

SET	A
------------	----------

**INDIAN SCHOOL MUSCAT
FINAL EXAMINATION 2022
SUBJECT WITH SUBJECT CODE**

CLASS:XII

Max. Marks: 80

MARKING SCHEME

QN. No	VALUE POINTS	MARKS SPLIT UP
1	D) Subsidy	1
2	C) It reduces the asset of the government.	1
3	D) Statement 2 is true and statement 1 is false	1
4	C) Intermediate good	1
5	C) Assertion A is true and reason R is false	1
6	B) 0.25	1
7	B) between the point a and b on the consumption curve there will be negative saving	1
8	C) 525 crore	1
9	D) Net Investment	1
10	Assertion A is false Reason R is true	1
11	<p>The investment which is constant at all levels of Income. It is welfare oriented and the investment curve is parallel to X axis. The invest increase with increase in the level of income. It is private investment so profit oriented. The Investment curve is upward sloping.</p> <p style="text-align: center;">OR</p> <p>The functional relationship between income and consumption is called saving function. As Income increases saving also increases. saving can be negative , zero and positive .</p> <p>$S = -a + (1-b)Y$.So Saving curve is upward sloping straight-line starting from the –ve side of Y axis.</p>	<p>3 points 3marks</p> <p>Diagram 1 mark explanation 2</p>
12	<p>The final good are the good which do not undergo further process of production or no value addition. The producers goods are either durable or non-durable. The durable producer good are capital good and does not undergo further process so it is final. But non-durable producer's goods undergo processing and they are intermediate good. Hence I agree this statement.</p>	3

13	<p>When commercial banks need more funds in order to be able to create more credit, they may go to market for such funds or go to the Central Bank. Central bank provides them funds through various instruments.</p> <p>‘Lender of Last Resort’ refers to the role of the Central Bank (RBI), of being ready to lend to banks, especially when a bank is faced with unanticipated severe financial crises, and due to this central bank is said to be the ‘lender of last resort’. If the central bank refuses to extend this help, there is no option for the bank but to shut down.</p> <p style="text-align: center;">OR</p> <p>Absence of double coincidence means meeting two people demand at the same time which was very difficult to happen always under barter system.</p> <p>Money as a medium of exchange it has overcome this issue.</p> <p>With money we can satisfy our need at any time .Money is accepted anywhere at any time.</p>	4																		
14	<p>The value of APC falls as income increase because rate of change in C is less than rate of change in income.</p> <p>C= 100 +0.8y and Y values are 0,100 ,200, 300 400, (Any income value can be used)</p> <table><tr><td>Income</td><td>consumption</td><td>APC=c/y</td></tr><tr><td>0</td><td>100</td><td>-</td></tr><tr><td>100</td><td>180</td><td>1.8</td></tr><tr><td>200</td><td>260</td><td>1.6</td></tr><tr><td>300</td><td>340</td><td>1.12</td></tr><tr><td>400</td><td>420</td><td>1.05</td></tr></table> <p>Hence it is proved</p>	Income	consumption	APC=c/y	0	100	-	100	180	1.8	200	260	1.6	300	340	1.12	400	420	1.05	1+3
Income	consumption	APC=c/y																		
0	100	-																		
100	180	1.8																		
200	260	1.6																		
300	340	1.12																		
400	420	1.05																		
15	<p>Net value Added at FC = 600+25+100 – 300 +2 = 423 lakhs</p> <p>Till GV Amp = 3 marks</p>	4																		
16	<p>a)</p> <p>i) It is not included in national income. It is an example of administrative expenses and treated as intermediate expense and leads to double counting</p> <p>ii) It is not included in national income. It is treated as transfer payment and no factor service is rendered.</p> <p>b) The value of output measured in terms of prevailing market price is called nominal GDP. The value of output measured on the basis of a base year price or constant price is known as Real GDP.</p> <p>The nominal GDP shows variation in price and quantity whereas real GDP shows variation in quantity only.</p> <table><tr><td>year</td><td>price</td><td>quantity</td><td>Real GDP</td><td>Nominal GDP</td></tr><tr><td>2020</td><td>100</td><td>20</td><td>2000</td><td>2000</td></tr><tr><td>2021</td><td>150</td><td>30</td><td>3000</td><td>4500</td></tr></table>	year	price	quantity	Real GDP	Nominal GDP	2020	100	20	2000	2000	2021	150	30	3000	4500	2+4			
year	price	quantity	Real GDP	Nominal GDP																
2020	100	20	2000	2000																
2021	150	30	3000	4500																
17	<p>a) Direct Tax: When (a) liability to pay a tax (Impact of Tax), and (b) the burden of that tax (Incidence of tax), falls on the same person, it is termed as direct tax.</p> <p>Indirect Tax: When (a) liability to pay a tax (Impact of tax) is on one person; and (b) the burden of that tax (Incidence of tax), falls on the other person, it is termed as indirect tax.</p> <p>b) Allocation functions: It means reallocation of resources by government in</p>	3																		

	<p>consideration with social & economic welfare therefore the allocation functions deal with the problem of adjustment in resource allocation. To attain allocation function govt. budgets helps to divert resources from private to public sectors. if private firms do not find profitable to produce public goods like parks, dams, bridges etc. then govt. must produce & provide such goods to public through its expenditure policy. If private sector provides undesirable goods like cigarettes and alcohol and govt. imposes tax like excise duty to discourage its consumption and thereby increasing the welfare of people.</p> <p style="text-align: center;">OR</p> <p>c) Revenue Deficit: Revenue deficit refers to the excess of revenue expenditure of the government over its revenue receipts. Fiscal deficit: It is defined as excess of total expenditure over total receipts (revenue and capital receipts) excluding borrowing. Fiscal deficit indicates capacity of a country to borrow in relation to what it produces. In other words, it shows the extent of government dependence on borrowing to meet its budget expenditure. Fiscal deficit arises even without revenue deficit.</p> <p>d) Distribution Function – It refers to the distribution and redistribution of income and wealth among individuals in the society. It is the responsibility of the govt. to redistribute the income in order to alter the degree of inequality prevailing in the society. In order to bring equality budgetary instruments of taxation & public expenditure are used govt. increases taxes like income tax & thereby reduces the income of rich people at the same time the collected income is in the form of taxes. Government uses to provide subsidies, unemployment allowances, old.</p>	<p>3</p> <p>3</p> <p>3</p>
18	C) COVID awareness caller tunes	1
19	A) A(ii) B (iii) C (i) D (iv)	1
20	D) Assertion (A) is false but Reason (R) is true	1
21	B) Greater possibilities of Imports	1
22	A) Both the statements are true	1
23	A) B-ii	1
24	A) a) A positive impact on the agriculture sector as it disseminates information regarding emerging technologies and its applications, prices, weather and soil conditions for growing different crops.	1
25	C) Work participation rate	1
26	B) Inward looking strategy	1

	<p>godowns, warehouses, cold storages and processing.</p> <p>The third aspect of the govt. is the initiative to establish cooperative marketing in order to ensure fair price to their products.</p> <p>The fourth element is the policy of instruments like assurance of minimum support price, maintenance of buffer stock and distribution system.</p> <p>However these measures were insufficient because many periodic markets still not regulated, storage facility is inadequate and 10% of products are becoming waste, many farmers are not getting the benefit of cooperatives and MSP due to false financial records and political interference.</p> <p style="text-align: center;">OR</p> <p>Steps taken to develop rural markets</p> <ol style="list-style-type: none"> 1. Regulation of agricultural markets 2. cooperative marketing 3. development of infrastructure like ware house 4. Direct marketing channels. 	
33	<ol style="list-style-type: none"> a) The people who are casually engaged by the farm and factories and paid daily or hourly is known as casual workers. When worker is engaged by someone and paid his or her salary regularly like monthly is called regular salaried employee. b) According to PLF survey there is an improvement in labor force participation. As per the report female work participation increases. Among the male work force, there is decrease in casual wage laborer in 202-21 because of pandemic or lock down. However, there is increase in regular salaried employment and self-employment. This is mainly happened due to growth of IT and service sector. (Reason must state from the common understanding.) c) The public sector and private sector establishment which employ 10 or more hired workers and entitled to get all employee benefit is called organized sector. 	1+3+1
34	<p>During 1989-1990, Indian economy faced severe economic crisis. In order to overcome the economic crisis India approached IMF (International Monetary Fund) and World Bank for financial assistance. These international institutions compelled the government of India to introduce new economic reforms. The main reasons for economic crisis are discussed below:</p> <ol style="list-style-type: none"> 1. The govt. was not able to make interest payments and repayments of its borrowings from abroad. 2. Our foreign exchange through external borrowings was spent only for consumption needs, i.e., there was no creation of assets. 3. Imports grew at a very high rate without matching the growth of exports. 4. Govt was not able to generate sufficient revenue from its taxation policy. Moreover, the continuous developing spending program did not generate additional revenue. 5. Foreign exchange reserve was very low in such a way that it was not for another 14 days. 6. The prices of essential commodities were continuously rising. <p style="text-align: center;">OR</p> <p>Reforms in Agriculture</p> <p>The reforms have not been able to benefit agriculture where the agricultural growth rate has been declining and contribution from the agricultural sector to GDP also declined.</p> <p><input type="checkbox"/> Govt. investment in agricultural sector specially for irrigation power and research</p>	6

	<p>has been reduced during the reform period.</p> <ul style="list-style-type: none"> □ The removal of fertilizer subsidy has led to increase in the cost of production which has affected small and marginal farmers. □ Indian farmers faced severe international competition due to the removal of minimum support price and reduction in import duties on agricultural products. □ The exports oriented growth has favored the production of cash crops rather than food crops. This puts pressure on the prices of food grains which finally results in inflation. <p>Reforms in Industry</p> <ol style="list-style-type: none"> 1. Decrease in demand for domestic industrial products due to cheaper imports and free movement of goods. 2. There were inadequate investment in infrastructural facilities like transportation and power supply. 3. A developing country like India still does not have access to markets of developed countries because of high non-tariff barriers imposed by the developed countries. 4. Globalization adversely affected the local industries and employment opportunities in these countries. 	3+3
--	--	-----

SET

B

**INDIAN SCHOOL MUSCAT
FINAL EXAMINATION 2022
SUBJECT WITH SUBJECT CODE**

CLASS:XII

Max. Marks: 80

MARKING SCHEME

QN. No	VALUE POINTS	MARKS SPLIT UP
1	B) It creates the liability of the government.	1
2	D) Subsidy	1
3	A) Both statements are true	1
4	C) Assertion A is true and reason R is false	1
5	C) Intermediate good	1
6	D) 0.5	1
7	B) between the point a and b on the consumption curve there will be negative saving	1
8	Assertion A is false Reason R is true	1
9	C) 525 crore	1
10	D) Net Investment	1
11	<p>The investment which is constant at all levels of Income. It is welfare oriented and the investment curve is parallel to X axis. The invest increase with increase in the level of income. It is private investment so profit oriented. The Investment curve is upward sloping.</p> <p style="text-align: center;">OR</p> <p>The functional relationship between income and consumption is called saving function. As Income increases saving also increases. saving can be negative, zero and positive. $S = -a + (1-b)Y$. So Saving curve is upward sloping straight-line starting from the –ve side of Y axis.</p>	<p>3 points 3marks</p> <p>Diagram 1 mark explanation 2</p>
12	The Intermediate good are the good which undergo further process of production or there is value addition. The producers goods are either durable or non-durable. The non-durable producer good are intermediate good and undergoes further process so it is intermediate. But -durable producers goods are final good.	3

	Hence I disagree this statement.																			
13	<p>The value of APC falls as income increase because rate of change in C is less than rate of change in income.</p> <p>C= 100 +0.8y and Y values are 0,100 ,200, 300 400, (Any income value can be used)</p> <table><tr><td>Income</td><td>consumption</td><td>APC=c/y</td></tr><tr><td>0</td><td>100</td><td>-</td></tr><tr><td>100</td><td>180</td><td>1.8</td></tr><tr><td>200</td><td>260</td><td>1.6</td></tr><tr><td>300</td><td>340</td><td>1.12</td></tr><tr><td>400</td><td>420</td><td>1.05</td></tr></table> <p>Hence it is proved</p>	Income	consumption	APC=c/y	0	100	-	100	180	1.8	200	260	1.6	300	340	1.12	400	420	1.05	1+3
Income	consumption	APC=c/y																		
0	100	-																		
100	180	1.8																		
200	260	1.6																		
300	340	1.12																		
400	420	1.05																		
14	<p>The Central Bank is the sole authority for the issue of currency in the country. It promotes efficiency in the financial system. Firstly, because this leads to uniformity in the issue of currency. Secondly, because it gives Central Bank direct control over money supply.</p> <p style="text-align: center;">OR</p> <p>Under barter system, there was no credit purchases. So there were no contractual payments. But money has overcome that problem by acting as standard for deferred payments. It means it promotes credit purchases and contractual payments such as rent, interest etc.</p>	4																		
15	<p>Net value Added at FC = 600+25+100 – 300 +2 = 423 lakhs</p> <p>Till GVamp = 3 marks</p>	4																		
16	<p>a)</p> <p>i) It is not included in national income. It is an example of administrative expenses and treated as intermediate expense and leads to double counting</p> <p>ii) It is included in national income. It is treated as factor payment.</p> <p>b) The value of output measured in terms of prevailing market price is called nominal national income. The value of output measured on the basis of a base year price or constant price is known as Real national income.</p> <p>The nominal national income shows variation in price and quantity whereas real national income shows variation in quantity only.</p> <table><tr><td>year</td><td>price</td><td>quantity</td><td>Real national income</td><td>Nominal national income</td></tr><tr><td>2020</td><td>100</td><td>20</td><td>2000</td><td>2000</td></tr><tr><td>2021</td><td>150</td><td>30</td><td>3000</td><td>4500</td></tr></table>	year	price	quantity	Real national income	Nominal national income	2020	100	20	2000	2000	2021	150	30	3000	4500	2+4			
year	price	quantity	Real national income	Nominal national income																
2020	100	20	2000	2000																
2021	150	30	3000	4500																
17	<p>a) Direct Tax: When (a) liability to pay a tax (Impact of Tax), and (b) the burden of that tax (Incidence of tax), falls on the same person, it is termed as direct tax.</p> <p>Indirect Tax: When (a) liability to pay a tax (Impact of tax) is on one person; and (b) the burden of that tax (Incidence of tax), falls on the other person, it is termed as indirect tax.</p> <p>b) Allocation functions: It means reallocation of resources by government in consideration with social & economic welfare therefore the allocation functions deals with the problem of adjustment in resource allocation .To attain allocation</p>	3																		

	<p>function govt. budgets helps to divert resources from private to public sectors .if private firms do not find profitable to produce public goods like parks, dams, bridges etc. then govt. must produce & provide such goods to public through its expenditure policy. If private sector provides undesirable goods like cigarettes and alcohol and govt. imposes tax like excise duty to discourage its consumption and thereby increasing the welfare of people.</p> <p style="text-align: center;">OR</p> <p>c) Revenue Deficit: Revenue deficit refers to the excess of revenue expenditure of the government over its revenue receipts. Fiscal deficit: It is defined as excess of total expenditure over total receipts (revenue and capital receipts) excluding borrowing. Fiscal deficit indicates capacity of a country to borrow in relation to what it produces. In other words, it shows the extent of government dependence on borrowing to meet its budget expenditure. Fiscal deficit arises even without revenue deficit.</p> <p>d) Distribution Function – It refers to the distribution and redistribution of income and wealth among individuals in the society. It is the responsibility of the govt. to redistribute the income in order to alter the degree of inequality prevailing in the society. In order to bring equality budgetary instruments of taxation & public expenditure are used govt. increases taxes like income tax & thereby reduces the income of rich people at the same time the collected income is in the form of taxes. Government uses to provide subsidies, unemployment allowances, old.</p>	3
		3
		3
18	A) A(ii) B (iii) C (i) D (iv)	1
19	D) assertion (A) is false e and Reason (R) is true	1
20	C) COVID awareness caller tunes	1
21	B) Greater possibility of imports	1
22	A) B-ii	1
23	A) Both the statements are true	1
24	C) Work participation rate	1
25	A)	1
26	B) Seventeen	1
27	B) Inward looking strategy	1
28	<p>Carrying capacity of the environment means. the capacity to extract and regenerate the resources and waste assimilation capacity.</p> <p>Consequences are:</p> <p>Poverty induced and affluent demand, environmental impacts such as Global warming, land degradation, pollution waste accumulation and scarcity of resources, extinction of flora and</p>	1

	fauna.	
29	<p>1. They converted India as a sprawling market for finished products</p> <p>2. They destroyed traditional handicraft industries</p> <p>3.They created new demand in the industrial products</p> <p>4. There was no capital good industries</p> <p>5. Lack of Public investment in industries Any three points</p> <p style="text-align: center;">OR</p> <p>During the British period the direction, composition and volume of foreign trade has changed.</p> <p>India's trading partners changed. India's foreign trade was restricted to Britain and its colonies like Ceylon and Burma</p> <p>The composition had changed in such a way that India became the exporter of primary products like Indigo. cotton etc. and importer of some British manufactured products. In terms of volume India generated huge export surplus.</p>	<p>3</p> <p>3</p>
30	<p>The Industrial Policy Resolution, 1956 classified industries into three categories:</p> <p>The first category comprised industries which would be exclusively owned by the state.</p> <p>The second category consisted of industries in which the private sector could supplement the efforts of the state sector, with the state taking the sole responsibility for starting new units.</p> <p>The third category consisted of the remaining industries which were to be in the Private Sector.</p> <p>Although there was a category of industries left to the private sector, the private sector was kept under state control through a system of licenses.</p> <p>No new industry was allowed unless a license was obtained from the government.</p> <p>Reservation of small scale industries</p> <p>Promotion of backward area development.</p>	4
31	<p>The various measures taken by government are:</p> <p>Regulation of markets to create transparent market conditions. This policy benefitted both farmers and consumers.</p> <p>The second component is provision of infrastructural facilities like railways, godowns, warehouses, cold storages and processing.</p> <p>The third aspect of the govt. is the initiative to establish cooperative marketing in order to ensure fair price to their products.</p> <p>The fourth element is the policy of instruments like assurance of minimum support price, maintenance of buffer stock and distribution system.</p> <p>However these measures were insufficient because many periodic markets still not regulated , storage facility is inadequate and 10% of products are becoming waste , many farmers are not getting the benefit of cooperatives and MSP due to false financial records and political interference.</p> <p style="text-align: center;">OR</p> <p>Steps taken to develop rural markets</p>	4x1=4

	<p>movement of goods.</p> <p>2. There were inadequate investment in infrastructural facilities like transportation and power supply.</p> <p>3. A developing country like India still does not have access to markets of developed countries because of high non-tariff barriers imposed by the developed countries.</p> <p>4. Globalization adversely affected the local industries and employment opportunities in these countries.</p>	
34	<p>a) The people who are casually engaged by the farm and factories and paid daily or hourly is known as casual workers. When worker is engaged by someone and paid his or her salary regularly like monthly is called regular salaried employee.</p> <p>b) According to PLF survey there is an improvement in labor force participation. As per the report female work participation increases. Among the male work force, there is decrease in casual wage laborer in 2022-21 because of pandemic or lock down. However, there is increase in regular salaried employment and self-employment. This is mainly happened due to growth of IT and service sector. (Reason must state from the common understanding.)</p> <p>c) The public sector and private sector establishment which employ 10 or more hired workers and entitled to get all employee benefit is called organized sector.</p>	1+3+1

SET

C

INDIAN SCHOOL MUSCAT
FINAL EXAMINATION 2022
SUBJECT WITH SUBJECT CODE

CLASS:XII

Max.Marks: 80

MARKING SCHEME

QN. No	VALUE POINTS	MARKS SPLIT UP
1	C) It reduces the asset of the government.	1
2	A) Both the Statement are true	1
3	D) Subsidy	1
4	C) less than 0.5	1
5	C) Intermediate good	1
6	C) Assertion A is true and reason R is false	1
7	B) between the point a and b on the consumption curve there will be negative saving	1
8	D) Net Investment	1
9	Assertion A is false Reason R is true	1
10	C) 525 crore	1
11	<p>The investment which is constant at all levels of Income. It is welfare oriented and the investment curve is parallel to X axis.</p> <p>The invest increase with increase in the level of income. It is private investment so profit oriented. The Investment curve is upward sloping.</p> <p style="text-align: center;">OR</p> <p>The functional relationship between income and consumption is called saving function. As Income increases saving also increases. saving can be negative, zero and positive.</p> <p>$S = -a + (1-b)Y$.So Saving curve is upward sloping straight-line starting from the –ve side of Y axis.</p>	3 points 3marks Diagram 1 mark explanation 2
12	<p>The final good are the good which do not undergo further process of production or no value addition. The producer's goods are either durable or non-durable. The durable producer good are capital good and does not undergo further process so it is final. But non-durable producer's goods undergo processing and they are intermediate good.</p> <p>Hence I disagree this statement.</p>	3

13	<p>As the banker to the commercial banks, the Central Bank holds surplus cash reserves of commercial banks.</p> <p>It also gives loans to the commercial banks when they are in need of funds.</p> <p>The Central Bank also provides a large number of routine banking functions to the commercial banks, like cheque clearing, remittance facilities, etc.</p> <p>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. The control is exercised by periodic inspection of banks and the returns filed by them.</p> <p style="text-align: center;">OR</p> <p>Absence of double coincidence means meeting two people demand at the same time which was very difficult to happen always under barter system.</p> <p>Money as a medium of exchange it has overcome this issue.</p> <p>With money we can satisfy our need at any time .Money is accepted anywhere at any time.</p>	4																		
14	<p>Net value Added at FC = $800+50+150 - 350 +3 = 647$ lakhs</p> <p>Till GV Amp = 3 marks</p>	4																		
15	<p>The value of APC falls as income increase because rate of change in C is less than rate of change in income.</p> <p>$C = 100 + 0.8y$ and Y values are 0,100 ,200, 300 400, (Any income value can be used)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Income</th><th>consumption</th><th>APC=c/y</th></tr> </thead> <tbody> <tr> <td>0</td><td>100</td><td>-</td></tr> <tr> <td>100</td><td>180</td><td>1.8</td></tr> <tr> <td>200</td><td>260</td><td>1.6</td></tr> <tr> <td>300</td><td>340</td><td>1.12</td></tr> <tr> <td>400</td><td>420</td><td>1.05</td></tr> </tbody> </table> <p>Hence it is proved</p>	Income	consumption	APC=c/y	0	100	-	100	180	1.8	200	260	1.6	300	340	1.12	400	420	1.05	1+3
Income	consumption	APC=c/y																		
0	100	-																		
100	180	1.8																		
200	260	1.6																		
300	340	1.12																		
400	420	1.05																		
16	<p>a) Direct Tax: When (a) liability to pay a tax (Impact of Tax), and (b) the burden of that tax (Incidence of tax), falls on the same person, it is termed as direct tax.</p> <p>Indirect Tax: When (a) liability to pay a tax (Impact of tax) is on one person; and (b) the burden of that tax (Incidence of tax), falls on the other person, it is termed as indirect tax.</p> <p>b) Allocation functions: It means reallocation of resources by government in consideration with social & economic welfare therefore the allocation functions deal with the problem of adjustment in resource allocation. To attain allocation function govt. budgets helps to divert resources from private to public sectors. if private firms do not find profitable to produce public goods like parks, dams, bridges etc. then govt. must produce & provide such goods to public through its expenditure policy. If private sector provides undesirable goods like cigarettes and alcohol and govt. imposes tax like excise duty to discourage its consumption and thereby increasing the welfare of people.</p> <p style="text-align: center;">OR</p> <p>c) Revenue Deficit: Revenue deficit refers to the excess of revenue expenditure of the government over its revenue receipts. Fiscal deficit: It is defined as excess of total expenditure over total receipts (revenue and capital receipts) excluding borrowing. Fiscal deficit indicates capacity of a country to borrow in relation to what it produces. In other words, it shows the extent of government dependence on borrowing to meet its budget expenditure. Fiscal deficit arises even without revenue deficit.</p> <p>d) Distribution Function – It refers to the distribution and redistribution of income and wealth among individuals in the society. It is the responsibility of the govt. to</p>	<p>3</p> <p>3</p> <p>3</p> <p>3</p>																		

	redistribute the income in order to alter the degree of inequality prevailing in the society. In order to bring equality budgetary instruments of taxation & public expenditure are used govt. increases taxes like income tax & thereby reduces the income of rich people at the same time the collected income is in the form of taxes. Government uses to provide subsidies, unemployment allowances, old																
17	<p>a)</p> <p>i) It is not included in national income. It is an example of administrative expenses and treated as intermediate expense and leads to double counting</p> <p>ii) It is included in national income. It is treated as factor payment.</p> <p>b) The value of output measured in terms of prevailing market price is called nominal national income. The value of output measured on the basis of a base year price or constant price is known as Real national income.</p> <p>The nominal national income shows variation in price and quantity whereas real national income shows variation in quantity only.</p> <table><tr><td>year</td><td>price</td><td>quantity</td><td>Real National income</td><td>Nominal national income</td></tr><tr><td>2020</td><td>100</td><td>20</td><td>2000</td><td>2000</td></tr><tr><td>2021</td><td>150</td><td>30</td><td>3000</td><td>4500</td></tr></table>	year	price	quantity	Real National income	Nominal national income	2020	100	20	2000	2000	2021	150	30	3000	4500	2+4
year	price	quantity	Real National income	Nominal national income													
2020	100	20	2000	2000													
2021	150	30	3000	4500													
18	B) Greater possibilities of imports	1															
19	A) A(ii) B (iii) C (i) D (iv)	1															
20	D) assertion (A) is false e and Reason (R) is true	1															
21	C) COVID awareness caller tunes	1															
22	A) B-ii	1															
23	A) Both the statements are true	1															
24	A)	1															
25	C) Work participation rate	1															
26	B) Inward looking strategy	1															
27	B) Seventeen	1															
28	<p>The main features are</p> <p>1. introduction of zamindari system</p> <p>2. lack of investment in irrigation and mechanization</p> <p>3. commercialization of agriculture</p> <p>4. major part of population depended on Agriculture.</p> <p>5. low agricultural productivity</p> <p style="text-align: center;">OR</p> <p>During the British period the direction, composition and volume of foreign trade has changed.</p>	<p>3</p> <p>3</p>															

	<p>India's trading partners changed. India's foreign trade was restricted to Britain and its colonies like Ceylon and Burma</p> <p>The composition had changed in such a way that India became the exporter of primary products like Indigo, cotton etc. and importer of some British manufactured products.</p> <p>In terms of volume India generated huge export surplus</p>	
29	<p>Carrying capacity of the environment means. the capacity to extract and regenerate the resources and waste assimilation capacity.</p> <p>Consequences are:</p> <p>Poverty induced and affluent demand environmental impacts such as Global warming , land degradation , pollution waste accumulation and scarcity of resources ,extinction of flora and fauna.</p>	1
30	<p>The Industrial Policy Resolution, 1956 classified industries into three categories:</p> <p>The first category comprised industries which would be exclusively owned by the state.</p> <p>The second category consisted of industries in which the private sector could supplement the efforts of the state sector, with the state taking the sole responsibility for starting new units.</p> <p>The third category consisted of the remaining industries which were to be in the Private Sector.</p> <p>Although there was a category of industries left to the private sector, the private sector was kept under state control through a system of licenses.</p> <p>No new industry was allowed unless a license was obtained from the government.</p> <p>Reservation of small scale industries</p> <p>Promotion of backward area development</p>	1+3
31	<p>The various measures taken by government are:</p> <p>Regulation of markets to create transparent market conditions. This policy benefitted both farmers and consumers.</p> <p>The second component is provision of infrastructural facilities like railways, godowns, warehouses, cold storages and processing.</p> <p>The third aspect of the govt. is the initiative to establish cooperative marketing in order to ensure fair price to their products.</p> <p>The fourth element is the policy of instruments like assurance of minimum support price, maintenance of buffer stock and distribution system.</p> <p>However, these measures were insufficient because many periodic markets still not regulated, storage facility is inadequate and 10% of products are becoming waste, many farmers are not getting the benefit of cooperatives and MSP due to false financial records and political interference.</p> <p style="text-align: center;">OR</p> <p>Steps taken to develop rural markets</p> <ol style="list-style-type: none"> 1. Regulation of agricultural markets 2. cooperative marketing 3. development of infrastructure like ware house 4. Direct marketing channels. 	4x1=4
31	<p>The Indian education pyramid is steep indicating lesser and lesser number of people reaching higher levels of education. Moreover, the unemployment rate among educated youth goes on increasing therefore government should increase allocation of resources for higher education and improving the standards of higher education.</p>	4
33	<p>a) The people who are casually engaged by the farm and factories and paid daily or hourly is known as casual workers. When worker is engaged by someone and paid his or her salary regularly like monthly is called regular salaried employee.</p>	1+3+1

	<p>b) According to PLF survey there is an improvement in labor force participation. As per the report female work participation increases. Among the male work force, there is decrease in casual wage laborer in 202-21 because of pandemic or lock down. However, there is increase in regular salaried employment and self-employment. This is mainly happened due to growth of IT and service sector. (Reason must state from the common understanding.)</p> <p>c) The public sector and private sector establishment which employ 10 or more hired workers and entitled to get all employee benefit is called organized sector.</p>	
34	<p>During 1989-1990, Indian economy faced severe economic crisis. In order to overcome the economic crisis India approached IMF (International Monetary Fund) and World Bank for financial assistance. These international institutions compelled the government of India to introduce new economic reforms. The main reasons for economic crisis are discussed below:</p> <ol style="list-style-type: none"> 1.The govt was not able to make interest payments and repayments of its borrowings from abroad. 2.Our foreign exchange through external borrowings was spent only for consumption needs, i.e , there was no creation of assets. 3. Imports grew at a very high rate without matching the growth of exports. 4.Govt was not able to generate sufficient revenue from its taxation policy. Moreover, the continuous developing spending program did not generate additional revenue. 5. Foreign exchange reserve was very low in such a way that it was not for another 14 days. 6The prices of essential commodities were continuously rising. <p style="text-align: center;">OR</p> <p>Reforms in Agriculture</p> <p>The reforms have not been able to benefit agriculture where the agricultural growth rate has been declining and contribution from the agricultural sector to GDP also declined.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Govt investment in agricultural sector especially for irrigation power and research has been reduced during the reform period. <input type="checkbox"/> The removal of fertilizer subsidy has led to increase in the cost of production which has affected small and marginal farmers. <input type="checkbox"/> Indian farmers faced severe international competition due to the removal of minimum support price and reduction in import duties on agricultural products. <input type="checkbox"/> The exports oriented growth has favored the production of cash crops rather that food crops. This puts pressure on the prices of food grains which finally results in inflation. <p>Reforms in Industry</p> <ol style="list-style-type: none"> 1. Decrease in demand for domestic industrial products due to cheaper imports and free movement of goods. 2. There were inadequate investment in infrastructural facilities like transportation and power supply. 3. A developing country like India still does not have access to markets of developed countries because of high non-tariff barriers imposed by the developed countries. 4. Globalization adversely affected the local industries and employment opportunities in these countries. 	<p>6</p> <p>3+3</p>