





	8 NIT	1500											
	9 Net factor income to abroad	60											
	10 Consumption of fixed capital	120											
16	A) In an economy, the equilibrium level of income is ₹ 900 and the autonomous saving is ₹ (-)100. If MPS is 0.3, consumption expenditure in this economy will be ₹ 500. True or false ? Justify your answer. B) Increase in the value of a country's currency in terms of other currencies is called appreciation. Defend/refute the above statement with valid arguments.		4 2										
17	A) Explain the "Reducing income inequalities" objective of the government budget. Give one example also. B) Differentiate between primary deficit and fiscal deficit.		3 3										
<b>Section B (Indian Economic Development)</b>													
18	Which of the following is an institutional sources of rural credit ? A) Moneylenders. B) Regional Rural Banks. C) Traders. D) Landlords.		1										
19	The infant mortality rate was quite alarming about 218 per thousand in contrast to the present infant mortality rate of 33 per 1000. Since independence, India has witnessed the considerable fall in the infant mortality rate in India. Identify which of the following may not be one of the reasons for the fall in the infant mortality rate? A) improvement in health facilities over the years. B) Improvement in educational standards over the years C) Fall in standard of living of the population of the nation over the years. D) Technological expansion over the years.		1										
20	Read the following statements carefully: Statement 1: The reform process in China also involved dual pricing. Statement 2: In order to attract foreign investors, special economic zones were set up in China. In the light of the given statements, choose the correct alternative from the following: A) Statement 1 is true and statement 2 is false. B) Statement 2 is false and statement 1 is true. C) Both statements one and 2 are true. D) Both statements one and 2 are false.		1										
21	Read the following statements - assertion and reason. Choose one of the correct alternatives given below: Assertion: The fertility rate is low in China and very high in Pakistan. Reason: Under GLF campaign, students and professionals were sent to work and learn from the countryside. Alternatives: A) Both assertion and reason are true and reason is the correct explanation of assertion. B) Both assertion and reason are true and reason is not the correct explanation of Assertion. C) Assertion is true but reason is false. D) Assertion is false but reason is true.		1										
22	From the set of statements given in Column I and Column II, choose the correct pair of statement: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Column I</th> <th style="width: 50%; text-align: center;">Column II</th> </tr> </thead> <tbody> <tr> <td>A) Establishment of GATT</td> <td>1) 1948</td> </tr> <tr> <td>B) Example of Navratna</td> <td>2) Steel authority of India limited</td> </tr> <tr> <td>C) Suez Canal</td> <td>3) Opened in 1879</td> </tr> <tr> <td>D) Incorporation of TISCO</td> <td>4) 1910</td> </tr> </tbody> </table> A) A-1. B) B-2. C) C-3. D) D-4	Column I	Column II	A) Establishment of GATT	1) 1948	B) Example of Navratna	2) Steel authority of India limited	C) Suez Canal	3) Opened in 1879	D) Incorporation of TISCO	4) 1910		1
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23	Read the following statements carefully:		1										



30	Why is it necessary to generate more employment in the formal sector ? Discuss.	4
31	State whether the following statements are true or false, with valid arguments. A) Human Capital is tangible and can be easily sold in the market. B) Organic farming generates less employment opportunities.	2+2
32	<p>Explain the main initiatives taken by the Government of India to improve the agricultural marketing system.</p> <p style="text-align: center;">Or</p> <p>The following diagram shows distribution of workforce in India. Analysis and compare the nature of workforce distribution.</p> <div style="text-align: center;"> </div>	4
33	<p>Read the following text carefully:</p> <p>Ozone depletion gradual thinning of earth ozone layer in the upper atmosphere caused by the release of chemical compounds containing gaseous chlorine or bromine from industry and other human activities. The thinning is most pronounced in the polar regions, especially over Antarctica. Ozone depletion the major environmental problem because it increases the amount of ultraviolet radiation that reaches earth surface, which increases the rate of skin cancer, eye cataracts and genetic and immune system damage. The Montreal protocol, ratified in 1987 was the first of several comprehensive international agreements enacted to halt the production and use of ozone-depleting chemicals. As a result of continued international cooperation on this issue, the ozone layer is expected to recover over time.</p> <p>On the basis of the text and common understanding, answer the following questions:</p> <p>A) What is ozone layer depletion ? Why is it a major environmental problem ?</p> <p>B) What has been result of ozone depletion ?</p>	3 3
34	<p>A) “Higher level of income leads to high level of human capital.” Comment.</p> <p>B) “School dropouts are giving way to child labour.” Discuss how this is a loss of human capital.</p>	3 3

**Ans. Key with Marking Scheme**

**Pre Board Exams, 2024-25**

**XII Economics (030)**

**Set A**

Q.No	Introductory Macroeconomics	Marks
1	C Lowering margin requirement	1
2	C Scholarship	1



17	<p>The government through its budgetary policy attempts to promote fair and right distribution of income in an economy. This is done through taxation and expenditure policy. On one hand, through its taxation policy, the government taxes the higher income group and on the other hand, through the expenditure policy (subsidies, transfer payments, etc.), it transfer the purchasing power in the hands of the poor sections of society. With the help of these policies, the government aims at fair distribution of income in the society.</p>	4												
<table border="1"> <thead> <tr> <th data-bbox="204 517 264 546">Basis</th> <th data-bbox="496 517 639 546">Fiscal deficit</th> <th data-bbox="975 517 1139 546">Primary deficit</th> </tr> </thead> <tbody> <tr> <td data-bbox="156 584 256 613"><b>Meaning</b></td> <td data-bbox="331 584 767 689">It is the excess of total budget expenditure over the total budget receipt excluding borrowing.</td> <td data-bbox="823 584 1275 651">It is the difference between fiscal deficit and interest payments by the government.</td> </tr> <tr> <td data-bbox="156 719 280 748"><b>Calculation</b></td> <td data-bbox="331 719 799 869">It is calculated as, Fiscal Deficit = Total Budget Expenditure – Total Budget Receipt (excluding borrowings)</td> <td data-bbox="823 719 1235 831">It is calculated as, Primary Deficit = Fiscal Deficit – Interest Payments</td> </tr> <tr> <td data-bbox="156 898 225 927"><b>Scope</b></td> <td data-bbox="331 898 608 927">It is broad or wide in scope.</td> <td data-bbox="823 898 1235 965">Primary deficit is the part of fiscal deficit hence, narrow in scope.</td> </tr> </tbody> </table>			Basis	Fiscal deficit	Primary deficit	<b>Meaning</b>	It is the excess of total budget expenditure over the total budget receipt excluding borrowing.	It is the difference between fiscal deficit and interest payments by the government.	<b>Calculation</b>	It is calculated as, Fiscal Deficit = Total Budget Expenditure – Total Budget Receipt (excluding borrowings)	It is calculated as, Primary Deficit = Fiscal Deficit – Interest Payments	<b>Scope</b>	It is broad or wide in scope.	Primary deficit is the part of fiscal deficit hence, narrow in scope.
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18	B Regional Rural Banks	1												
19	C Fall in standard of living of the population of the nation over the years.	1												
20	C Both statements one and 2 are true.	1												
21	C Assassin is true but reason is false	1												
22	A A-1	1												
23	C Both statements one and 2 are true.	1												
24	B On the job training	1												
25	C SSI is capital intensive and therefore increases productivity.	1												
26	A 1965	1												
27	B The British government promoted capital goods industries.	1												
28	<p>The given data shows that India stands virtually more than double to China in its annual population growth rate (1.03%) as compared to China's annual population growth rate (0.46%) per annum. China could arrest its annual population growth rate within the implementation of some stringent measures in late 1970s, like the introduction of one child norm. This step was instrumental in controlling the growth of population in China.</p>	3												
29	The given picture shows the problem of deforestation, water pollution and degradation of land. (Explain its negative impacts in detail)	3												
30	<ol style="list-style-type: none"> <li>1. Job security</li> <li>2. Retirement pension</li> <li>3. Provident fund.</li> <li>4. Trade union. (Explain in detail)</li> </ol>	2												
31	<p>A False, because human capital is intangible and cannot be easily sold in the market. B False, Organic farming generates more Employment Opportunity as labour intensive technique is used in this particular method.</p>	2												

32	<p>As per the given diagrams, following important observations are arrived at:</p> <ul style="list-style-type: none"> <li>• Self-employment is the major source of livelihood in both rural areas (56%) and urban areas (43%). It is because rural people work on their own fields and cultivate independently. In urban areas both self-employment and regular wage salaried jobs are greater.</li> <li>• Casual wage workers are the second major source of employment in rural areas with 35% as compared to 15% in urban areas. It is due to lack of availability of regular jobs in rural areas.</li> <li>• Regular salaried workers are a major source of employment in urban areas with 42% as compared to just 9% in rural areas. It is because there are more organised job opportunities in urban areas.</li> </ul>	
33	<p>A Reduction in the thin layer of the stratosphere is known as ozone layer depletion.</p> <p>1 Control UV rays. 2 It control the temperature. (Explain in detail)</p> <p>B 1 Skin cancer or any other skin disease. 2 Melting of glacier. 3 Rise in the oceanic water level. (Explain in detail)</p>	
34	<p>Higher income leads to development of high level of human capital and vice-versa. In other words, high level of human capital leads to growth of income. It is believed that even a large population, which is trained and educated, can become an asset in accelerating economic growth and ensuring social change in desired directions.</p> <p>However, it is difficult to establish a relation of cause and effect from the growth of human capital to economic growth as the rate of growth of human capital in developing countries has been faster than the rate of growth of per capita real income.</p> <p>School dropouts are giving way to child labour. This is certainly a loss to human capital because if these children were allowed to complete their education, they would have attained enough education to become skilled workers with higher income earning capacities. Their productivity would have been more and they would have contributed to human capital formation. In this way, school dropouts are definitely a loss to human capital.</p>	



## OSDAV Public School, Kaithal

Pre Board Exams (2024-25)

Class : XII

Subject : Economics (030)

SET- B

Time: 3 Hrs .

M.M: 80

### General Instructions:-

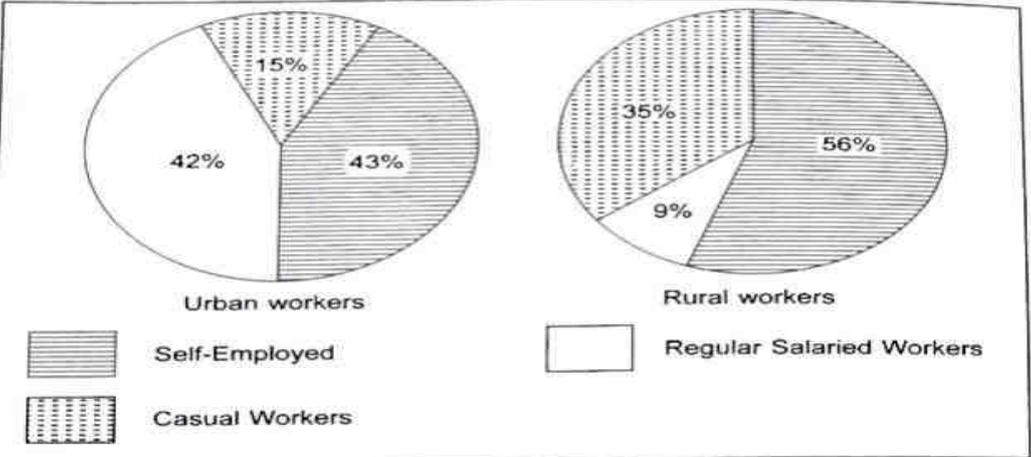
- I. All questions are compulsory.
- II. Explain theoretical questions with proper headings.
- III. Q. No 1-10 & Q. No 18-27 carry 1 mark, Q. No 11-12 & Q. No 28-29 carry 3 marks, Q. No 13-15 & 30-32 carry 4 marks, Q. No 16-17 & 33-34 carry 6 marks.

Q.N.	Section A (Introductory Macroeconomics)	Marks
1	<p>Read the following statements carefully:- Statement 1:- Money is defined as anything that is generally accepted as a medium of exchange and at the same time acts as a measure and store of value. Statement 2:- Money supply is stock of money in circulation in the country, at a particular point of time. In the light of the given statements choose the correct alternatives from the following:- A) Statement 1 is true and statement 2 is false.</p>	1

	B) Statement 1 is false and statement 2 is true. C) Both the statements are true. D) Both statements are false.	
2	Which out of the following is a monetary measure to correct deficient demand ? A) Reduce government spending. B) Increase government spending C) Lowering margin requirements. D) None of these	1
3	Read the following statements carefully:- Statement 1:- Domestic product can be more than National product. Statement 2:- Consumption of fixed capital is added to gross domestic income to obtain national income. In the light of the given statements, choose the correct alternative from the following:- A) Statement 1 is true and statement 2 is false. B) Statement 1 is false and statement 2 is true. C) Both the statements are true. D) Both the statements are false	1
4	Two friends Meera and Sindhu were discussing the exchange rate systems:- "Under the system, the exchange rate is determined by the market forces of demand and supply. However deliberate efforts are made by the competent authority to keep the exchange rates within a specific range". The above mentioned statement was given by Sindhu. Identify the type of exchange rate system she was talking about ? A) Fixed exchange rate. B) Flexible exchange rate C) Managed floating exchange rate. D) Managed fixed exchange rate	1
5	Suppose that the balance of trade of a nation, exhibits a surplus of ₹ 20000 crores. The import of merchandise of the nation is half of the export of merchandise to the rest of the world. The value of exports would be ₹ .....cr. A) 30,000. B) 40,000. C) 24,000. D) 35,000	1
6	Read the following statements assertion and reason. Choose one of the correct alternatives given below:- Assertion:- Acquisition of a domestic company by a foreign company will be recorded on the credit side of balance of payment account. Reason:- It leads to outflow of foreign exchange from the domestic economy. Alternatives:- A) Both assertion and reason are true and reason is the correct explanation of assertion. B) Both assertion and reason are true and reason is not the correct explanation of assertion. C) Assertion is true but reason is false. D) Assertion is false but reason is true.	1
7	If the marginal propensity to consume is greater than marginal propensity to save, the value of multiplier will be:- A) Greater than 2. B) Less than 2. C) Equal to 2. D) Equal to 5	1
8	Read the following statements assertion and reason. Choose one of the correct alternatives given below:- Assertion:- Banks charge higher interest rate than what they offer on deposits. Reason:- The difference between what is charged from borrowers and what is paid to depositors is their main source of income. Alternatives:- A) Both Assertion and reason are true and reason is the correct explanation of assertion. B) Both assertion and reason are true but reason is not the correct explanation of assertion. C) Assertion is true but reason is false. D) Assertion is false but reason is true.	1
9	Read the following statements carefully: Statement 1: Depreciation of domestic currency leads to rise in exports. Statement 2: Devaluation and depreciation of currency are one and the same thing. In the light of the given statements, choose the correct alternative from the following: A) Statement 1 is true and statement 2 is false.	1

	B) Statement 2 is false and statement 1 is true. C) Both statements one and 2 are true.                      D) Both statements one and 2 are false.	
10	Read the following statements - assertion and reason. Choose one of the correct alternatives given below: Assertion: Money supply in India includes demand deposits with commercial banks. Reason: Demand deposits with commercial banks means fixed deposits. Alternatives: A) Both assertion and reason are true and reason is the correct explanation of assertion. B) Both assertion and reason are true and reason is not the correct explanation of Assertion. C) Assertion is true but reason is false.                      D) Assertion is false but reason is true.	1
11	Exchange rate of US \$ rose considerably in India. Explain the impact of the statement on Indian exports and analyse its effect on the general masses.	3
12	Differentiate between BOT and BOP.	3
13	A) Read the following text carefully and discuss briefly the relevant function of the money indicated here:- Right from the beginning, money has been performing the various important functions in the society. Money facilitate transactions of goods and services, producers sell their goods to wholesalers. Wholesalers in sell their goods to the retailers and the retailers sell these goods to the consumers. In the same way all sections of society sell their services for money and with that money, buy goods and services which they need. B) Differentiate between revenue receipts and capital receipts.	2+2
14	Explain the AD=AS approach of the theory of income determination. Use diagram. What changes takes place in the economy when $AD > AS$ ?	4
15	In an economy, investment expenditure is increased by ₹ 400 cr. and MPC 0.8. Calculate total increase in income and savings.	4
16	A) Explain the “Reducing income inequalities” objective of the government budget. Give one example also. B) Differentiate between primary deficit and fiscal deficit.	3 3
17	A) In an economy, the equilibrium level of income is ₹ 900 and the autonomous saving is ₹ (-)100. If MPS is 0.3, consumption expenditure in this economy will be ₹ 500. True or false ? Justify your answer. B) Increase in the value of a country’s currency in terms of other currencies is called appreciation. Defend/refute the above statement with valid arguments.	4 2
<b>Section B (Indian Economic Development)</b>		
18	Arrange the following events of China in chronological order and choose the correct alternative:- 1 Special economic zones 2 Great Proletarian cultural revolution 3 Great Leap Forward Campaign 4 Economic reforms were initiated Alternatives:- A) 2,4,3,1.                      B) 3,2,4,1.                      C) 4,2,1,3.                      D) 4,1,2,3	1
19	Read the following statements assertion and reason. Choose one of the correct alternatives given below:- Assertion:- Pakistan shifted its policy orientation in late 1970s and 1980s. Reason:- A variety of regulated policy Framework after independence lead to slow growth of Pakistan. Alternatives:- A) Both Assertion and reason are true and reason is the correct explanation of assertion. B) Both assertion and reason are true but reason is not the correct explanation of assertion.	1

	C) Assertion is true but reason is false.                      D) Assertion is false but reason is true.	
20	<p>Read the following statements carefully:-  Statement 1:- In 1997, a UN conference on climate change was held in Japan  Statement 2:- Global warming refers to the destruction of ozone in the Ozone Layer due to presence of chlorine from man made chlorofluorocarbons and other forces.  In the light of the given statements, choose the correct alternative from the following:-  A) Statement 1 is true and statement 2 is false.  B) Statement 1 is false and statement 2 is true.  C) Both the statements are true.                      D) Both the statements are false</p>	1
21	<p>Which of the following are major fish producing states in India ?  1 Telangana                      B Gujarat.                      C Maharashtra.                      D Andhra Pradesh  Alternatives:-  A) 2,3,4.                      B) 1,2,3.                      C) 1,3,4.                      D) 1,2,4</p>	1
22	<p>A campaign in China in 1958 where people were encouraged to set up industries in their backyard was named as:-  A) Great Leap Forward.                      B) Great Proletarian Cultural Revolution  C) Anti-rightist Movement.                      D) None of these</p>	1
23	<p>Before introducing new technology, a firm provides the basic skills to the workers regarding its uses. Which of the following sources of human capital formation is being highlighted here ?  A) Study programme for adults.                      B) On the job training  C) Expenditure on information.                      D) Investment in education</p>	1
24	<p>In which of the following areas Pakistan has an over India ?  1 Export of software after economic reforms.  2 Number of PhD is produced in Science and Engineering every year.  3 Percentage of undernourished children.  Alternatives:-  A) 1 and 2.                      B) 2 and 3.                      C) 1 and 3.                      D) Only 3</p>	1
25	<p>Which duty has been removed to increase the competitive position of Indian goods in the international markets ?  A) Custom duty.                      B) Export duty.                      C) Import duty                      D) None of these</p>	1
26	<p>Which of the following is an institutional sources of rural credit ?  A) Moneylenders.                      B) Regional Rural Banks.                      C) Traders.                      D) Landlords.</p>	1
27	<p>Read the following statements carefully:-  Statement 1:- Seasonal workers are the worst affected by seasonal unemployment in India.  Statement 2:- Population is the total number of people who reside in a particular locality at a particular point of time  In the light of the given statements, choose the correct alternative from the following:-  A) Statement 1 is true and statement 2 is false.  B) Statement 1 is false and statement 2 is true.  C) Both the statements are true.                      D) Both the statements are false</p>	1

28	<p>Interpret the given picture on account of current environmental challenges.</p> 	3						
29	<p>Compare and analyse the annual growth rate of population of India and china.</p> <table border="1" data-bbox="225 763 1337 913"> <thead> <tr> <th>Country</th> <th>Annual growth rate of population (2017-18)</th> </tr> </thead> <tbody> <tr> <td>India</td> <td>1.03 %</td> </tr> <tr> <td>China</td> <td>0.46 %</td> </tr> </tbody> </table>	Country	Annual growth rate of population (2017-18)	India	1.03 %	China	0.46 %	3
Country	Annual growth rate of population (2017-18)							
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30	<p>State whether the following statements are true or false, with valid arguments.</p> <p>A) Human Capital is tangible and can be easily sold in the market.</p> <p>B) Organic farming generates less employment opportunities.</p>	2+2						
31	<p>The following diagram shows distribution of workforce in India. Analysis and compare the nature of workforce distribution.</p> 	4						
32	<p>Why is it necessary to generate more employment in the formal sector ? Discuss.</p>	4						
33	<p>A) “Higher level of income leads to high level of human capital.” Comment.</p> <p>B) “School dropouts are giving way to child labour.” Discuss how this is a loss of human capital.</p>	3 3						
34	<p>Read the following text carefully:</p> <p>Ozone depletion gradual thinning of earth ozone layer in the upper atmosphere caused by the release of chemical compounds containing gaseous chlorine or bromine from industry and other human activities. The thinning is most pronounced in the polar regions, especially over Antarctica. Ozone depletion the major environmental problem because it increases the amount of ultraviolet radiation that reaches earth surface, which increases the rate of skin cancer, eye cataracts and genetic and immune system damage.</p>							

	The Montreal protocol, ratified in 1987 was the first of several comprehensive international agreements enacted to halt the production and use of ozone-depleting chemicals. As a result of continued international cooperation on this issue, the ozone layer is expected to recover over time. On the basis of the text and common understanding, answer the following questions: A) What is ozone layer depletion ? Why is it a major environmental problem ? B) What has been result of ozone depletion ?	3 3
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**Ans. Key with Marking Scheme**

**Pre Board Exams, 2024-25**

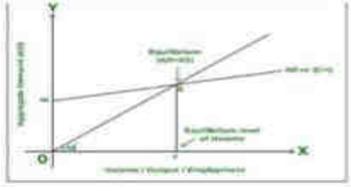
**XII Economics (030)**

**Set B**

Q.No	Introductory Macroeconomics	Marks
1	C) Both the statements are true.	1
2	C) Loading margin requirements.	1
3	A) Statement 1 is true and statement 2 is false.	1
4	C) Managed floating exchange rate.	1
5	B) 40,000.	1
6	C) Assertion is true but reason is false.	1
7	A) Greater than 2	1
8	A) Both assertion and reason are true and reason is the correct explanation of assertion.	1
9	A) Statement 1 is true and statement 2 is false.	1
10	C) Assertion is true but reason is false.	1
11	The price of US \$ has risen considerably in India. This means, the value of rupee, in terms of US dollar has fallen. The deliberate rising of the price of foreign currency in terms of domestic currency by the government is called "devaluation" of domestic currency. Indian exports become cheaper and as a result their demand increases and more foreign exchange pours in. More exports mean more employment generation, which in turn will increase the income and standard of living of the masses, who will thus become better off.	3

12	<b>S.NO.</b>	<b>BASIS</b>	<b>BALANCE OF TRADE (BOT)</b>	<b>BALANCE OF PAYMENTS (BOP)</b>	3
	<b>1</b>	<b>Meaning</b>	It refers to the difference between the exports and imports of the visible items.	It refers to an accounting statement that shows the economic transactions of a resident with the rest of the world in each period.	
	<b>2</b>	<b>Components</b>	It includes only visible items.	It includes visible items, invisible items, unilateral transfers and capital transfers.	
	<b>3</b>	<b>Capital transactions</b>	It does not include capital transfers.	It includes transactions of capital nature.	

13	A) Medium of exchange (Explain in detail) B)			2+2
	<b>Parameters</b>	<b>Capital Receipts</b>	<b>Revenue Receipts</b>	
	<b>Meaning</b>	Capital receipts refer to those related to the <b>capital</b> transactions of an organization or a government.	Revenue receipts refer to those related to the day-to-day operations of an organization or a government.	
<b>Sources</b>	Capital receipts come from sources such as the sale of assets, borrowing, and capital grants.	Revenue receipts come from taxes, fees, and fines.		

14	 <p>The AD or (C+ I) curve in the above graph shows the desired expenditure level by consumers and businesses at each level of income. At point E where the (C+ I) curve intersects the 45° line, the economy is in <b>equilibrium</b>.</p> <p><b>Observations:</b></p> <ul style="list-style-type: none"> <li>• The equilibrium point, denoted by the letter E, occurs when desired expenditure on consumption and investment is equal to the total output.</li> <li>• OY is the output at the equilibrium level that corresponds to point E.</li> <li>• In the above table, the Aggregate Demand is equal to the Aggregate Supply; i.e., ₹200 Crores, when the equilibrium level of income is ₹200</li> </ul> <p>Effective demand refers to that level of AD that becomes 'effective' since it is equal to AS.</p> <p><b>Readjustment Process</b></p> <p>When there is any deviation from the equilibrium level of output; i.e., if the planned spending or AD is not equal to planned output or AS, then to bring them equal to each other, the process of readjustment is started in the economy.</p> <p><b>1. When AD is more than AS</b></p> <p>If planned expenditure (AD) exceed planned output (AS), the (C+ I) curve will be over the 45° line. In this situation, consumers and businesses together would be purchasing more items than they are willing to produce, because of which the planned inventory would ultimately fall below the desired level. Therefore, until the economy reaches output level OY, where AD equals AS and there is no longer a tendency to fluctuate, firms would increase employment and output to bring the inventory back to the desired level.</p>	4
15	<p><b>Multiplier (K) = <math>\frac{1}{1-MPC} = \frac{1}{1-0.8} = \frac{1}{0.2} = 5</math></b></p> <p><b>MPS = 1 - MPC = 1 - 0.8 = 0.2</b></p> <p><b>Increase in Income</b></p> <p><b>= K × ΔI = 5 × 400 = Rs. 2,000 crores</b></p> <p><b>Increase in Savings</b></p> <p><b>= MPS × ΔY = 0.2 × 2,000 = Rs. 400 crores.</b></p>	2½ 1½
16	<p>The government through its budgetary policy attempts to promote fair and right distribution of income in an economy. This is done through taxation and expenditure policy. On one hand, through its taxation policy, the government taxes the higher income group and on the other hand, through the expenditure policy (subsidies, transfer payments, etc.), it transfer the purchasing power in the hands of the poor sections of society. With the help of these policies, the government aims at fair distribution of income in the society.</p>	3 3

Basis	Fiscal deficit	Primary deficit
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Calculation	It is calculated as, Fiscal Deficit = Total Budget Expenditure – Total Budget Receipt (excluding borrowings)	It is calculated as, Primary Deficit = Fiscal Deficit – Interest Payments
Scope	It is broad or wide in scope.	Primary deficit is the part of fiscal deficit hence, narrow in scope.

17	<p>Given, Autonomous Saving (<math>\bar{S}</math>) = (-) 100  Marginal Propensity to Save (MPS) = 0.3  Equilibrium level of income (Y) = 900  Autonomous Consumption (<math>\bar{C}</math>) = - (<math>\bar{S}</math>)  = - (- 100) = 100  Marginal Propensity to Consume (MPC) = 1 - MPS  = 1 - 0.3 = 0.7</p> <p>We know that, C = <math>\bar{C}</math> + MPC (Y)  = 100 + 0.7 (900)  = 100 + 630 = 730</p> <p>∴ It is not true that consumption expenditure would be ₹ 500 for the given economy, whereas it would be ₹ 730.</p> <p><b>B</b></p> <p>The given statement is defended, as appreciation refers to the increase in the value of a country's currency in terms of other currencies. In this case, domestic currency is more valuable as a result, imports become cheaper, so their demand will rise and exports become costlier, as a result, their demand will fall. So, appreciation will lead to more imports and less exports.</p>	4  2
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	Indian Economic Development	
18	B) 3,2,4,1.	1
19	A) Both assertion and reason are true and reason is the correct explanation of assertion.	1
20	A) Statement 1 is true and statement 2 is false.	1
21	A) 2,3,4	1
22	A) Great Leap Forward	1
23	B) On the job training.	1
24	D) Only 3.	1
25	B) Export duty.	1
26	B) Regional rural banks.	1
27	C) Both the statements are true.	1
28	The given picture shows the problem of deforestation, water pollution and degradation of land. (Explain its negative impacts in detail)	3

29	<p>The given data shows that India stands virtually more than double to China in its annual population growth rate (1.03%) as compared to China's annual population growth rate (0.46%) per annum. China could arrest its annual population growth rate within the implementation of some stringent measures in late 1970s, like the introduction of one child norm. This step was instrumental in controlling the growth of population in China.</p>	3
30	<p>A False, because human capital is intangible and cannot be easily sold in the market. B False, Organic farming generates more Employment Opportunity as labour intensive technique is used in this particular method.</p>	2 2
31	<p>As per the given diagrams, following important observations are arrived at:</p> <ul style="list-style-type: none"> <li>• Self-employment is the major source of livelihood in both rural areas (56%) and urban areas (43%). It is because rural people work on their own fields and cultivate independently. In urban areas both self-employment and regular wage salaried jobs are greater.</li> <li>• Casual wage workers are the second major source of employment in rural areas with 35% as compared to 15% in urban areas. It is due to lack of availability of regular jobs in rural areas.</li> <li>• Regular salaried workers are a major source of employment in urban areas with 42% as compared to just 9% in rural areas. It is because there are more organised job opportunities in urban areas.</li> </ul>	
32	<ol style="list-style-type: none"> <li>5. Job security</li> <li>6. Retirement pension</li> <li>7. Provident fund.</li> <li>8. Trade union.</li> </ol>	
33	<p>Higher income leads to development of high level of human capital and vice-versa. In other words, high level of human capital leads to growth of income. It is believed that even a large population, which is trained and educated, can become an asset in accelerating economic growth and ensuring social change in desired directions.</p> <p>However, it is difficult to establish a relation of cause and effect from the growth of human capital to economic growth as the rate of growth of human capital in developing countries has been faster than the rate of growth of per capita real income.</p> <p>School dropouts are giving way to child labour. This is certainly a loss to human capital because if these children were allowed to complete their education, they would have attained enough education to become skilled workers with higher income earning capacities. Their productivity would have been more and they would have contributed to human capital formation. In this way, school dropouts are definitely a loss to human capital.</p>	
34	<p>A Reduction in the thin layer of the stratosphere is known as ozone layer depletion.</p> <ol style="list-style-type: none"> <li>1 Control UV rays.</li> <li>2 It control the temperature. (Explain in detail)</li> </ol> <p>B 1 Skin cancer or any other skin disease.</p> <ol style="list-style-type: none"> <li>2 Melting of glacier.</li> <li>3 Rise in the oceanic water level. (Explain in detail)</li> </ol>	

