b>	2
	<b>OR</b>	
	<b>(b) State any two harmful effects of using chemical fertilizers.</b>	
	Two harmful effects of using chemical fertilizers are:	
	(i) Contamination of soil.	1
	(ii) Contamination of ground water.	1
	<b>(any other relevant point/argument to be allotted marks)</b>	2
3.	<b>State and discuss any one component of Aggregate Demand in a two-sector economy.</b> <b>Consumption Expenditure (C)</b> refers to total expenditure incurred by households and non-profit institutions on purchase of goods and services during an accounting year. There exists a positive relation between income and consumption expenditure, i.e., higher the income, higher shall be the consumption expenditure.  <b>(to be marked as a whole)</b> <b>(marks to be allotted, if Investment is explained as a component of AD)</b>	2

4.	<p><b>Calculate the Equilibrium level of Income for an imaginary economy, if it is given that:</b>  <b>(a) Consumption function, <math>C = 400 + 0.60 Y</math></b>  <b>Where <math>C = \text{Consumption}</math>, <math>Y = \text{Income}</math></b>  <b>(b) Autonomous Investments (<math>I</math>) = ₹ 2,000 crore.</b></p> <p>Given, Consumption Function <math>C = 400 + 0 \cdot 6Y</math>  Autonomous Investment (<math>I</math>) = ₹ 2,000 crore</p> <p>We know that, at equilibrium level</p> $Y = C + I$ $Y = 400 + 0 \cdot 6 Y + 2,000$ $0 \cdot 4 Y = 2,400$ $Y = ₹ 6,000 \text{ crore}$ <p>Thus, Equilibrium level of Income = ₹ 6,000 crore</p>	<div>1/2</div> <div>1/2</div> <div>1/2</div> <div>1/2</div> <div>2</div>
5.	<p><b>(a) State any two precautions to be adopted while estimating National Income by Value Added Method.</b></p> <p>Two precautions regarding value-added method :</p> <p>(i) Value of intermediate goods is not included in the estimation of National Income to avoid problem of double counting.</p> <p>(ii) Imputed value of production for self-consumption is taken into account while estimating National Income, as it adds to current flow of goods and services.</p> <p style="text-align: center;"><b>(any other relevant point/argument to be allotted marks)</b></p> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) State any two precautions to be adopted while estimating National Income by Income Method.</b></p> <p>Two precautions to be taken while estimating National Income are :</p> <p>(i) Income from sale of shares is not included as such transactions are mere paper claims and do not lead to value addition. (There is no corresponding flow of goods and services)</p> <p>(ii) Windfall gains will not be included as there is no corresponding flow of goods and services.</p> <p style="text-align: center;"><b>(any other relevant point/argument to be allotted marks)</b></p>	<div>1</div> <div>1</div> <div>2</div> <div>1</div> <div>1</div> <div>2</div>
6.	<p><b>"In a hypothetical economy, planned savings fall short of planned investments, leading to fall in employment and income."</b>  <b>Do you agree with the given statement ? Support your answer with a valid explanation.</b></p> <p>The given statement is not true. When planned savings are less than the planned investments it means households are planning to consume more than what the firms expected. As a result,</p>	3

	planned inventory would fall below the desired level. To bring back the inventories at the desired level, producers may expand production raising the employment and income level. <div>(to be marked as a whole)</div>																					
7.	<div>Based on the given data, compare any two parameters for the economies of India and China:</div> <table><tr><th>S. No.</th><th>Items</th><th>India</th><th>China</th></tr><tr><td>(i)</td><td>Human Development Index (HDI) (Value)</td><td>0.609</td><td>0.727</td></tr><tr><td>(ii)</td><td>HDI (Rank)</td><td>130</td><td>90</td></tr><tr><td>(iii)</td><td>Life Expectancy at Birth (in years)</td><td>68.2</td><td>75.8</td></tr><tr><td>(iv)</td><td>GDP per capita (PPP \$ US)</td><td>5,730</td><td>13,572</td></tr></table> <div>Source: HDI Report 2014 &amp; WDI</div> <div><div><div>(i) HDI (values) : Human Development Index (HDI) is an important indicator of socio-economic development. Higher value of HDI shows higher level of growth and development of a nation. As per the given report, HDI for India is 0.609, which is lesser than that of China (0.727).</div><div>(ii) HDI (rank) : Human Development Index (HDI) values are used to create ranking of different countries. China is placed at 90th position in the world whereas, India stands at 130th position. Higher rank indicates lower socio-economic development.</div><div>(iii) Life Expectancy at Birth (in year) : A country which provides better health and civic facilities secure a higher life expectancy for its citizens. China has higher life expectancy than India by an extra margin of approximately 8 years.</div><div>(iv) GDP per capita (PPP \$ US) : Higher GDP per capita ensures higher ranking of China in Human Development Index (HDI) . China’s GDP per capita (PPP \$ US ) is approximately more than twice than that of India. Higher level of income of people in the country is the direct result of greater economic activities in the country.</div></div><div>(any two parameters to be marked)</div></div>	S. No.	Items	India	China	(i)	Human Development Index (HDI) (Value)	0.609	0.727	(ii)	HDI (Rank)	130	90	(iii)	Life Expectancy at Birth (in years)	68.2	75.8	(iv)	GDP per capita (PPP \$ US)	5,730	13,572	<div>1½×2</div> <div>3</div>
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8.	<div>(a) Discuss briefly the problem of Double Counting, using a suitable example.</div> <div>Counting the value of a good or service more than once while estimating National Income by value added method is called double counting problem.</div> <div>This may be illustrated with the following example:</div> <div>Suppose a farmer produces 50 kg of wheat and sells it for ₹ 500 to a flour mill owner. If intermediate cost for farmer is assumed to be zero, then the value added will be ₹ 500. For the flour mill owner, wheat is an intermediate good which is converted into flour and sold for ₹ 700</div>	<div>1</div>																				

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	to a baker. For the baker, flour becomes an intermediate product which is converted into bread and sold to the final consumers for ₹ 1,000 as the final product. In the given example, wheat is a final product for the farmer, flour for the flour mill owner, bread for the baker. However, the value of wheat is included in the value of flour as well as in the value of bread. As a result, the value of wheat and flour are counted more than once. This may cause the problem of double counting.	2
	(marks to be allotted for tabulated example too) <b>OR</b>	3
	<b>(b) Distinguish between Real Gross Domestic Product and Nominal Gross Domestic Product, using a suitable numerical example.</b> <b>Real Gross Domestic Product (GDP)</b> is the money value of final goods and services measured at base year prices. Whereas, <b>Nominal Gross Domestic Product (GDP)</b> is money value of final goods and services measured at current year's prices. For example, suppose a country produces only one product. In the year 2000 it had produced 100 units which was sold at ₹ 10 per unit. GDP at current price for year 2000 was ₹ 1,000. In 2001, the same quantity is produced but is sold at ₹15 per unit. In this case the Nominal GDP in 2001 was ₹ 1,500 ( $=100 \times ₹ 15$ ), however the Real GDP (in 2001) will be ₹ 1,000 ( $=100 \times ₹ 10$ ). (to be marked as a whole)	3
9.	<b>Define Inflationary Gap. State, how the Central Bank of an economy can control the situation of inflationary gap, using any monetary policy measure</b> Inflationary gap refers to the situation when Aggregate Demand is greater than Aggregate Supply, corresponding to full employment level of output. To correct the situation of inflationary gap, the Central Bank may raise Legal Reserve Ratio, which may lead to lesser availability of funds with commercial banks for lending. Consequently, this may reduce the credit creation capacity of the commercial banks leading to reduction in Aggregate Demand and helps to manage inflationary gap.	1
		2
		3
10.	<b>"India and Pakistan initiated their journey of development, nearly at the same time, yet the two economies have travelled different distances." Justify the given statement with valid arguments.</b> It is true that India and Pakistan started their journey of development nearly at the same time, in a similar way. Both the nations adopted policies like Economic Planning, dominance of public sector, high public expenditure etc. in the post 1947 period. There has been a decline in the annual growth of GDP in Pakistan over the year, whereas India met with moderate increase in GDP. The probable reasons for slower growth in Pakistan are political instability, overdependence on remittance and foreign aid along with volatile performance of agricultural sector. However, India met with greater success owing to efficient economic planning and better implementation vis-a-vis Pakistan. (to be marked as a whole)	3
11.	<b>Estimate the missing values (?), if the value of Gross Domestic Product at factor cost (GDP<sub>fc</sub>) by Expenditure Method and Income Method is ₹ 920 crore :</b>	

	S. No.	Items	Amount (in ₹crore)	
	(i)	Government Final Consumption Expenditure	?	
	(ii)	Operating Surplus	?	
	(iii)	Gross Domestic Fixed Capital Formation	250	
	(iv)	Mixed Income of Self-employed	210	
	(v)	Change in Stock	120	
	(vi)	Consumption of Fixed Capital	140	
	(vii)	Compensation of Employees	420	
	(viii)	Private Final Consumption Expenditure	540	
	(ix)	Net Exports	(- ) 60	
	(x)	Net Indirect Taxes	80	
	(xi)	Employer's Contribution to Social Security Schemes	130	
	<ul style="list-style-type: none"> <li><math>GDP_{FC} = \text{Government Final Consumption Expenditure} + (iii) + (v) + (viii) + (ix) - (x)</math>  <math>920 = \text{Government Final Consumption Expenditure} + 250 + 120 + 540 + (-60) - 80</math>  Government Final Consumption Expenditure = ₹ 150 crores</li> <li><math>GDP_{FC} = \text{Operating Surplus} + (iv) + (vi) + (vii)</math>  <math>920 = \text{Operating Surplus} + 210 + 140 + 420</math>  Operating Surplus = ₹ 150 crores</li> </ul>			1 1 ½ 1 1 ½
				5
12.	<b>(a) (i) State the meaning of the following:</b> <b>(I) Global burden of disease</b> <b>(II) Mortality Rate</b>  (I) Global Burden of Disease (GBD) is an indicator of the number of people dying prematurely due to a particular disease, as well as, the number of years spent by them in a state of disability owing to the disease.  (II) Mortality Rate is defined as the number of deaths per 1,000 people in a year.			1  1

	<p><b>(ii) Discuss briefly, why less. women are found in regular salaried employment.</b></p> <p>In India, lesser women are found in regular salaried employment, as such jobs require high level of skills and literacy. Lack of mobility among women in India due to various socio-economic constraints, adds to the problem.</p>	3
	<p style="text-align: center;"><b>OR</b></p> <p><b>(b) (i) Explain why regular salaried employees are generally more in urban areas than in rural areas.</b></p> <p>Regular salaried employees are more in urban areas as they have variety of employment opportunities due to presence of more industries and as compared to the rural areas.</p> <p>Higher level of literacy and skills are required in regular salaried jobs which are available in urban areas. Moreover enterprises in urban areas require workers on a regular basis. <b>(to be marked as a whole)</b></p>	3
	<p><b>(ii) State any two main drawbacks of public health care system in India.</b></p> <p>Two main drawbacks of public health care system in India are :</p> <ul style="list-style-type: none"> <li>• Unequal distribution of health care facilities across different parts of the country.</li> <li>• Lower public expenditure as compared to other developing countries.</li> </ul>	1 1
	<p style="text-align: right;"><b>(any other relevant argument to be allotted marks)</b></p>	5
13.	<p><b>Case/Source Based Question</b></p> <p><b>Read the following text carefully. Answer questions number 13 (a) and 13 (b) on the basis of the given text and common understanding:</b></p> <p><b>Year 2020 began with the once-in-a-century pandemic, which saw the frontline workers working tirelessly to save human lives from COVID-19. The pandemic caused its ripples on the economy and on social sectors. Governments, at all levels, intervened in a timely manner to respond to the pandemic.</b></p> <p><b>India has one of the lowest case fatalities rates of less than 1-5%. India has been able to save lakhs of lives through its effective policy responses. Public spending on social sector was increased in 2020 - 21 to mitigate the hardships caused by the pandemic and the loss to livelihood due to the lockdown.</b></p> <p><b>The lockdown period saw the growth of the 'gig economy' and increasing 'work from home' in the organised sector. As per the Periodic Labour Force Survey (PLFS) report 2018-19, there was an increase in workforce totalling 48-78 crores in 2018-19 as compared to 47-14 crores during 2017-18. Out of 1-64 crores increased workforce, 1-22 crores were in rural sector and 0:42 crores in urban sector.</b></p> <p><b>The female labour force participation rate increased from 17-5% in 2017-18 to 18-6% in 2018-19. The net payroll data of Employees' Provident Fund Organisation (EPFO) as on 20th December, 2020 shows a net increase of new subscribers of 78-58 lakhs in 2019-20 as compared to 61-1 lakhs in 2018-19. The PLFS report also showed improvement in 2020-21 (Quarter 4) when compared to 2019-20 (Quarter 4).</b></p> <p><b>Considering the proportion of the male workforce, casual labour decreased by 1% points, while self-employed and salaried workers increased by 0-6% points and 0-4% points respectively. Similarly, in case of female workforce, self-employed increased by 2% points, regular/wage salaried workers decreased by 0-7% points and casual labour decreased by 1-4% points.</b></p> <p><b>Source: Economic Survey 2020-21, Volume II, Chapter 10 (excerpt)</b></p>	



	<p><b>a) Analyse the nature/distribution of Indian workforce for the fourth quarter of the year 2020 - 21.</b></p> <p>In the fourth quarter of the year 2020-21, as per the given text, the total casual labour employment has decreased. Also the said period saw a growth in ‘gig-economy’ and increase in the ‘work from home’ in the organised sector.</p> <p><b>(b) State and discuss any two initiatives taken by the Government to control the adverse impacts of the pandemic.</b></p> <p>Two initiatives taken by the government to control the adverse impact of pandemic :</p> <p>(i) Imposition of Lockdown to save human lives.</p> <p>(ii) Increase in Public spending.</p> <p style="text-align: right;"><b>(Any other argument with valid explanation to be allotted marks)</b></p>	<p>2</p> <p>1½</p> <p>1 ½</p> <hr/> <p>5</p>
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