SAHODAYA PRE BOARD EXAMINATION – 2025-26

CLASS – XII

SUBJECT – ECONOMICS (030)

MARKING SCHEME

	SECTION – A MACRO ECONOMICS	
1.	(C) 1, 0	1
2.	(A) ₹ 300 crore	1
3.	(C) Standard of Deferred Payments	1
4.	(C) Both statements 1 and 2 are true.	1
5.	(A) Real flow	1
6.	(D) Resources are fully and efficiently utilised.	1
7.	(D) Both statements 1 and 2 are false.	1
8.	(A) 540	1
9.	(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).	1
10.	(D) Central Bank is following a tight money policy.	1
11.	Change in Stock $\begin{aligned} &= (ii)+(vi)+(v)-(iii)-(i) \\ &= 200+100+40-10-400 \\ &= (-)₹\ 70\,cr \end{aligned}$	3
12.	A. Volume of credit creation depends on initial deposit and reserve ratio, with decrease in reserve ratio the lending capacity increases and vice-versa. (explain) OR B. (a) Repo Rate & Reverse Repo rate. They are quantitative in nature. (b) (2) • Increasing Repo rate makes borrowing costlier. • Aggregate demand will decrease controlling inflationary situation.	3
13.	A. (I) The given statement is not correct and is thus refuted. Final goods are those goods which are purchased / consumed either by households or by the producers for investment purpose, i.e. these are the goods which have crossed the production boundary. (2)	4

	(II) It's a capital loss as it has occured due to unforeseen circumstances.
	
	 OR
	B. Defended.
	
	    i) Distribution of GDP
	
	    ii) Change in prices
	
	    iii) Non-monetary exchanges
	
	    iv) Externalities
	
	    v) Rate of population growth
	
	    vi) Composition of GDP
	
	(Any two to be explained.)	

14.	(I) a) Capital Account, Credit side (1)
	
	    b) Current Account, Credit side (1)
	
	(II) (2)
	
	   • Depreciation of domestic currency. It discourages importers. Encourages exporters.
	
	   • More units of ₹ is to be paid to buy 1 unit of foreign currency.
		4

15.	Situation is excess demand or inflation. Open market operation - Definition and its role to control the above situation.	4
16.	A. (I) The consumption and savings curves are parallel to each other. Therefore, their slopes are equal. We know that MPC and MPS are the respective slopes of the consumption and savings curves. Therefore, $MPC = MPS$ We know that $MPC + MPS = 1$ $\Rightarrow MPC + MPC = 1$ $\Rightarrow 2MPC = 1$ $\Rightarrow MPC = \dfrac{1}{2} = 0.5$ Given Autonomous consumption $\left(\bar{C}\right) = 50$, Consumption function: $C = \bar{C} + \left(MPC\right)Y$ $\Rightarrow C = 50 + 0.5Y$ Effective demand refers to that level of aggregate demand where ex-ante Aggregate Demand $\left(AD\right) = $ ex-ante Aggregate Supply $\left(AS\right)$. We know that $AS = Y$ and $AD = C + I$ Therefore, the level of effective demand is established when: $Y = C + I$ $Y = 50 + 0.5Y + 100$ $\Rightarrow Y - 0.5Y = 150$ $\Rightarrow Y = \dfrac{150}{0.5} = 300\,crores$	6

	Thus, equillibrium level of income = ₹300 crore.	1
	(II) 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 psycological behaviour of a rational consumer, he / she tends to save more.	
	Hence, at higher levels of income, people generally have lower Marginal Propensity to Consume (MPC).	
	OR	
	B. (I) Given, the minimum level of consumption expenditure, i.e. Autonomous Consumption $(\overline{C}) = 100$	
	The slope of the aggregate demand function, i.e. $MPC = 0.6$; Equilibrium level of Income $(Y) = 2,000$	
	We know that at equilibrium level of income: $Y = C + I$	
	$Y = \overline{C} + MPC(Y) + \overline{I}$	
	$2,000 = 100 + 0.6(2,000) + \overline{I}$	
	$\Rightarrow 2,000 = 1,300 + \overline{I} \Rightarrow \overline{I} = ₹ 700 \text{ cr}$	
	The given statement is false. (4)	
	(II) Statement is incorrect. Unintended accumulation arises when ex-ante AD is less than ex-ante AS. They should pile up the stock, to tackle this the economy must increase AD. (2)	
17.	(I) Two sources mentioned are: • Taxes • Non-tax revenue such as dividends from public sector enterprises • As the revenue increases the deficit decreases (3) (II) • Define fiscal deficit (1) • As Government expenditure decreases fiscal deficit also decreases. (2) (Point to be explained)	6
	SECTION – B **INDIAN ECONOMIC DEVELOPMENT**	
18.	(A) Air India – Strategic Sale; LIC – Minority Sale	1
19.	(B) The first official census was conducted in the year 1881	1
20.	(C) i, ii and iii	1
21.	(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation	1

	of Assertion (A).	
22.	(B) $\dfrac{\text{Total Workers}}{\text{Total Population}} \times 100$	1
23.	(C) They are engaged in daily wage employment, often without job security.	1
24.	(A) Within its carrying capacity	1
25.	(C) A-ii, B-iii, C-i, D-iv	1
26.	(D) Credit taken to meet expenditure on agriculture.	1
27.	(C) Both statements 1 and 2 are true.	1
28.	- One child policy - Improved health care, lower fertility rate - Shift in cultural attitude towards having children - Urbanisation and economic development (Explain any 2 relevant points)	3

29.	A. Indian traditional practices were environment friendly since agricultural system, health care system were environment friendly. The traditional practices used natural produces and processes i.e. adopting medicinal plants etc. OR B. Definition - 1 mark
	   1 important distinction - 1
	   1 example - 1
		3

30.	A. - Deindustrialisation - Adverse effects on handicraft industry - Lack of capital goods industries - Limited role of public sector (Explain, any other relevant point) OR B. i) The table reflects the share of workforce on different sectors. The table is showing about the occupational structure. (explain) ii) Reasons: - any two	4
31.	(I) Started in 1958, transformation of agrarian economy to modern economy.	4

	• Industries were set up in backyard. • Commune system • Problems of GLF (Any 3 valid points to be considered) (II) • Measures of the extent of the constitutional protection rights given to the citizens. • Extent of the constitutional protection of the independence of Judiciary & rules of law.	
32.	(I) Buffer stock (1) (II) (3) • Procuring wheat and rice by FCI • Created during years of surplus production • Regulates supply and stabilizes prices.	4
33.	A. (I) (3) • Tariff • Quota • Import substitution (Explain) (II) (3) • Employment generation • Growth • Infrastructural development (any other relevant points) OR B. (I) (3) • Trade and Investment policy reforms To increase international competitiveness of industrial production. To promote efficiency of local industries and adoption of modern technologies. (II) (3) • Single comprehensive indirect tax • 1 rate for 1 type of good • Simplified the taxes	6
34.	(I) Expenditure on health, expenditure on education, on-the-job-training, migration Any two sources (explain) 1.5×2 (II)	6

| | | Increases productive capacity Enhances income Increase quality of life Max / optimium utilisation of available resources (Any 2 points to be explained) | 1.5×2 | |

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- Increases productive capacity

- Enhances income

- Increase quality of life