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SET

A/B/C



**INDIAN SCHOOL MUSCAT
FIRST PERIODIC TEST
ECONOMICS (030)**

CLASS: XI

TERM 2

Max. Marks: 20

Time Allowed: 50 Mins.

MARKING SCHEME			
SET	Q.NO	VALUE POINTS	MARKS SPLIT UP
INTRODUCTORY MACROECONOMICS (10 Marks)			
A	1.	Cash and bank deposits	$\frac{1}{2} + \frac{1}{2} = 1$ mark
A	2.	Money Multiplier = $\frac{1}{LRR} = \frac{1}{\frac{12.5}{100}} = \frac{1}{\frac{1}{8}}$ Money Multiplier = 8	$\frac{1}{2}$ formula $\frac{1}{2}$ money multiplier
A	3.	<ul style="list-style-type: none"> Demand deposits — Demand deposits are the deposits which can be withdrawn on demand by the depositors from banks, e.g. Current account and savings account deposits. Time deposits — Those deposits in banks which have a fixed period of maturity, e.g., Fixed Deposits (FD). 	1 + 1 = 2 marks
A	4.	Given: Total Deposits = ₹2, 000 & LRR = 25% Money Multiplier = $\frac{1}{LRR} = \frac{1}{\frac{25}{100}} = \frac{1}{\frac{1}{4}}$ Money Multiplier = 4 Initial Deposit = $\frac{\text{Total Deposits}}{\text{Money Multiplier}} = \frac{2000}{4} = ₹500$	2 marks for multiplier 1 mark for final answer
A	5.	<ol style="list-style-type: none"> As the banker to the government, the central bank provides a large number of routine banking functions to the government like maintaining the balances, arranging and managing funds of the government and so on. It gives loan to the government. It accepts receipts and makes payments for the government. It works as agent of the government in matters of collection of taxes, etc. It manages public debt. It also acts as a financial advisor to the government. <p style="text-align: center;">Any three functions – 1 mark each.</p> <p style="text-align: center;">OR</p> <ol style="list-style-type: none"> As the banker to the commercial banks, the Central Bank holds surplus cash reserves of commercial banks. It also gives loans to the commercial banks when they are in need of funds. The Central Bank also provides a large number of routine banking functions to the commercial banks, like cheque clearing, remittance facilities, etc. 	1 + 1 + 1 = 3 marks

		<p>4. It also acts as a supervisor and a regulator of the banking system. It makes rules regarding their licensing, branch expansion, liquidity of assets, amalgamation (merging of banks) and liquidation (the winding up of banks), etc.</p> <p style="text-align: right;">Any three functions – 1 mark each.</p>	
INDIAN ECONOMIC DEVELOPMENT (10 Marks)			
A	6.	The sole purpose of the British colonial rule in India was to reduce the country to being a raw material supplier for Great Britain's own rapidly expanding modern industrial base.	1 mark for the explanation
A	7.	The stagnation in the agricultural sector was caused mainly because of the various systems of land settlement and revenue settlement that were introduced by the colonial government, particularly the zamindari system.	2 marks for the explanation
A	8.	<p>Essential commodities like food grains, clothes, kerosene etc. were scarcely available in the domestic market due to enlarged exports.</p> <p>The export surplus did not result in any flow of gold or silver into India. Rather, this was used to meet war expenses, payment for imports of invisible items, etc. by the British Government (leading to the drain of India's wealth).</p> <p style="text-align: center;">OR</p> <p>India became an exporter of primary products such as raw silk, cotton, wool, sugar, indigo, jute etc. and an importer of finished consumer goods like cotton, silk and woollen clothes and capital goods like light machinery produced in the factories of Britain.</p>	2 marks for the explanation
A	9.	<ol style="list-style-type: none"> 1. The roads that were built primarily served the purposes of mobilising the army within India and drawing out raw materials from the country side to the nearest railway station or the port to send these to England or other foreign destinations. 2. The introduction of the expensive system of electric telegraph in India served the purpose of maintaining law and order by the British colonial government. 3. The introduction of railways by the British fostered commercialisation of Indian agriculture. <p>Any two – 1 mark each</p>	1 + 1 = 2 marks
A	10.	<ol style="list-style-type: none"> 1. Overall literacy level was less than 16%. Out of this, female literacy level was only about 7%. 2. Due to absence or lack of adequate public health facilities, water and air-borne diseases were rampant. 3. Overall the infant mortality rate was about 218 per thousand (present infant mortality rate is 40 per thousand). 4. Life expectancy was also very low — 44 years (in contrast to the present 68 years). 5. Extensive poverty prevailed in India during the British colonial period which contributed to the worsening profile of India's population of the time. <p style="text-align: right;">Any three – 1 mark each</p>	1 + 1 + 1 = 3 marks

DIFFERENT QUESTIONS – SET - B

INTRODUCTORY MACROECONOMICS

B	1.	Money Multiplier = $\frac{1}{LRR} = \frac{1}{\frac{25}{100}} = \frac{1}{\frac{1}{4}}$ Money Multiplier = 4	½ formula ½ money multiplier
B	5.	Given: Total Deposits = ₹20, 000 & LRR = 20% Money Multiplier = $\frac{1}{LRR} = \frac{1}{\frac{20}{100}} = \frac{1}{\frac{1}{5}}$ Money Multiplier = 5 Initial Deposit = $\frac{\text{Total Deposits}}{\text{Money Multiplier}} = \frac{20\ 000}{5} = ₹4000$	2 marks for multiplier 1 mark for final answer
INDIAN ECONOMIC DEVELOPMENT			
B	7.	First, the intention was to reduce India to the status of a mere exporter of important raw materials for the upcoming modern industries in Britain and, Second, to turn India into a sprawling market for the finished products to the maximum advantage Britain.	2 marks for explanation

DIFFERENT QUESTIONS – SET - C

INTRODUCTORY MACROECONOMICS			
C	1.	Currency notes and coins	1 mark
C	2.	Money Multiplier = $\frac{1}{LRR} = \frac{1}{\frac{10}{100}} = \frac{1}{\frac{1}{10}}$ Money Multiplier = 10	½ formula ½ money multiplier
C	3.	Money supply refers to the total quantity of money in circulation in the economy at a given point of time. Components: Currency held by the public Net demand deposits held by commercial banks	1 money supply 1 marks – components 1+1 = 2 marks
INDIAN ECONOMIC DEVELOPMENT			
C	10	Pre Dominance of agricultural sector The agricultural sector accounted for the largest share of workforce, which usually remained at a high of 70-75 per cent while the manufacturing and the services sectors accounted for only 10 and 15-20 per cent respectively. Growing regional variation Parts of the Madras Presidency (comprising areas of the present-day states of Tamil Nadu, Andhra Pradesh, Kerala and Karnataka), Bombay and Bengal witnessed a decline in the dependence of the workforce on the agricultural sector with a commensurate increase in the manufacturing and the services sectors. However, there had been an increase in the share of workforce in agriculture in states such as Orissa, Rajasthan and Punjab.	3 marks for the explanation