

Series : AAB3/1



SET-3

प्रश्न-पत्र कोड नं. **58/1/3**  
Question Paper Code No.

रोल नं.

Roll No.

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परीक्षार्थी कोड को उत्तर-पुस्तिका के मुख-पृष्ठ पर अवश्य लिखें।

Candidates must write the Code on the title page of the answer-book.

- 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 minute 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

Time allowed : 2 hours

अधिकतम अंक : 40

Maximum Marks : 40

58/1/3

278 C

1

P.T.O.

**सामान्य निर्देश :**

- (i) इस प्रश्न-पत्र में कुल **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।

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1. मान्य तर्क द्वारा निम्नलिखित कथन की पुष्टि करें :

‘सामान्यतः आय के उच्च स्तर पर लोगों की सीमांत उपभोग प्रवृत्ति कम होती है।’ 2

2. (a) वैश्विक उष्णता के किन्हीं दो हानिकारक प्रभावों का उल्लेख करें। 2

**अथवा**

- (b) ‘सतत् विकास’ के किन्हीं दो लाभों का उल्लेख करें। 2

3. किसी राष्ट्र में जैसे-जैसे आय में वृद्धि होती है, बुनियादी ढाँचे की संरचना की आवश्यकताओं में काफी परिवर्तन आता है।

क्या आप दिए गए कथन से सहमत हैं ? उपयुक्त तर्क द्वारा अपने उत्तर का समर्थन करें। 2



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**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. Justify the following statement with valid argument :

‘At higher levels of income people generally have lower Marginal Propensity to Consume (MPC).’

**2**

2. (a) State any two harmful effects of Global warming.

**2**

**OR**

- (b) State any two advantages of ‘sustainable development’.

**2**

3. ‘In any country, as the income rises the composition of infrastructure requirements changes significantly.’

Do you agree with the given statement ? Support your answer with suitable argument.

**2**



4. (a) उपयुक्त उदाहरण द्वारा, सकारात्मक बाध्यताओं और नकारात्मक बाध्याताओं में अंतर स्पष्ट करें। 2

अथवा

- (b) उपयुक्त उदाहरण द्वारा, स्टॉक चरों व प्रवाह चरों में अंतर स्पष्ट करें। 2

5. (a) एक काल्पनिक अर्थव्यवस्था के लिए आय के संतुलन स्तर की गणना करें, जिसके बारे में यह ज्ञात है कि :

(i) स्वायत्त निवेश ( $I_0$ ) = ₹ 10,000 करोड़, तथा

(ii) उपभोग फलन;  $C = 2000 + 0.75Y$ ;

जहाँ  $C$  = उपभोग व  $Y$  = आय

2

अथवा

- (b) एक काल्पनिक अर्थव्यवस्था के लिए आय में परिवर्तन ( $\Delta Y$ ) की गणना करें, जिसके बारे में यह ज्ञात है, कि :

(i) निवेश में परिवर्तन ( $\Delta I$ ) = ₹ 5,000 करोड़

(ii) सीमांत उपभोग प्रवृत्ति (MPC) = 0.75

2

6. (a) एक काल्पनिक अर्थव्यवस्था में मौद्रिक सकल घरेलू उत्पाद के मूल्य का अनुमान लगाएँ, जबकि यह ज्ञात है कि वास्तविक सकल घरेलू उत्पाद व मूल्य सूचकांक क्रमशः ₹ 500 करोड़ व 125 हैं।

3

अथवा

- (b) मान्य कारणों द्वारा स्पष्ट करें कि, निम्नलिखित में से क्या भारत की राष्ट्रीय आय में सम्मिलित नहीं होंगे ?

(i) बॉम्बे स्टॉक बाजार में सेठी लिमिटेड के अंशों (Shares) की एक निवेशक द्वारा खरीद।

(ii) जापान स्थित भारतीय दूतावास द्वारा स्थानीय श्रमिकों को वेतन का भुगतान।

(iii) पूँजीगत संपत्तियों पर फर्मों द्वारा लगाया गया मूल्यहास

3

7. एक काल्पनिक उदाहरण द्वारा, एक अर्थव्यवस्था में निवेश गुणक की कार्यप्रणाली की विवेचना करें।

3



- 
4. (a) Using a suitable example, distinguish between positive externalities and negative externalities. 2

**OR**

- (b) Using a suitable example, distinguish between stock variables and flow variables. 2
5. (a) Calculate equilibrium level of income for a hypothetical economy for which it is given that :
- (i) Autonomous Investment ( $I_0$ ) = ₹ 10,000 crores, and
- (ii) Consumption Function;  $C = 2000 + 0.75Y$ ;  
where C = Consumption and Y = Income. 2

**OR**

- (b) Calculate, Change of Income ( $\Delta Y$ ) for a hypothetical economy, for which it is given that :
- (i) Change in Investment ( $\Delta I$ ) = 5,000 crores.
- (ii) Marginal Propensity to Consume (MPC) = 0.75. 2
6. (a) Estimate the value of Nominal Gross Domestic Product (GDP) for a hypothetical economy. The values of Real Gross Domestic Product (GDP) and Price Index are given as ₹ 500 crores and 125 respectively. 3

**OR**

- (b) Giving valid reasons explain, which of the following will not be included in the estimation of National Income of India ?
- (i) Purchase of shares of Sethi Ltd. by an investor in the Bombay Stock Exchange.
- (ii) Salaries paid by Indian Embassy situated at Japan, to the local workers.
- (iii) Depreciation on capital assets charged by firms. 3
7. Using a hypothetical example, elaborate the working of investment multiplier in an economy. 3



8. दी गई अनुसूची में से किन्हीं दो संकेतकों के आधार पर भारत व चीन की स्वास्थ्य स्थिति की तुलना और विश्लेषण करें :

**अन्य राष्ट्रों के साथ भारत की तुलना (स्वास्थ्य संकेतक) (2015-17)**

3

क्रम संख्या	संकेतक	भारत	चीन	अमेरिका	श्रीलंका
(i)	शिशु मृत्यु दर /1000 जीवित जन्म	34	8	5.7	7.5
(ii)	5 वर्ष से कम मृत्यु दर /1000 जीवित जन्म	39.4	9.3	6.6	8.8
(iii)	शिशुओं का टीकाकरण (DTP) % में	88	99	95	99
(iv)	सरकारी स्वास्थ्य व्यय (GDP के % के रूप में)	3.9	5.7	16.8	3

स्रोत : HDI 2018 व WDI 2018.

9. 'कीन्स ने अर्थव्यवस्था में प्रचलित स्फीतिकारी अंतराल की स्थिति से निपटने के लिए विभिन्न उपकरणों के उपयोग का सुझाव दिया था ।'

एक काल्पनिक अर्थव्यवस्था में स्फीतिकारी अंतराल की स्थिति से बचने के लिए किन्हीं दो मौद्रिक नीति उपायों का उल्लेख व वर्णन करें ।

5

10. (i) “हाल के दिनों में भारत सरकार ने भारतीय चिकित्सा पद्धति को पुनर्जीवित व लोकप्रिय करने के लिए महत्वपूर्ण कदम उठाए हैं ।”

क्या आप दिए गए कथन से सहमत हैं ? मान्य कारणों द्वारा अपने उत्तर की पुष्टि करें ।

2

- (ii) “कार्यबल का अनऔपचारिकरण भारतीय अर्थव्यवस्था की एक चिरस्थायी समस्या रही है ।” मान्य तर्कों द्वारा दिए गए कथन की पुष्टि करें ।

3



8. Compare and analyse the health status of India and China, on the basis of any two indicators from the given schedule : 3

**Indicators of Health in India in Comparison with other nations, 2015-17.**

S. No.	Indicators	India	China	USA	Sri Lanka
(i)	Infant Mortality Rate/1000 live Births	34	8	5.7	7.5
(ii)	Under-5, Mortality Rate/1000 live Births	39.4	9.3	6.6	8.8
(iii)	Infants Immunised (DTP) in %	88	99	95	99
(iv)	Government Health spending as a % of GDP	3.9	5.7	16.8	3

**Sources :** HDI 2018 and WDI 2018.

9. 'Keynes suggested the use of various tools to deal with the situation of Inflationary Gap prevailing in an economy.

State and discuss any two monetary policy measures to combat the situation of Inflationary gap in a hypothetical economy. 5

10. (i) 'In the recent past the Government of India has taken vital steps to revive and popularise Indian System of Medicine (ISM).'

Do you agree with the given statement ? Justify your answer with valid reasons. 2

- (ii) 'Casualization of workforce has become a perennial problem of the Indian economy.' Justify the given statement with valid arguments. 3



11. (a) (i) निम्नलिखित आँकड़ों के आधार पर, साधन लागत पर सकल राष्ट्रीय उत्पाद के मूल्य की गणना करें :

3

क्रम सं.	चर	राशि (₹ करोड़ में)
(i)	श्रमिकों का पारिश्रमिक	12,000
(ii)	किराया व ब्याज	1,800
(iii)	अप्रत्यक्ष कर	1,120
(iv)	लाभ	1,500
(v)	मूल्यहास	1,100
(vi)	उपदान	210
(vii)	विदेशों से प्राप्त शुद्ध साधन आय	(-) 120
(viii)	स्वनियोजितों की मिश्रित आय	1,300

- (ii) किराया व रॉयल्टी में विभेद करें ।

2

**अथवा**

- (b) (i) दिए गए आँकड़ों के आधार पर, साधन लागत पर शुद्ध मूल्य वृद्धि की गणना करें :

3

क्रम सं.	चर	राशि(₹' 000 में)
(i)	बाजार में चावल का विक्रय	580
(ii)	ट्रैक्टर व थ्रेशर का क्रय	400
(iii)	सरकार द्वारा चावल का क्रय	20
(iv)	वर्ष के दौरान चावल का स्व-उपभोग	15
(v)	ट्रैक्टर व थ्रेशर के संचालन व रखरखाव पर व्यय	20
(vi)	सरकार द्वारा प्राप्त उर्वरक उपदान	3

- (ii) 'उत्पादन के मूल्य' व 'मूल्य वर्धन' में विभेद करें ।

2

निम्नलिखित गद्य का ध्यानपूर्वक अध्ययन करें तथा प्रश्न संख्या 12 व 13 के उत्तर दें :

**चीन की अर्थव्यवस्था में बाजार की अपेक्षा से अधिक मंदी का खतरा – ब्लूमबर्ग, 24 अक्टूबर, 2021**

चीन की अर्थव्यवस्था में मंदी का भय वैश्विक निवेशकों की आशंका से अधिक है । चीन अपनी रियल एस्टेट (Real Estate) पर निर्भरता कम करने का प्रयास कर रहा है । विद्युत की कमी व महामारी के कारण, चीन ने शिक्षा से लेकर प्रौद्योगिकी क्षेत्रों को विनियमित करना आरंभ कर दिया है ।





11. (a) (i) From the following data, calculate the value of Gross National Product at Factor Cost ( $GNP_{FC}$ ) :

3

S. No.	Items	Amount in (₹ Crores)
(i)	Compensation of Employees	12,000
(ii)	Rent and Interest	1,800
(iii)	Indirect taxes	1,120
(iv)	Profits	1,500
(v)	Depreciation	1,100
(vi)	Subsidies	210
(vii)	Net Factor Income from Abroad	(-) 120
(viii)	Mixed Income of Self Employed	1,300

- (ii) Distinguish between Rent and Royalty.

2

**OR**

- (b) (i) Calculate the value of 'Net Value Added at Factor Cost' ( $NVA_{FC}$ ) using the given data :

3

S. No.	Items	Amount in (₹ '000)
(i)	Sale of Rice in the market.	580
(ii)	Purchase of Tractor and Thrasher	400
(iii)	Procurement of Rice by the government	20
(iv)	Self consumption of Rice during the year	15
(v)	Expenditure on running and maintenance of Tractor and Thrasher	20
(vi)	Fertilizer subsidies received from the government	3

- (ii) Distinguish between 'value of output' and 'value addition'.

2

Read the following test carefully and answer, Q. No.-12 and 13, given below :

**Chinese Economy Risks Deeper Slowdown than Markets Realise – (Bloomberg, 24<sup>th</sup> October, 2021)**

China's Economy risks slowdown faster than global investors realise. It is pushing to cut its dependence on real-estate. It has started regulating sectors from education to technology, as it is facing power shortage and the pandemic.



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कई अर्थशास्त्रियों ने वर्तमान वर्ष में GDP वृद्धि दर के 8.2% तक तथा आगामी वर्ष में 5% से नीचे आने की चेतावनी दी है।

चीन अब, ऋण वृद्धि को स्थिर करने, असमानता पर अंकुश लगाने व संसाधनों को अत्याधुनिक विनिर्माण में लगाने की योजना बना रहा है। गत सप्ताह जारी किये गये आँकड़ों में, तीसरी तिमाही में GDP वृद्धि दर गत तिमाही के 7.9% से गिर कर 4.9% दर्शायी गई है। विद्युत की कमी व आगामी दिनों में कोविड-19 में वृद्धि के कारण यह समस्या और अधिक हो सकती है।

महामारी से पूर्व, ऋण जोखिमों को कम करने के कारण पहले ही चीन धीमी विकास दर से अर्थशास्त्रियों को अचलित किए हुए था। चीन के प्रधानमंत्री ली केकियांग ने मार्च में आगामी वित्त वर्ष में 6% से अधिक के विकास लक्ष्य की घोषणा की है। चीन ने हाल के हफ्तों में, कुछ नीतियों में ढील देने के संकेत दिए हैं, जैसे कि बैंकों द्वारा ऋणों को अल्पकालिक प्रोत्साहन देना। पीपल्स बैंक ऑफ चाइना के गवर्नर यी गैंग ने हाल ही में कहा था कि, उन्हें इस वर्ष 8% की वृद्धि दर की उम्मीद है।

कोविड-19 का भय कम होने के साथ, चीन में मंदी आ रही है। चीन में निवेश गिरने से, वस्तु निर्यातक राष्ट्रों जैसे दक्षिण अफ्रीका, ऑस्ट्रेलिया, चिली, पेरू व ब्राजील जैसे राष्ट्रों में भी जोखिम दिखाई दे रहा है। धीमा व्यापार मलेशिया, सिंगापुर व थाईलैंड जैसे राष्ट्रों को भी प्रभावित कर सकता है।

एक अन्य भय यह भी है कि, चीन के नीति निर्माताओं को वापस विकास पथ पर आने के लिए संघर्ष करना पड़ सकता है। अर्थशास्त्रियों के अनुसार विद्युत की कमी जो कि औद्योगिक उत्पादन को कम कर रही है, बुनियादी संरचना में निवेश में वृद्धि को भी कम कर देगी। इस प्रकार की नीति अगले वर्ष तभी काम कर सकती है जबकि विद्युत की किल्लत कम होगी।

- |   |   |
|---|---|
| 12. चीनी अर्थव्यवस्था में मंदी दर्शाने वाले किन्हीं दो कारणों का उल्लेख व वर्णन करें।                 | 3 |
| 13. ऐसे किन्हीं दो उपायों की व्याख्या करें, जिन्हें आप चीन के आर्थिक सलाहकार के रूप में बता सकते हैं। | 3 |



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Many economists have warned that the GDP growth rate will fall to 8.2% this year and to below 5% in the next year.

China is now planning to stabilise debt growth, curb inequality and channelise resources into hi-tech manufacturing. Data released in last week already showed a sharp slowdown in third quarter GDP growth to 4.9% from 7.9% in the previous quarter. There is more pain likely to come as electricity shortage persist, while new COVID-19 infections are expected to rise in coming days.

Even before the pandemic hit, China was surprising economists with slower-than-expected growth rate caused by the easing off debt risks. China's Premier Li Keqiang, announced in March a growth target of "above 6%" in the coming financial year.

China has signalled, in recent weeks that it could loosen some policies like telling banks to pick up the pace of mortgage lending as a short term stimulus. Governor of People's Bank of China Yi Gang, recently said he sees an expansion of about 8% for this year.

China's slowdown comes as the global recovery from COVID-19 risks loses momentum. Among those at risks from falling investments in China are commodity exporters like Australia, South Africa, Chile, Peru and Brazil. Slower trades could also hit countries like Malaysia, Singapore and Thailand.

The other risk is that China's policy-makers may struggle to flick the switch back to growth model if they feel that's needed. Economists noted that the electricity shortages that are crimping industrial production will make it harder to cushion growth by boosting investment in infrastructure. That kind of policy could only work next year once the power crunch eases.

12. State and discuss any two reasons that exhibit slowdown in the Chinese economy. 3
13. Discuss briefly any two measures, which you may suggest as an economic advisor to the government of China. 3



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**Strictly Confidential: (For Internal and Restricted use only)**  
**Senior Secondary School Term II Examination, 2022**  
**Marking Scheme – ECONOMICS (SUBJECT CODE — 030)**  
**(PAPER CODE — 58/1/3)**

**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 40 marks (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 — 58/1/3]**

**Maximum Marks: 40**

Q. No.	EXPECTED ANSWER / VALUE POINTS	Marks
1.	<p><b>Justify the following statement with valid argument:</b>  <b>‘At higher levels of income people generally have lower Marginal Propensity to Consume (MPC).’</b></p> <p>At a lower level of income, a consumer generally spends a larger proportion of his/her income on consumption expenditure (basic survival requirement). As the income increases, owing to the psychological behaviour of a rational consumer he tends to save more.</p> <p>Hence, at higher levels of income people generally have lower Marginal Propensity to Consume (MPC).</p> <p style="text-align: right;"><b>(to be marked as a whole)</b></p>	2
2.	<p><b>a) State any two harmful effects of Global warming.</b>  Two harmful effects of global warming are:  (i) Melting of Polar ice, resulting in rise in sea level and coastal flooding.  (ii) Increase in incidence of tropical diseases.  <b>(any other valid point/reason/argument should be awarded marks accordingly)</b></p> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) State any two advantages of ‘sustainable development’.</b>  Two advantages of sustainable development are:  (i) Minimises environmental problems.  (ii) Provides better potential average quality of life to all future generations.  <b>(any other valid point/reason/argument should be awarded marks accordingly)</b></p>	1
		1
		2
		1
		1
		2
3.	<p><b>‘In any country, as the income rises the composition of infrastructure requirements changes significantly.’</b>  <b>Do you agree with the given statement? Support your answer with suitable argument.</b></p> <p>Yes, as the income rises, the composition of infrastructure requirements changes significantly.</p> <ul style="list-style-type: none"> <li>For low-income countries, basic infrastructure services like irrigation, transport and power are kept on priority.</li> <li>As economies develop, most of their basic consumption demands are met, the share of agriculture in the economy shrinks and more services related infrastructure is required.</li> </ul> <p>For example: Power, Transportation, Telecommunication and IT related infrastructural services are needed more in high income countries.</p> <p style="text-align: right;"><b>(to be marked as a whole)</b>  <b>( any other valid point /reason/ argument is to be awarded marks accordingly)</b></p>	2

4.	<p><b>a) Using a suitable example, distinguish between positive externalities and negative externalities.</b></p> <p>Positive externalities refer to benefits caused by one entity to another, without being paid for it.</p> <p>Whereas, negative externalities refer to the harms caused by one entity to another, without being penalised for it.</p> <p>For example: A new park developed by the municipal corporation raises the welfare of the locality, is an example of positive externalities. In case the same park is used by people for anti-social activities which leads to insecurity among the residents, is an example of negative externalities.</p> <p style="text-align: right;"><b>(any other example to be awarded marks)</b></p> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) Using a suitable example, distinguish between stock variables and flow variables.</b></p> <p>Stock variables are those variables whose quantity is measured at a particular point of time.</p> <p>Whereas, flow variables are those variables whose quantity is measured over a period of time.</p> <p>For example: Wealth is a stock variable and Income is a flow variable.</p> <p style="text-align: right;"><b>(any other suitable example to be awarded marks)</b></p>	<p>1/2</p> <p>1/2</p> <p>1</p> <hr/> <p>2</p> <hr/> <p>1/2</p> <p>1/2</p> <p>1</p> <hr/> <p>2</p>
5.	<p><b>Calculate equilibrium level of income for a hypothetical economy, for which it is given that:</b></p> <p style="padding-left: 40px;">(i) <b>Autonomous Investments (<math>I_0</math>) = ₹ 10,000 crores, and</b></p> <p style="padding-left: 40px;">(ii) <b>Consumption Function; <math>C = 2000 + 0.75Y</math>;</b></p> <p style="padding-left: 40px;"><b>where <math>C</math> = Consumption and <math>Y</math> = Income.</b></p> <p>Given, <math>C = 2000 + 0.75Y</math></p> <p style="padding-left: 40px;"><math>I = ₹ 10,000</math> crores</p> <p>At the equilibrium level, <math>Y = C + I</math></p> <p>Therefore, <math>Y = 2000 + 0.75Y + 10,000</math></p> <p style="padding-left: 40px;"><math>Y - 0.75Y = 12000</math></p> <p>Equilibrium level of Income (<math>Y</math>) = ₹ 48,000 crores</p> <p style="text-align: right;"><b>OR</b></p> <p><b>(b) Calculate, Change of Income (<math>\Delta Y</math>) for a hypothetical economy, for which it is given that:</b></p> <p style="padding-left: 40px;">(i) <b>Change in Investment (<math>\Delta I</math>) = ₹ 5000 crores.</b></p> <p style="padding-left: 40px;">(ii) <b>Marginal Propensity to Consume (MPC) = 0.75</b></p> <p>Given, <math>\Delta I = ₹ 5000</math> crores</p> <p style="padding-left: 40px;"><math>MPC = 0.75</math></p> <p>As we know</p> <p>Multiplier (<math>K</math>) = <math>\frac{1}{1-MPC} = \frac{1}{1-0.75} = \frac{1}{0.25} = 4</math></p>	<p>1/2</p> <p>1/2</p> <p>1/2</p> <p>1/2</p> <hr/> <p>2</p> <hr/> <p>1/2</p>



	<p>We know, <math>K = \frac{\Delta Y}{\Delta I}</math></p> <p><math>4 = \frac{\Delta Y}{5000}</math></p> <p>Change in Income (<math>\Delta Y</math>) = ₹ 20,000 crore</p>	<p><math>\frac{1}{2}</math></p> <p><math>\frac{1}{2}</math></p> <p><math>\frac{1}{2}</math></p> <p>2</p>
6.	<p><b>(a) Estimate the value of Nominal Gross Domestic Product (GDP) for a hypothetical economy. The values of Real Gross Domestic Product (GDP) and Price Index are given as ₹ 500 crore and 125 respectively.</b></p> <p>Given,</p> <p>Real GDP = ₹ 500 crore</p> <p>Price index = 125</p> <p>Price index = <math>\frac{\text{Nominal GDP}}{\text{Real GDP}} \times 100</math></p> <p><math>\therefore 125 = \frac{\text{Nominal GDP}}{500} \times 100</math></p> <p>Or, Nominal GDP = <math>\frac{125 \times 500}{100}</math></p> <p>Nominal GDP = ₹ 625 crore</p> <p style="text-align: center;"><b>OR</b></p> <p><b>(b) Giving valid reasons explain, which of the following will not be included in the estimation of National Income of India?</b></p> <p><b>(i) Purchase of shares of Sethi Ltd. by an investor in the Bombay Stock Exchange.</b></p> <p><b>(ii) Salaries paid by Indian Embassy situated at Japan, to the local workers.</b></p> <p><b>(iii) Depreciation on capital assets charged by firms.</b></p> <p>(i) Purchase of shares of Sethi Ltd. by an investor in the Bombay Stock Exchange is a transaction, which is a mere paper claim and do not lead to any value addition and thus will not be included.</p> <p>(ii) Salaries paid by Indian Embassy situated at Japan, to the local workers is a factor income paid to non-residents and thus will not be included.</p> <p>(iii) Depreciation on capital assets is not included as it is a mere accounting entry that is needed to accommodate regular wear and tear of capital.</p>	<p>1</p> <p>1</p> <p><math>\frac{1}{2}</math></p> <p><math>\frac{1}{2}</math></p> <p>3</p> <p>1</p> <p>1</p> <p>1</p> <p>3</p>
7.	<p><b>Using a hypothetical example, elaborate the working of investment multiplier in an economy.</b></p> <p>The working of multiplier is based on the fact one's expenditure is other's income. Suppose the increase in investment is by ₹ 4,000 crore and marginal propensity to consume is 0.5:</p>	<p><math>\frac{1}{2}</math></p>

	<table><tr><th>Round</th><th>Increase in investment ( ΔI ) ( ₹ in crore)</th><th>Increase in income ( ΔY ) ( ₹ in crore)</th><th>Increase in consumption ( ΔC ) ( ₹ in crore)</th><th>Increase in savings ( ΔS ) ( ₹ in crore)</th></tr><tr><td>1</td><td>4000</td><td>4000</td><td>2000</td><td>2000</td></tr><tr><td>2</td><td>—</td><td>2000</td><td>1000</td><td>1000</td></tr><tr><td>3</td><td>—</td><td>1000</td><td>500</td><td>500</td></tr><tr><td>4</td><td>—</td><td>500</td><td>250</td><td>250</td></tr><tr><td>—</td><td>—</td><td>.</td><td>.</td><td>.</td></tr><tr><td>—</td><td>—</td><td>.</td><td>.</td><td>.</td></tr><tr><td>Total</td><td>4000</td><td>8000</td><td>4000</td><td>4000</td></tr></table>	Round	Increase in investment ( ΔI ) ( ₹ in crore)	Increase in income ( ΔY ) ( ₹ in crore)	Increase in consumption ( ΔC ) ( ₹ in crore)	Increase in savings ( ΔS ) ( ₹ in crore)	1	4000	4000	2000	2000	2	—	2000	1000	1000	3	—	1000	500	500	4	—	500	250	250	—	—	.	.	.	—	—	.	.	.	Total	4000	8000	4000	4000	1 ½
Round	Increase in investment ( ΔI ) ( ₹ in crore)	Increase in income ( ΔY ) ( ₹ in crore)	Increase in consumption ( ΔC ) ( ₹ in crore)	Increase in savings ( ΔS ) ( ₹ in crore)																																						
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2	—	2000	1000	1000																																						
3	—	1000	500	500																																						
4	—	500	250	250																																						
—	—	.	.	.																																						
—	—	.	.	.																																						
Total	4000	8000	4000	4000																																						
	<p>The above table shows that an increase in investment of ₹ 4,000 crore leads to a total increase of ₹ 8,000 crore in income.</p> <p>(any alternative presentation to be awarded marks)</p> <p><b>Working Note:</b></p> $K = \frac{1}{1-MPC} = \frac{1}{1-0.5} = \frac{1}{0.5} = 2$ $K = \frac{\Delta Y}{\Delta I}$ $2 = \frac{\Delta Y}{4000}$ $\Delta Y = 8000 \text{ crore}$ <p>(marks not to be deducted if working note is not given)</p>	1																																								
		3																																								
8.	<p>Compare and analyse the health status of India and China, on the basis of any two indicators from the given schedule:</p> <p>Indicators of Health in India in Comparison with other nations, 2015-17.</p> <table><tr><th>S.No.</th><th>Indicators</th><th>India</th><th>China</th><th>USA</th><th>Sri Lanka</th></tr><tr><td>(i)</td><td>Infant Mortality Rate/1000 live births</td><td>34</td><td>8</td><td>5.7</td><td>7.5</td></tr><tr><td>(ii)</td><td>Under-5, Mortality Rate/1000 live births</td><td>39.4</td><td>9.3</td><td>6.6</td><td>8.8</td></tr><tr><td>(iii)</td><td>Infants Immunised (DTP) in %</td><td>88</td><td>99</td><td>95</td><td>99</td></tr><tr><td>(iv)</td><td>Government Health spendings as a % of GDP</td><td>3.9</td><td>5.7</td><td>16.8</td><td>3</td></tr></table> <p>Sources: HDI 2018 and WDI 2018</p> <p>Comparison of India and China on the basis of Health Indicators:</p> <ol style="list-style-type: none"><li>India has a higher Infant Mortality Rate (34/1000 live births) as compared to China (8 /1000 live births) due to lack of health facilities.</li><li>India has as a higher Under- 5 Mortality Rate (39.4/1000 live birth) as compared to China (9.3/1000 livebirths) due to malnutrition and lack of access to healthcare facilities.</li><li>Infant immunisation (DTP) in % is higher for China (99%) as compared to India (88%) because less than 20% of Indian population</li></ol>	S.No.	Indicators	India	China	USA	Sri Lanka	(i)	Infant Mortality Rate/1000 live births	34	8	5.7	7.5	(ii)	Under-5, Mortality Rate/1000 live births	39.4	9.3	6.6	8.8	(iii)	Infants Immunised (DTP) in %	88	99	95	99	(iv)	Government Health spendings as a % of GDP	3.9	5.7	16.8	3	1½x2										
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	<p>utilizes public health services.</p> <p>4) Government health spending as a percentage of GDP is lower in India (3.9) than China (5.7). India is showing a lower government spending as percentage of GDP. It is much below the needs of the economy, given the size of its population.</p> <p style="text-align: right;"><b>(any two valid points to be awarded marks)</b></p>	3
9.	<p><b>‘Keynes suggested the use of various tools to deal with the situation of Inflationary Gap prevailing in an economy.’</b></p> <p><b>State and discuss any two monetary policy measures to combat the situation of Inflationary Gap in a hypothetical economy.</b></p> <p>Two monetary measures to control inflationary pressures in the economy are:</p> <p>(i) To deal with the situation of inflation, the Central Bank may increase the repo rate. An increase in repo rate will force the commercial banks to increase their lending rates which will make borrowing costlier to the general public. Consequently, Aggregate Demand will fall and help in correcting inflationary gap in the economy.</p> <p>(ii) To deal with the situation of inflation, reverse repo rate may be increased by the Central Bank. It will encourage the commercial banks to park their surplus funds with Central Bank. As a result, credit creating capacity of the commercial banks will be reduced. Consequently, Aggregate Demand will fall and help in correcting inflationary gap in the economy.</p> <p style="text-align: right;"><b>(any other monetary measure to be awarded marks)</b></p>	<p>2 ½</p> <p>2 ½</p> <p>5</p>
10.	<p><b>(i) 'In the recent past the Government of India has taken vital steps to revive and popularise Indian System of Medicine (ISM)'.</b></p> <p><b>Do you agree with the given statement? Justify your answer with valid reasons.</b></p> <p>The given statement is true. Indian Systems of Medicine (ISM) have huge potential and can solve a large part of health care problems because they are effective, safe and less expensive. Under AYUSH project, the government has stressed upon precautionary medication.</p> <p>Recently serious efforts have been undertaken by the Government to set up a framework to promote research in the field of ISM.</p> <p><b>(ii) 'Casualization of workforce has become a perennial problem of the Indian economy.' Justify the given statement with valid arguments.</b></p> <p>Casualisation of workforce has become a perennial problem for India because of:</p> <ul style="list-style-type: none"> <li>○ Slower growth rate of employment in the organised sector.</li> <li>○ Rapidly expanding construction and allied services have led to increase in demand for casual labour.</li> <li>○ Self-employed small and marginal farmers are becoming casual workers due to lower earnings in agricultural activities.</li> </ul> <p style="text-align: right;"><b>(to be marked as a whole)</b></p>	<p>2</p> <p>3</p> <p>5</p>
11.	<p><b>(a) (i) From the following data, calculate the value of Gross National Product at Factor Cost (GNP<sub>FC</sub>):</b></p>	

S. No.	Items	Amount in (₹ Crore)	
(i)	Compensation of Employees	12,000	
(ii)	Rent and Interest	1,800	
(iii)	Indirect taxes	1,120	
(iv)	Profits	1,500	
(v)	Depreciation	1,100	
(vi)	Subsidies	210	
(vii)	Net Factor Income from Abroad	(-)120	
(viii)	Mixed Income of Self Employed	1,300	
$GNP_{FC} = (i) + (ii) + (iv) + (v) + (vii) + (viii)$ $= 12000 + 1800 + 1500 + 1100 + (-)120 + 1300$ $= ₹ 17,580 \text{ crore}$			1½ 1 ½
<b>(ii) Distinguish between Rent and Royalty.</b> Rent is a factor income earned by the owners for lending their services such as land, building etc. Royalty is the income earned by a person /institution for lending Intellectual Property Rights and rights of sub soil assets.			1 1
<b>OR</b>			5
<b>(b)(i) Calculate the value of 'Net Value Added at Factor Cost' (<math>NVA_{FC}</math>) using the given data:</b>			
S. No.	Items	Amount in(₹ '000)	
(i)	Sale of Rice in the market.	580	
(ii)	Purchase of Tractor and Thrasher	400	
(iii)	Procurement of Rice by the government	20	
(iv)	Self consumption of Rice during the year	15	
(v)	Expenditure on running and maintenance of Tractor and Thrasher.	20	
(vi)	Fertilizer subsidies received from the government	3	
$NVA_{FC} = (i) + (iii) + (iv) - (v) + (vi)$ $= 580 + 20 + 15 - 20 + 3$ $= ₹ 598 \text{ thousand}$			1 ½ 1 ½
<b>(ii) Distinguish between 'value of output' and 'value addition'.</b> Value of output is the estimated money value of final goods and services, inclusive of change in stock and production for self-consumption. Whereas, Value added is the excess of value of output over the value of intermediate consumption.			1 1
			5

	<p><b>Case Study:</b> Read the following text carefully and answer, Q. No.-12 and 13, given below:</p> <p><b>Chinese Economy Risks Deeper Slowdown than Markets Realise - (Bloomberg, 24th October, 2021)</b></p> <p><b>China's Economy risks slowdown faster than global investors realise. It is pushing to cut its dependence on real-estate. It has started regulating sectors from education to technology, as it is facing power shortage and the pandemic.</b></p> <p><b>Many economists have warned that the GDP growth rate will fall to 8.2% this year and to below 5% in the next year.</b></p> <p><b>China is now planning to stabilise debt growth, curb inequality and channelise resources into hi-tech manufacturing. Data released in last week already showed a sharp slow down in third quarter GDP growth to 4.9% from 7.9% in the previous quarter. There is more pain likely to come as electricity shortage persist, while new COVID 19 infections are expected to rise in coming days.</b></p> <p><b>Even before the pandemic hit, China was surprising economists with slower-than-expected growth rate caused by the easing off debt risks. China's Premier Li Keqiang, announced in March a growth target of "above 6%" in the coming financial year.</b></p> <p><b>China has signalled, in recent weeks that it could loosen some policies like telling banks to pick up the pace of mortgage lending as a short term stimulus. Governor of People's Bank of China Yi Gang, recently said he sees an expansion of about 8% for this year.</b></p> <p><b>China's slowdown comes as the global recovery from COVID-19 risks loses momentum. Among those at risks from falling investments in China are commodity exporters like Australia, South Africa, Chile, Peru and Brazil. Slower trades could also hit countries like Malaysia, Singapore and Thailand.</b></p> <p><b>The other risk is that China's policy-makers may struggle to flick the switch back to growth model if they feel that's needed. Economists noted that the electricity shortages that are crimping industrial production will make it harder to cushion growth by boosting investment in infrastructure. That kind of policy could only work next year once the power crunch eases.</b></p>	
12.	<p><b>State and discuss any two reasons that exhibit slowdown in the Chinese economy.</b></p> <p>Two reasons exhibiting the slowdown in Chinese economy are</p> <ul style="list-style-type: none"> <li>(i) Investment in China is expected to fall due to fall in demand from commodity exporters such as Australia, South Africa, Chile, Peru and Brazil.</li> <li>(ii) Electricity shortages cramped industrial production; it will make it harder to cushion growth by boosting investment in infrastructure.</li> </ul> <p><b>(any other valid point/ reason/argument to be awarded marks)</b></p>	<p>1 ½</p> <p>1 ½</p> <hr/> <p>3</p>

13.	<p><b>Discuss briefly any two measures, which you may suggest as an economic advisor to the Government of China.</b></p> <p>Two measures to curb the situation may be quoted as:</p> <p>(i) Suggesting banks to pick up the pace of mortgage lending as a short-term stimulus.</p> <p>(ii) Planning to cut dependence on real estates and regulate sectors from education to technology.</p> <p><b>(any other valid point/ reason/argument to be awarded marks)</b></p>	<p>1 ½</p> <p>1 ½</p> <hr/> <p>3</p>
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