रोल नं.
Roll No.

- कृपया जाँच कर लें कि इस प्रश्न-पत्र में मुद्रित पृष्ठ **12** हैं ।
- प्रश्न-पत्र में दाहिने हाथ की ओर दिए गए कोड नम्बर को छात्र उत्तर-पुस्तिका के मुख-पृष्ठ पर लिखें ।
- कृपया जाँच कर लें कि इस प्रश्न-पत्र में **13** प्रश्न हैं ।
- **कृपया प्रश्न का उत्तर लिखना शुरू करने से पहले, उत्तर-पुस्तिका में प्रश्न का क्रमांक अवश्य लिखें ।**
- इस प्रश्न-पत्र को पढ़ने के लिए 15 मिनट का समय दिया गया है । प्रश्न-पत्र का वितरण पूर्वाह्न में 10.15 बजे किया जाएगा । 10.15 बजे से 10.30 बजे तक छात्र केवल प्रश्न-पत्र को पढ़ेंगे और इस अवधि के दौरान वे उत्तर-पुस्तिका पर कोई उत्तर नहीं लिखेंगे ।

- Please check that this question paper contains **12** printed pages.
- Code number given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- Please check that this question paper contains **13** questions.
- **Please write down the Serial Number of the question in the answer-book before attempting it.**
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed at 10.15 a.m. From 10.15 a.m. to 10.30 a.m., the students will read the question paper only and will not write any answer on the answer-book during this period.

अर्थशास्त्र
ECONOMICS

निर्धारित समय : *2 घण्टे*   अधिकतम अंक : *40*

Time allowed : 2 hours   *Maximum Marks : 40*

(i) इस प्रश्न पत्र में **13** प्रश्न हैं ।

(ii) **सभी** प्रश्न अनिवार्य हैं । प्रत्येक प्रश्न के समक्ष अंक अंकित किए गए हैं ।

(iii) इस प्रश्न-पत्र में 2 अंकों के 5 प्रश्न, 3 अंकों के 5 प्रश्न तथा 5 अंकों के 3 प्रश्न हैं ।

(iv) 2 अंकों वाले प्रश्न लघु-उत्तरीय प्रश्न हैं तथा इनके उत्तर **30-50** शब्दों में दीजिए ।

(v) 3 अंकों वाले प्रश्न लघु-उत्तरीय प्रश्न हैं तथा इनके उत्तर **50-80** शब्दों में दीजिए ।

(vi) 5 अंकों वाले प्रश्न दीर्घ उत्तरीय प्रश्न हैं तथा इनके उत्तर **80-120** शब्दों में दीजिए ।

(vii) प्रश्न-पत्र में किसी भी प्रकार का समग्र विकल्प नहीं है । हालाँकि, कुछ प्रश्नों में आंतरिक विकल्प दिए गए हैं । परीक्षार्थी इन प्रश्नों में से केवल एक प्रश्न का ही उत्तर दें ।

(viii) इस प्रश्न-पत्र में केस/स्रोत आधारित प्रश्न भी हैं ।

*

1. "भारत में, ग्रामीण क्षेत्रों की तुलना में शहरी विस्तारों में महिलाओं की भागीदारी दर कम है ।" वैध तर्कों द्वारा व्याख्या करें । 2

अथवा

"आधारिक संरचना किसी राष्ट्र के आर्थिक विकास में प्रत्यक्ष रूप से योगदान देती है ।" क्या आप दिए गए कथन से सहमत हैं ? व्याख्या करें ।

2. निम्नलिखित तालिका के आधार पर, दिए गए प्रश्नों के उत्तर दें :

आय (₹ करोड़ में)	0	50	100	150	200
बचत (₹ करोड़ में)	– 20	– 10	0	30	60

(a) ₹ 150 करोड़ के आय स्तर पर सीमांत बचत प्रवृत्ति (MPS) की गणना करें । 1

(b) स्वायत्त उपभोग का क्या मूल्य होगा ? 1

अथवा

General Instructions :

(i) *This question paper contains **13** questions.*

(ii) ***All** questions are compulsory. Marks are indicated against each question.*

(iii) *This question paper contains **5** questions of **2** marks each, **5** questions of **3** marks each and **3** questions of **5** marks each.*

(iv) ***2** marks questions are Short Answer Type questions and are to be answered in **30 – 50** words.*

(v) ***3** marks questions are Short Answer Type questions and are to be answered in **50 – 80** words.*

(vi) ***5** marks questions are Long Answer Type questions and are to be answered in **80 – 120** words.*

(vii) *There is no overall choice in the question paper. However, internal choice has been provided in few questions. The candidates need to attempt only one question from such questions.*

(viii) *This question paper contains Case / Source Based Question also.*

1. "In India women participation rate is lower in urban areas than in the rural areas." Explain with valid arguments. **2**

OR

"Infrastructure contributes directly to the economic development of a country." Do you agree with the given statement ? Explain.

2. On the basis of following schedule, answer the given questions :

Income (in ₹ crores)	0	50	100	150	200
Savings (in ₹ crores)	– 20	– 10	0	30	60

(a) Calculate Marginal Propensity to Save (MPS) at ₹ 150 crores level of income. **1**

(b) What is the value of Autonomous Consumption ? **1**

OR

एक अर्थव्यवस्था में आय में वृद्धि का 75% उपभोग पर व्यय किया जाता है । निवेश में ₹ 1,000 करोड़ की वृद्धि हुई है ।

दी गई सूचना के आधार पर आय में कुल वृद्धि की गणना करें ।   **2**

3. 'अर्थव्यवस्था में अधि-माँग (excess demand) रोज़गार के अधिक अवसर उत्पन्न करती है ।' वैध स्पष्टीकरण द्वारा दिए गए कथन का समर्थन अथवा खंडन करें ।   **2**

4. मूल्य वर्धन विधि द्वारा राष्ट्रीय आय की गणना करते समय बरती जाने वाली किन्हीं दो सावधानियों का उल्लेख करें ।   **2**

अथवा

मूल्यह्रास व पूँजीगत हानि के मध्य अंतर स्पष्ट करें ।

5. अनौपचारिक क्षेत्र से संबंधित समस्याओं पर संक्षेप में चर्चा करें ।   **2**

6. वैध कारण सहित समझाएँ कि राष्ट्रीय आय की गणना करते समय निम्नलिखित के साथ कैसा व्यवहार किया जायेगा :

   (a)   एक फर्म द्वारा अप्रत्यक्ष करों का भुगतान   **1½**

   (b)   भारत में विदेशी पर्यटकों द्वारा वस्तुओं का क्रय   **1½**

अथवा

निम्नलिखित सूचना के प्रयोग से सकल घरेलू उत्पाद डिफ्लेटर (GDP Deflator) की गणना व विश्लेषण करें :   **3**

वर्ष	2014 – 15	2016 – 17
मौद्रिक GDP	6.5	9
वास्तविक GDP	6.5	7.2

In an economy 75 percent of the increase in income is spent on consumption. Investment increased by ` 1,000 crore.

Calculate the total increase in income on the basis of given information. **2**

3. 'Excess demand creates greater opportunities of employment in the economy.' Defend or refute the given statement with valid explanation. **2**

4. State any two precautions that are taken while estimating National income by value added method. **2**

OR

Distinguish between depreciation and capital loss.

5. Briefly discuss the problems associated with informal sector. **2**

6. Giving valid reasons, explain how the following would be treated while estimating National income :

(a) Payment of indirect taxes by a firm. **1½**

(b) Purchase of goods by foregin tourists. **1½**

OR

Using the following information, calculate and analyse the value of Gross Domestic Product (GDP) deflator : **3**

Year	2014 – 15	2016 – 17
Nominal GDP	6.5	9
Real GDP	6.5	7.2

7. पर्यावरण संकट का अर्थ लिखें तथा संसाधनों पर इसके प्रभाव का उल्लेख करें ।   3

8. 'ग्रेटलीप फॉरवर्ड' अभियान के समक्ष आयी समस्याओं की संक्षिप्त व्याख्या करें ।   3

9. भारत व चीन की वार्षिक जनसंख्या वृद्धि की तुलना व विश्लेषण करें ।   3

देश	वार्षिक जनसंख्या वृद्धि (2015)
भारत	1.2%
चीन	0.5%

10. यदि किसी अर्थव्यवस्था में बैंक दर में वृद्धि होती है, तो यह ऋण की माँग को कैसे प्रभावित करेगी ? व्याख्या करें ।   3

11. (a) (i) निम्नलिखित आँकड़ों के आधार पर, साधन लागत पर शुद्ध मूल्य वृद्धि (NVA_{FC}) की गणना करें :   3

क्रम संख्या	चर	राशि (₹) करोड़ में
(i)	उत्पाद का प्रति इकाई मूल्य (₹)	20
(ii)	उत्पाद की बिक्री (इकाइयों में)	1250 (इकाइयाँ)
(iii)	उत्पाद शुल्क	5,000
(iv)	स्थायी पूँजी का उपभोग	1,000
(v)	स्टॉक में परिवर्तन	(–) 500
(vi)	एकल उपभोग उत्पादक वस्तुएँ	6,000

(ii) अंतिम वस्तुओं व मध्यवर्ती वस्तुओं में विभेद करने की आवश्यकता क्यों होती है ?   2

अथवा

7. State the meaning of Environmental crisis and its impact on resources.   **3**

8. Explain briefly the problems faced by Great leap forward campaign.   **3**

9. Compare and analyse the Annual Growth rate of population of India and China.   **3**

Country	Annual Growth rate of population (2015)
India	1.2%
China	0.5%

10. If in an economy Bank rate is increased, how will it affect the demand for credit ? Explain.   **3**

11. (a) (i) From the following data, calculate Net Value Added at Factor Cost (NVA_{FC}) :   **3**

S. No.	Particulars	Amount in (₹ Crores)
(i)	Price per unit of output	20
(ii)	Output sold (units)	1250 units
(iii)	Excise duty	5,000
(iv)	Consumption of fixed capital	1,000
(v)	Change in stock	(–) 500
(vi)	Single use producer goods	6,000

(ii) Why there is a need to make distinction between final and intermediate goods ?   **2**

OR

(b) (i) उचित उदाहरण द्वारा, 'बाह्यताओं' की धारणा की संक्षिप्त व्याख्या करें ।   3

(ii) निर्यात 'विदेशों से प्राप्त शुद्ध साधन आय' का हिस्सा नहीं है । दिए गए कथन का कारण स्पष्ट करें ।   2

12. व्याख्या करें कि, किसी अर्थव्यवस्था में अवस्फीतिकारी अंतराल को सही करने में रेपो रेट तथा रिवर्स रेपो रेट किस प्रकार अपनी भूमिका निभाते हैं ।   5

प्रकरण अध्ययन

निम्नलिखित गद्य का ध्यानपूर्वक अध्ययन करें तथा अधोलिखित प्रश्न संख्या 13(a) व 13(b) के उत्तर दें ।

केन्द्र की प्रधानमंत्री गति शक्ति योजना सम्पूर्ण भारतवर्ष में आधारभूत संरचना के विकास को प्रोत्साहित करेगी । यह योजना इस्पात और सीमेंट जैसे उद्योगों को बढ़ावा देकर आर्थिक विकास को गति देगी ।

नई सड़कों, कार्गो टर्मिनलों आदि के माध्यम से छोटे किसानों व लघु व मध्यम उद्योगों के लिए अधिक संयोजकता (connectivity) से आर्थिक अवसरों में सुधार की उम्मीद है ।

गति शक्ति योजना 2022-23 बजट के केन्द्र में है, जो कि प्रति स्पर्धात्मक समग्र लागत प्राप्त करने में गुणवत्ता वाले परिवहन के महत्त्व पर प्रकाश डालती है ।

गति शक्ति योजना के अंतर्गत, रेलवे छोटे कृषकों और व्यवसायों पर लक्षित नये उत्पादों व सेवाओं का विकास करेगी ताकि उन्हें वृहद् आपूर्ति श्रृंखला का भाग बनने में सहायता मिल सके ।

स्रोत: इकोनॉमिक टाईम्स, फरवरी 2, 2022 (संशोधित)

(b) (i) Discuss briefly the concept of 'Externalities', with suitable example. **3**

(ii) Export are not a part of 'Net Factor Income from abroad'. **2**

Elaborate the reason behind the given statement.

12. Explain the role of Repo rate and Reverse Repo rate in correcting deflationary gap in an economy. **5**

Case Study

Read the following text carefully and answer question number 13(a) and 13 (b) given below :

The centre's PM Gati Shakti Scheme will give much needed push to infrastructure development and logistic across India. This scheme will drive the economic growth by giving boost to industries such as steel and cement.

Greater connectivity is expected to improve economic opportunities for small farmers and small and medium enterprises through new roads, cargo terminals etc.

The Gati Shakti Scheme features at the centre stage of Budget 2022-23, highlighting the importance of quality multi-modal transport in achieving overall cost competitiveness.

Under Gati Shakti Scheme, the railways will develop new products and services targeted at small farmers and businesses to help them become a part of layer supply chain.

Source : The Economic Times, Feb. 2, 2022 (Modified)

_____

13. (a) आधारिक संरचना का अर्थ बताएँ ।   **2**

    (b) प्रधानमंत्री गति शक्ति योजना के किन्हीं दो उद्देश्यों की व्याख्या करें ।   **3**

_____

_____

13. (a)   State the meaning of infrastructure.   **2**

    (b)   Explain any two objectives of PM Gati Shakti Scheme.   **3**

_____

SeniorSecondary School Term II Examination, 2022

Marking Scheme – ECONOMICS **(SUBJECT CODE – 030)**

(PAPER CODE – 58/3/3)

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(√) 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 35answer books per day in other subjects (Details are given in Spot Guidelines).This is in view of the estions in question paperreduced syllabus and number of qu.

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.

ECONOMICS   (Subject Code–030)

[Paper Code : 58/3/3]

Maximum Marks : 40

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1.	**"In India women participation rate is lower in urban areas than in the rural areas." Explain with valid arguments.**	
	The given statement is appropriate, as in the urban areas male workers are generally able to earn reasonably good income. Thus, urban families generally discourage females to work. Whereas, in the rural areas, due to poor economic conditions, more female workers are involved in farm and non-farm activities. **(to be marked as a whole)**	2
	OR	
	"Infrastructure contributes directly to the economic development of a Country." Do you agree with the given statement? Explain.	
	Yes, infrastructure contributes directly to the economic development of a country, as : *(i)* Infrastructure boosts productivity across different sectors of the economy. *(ii)* Infrastructure induces investment leading to increase in income. **(any other valid point/reason/argument should be awarded marks accordingly)**	2
2.	**On the basis of following schedule, answer the given questions:**	

Income (in ₹ crores)	0	50	100	150	200
Savings (in ₹ crores)	-20	-10	0	30	60

a) Calculate Marginal Propensity to Save (MPS) at 150 crores level of income.

b) What is the value of Autonomous Consumption?

(a) MPS $= \dfrac{\Delta S}{\Delta Y}$ ½

$\qquad = \dfrac{30-0}{150-100} = \dfrac{30}{50} = 0.6$ ½

(b) According to the question, at zero level of income S= (-) 20

Therefore, correspondingly the value of Autonomous Consumption $(\bar{C})$ would be 20   1

2

		OR	

In an economy 75 percent of the increase in income is spent on consumption. Investment increased by ₹ 1,000 crore.

Calculate the total increase in income on the basis of given information.

Given MPC = 0·75, ΔI = ₹1,000 crore

Multiplier $(K) = \dfrac{1}{1-MPC}$ ½

$= \dfrac{1}{1-0.75} = 4$ ½

We know that ; $K = \dfrac{\Delta Y}{\Delta I}$ ½

$4 = \dfrac{\Delta Y}{1,000}$

$\Delta Y = ₹\ 4,000$ crore   ½

| | | | 2 |

3. **"Excess demand creates greater opportunities of employment in the economy. Defend or refute the given statement with valid explanation.**

The given statement is refuted. Excess demand is a situation when AD > AS corresponding to full employment level in the economy. Under the situation of full employment there is no further possibility/scope of creating more employment opportunities. At full employment level, it is assumed that all the resources are already fully and efficiently employment.   **(to be marked as a whole)**   2

4. **State any two precautions that are taken while estimating National income by value added method.**

Two precautions of value added method are:

(i) Intermediate goods should not be included in national income as this leads to the problem of double counting.   1

(ii) Production of goods for self –consumption should be included as they contribute to current output.   1

(any other valid precaution should be awarded marks accordingly)   2

OR

Distinguish between depreciation and capital loss.

Depreciation refers to fall in the value of fixed assets due to normal wear and tear, passage of time or expected obsolescence.   1

Whereas, capital loss refers to loss in value of the fixed assets due to unforeseen obsolescence, natural calamities, thefts, accidents, etc.   1

2

5.	Briefly discuss the problems associated with informal sector.	
	Problems associated with informal sector are :	
	(i) People engaged in the informal sector do not get regular income and other social security benefits.	1
	(ii) They do not have any protection or regulation from the government. Such workers have the risk of being dismissed without any compensation.	1
	(any other valid problem)	
		2
6.	**Giving valid reasons, explain how the following would be treated while estimating National income:**	
	(a) Payment of indirect taxes by a firm.	
	(b) Purchase of goods by foreign tourists.	
	(a) Payment of indirect taxes by a firm will not be included in national income as it is a transfer payment, occurring without any corresponding value addition.	1½
	(b) Purchase of goods by foreign tourists will be included in the national income as it is considered as exports of goods.	1½
		3

(no marks to be awarded if no / wrong reason(s) given)

OR

Using the following information, calculate and analyse the value of Gross Domestic Product (GDP) deflator :

Year	2014-15	2016-17
Nominal GDP	**6.5**	**9**
Real GDP	**6.5**	**7.2**

Year	2014–15	2016–17	
Nominal GDP	6·5	9	
Real GDP	6·5	7·2	
GDP deflator = $\frac{Nominal\ GDP}{Real\ GDP}$ x 100	100	125	2

Thus, we may say that the value of GDP Deflator / price level has risen by 25% (125-100) over the given period of time.

	1
	3

7.	**State the meaning of Environmental crisis and its impact on resources.**	
	Environmental crisis occurs when the resource extraction is above the rate of regeneration of the resource and the wastes generated are not within the assimilating capacity of the environment. Environmental crisis leads to global warming, climate change, ozone depletion, etc.	3
	(to be marked as a whole)	
8.	**Explain briefly the problems faced by Great Leap Forward campaign.**	
	Great Leap Forward campaign met with many problems like :	
	• A severe drought caused havoc in China killing about 30 million people.	1½
	• Russia withdrew its professionals from China. These experts were earlier sent to China to boost /support the industrialization process.	1½
9.	**Compare and analyse the Annual Growth rate of population of India and China.**	
	Country / **Annual Growth rate of population (2015)**	
	The given data shows that India stands virtually more than double to China, in its annual population growth rate of 1.2% as compared to China's annual population growth rate of 0.5% p.a.	3
	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 was instrumental in controlling the growth of population in China. **(to be marked as a whole)**	
10.	**If in an economy Bank rate is increased, how will it affect the demand for credit? Explain.**	
	Bank rate is the rate at which the Central Bank lends to the commercial banks for long term requirements.	
	Any increase in bank rate will force commercial banks to increase their lending rates. This will make borrowing to general public dearer, thereby reducing demand for credit in the economy.	3
	(to be marked as a whole)	
11.	**(a) (i) From the following data, calculate Net Value Added at Factor Cost (NVA_FC):**	

Within question 9:

Country	Annual Growth rate of population (2015)
India	1.2%
China	0.5%

Within question 11:

S.NO	Particulars	Amount in (₹ crore)
(i)	Price per unit of output	20
(ii)	Output sold (units)	1250 units

(iii)	Excise duty	5,000
(iv)	Consumption of fixed capital	1,000
(v)	Change in stock	(-)500
(vi)	Single use producer goods	6,000

(ii) Why there is a need to make distinction between final and intermediate goods?

(a) (i) $\text{NVA}_{FC} = (i \times ii) + (v) - (vi) - (iv) - (iii)$

$\text{NVA}_{FC} = (20 \times 1,250) + (-500) - 6,000 - 1,000 - 5,000$

$\text{NVA}_{FC} = 25,000 - 12,500$

$\text{NVA}_{FC} = ₹ \ 12,500 \text{ crores.}$

1½

½

½

½

(ii) The distinction between final and intermediate goods is required to estimate the correct value of Gross Domestic Product (GDP). In the absence of this distinction, GDP may be over-estimated and may lead to problem of double counting.

2

(to be marked as a whole) | 5

OR

(b) (i) Discuss briefly the concept of Externalities', with suitable example.

(ii) Export are not a part of 'Net Factor Income from abroad'.

Elaborate the reason behind the given statement.

(b) *(i)* Externalities refers to benefits (positive externalities) / harms (negative externalities) which are caused by one entity to another without being paid/penalised for it.

2

For example: A new park developed by Municipal Corporation raises the welfare of the locality is the example of positive externalities. In case the same park is used by people for anti-social activities, this will lead to insecurity among the residents is an example of negative externalities.

1

(ii) Net Factor Income from Abroad is the difference between factor incomes earned from Rest Of the World (ROW) and factor incomes paid to Rest Of the World (ROW).
Whereas, Exports refers to sale of goods and services by the country to the rest of the world, thus exports are not a part of Net Factor Income from Abroad.

2

5

12.	Explain the role of **Repo rate** and **Reverse Repo rate** in correcting **deflationary gap** in an economy.	
	Two monetary measures to control deflationary pressures in the economy are	
	(i) To deal with the situation of deflation, the Central Bank may reduce the repo rate. A fall in repo rate may force the commercial banks to reduce their lending rates which may make borrowing cheaper for the general public. Consequently, Aggregate Demand may rise and help in managing deflationary pressures in the economy.	2 ½
	(ii) To deal with the situation of deflation, the Central Bank may reduce the reverse repo rate. It may discourage the commercial banks from parking their surplus funds with Central Bank leading to higher credit creation capacity with the commercial banks. Consequently, Aggregate Demand may rise and help in managing deflationary pressures in the economy.	2 ½
	(any other tool with relevant explanation)	
		5
13.	**CASE STUDY**	
	Read the following text carefully and answer question number 13(a) and 13(b) given below:	
	The centre's PM Gati Shakti Scheme will give much needed push to infrastructure development and logistic across India. This scheme will drive the economic growth by giving boost to industries such as steel and cement.	
	Greater connectivity is expected to improve economic opportunities for small farmers and small and medium enterprises through new roads, cargo terminals etc.	
	The Gati Shakti Scheme features at the centre stage of Budget 2022-23, highlighting the importance of quality multi-modal transport in achieving overall cost competitiveness.	
	Under Gati Shakti Scheme, the railways will develop new products and services targeted at small farmers and businesses to help them become a part of layer supply chain.	
	Source: The Economic Times, Feb. 2, 2022 (Modified)	
	(a) State the meaning of infrastructure.	
	(b) Explain any two objectives of PM Gati Shakti Scheme.	
	(a) Infrastructure refers to those supporting structures which provide services to the main areas of agriculture, industrial production, trade and commerce etc.	2
	(b) Two objectives of PM Gati Shakti Scheme are:	
	(i) Driving economic growth and giving boost to industries	1 ½
	(ii) Greater connectivity to improve economic opportunities for small farmers and small and medium enterprises through new roads, cargo terminals etc.	1 ½
		5

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