

KENDRIYA VIDYALAYA SANGATHAN, LUCKNOW REGION

PRE-BOARD EXAMINATION (SESSION 2024-2025)

CLASS: XII

SUBJECT: ECONOMICS

MARKING SCHEME

Part A Introductory Macroeconomics

Sr. no.	Answer	Mark
1	(c)	1
2	(c)	1
3	(b)	1
4	(c)	1
5	(a)	1
6	(b)	1
7	(d)	1
8	(c)	1
9	(c)	1
10	(a)	1
11	(b), debit, credit (1 mark for each)	3
12	₹1365 cr. (1mark each for formula, calculation & correct answer) OR Hint: Positive externalities increase welfare which is not accounted in measurement of GDP while negative externalities reduces welfare which is not accounted in measurement of GDP	3
13	$K=5$, change in income= ₹60000	4 (2+2)
14	Hint: When the equality between aggregate demand and aggregate supply takes place prior to the level of full employment in the economy, it is known as underemployment equilibrium. = 1mark Well labelled diagram =1mark Measures with brief explanation =1mark each OR Explanation through well labelled diagram=2mark Measures=1/2 mark each	4
15	Correct explanation of function=mark as a whole	4
16	A. Fiscal deficit=₹780cr. (3mark) Revenue deficit =₹350cr.(2mark) B. Definition =1mark OR A. Correct explanation of function= 3mark B. (a) Financial help from a multinational corporation for victims in a flood affected area is revenue receipt, as it does not add to liability or does not lead to reduction in assets. (b) Sale of shares of a Public Sector Undertaking (PSU) to a private company, Y Ltd. is a capita receipt, as it involves reduction in assets. (c)Dividends paid to the government by the State Bank of India is a revenue receipt, as it does not add to liability or does not lead to reduction in assets. (1mark each for valid reason)	6

17	<p>A. i) Compensation of employees to the resident of Japan working in Indian embassy in Japan is included in domestic factor income of India because Indian embassy in Japan is a part of domestic territory of India.</p> <p>(ii) Payment of fees to a chartered accountant by a firm is not included in the domestic factor income of India as it is an intermediate expenditure of the firm =2mark for each with valid reason</p> <p>B. False. Final goods are those goods which have crossed the boundary line of production and are ready for use by both consumers, and producers. Accordingly, final goods are often classified as: (i) final consumer goods, and (ii) final producer goods. Example: Bread and butter, as used by the consumers. Final producer goods are the goods which are finally purchased by the producers and are generally used as fixed assets in the process of production. Example: Tractors and harvesters, as used by the farmers. (2mark)</p>	6
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SECTION B

Sr no	Answer	Mark
18	(b)	1
19	(c)	1
20	(c)	1
21	(c) Horticulture	1
22	(A)	1
23	Secondary	1
24	(d)	1
25	(a)	1
26	(b)	1
27	(c)	1
28	<p>Hint: 1. The primary sector accounted for the largest share of the workforce which remained at a high of 70-75% of the workforce.</p> <p>2. The secondary and tertiary sectors accounted for only 10 and 15-20% respectively.</p> <p>3. High degree of regional variation.</p> <p>(Mark as a whole)</p> <p style="text-align: center;">OR</p> <p>Hint: 1. Life expectancy was very low at 32 years to the present expectancy of 69 years.</p> <p>2. Infant mortality rate was quite high at about 218 per thousand in contrast to the present infant mortality rate of 33 per thousand.</p> <p>3. Literacy rate was less than 16% female literacy level was at a negligible low level of 7%.</p> <p>(or any other relevant point)</p> <p>(Mark as a whole)</p>	3
29	<p>a) For correct explanation 1.5</p> <p>b) For correct explanation 1.5</p>	3
30	<p>Hint: 1) Till the late 1970s, all the three countries were maintaining the same level of low development.</p> <p>(ii) Over the last three decades, the three countries have taken different levels of development:</p> <p>(a) India has performed moderately over the years. Majority of its people still depend on agriculture. Infrastructure is lacking and more than one-fourth of its population live below poverty line.</p> <p>(b) Pakistan performed low because of political instability, over dependence on remittances and foreign aid along with volatile performance of agriculture.</p>	4

	(c) China has used the market system to succeed in raising the rate of growth economy with stress on alleviation of poverty	
31	<p>Hint: The main non-farm activities for increasing rural income are: (i) Animal Husbandry also called livestock farming, (ii) Fisheries, and (ii) Horticulture. By taking up non-farm activities, the farmers can increase their income without incurring labour cost. This is because of the fact that there is lot of disguised unemployment in Indian farming sector. In case, some labour force is withdrawn from the existing farm activities employed in non-farming activities, farms production is not going to reduce. Non-farm activities of production are expected to generate income.</p> <p style="text-align: center;">OR</p> <p>a. Correct definition=1mark b. Hint: Pradhan Mantri Jan-Dhan Yojana' (PMJDY) is a national mission that focuses on financial inclusion and integration of all households of the nation. It endeavors to provide a host of financial services like: (i) savings bank account, (ii) need based credit, (iii) remittances facility, (iv) insurance and pension. The provision of these facilities increases the availability, accessibility and affordability of financial services to the rural people. =3mark</p>	4
32	<p>Correct explanation 2 marks Correct analysis and explanation 2 marks</p>	4
33	<p>A. Hint: (i) Use of HYV Seeds (ii) Use of Chemical Fertilizers (iii) Use of Insecticides and Pesticides for Crop Protection (iv) Expansion of Irrigation Facilities. (with brief explanation of each) (4mark) B. Hint: To reduce dependence on foreign countries. Shift from inward looking strategy to outward looking strategy (2mark)</p> <p style="text-align: center;">OR</p> <p>A. Hint: On the eve of independence, the whole economic sector of Indian economy was controlled by agriculture. At that time, the initiation of agricultural reforms brings a sudden change, such as: (i) Land Ceiling: It ensured reduction of concentration of land ownership in few hands. (ii) Abolition of Zamindari System: It focused on elimination of farmers' exploitation and promotion of agricultural growth. These reforms have led to stability of farming as an occupation and promoted equity. (3mark) B. Hint:1. SSI generates employment. 2. Source of supplementary farm income. 3. Location friendly 4. Help to check migration from rural areas to urban areas (3mark)</p>	6
34	<p>a. Natural (1 mark) b. Reduced (1mark) c. Future (1mark) d. Importance (1mark) e. Sustainable development is that process which takes cares of the needs of present generation without compromising the needs of the future generation. (2mark)</p>	6