

INDIAN SCHOOL MUSCAT
SECOND PERIODIC ASSESSMENT
MAY - 2021
CLASS XII

SET A

Marking Scheme – ECONOMICS [THEORY]

Q. N O.	Answers	Marks (with split up)
1	The unexpected obsolescence of fixed capital such as loss of value of capital due to fire, theft or natural calamity.	½ + 1/2
2	It is the process of adding capital to the existing stock of capital .Fixed investment and changes in stock are the components of Gross domestic capital formation.	½ + 1/2
3	Since macroeconomics is the study of economy as a whole and national output is an aggregate value it is the subject matter of macroeconomics.	1
4	<ol style="list-style-type: none"> 1. False. It is a stock variable as it is measured at a point of time. 2. Since school is a production unit, and stationary is non -durable goods the given statement is false .It is intermediate good. 3. The given statement is false as it depends on the end use .If it is purchased by Household or Gvt: it is final good and it is firm then intermediate good. 	
5.	<p>Circular flow of income explains the continues flow of Income or goods and services from one sector to another sector. The two sectors are house hold sector and Firm and their interaction result in Real flow and Money flow.</p> <p>The flow of factor payments from Firm to HS and flow of payment for Goods and services from HS to Firm are the money flow. (Accept any other meaningful explanation)</p> <p style="text-align: center;">SECTION B</p>	3+1(diagram)
6	<ol style="list-style-type: none"> 1. Increase the production of goods and services the producers have to adopt new technology. 2. Change in the social out look of society 	1
7	In order to break the stagnation in Indian agriculture permanently.	1
8	Tariff means the tax or duty imposed on imported items whereas Quota is restricting the quantity that can be imported.	1
9.	<p>Cannot agree with this view as the implementation of these reforms were not done due to the following reasons:</p> <p>The big landlords challenged the legislation in the courts, delaying its implementation. They used this delay to register their lands in the name of close relatives, thereby escaping from the legislation. The legislation also had a lot of loopholes which were exploited by the big landholders to retain their land. Land reforms were successful in Kerala and West Bengal because these states had governments committed to the policy of land to the tiller.</p>	3

	Unfortunately other states did not have the same level of commitment and vast inequality in landholding continues to this day.	
10	<p>The 1956 Industrial policy highlighted the importance of public sector and regulated the private sector.</p> <p>This is done because :</p> <p>The govt: wants to develop the economic in socialistic way ensuring maximum social welfare.</p> <p>Regulation is done by:</p> <p>Reservation of industries</p> <p>System of license raj Explain both.</p>	4