

SET - 1

Series : SSO/C

कोड नं.
Code No.

58/1

रोल नं.

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Roll No.

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 8 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 29 प्रश्न हैं ।
- कृपया प्रश्न का उत्तर लिखना शुरू करने से पहले, 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 जायेगा । 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 8 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 29 questions.
- **Please write down the Serial Number of the question 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 : 3 घण्टे]

[अधिकतम अंक : 100

Time allowed : 3 hours]

[Maximum Marks : 100

सामान्य निर्देश :

- (i) दोनों खण्डों के सभी प्रश्न अनिवार्य हैं ।
- (ii) प्रत्येक प्रश्न के निर्धारित अंक उसके सामने दिए गए हैं ।
- (iii) प्रश्न संख्या 1 - 3 तथा 15 - 19 अति लघूत्तरात्मक प्रश्न हैं, जिनमें प्रत्येक का 1 अंक है । इनका प्रत्येक का उत्तर एक वाक्य में ही अपेक्षित है ।
- (iv) प्रश्न संख्या 4 - 8 और 20 - 22 लघूत्तरात्मक प्रश्न हैं, जिनमें प्रत्येक के 3 अंक हैं । प्रत्येक का उत्तर सामान्यतः 60 शब्दों से अधिक नहीं होना चाहिए ।
- (v) प्रश्न संख्या 9 - 10 और 23 - 25 भी लघूत्तरात्मक प्रश्न हैं, जिनमें प्रत्येक के 4 अंक हैं । प्रत्येक का उत्तर सामान्यतः 70 शब्दों से अधिक नहीं होना चाहिए ।

58/1

1

[P.T.O.]



- (vi) प्रश्न संख्या 11 – 14 और 26 – 29 दीर्घ उत्तरात्मक प्रश्न हैं, जिनमें प्रत्येक के 6 अंक हैं। प्रत्येक का उत्तर सामान्यतः 100 शब्दों से अधिक नहीं होना चाहिए।
- (vii) उत्तर संक्षिप्त तथा तथ्यात्मक होने चाहिए तथा यथासंभव ऊपर दी गई शब्द सीमा के अंतर्गत ही दिए जाने चाहिए।

General Instructions :

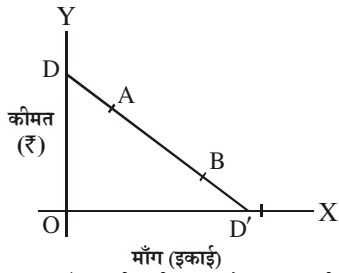
- (i) All questions in both the sections are compulsory.
- (ii) Marks for questions are indicated against each question.
- (iii) Questions No. 1-3 and 15-19 are very short-answer questions carrying 1 mark each. They are required to be answered in **one** sentence each.
- (iv) Questions No. 4-8 and 20-22 are short-answer questions carrying 3 marks each. Answers to them should normally not exceed 60 words each.
- (v) Questions No. 9-10 and 23-25 are also short-answer questions carrying 4 marks each. Answers to them should normally not exceed 70 words each.
- (vi) Questions No. 11-14 and 26-29 are long-answer questions carrying 6 marks each. Answers to them should normally not exceed 100 words each.
- (vii) Answers should be brief and to the point and the above word limits should be adhered to as far as possible.

खण्ड – अ

SECTION – A

1. DD' एक माँग वक्र है और A और B इस पर दो बिन्दु हैं।

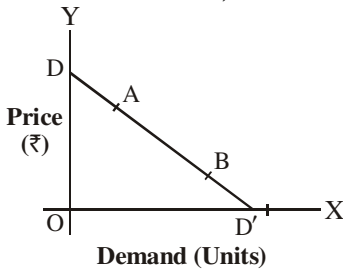
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A बिन्दु पर माँग की कीमत लोच : (सही विकल्प चुनिए)

- (a) B पर माँग की लोच से कम है।
- (b) B पर माँग की लोच के बराबर है।
- (c) B पर माँग की लोच से अधिक है।
- (d) 1 से कम है।

DD' is a demand curve, A and B are two points on it.



Price elasticity of demand at point A is : (Choose the correct alternative)

- (a) less than elasticity of demand at B.
- (b) equal to elasticity of demand at B.
- (c) greater than elasticity of demand at B.
- (d) less than 1.



2. स्वास्थ्य के लिए हानिकारक वस्तु x की माँग कम करने के लिए सरकार क्या आर्थिक उपाय कर सकती है ? 1
What economic measure can the Government take to reduce demand for commodity x which is harmful for health ?
3. उत्पादन की 4 इकाइयों की औसत स्थिर लागत ₹ 20 है । 5 इकाइयों की औसत परिवर्ती लागत ₹ 40 है ।
5 इकाइयों की औसत लागत कितनी है ? (सही विकल्प चुनिए) 1
- (a) ₹ 20
(b) ₹ 40
(c) ₹ 56
(d) ₹ 60
- The average fixed cost at 4 units of output is ₹ 20. Average variable cost at 5 units of output is ₹ 40. Average cost of producing 5 units is : (Choose the correct alternative)
- (a) ₹ 20
(b) ₹ 40
(c) ₹ 56
(d) ₹ 60
4. 'क्या उत्पादन करें' की समस्या का वर्णन कीजिए । 3
Describe the problem of 'what to produce'.
5. 'अधिकतम कीमत सीमा' के अर्थ और आवश्यकता की व्याख्या कीजिए । 3
Explain the meaning and need for 'maximum price-ceiling'.
6. सरकार ने बहुत अधिक संख्या में विज्ञान और प्रौद्योगिकी संस्थान स्थापित किये हैं । इससे उत्पादन संभावना सीमा (वक्र) कैसे प्रभावित होगी ? समझाइए । 3
The Government establishes a large number of Institutes of science and technology. How will it affect the production possibility frontier ? Explain.
7. कारक के ह्रासमान प्रतिफल के अन्तर्गत कुल उत्पाद और सीमान्त उत्पाद में होने वाले परिवर्तनों की व्याख्या कीजिए । 3
Explain the changes that take place in total product and marginal product under diminishing returns to a factor.

8. एकाधिकार की 'प्रवेश में बाधाएँ' विशेषता का महत्त्व समझाइए । 3
- अथवा**
- एकाधिकारात्मक प्रतियोगिता की 'उत्पाद विभेद' विशेषता का महत्त्व समझाइए ।
 Explain the significance of 'barriers to entry' feature of monopoly.
- OR**
- Explain the significance of 'product differentiation' feature of monopolistic competition.
9. एक संख्यात्मक उदाहरण की सहायता से हासमान सीमांत प्रतिस्थापन दर का अर्थ समझाइए । 4
- अथवा**
- एक उदाहरण की सहायता से हासमान सीमान्त उपयोगिता के नियम की व्याख्या कीजिए ।
 Explain with the help of a numerical example, the meaning of diminishing marginal rate of substitution.
- OR**
- Explain the Law of Diminishing Marginal Utility with the help of an example.
10. 'माँग में परिवर्तन' और 'माँग-मात्रा में परिवर्तन' में क्या अन्तर होता है ? समझाइए । 4
- Explain the difference between 'change in demand' and 'change in quantity demanded'.
11. निम्नलिखित का एक वस्तु की बाजार पूर्ति पर प्रभाव समझाइए : 6
- (i) आगतों की कीमतों में वृद्धि
 (ii) प्रति इकाई कर में कमी
- अथवा**
- निम्नलिखित के बीच सम्बन्ध बताइए :
 (अ) सीमान्त लागत और औसत परिवर्त्ती लागत
 (ब) कुल लागत और सीमान्त लागत
- Explain the effect of the following on market supply of a good :
- (i) Increase in input prices
 (ii) Reduction in per unit tax
- OR**
- State the relationship between :
- (a) Marginal cost and average variable cost
 (b) Total cost and marginal cost
12. एक वस्तु की माँग पर निम्नलिखित के प्रभावों की व्याख्या कीजिए : 6
- (i) इसके उपभोक्ता की आय में वृद्धि
 (ii) इसकी प्रतिस्थापन वस्तु की कीमत में वृद्धि
- Explain the effect of the following on the demand for a good :
- (i) Increase in income of its consumer
 (ii) Rise in price of its substitute good

13. कारण देते हुए बताइए कि निम्नलिखित कथन सही है या गलत : 6
- (i) एक वस्तु की पूर्ति वक्र अन्य वस्तुओं की कीमत बढ़ने पर दायीं ओर खिसकती है ।
(ii) औसत लागत और औसत परिवर्तनशील लागत का अन्तर सदैव स्थिर रहता है ।
- Giving reasons, state whether the following statements are true or false :
- (i) The supply curve of a good shifts to the right when prices of other goods rise.
(ii) The difference between average cost and average variable cost is always constant.

14. एक वस्तु की माँग वक्र दायीं ओर खिसकने के उसकी संतुलन कीमत, माँग-मात्रा और पूर्ति-मात्रा पर प्रभावों की शृंखला की व्याख्या एक रेखाचित्र की सहायता से कीजिए । 6
- Explain with the help of a diagram the chain of effects of a rightward shift in demand curve of a good on its equilibrium price, quantity demanded and supplied.

निम्नलिखित प्रश्न केवल **दृष्टिहीन परीक्षार्थियों** के लिए प्रश्न संख्या **14** के स्थान पर है ।

एक वस्तु के माँग-आधिक्य का अर्थ समझाइए । इसके संतुलन कीमत पर प्रभावों की शृंखला की व्याख्या कीजिए । 6

The following question is for **blind candidates** only in lieu of Q. No. 14.

Explain the meaning of excess demand of a good. Explain its chain of effects on equilibrium price.

खण्ड – ब

SECTION – B

15. मुद्रा पूर्ति का नियमन कौन करता है ? (सही विकल्प चुनिए) 1
- (a) भारत सरकार
(b) रिजर्व बैंक ऑफ इंडिया
(c) वाणिज्यिक बैंक
(d) योजना आयोग
- Who regulates money supply ? (Choose the correct alternative)
- (a) Government of India
(b) Reserve Bank of India
(c) Commercial Banks
(d) Planning Commission

16. माँग जमाएँ क्या होती हैं ? 1
- What are demand deposits ?

17. निम्नलिखित में से कौन सी राजस्व प्राप्ति नहीं है ? (सही विकल्प चुनिए) 1
- (a) ऋणों की वसूली
 (b) विदेशी अनुदान
 (c) सार्वजनिक उद्यमों के लाभ
 (d) सम्पत्ति कर
- Which of the following is not a revenue receipt ? (Choose the correct alternative).
- (a) Recovery of loans
 (b) Foreign grants
 (c) Profits of public enterprises
 (d) Wealth tax
18. निम्नलिखित में से कौन सा प्राथमिक घाटे का सही माप है ? (सही विकल्प चुनिए) 1
- (a) राजकोषीय घाटे और राजस्व घाटे का अन्तर
 (b) राजस्व घाटे और ब्याज भुगतान का अन्तर
 (c) राजकोषीय घाटे और ब्याज भुगतान का अन्तर
 (d) पूँजीगत व्यय और राजस्व व्यय का अन्तर
- Which of the following is a correct measure of primary deficit ?
 (Choose the correct alternative)
- (a) Fiscal deficit minus revenue deficit
 (b) Revenue deficit minus interest payments
 (c) Fiscal deficit minus interest payments
 (d) Capital expenditure minus revenue expenditure
19. निम्नलिखित में से कौन सा स्टॉक है ? (सही विकल्प चुनिए) 1
- (a) सम्पत्ति
 (b) बचत
 (c) निर्यात
 (d) लाभ
- Which of the following is a stock ? (Choose the correct alternative)
- (a) Wealth
 (b) Saving
 (c) Exports
 (d) Profits
20. विदेशी मुद्रा की माँग के कोई से **तीन** स्रोत लिखिए । 3
- अथवा**
- देशीय मुद्रा के 'अवमूल्यन और मूल्यहास' के अर्थ बताइए ।
 Describe any **three** sources of demand for foreign exchange.
- OR**
- Give the meanings of 'devaluation and depreciation' of domestic currency.
21. एक अर्थव्यवस्था में निवेश 300 से बढ़कर 500 हो जाता है । इसके फलस्वरूप आय का संतुलित स्तर 2000 बढ़ जाता है । सीमान्त उपभोग प्रवृत्ति का परिकलन कीजिए । 3
- In an economy investment increases from 300 to 500. As a result of this equilibrium level of income increases by 2000. Calculate the marginal propensity to consume.



22. एक रेखाचित्र की सहायता से अपस्फीतिकारी अन्तर का अर्थ समझाइए । 3
Explain the meaning of deflationary gap with the help of a diagram.

निम्नलिखित प्रश्न केवल **दृष्टिहीन परीक्षार्थियों** के लिए प्रश्न संख्या **22** के स्थान पर है ।
स्फीतिकारी अंतर और अपस्फीतिकारी अन्तर में भेद कीजिए ।

The following question is for **Blind Candidates** only in lieu of Q. No. **22** :
Distinguish between inflationary gap and deflationary gap.

23. भुगतान संतुलन खाते के संदर्भ में बताइए कि निम्नलिखित कथन सही हैं या गलत हैं । अपने उत्तर के लिए कारण दीजिए । 4

- (i) विदेश में किए गए निवेश से प्राप्त लाभ को पूँजी खाते में दिखाया जाता है ।
(ii) मशीनों के आयात को चालू खाते में दिखाया जाता है ।

In the context of balance of payments account, state whether the following statements are true or false. Give reasons for your answer.

- (i) Profits received from investments abroad is recorded in capital account.
(ii) Import of machines is recorded in current account.

24. बाजार मूल्य पर सकल देशीय उत्पाद का परिकलन करने की व्यय विधि की व्याख्या कीजिए । 4

अथवा

व्यय विधि द्वारा राष्ट्रीय आय का परिकलन करते समय क्या सावधानियाँ (कोई **चार**) बरतनी चाहिए ।

Describe the expenditure method of calculating gross domestic product at market price.

OR

What precautions (any **four**) should be taken while estimating national income by expenditure method.

25. कारक लागत पर सकल मूल्य वृद्धि का परिकलन कीजिए । 4

(₹ करोड़ों में)

- | | | |
|-------|-------------------------|---------|
| (i) | देशीय बिक्री | 3000 |
| (ii) | स्टॉक में परिवर्तन | (-) 100 |
| (iii) | मूल्यहास | 300 |
| (iv) | मध्यवर्ती उपभोग | 2000 |
| (v) | निर्यात | 500 |
| (vi) | अप्रत्यक्ष कर | 250 |
| (vii) | विदेशों से निवल कारक आय | (-) 50 |

Calculate gross value added at factor cost.

(₹ in crores)

- | | | |
|-------|-------------------------------|---------|
| (i) | Domestic sales | 3000 |
| (ii) | Change in stock | (-) 100 |
| (iii) | Depreciation | 300 |
| (iv) | Intermediate consumption | 2000 |
| (v) | Exports | 500 |
| (vi) | Indirect taxes | 250 |
| (vii) | Net factor income from abroad | (-) 50 |

26. सरकार निवेशकों को पिछड़े क्षेत्रों में निवेश करने के लिए बजटीय प्रोत्साहन देने का निर्णय करती है। इन सम्भव प्रोत्साहनों की व्याख्या कीजिए और इन्हें देने के कारण बताइए। 6

The Government decides to give budgetary incentives to investors for making investments in backward regions. Explain these possible incentives and the reasons for the same.

27. मुद्रा के किन्हीं दो कार्यों की व्याख्या कीजिए। 6

अथवा

केन्द्रीय बैंक के किन्हीं दो मुख्य कार्यों की व्याख्या कीजिए।

Explain any **two** functions of money.

OR

Explain any **two** main functions of Central Bank.

28. एक अर्थव्यवस्था में प्रत्याशित व्यय, प्रत्याशित उत्पादन से अधिक है। अर्थव्यवस्था में होने वाले सभी परिवर्तनों की व्याख्या कीजिए। 6

In an economy planned spending is greater than planned output. Explain all the changes that will take place in the economy.

29. निम्नलिखित आँकड़ों से (i) बाजार मूल्य सकल राष्ट्रीय उत्पाद (ii) निवल राष्ट्रीय प्रयोज्य आय का परिकलन कीजिए : 4, 2

	(₹ करोड़ों में)
(i) लाभांश	300
(ii) कर्मचारियों का पारिश्रमिक	3000
(iii) किराया	500
(iv) घिसावट (मूल्यहास)	200
(v) ब्याज	800
(vi) विदेशों को निवल कारक आय	100
(vii) मिश्रित आय	5000
(viii) निवल अप्रत्यक्ष कर	400
(ix) लाभ	1500
(x) विदेशों को निवल चालू हस्तांतरण	(-) 50

From the following data calculate (i) Gross national product at market price and (ii) Net national disposable income :

	(₹ in crores)
(i) Dividends	300
(ii) Compensation of employees	3000
(iii) Rent	500
(iv) Depreciation	200
(v) Interest	800
(vi) Net factor income to abroad	100
(vii) Mixed income	5000
(viii) Net indirect taxes	400
(ix) Profit	1500
(x) Net current transfers to abroad	(-) 50

SENIOR SCHOOL CERTIFICATE EXAMINATION JULY-2015

MARKING SCHEME – ECONOMICS

(OUTSIDE DELHI)

Expected Answers / Value Points

(SET-I)

GENERAL INSTRUCTIONS :

1. Please examine each part of a question carefully and then allocate the marks allotted for the part as given in the marking scheme below. TOTAL MARKS FOR ANY ANSWER MAY BE PUT IN A CIRCLE ON THE LEFT SIDE WHERE THE ANSWER ENDS.
2. Expected suggested answers have been given in the Marking Scheme. To evaluate the answers the value points indicated in the marking scheme be followed.
3. For questions asking the candidate to explain or define, the detailed explanation and definition have been indicated alongwith the value points.
4. For mere arithmetical errors, there should be minimal deduction. Only $\frac{1}{2}$ mark be deducted for such an error.
5. Wherever only two / three or a “given” number of examples / factors / points are expected only the first two / three or expected number should be read. The rest are irrelevant and must not be examined.
6. There should be no effort at “moderation” of the marks by the evaluating teachers. The actual total marks obtained by the candidate may be of no concern to the evaluators.
7. Higher order thinking ability questions are assessing student’s understanding / analytical ability.

General Note : In case of numerical question no mark is to be given if only the final answer is given.

B1	Expected Answer / Value Points	Distribution of Marks
1	(c) Greater than elasticity of demand at B	1
2	Put a tax on it so that its price rises. (any other relevant measure)	1
3	(c) Rs. 56	1
4	The economy has to decide which commodities should be produced with given resources and the resources are scarce, and have alternative uses.	3
5	When government imposes an upper limit on the price of a good , it is called price ceiling. It is generally imposed on essential items and is fixed below the market determined price. The reason being the equilibrium price is too high for the common people to afford.	3

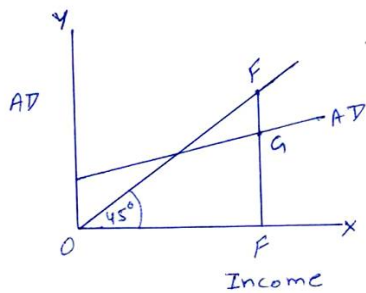


6	By these institutes skill development will improve. This would result in increase in the production potential of the country. So the PP will shift to the right.	3																																
7	Under diminishing returns to a factor marginal product initially falls and remains positive but ultimately it becomes negative. Accordingly total product increases at a diminishing rate and ultimately starts falling.	3																																
8	<p>The significance of 'barriers to entry' feature of monopoly is that since the monopolist is the only producer, he can always exercise significant influence over market price by changing the supply. It makes monopolist a price maker.'</p> <p style="text-align: center;">OR</p> <p>The significance of this feature is that the buyer differentiates between the product produced by different firms which are close substitutes. In such a market there is some element of monopoly enjoyed by a firm, who is in a position to influence the market price of the product it produces to some extent.</p>	3																																
9	<p>The following table shows four such bundles of commodity X and Y which gives the consumer same satisfaction –</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Bundles</th> <th>Unit of X</th> <th>Unit of Y</th> <th>Marginal Rate of Substitution</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>1</td> <td>10</td> <td>-</td> </tr> <tr> <td>B</td> <td>2</td> <td>6</td> <td>4Y:1X</td> </tr> <tr> <td>C</td> <td>3</td> <td>3</td> <td>3Y:1X</td> </tr> <tr> <td>D</td> <td>4</td> <td>2</td> <td>1Y:1X</td> </tr> </tbody> </table> <p>For each additional unit of X the consumer is willing to sacrifice less of Y. This is diminishing marginal rate of substitution.</p> <p style="text-align: center;">(any other relevant numerical example)</p> <p style="text-align: center;">OR</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Units</th> <th>M.U.</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>10</td> </tr> <tr> <td>2</td> <td>8</td> </tr> <tr> <td>3</td> <td>5</td> </tr> <tr> <td>4</td> <td>3</td> </tr> <tr> <td>5</td> <td>2</td> </tr> </tbody> </table> <p style="text-align: center;">(any other relevant numerical example)</p> <p style="text-align: center;">(Explanation)</p>	Bundles	Unit of X	Unit of Y	Marginal Rate of Substitution	A	1	10	-	B	2	6	4Y:1X	C	3	3	3Y:1X	D	4	2	1Y:1X	Units	M.U.	1	10	2	8	3	5	4	3	5	2	2 2 2
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2	8																																	
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4	3																																	
5	2																																	
10	When demand for a good changes due to change in price of the given good it is called 'change in quantity demanded' when demand changes due to a factor other than own price it is called 'change in demand'.	4																																



11	<p>(i) When input price increases, cost of production rises. Price of the product remaining the same, profit falls. This will reduce market supply.</p> <p>(ii) Reduction in per unit tax will reduce the cost of production. Price remaining the same, profits will increase. So the producers will produce more and market supply will increase.</p> <p style="text-align: center;">OR</p> <p>(a) When $MC < AVC$, AVC falls When $MC = AVC$, AVC constant When $MC > AVC$, AVC rises</p> <p>(b) When TC increases at a diminishing rate MC falls When TC increase at an increasing rate MC rises. When TC increases at a constant rate MC is constant</p>	<p style="text-align: right;">3</p> <p style="text-align: right;">3</p> <p style="text-align: right;">1</p> <p style="text-align: right;">1</p> <p style="text-align: right;">1</p> <p style="text-align: right;">1</p> <p style="text-align: right;">1</p> <p style="text-align: right;">1</p>
12	<p>(i) When the good is normal, increase in income of its consumer raises his purchasing power, so he buys more of it.</p> <p>When the good is inferior, then with an increase in income the demand for such good will fall.</p> <p>(ii) Rise in the price of substitute goods makes the given good relatively cheaper. So its demand increases and demand for substitute good falls.</p>	<p style="text-align: right;">1½</p> <p style="text-align: right;">1½</p> <p style="text-align: right;">3</p>
13	<p>(i) False, When price of other goods rise, it becomes more profitable to produce them in place of the given good, so supply curve will shift to left.</p> <p>(ii) False, The difference between AC and AVC is due to AFC. As output is increased AFC falls, so the difference between AC and AVC falls.</p>	<p style="text-align: right;">3</p> <p style="text-align: right;">3</p>
14	<div style="text-align: center;"> </div> <p>When the demand curve DD shift to DD'. There is excess demand (AB) at OP price. Thy buyers compete, price starts rising thus demand starts falling(Contraction) and supply starts rising (expansion). These changes continue till price reaches OP₁. At this price equilibrium quantity is OQ₁.</p> <p>For Blind Candidates :</p> <p>Excess demand refers to a situation when quantity demanded is more than quantity supplied at the prevailing market price.</p> <p>Same explanation as given above without diagram.</p>	<p style="text-align: right;">2</p> <p style="text-align: right;">4</p> <p style="text-align: right;">2</p> <p style="text-align: right;">4</p>



SECTION – B		
15	(b) Reserve Bank of India	1
16	Deposits that are withdrawn by cheque.	1
17	(a) Recovery of loans	1
18	(c) Fiscal deficit – interest payments	1
19	(a) Wealth.	1
20	<p>(i) For imports (ii) For investment in other countries. (iii) For Foreign travel etc . (any other relevant source)</p> <p style="text-align: center;">Or</p> <p>When price of domestic currency falls under fixed exchange rate system, it is called 'devaluation'. When price of domestic currency falls under flexible exchange rate system, it is called 'depreciation'.</p>	1x3 3
21	$\Delta I = 500 - 300 = 200$ $K = \frac{\Delta Y}{\Delta I} = \frac{2000}{200} = 10$ $K = \frac{1}{MPS}$ $10 = \frac{1}{MPS} \text{ so } MPS = \frac{1}{10}, \text{ hence } MPC = 1 - MPS = \frac{9}{10} = 0.9$ <p style="text-align: right;">Any other alternate method</p>	½ 1 ½ 1
22	 <p>When AD falls short of AS at the full employment income level (OF), the difference (FG) is called deflationary gap.</p> <p>For Blind Candidates</p> <p>The excess of aggregate demand over aggregate supply at full employment is called inflationary gap when aggregate demand is less than aggregate supply at full employment, the difference is called deflationary gap.</p>	1 2 3
23	<p>(i) False, it is recorded in current account as it neither affects foreign exchange assets nor foreign exchange liabilities.</p> <p>(ii) True, all imports and exports of goods are recorded in trade account which is a part of current account, because it is simply import/export of a good.</p>	2 2



<p>24</p>	<p>To Calculate GDP_{mp} by the expenditure method, we add up final expenditures on the goods and services produced by all the economic sectors of an economy. Expenditures incurred on consumption and investment are final expenditures.</p> <p>These are classified into:</p> <ul style="list-style-type: none"> (i) Private final consumption expenditure. (ii) Government final consumption expenditure. (iii) Gross domestic capital formation. (iv) Net exports (=Exports less imports) <p>The sum total of these expenditures is GDP_{mp}.</p> <p style="text-align: center;">OR</p> <p>Precaution :</p> <ul style="list-style-type: none"> (i) Expenditure on intermediate goods should not be included. (ii) Estimated expenditure on production for self consumption should be included. (iii) Transfer payments should not included. (iv) Expenditure on financial assets should not be included. <p style="text-align: right;">(any other relevant precaution)</p>	<p style="text-align: center;">4</p> <p style="text-align: center;">4</p>
<p>25</p>	$GVA_{fc} = (i) + (v) + (ii) - (iv) - (vi)$ $= 3000 + 500 + (-100) - 2000 - 250$ $= Rs. 1150 \text{ Crore.}$	<p style="text-align: center;">1½</p> <p style="text-align: center;">2</p> <p style="text-align: center;">½</p>
<p>26</p>	<p>Budgetary incentives refer to concession in taxation and granting subsidies to those production units which set up their units in economically backward areas. Tax concessions, like lower excise duties aim at reducing cost and thus raising profits.</p> <p>Subsidies aim at reducing prices of products to encourage sales and earning more profits. Thus both aim at raising profits.</p> <p style="text-align: right;">(Any other relevant reason)</p>	<p style="text-align: center;">6</p>
<p>27</p>	<p>Functions of money</p> <ol style="list-style-type: none"> 1. Medium of exchange. 2. Store of value 3. Unit of account 4. Standard of deferred payments. <p style="text-align: right;">(Statement : any two) (Explanation)</p> <p style="text-align: center;">OR</p> <p>Functions of central bank</p> <ol style="list-style-type: none"> 1. Bank of issue 2. Government's Banker 3. Banker's bank. 4. Controller of credit. <p style="text-align: right;">(Statement : any two) (Explanation)</p>	<p style="text-align: center;">2</p> <p style="text-align: center;">4</p> <p style="text-align: center;">2</p> <p style="text-align: center;">4</p>



28	<p>Planned spending refers to people planning to purchase final goods and services during the year. Planned output means the production units planning to produce final goods and services during the year.</p> <p>When planned spending is higher than planned output, the producers find the stocks falling below the desired level. They start raising production. This raises income levels till inventories (stocks) reach the desired level and economy is in equilibrium.</p>	<p>2</p> <p>4</p>
29	$GNP_{mp} = (ii) + (iii) + (v) + (vii) + (ix) + (viii) + (iv) - (vi)$ $= 3000 + 500 + 800 + 5000 + 1500 + 400 + 200 - 100$ $= Rs. 11300 \text{ Crore.}$ $N.N.D.I = GNP_{mp} - (x) - (iv)$ $= 11300 - (-50) - 200$ $= Rs. 11150 \text{ Crore.}$	<p>1 ½</p> <p>2</p> <p>½</p> <p>1</p> <p>½</p> <p>½</p>

