

KENDRIYA VIDYALAYA SANGATHAN, CHENNAI REGION

CLASS-XII COMMON PRE BOARD EXAMINATION

Subject: ECONOMICS

Time Allotted: 3 hours

Maximum Marks: 100

Marking scheme

Qn.no	Value points	Point marks	Total marks
1	It is the money receipt from the sale of the product		1
2	Tabular statement showing different quantities at different prices during given time		1
3	It is the combination of two goods which a consumer can buy with his entire income at prevailing market prices		1
4	Additional cost incurred to produce additional unit		1
5	Few seller and many buyers		1
6	Slopes down Higher IC higher satisfaction IC can not interest Each point with one line explanation full mark can be given	1,1,1	3
7	For statement of law Table , diagram, relationship (direct) Each points with one line explanation full mark can be given		3
8	Since it is a case of unit elastic demand 10% fall in price will result in 10% rise in demand; 10% of 60 is 6. Therefore new qty demanded will be 66. Formula ,% method calculation ,Final answer 66	1,1,1	3
9	Any two differences each ,one example	1+1/2	3
10	Closely substitute Impression in the form of advertisement	1 1	

	<p>Quality & brand of the firm</p> <p>DD curve is highly elastic due to close substitute.</p> <p>(or)</p> <p>All the firms have to charge same price</p> <p>No individual producer can influence price</p> <p>Firms are price taker. with one line explanation full mark can be given</p>	1	3
11	<p>Losses are measured as the excess of cost. In this respect revenue cannot be raised through higher prices (i) government must use cost efficiency technology.</p> <p>(ii) loss of revenue occurring due to leakage and pilferage of Diesel must be plugged</p>		4
12	<p>Whom to produce-rich or poor/essential or luxury goods</p> <p>Labour intensive technique or Capital intensive technique</p> <p>(Points with explanation full mark can be given)</p>	1 1 1 1	4
13	<p>Availability of close substitute</p> <p>Close substitute will have more elasticity</p> <p>Share of expenditure less portion of income spent demand will be inelastic</p> <p>Any other relevant points each point 1 mark with explanation full mark can be given</p>	1 1 1 1	4
14	<p>MPP increases, when TPP rises at increasing rate</p> <p>MPP is decreasing, when TPP will increase at diminishing rate</p> <p>MPP falls, when TPP will be negative</p> <p>Schedule with brief explanation</p>	3 3	6

15	<p>Meaning for equilibrium price</p> <p>equilibrium price may decrease</p> <p>equilibrium price may remains same</p> <p>diagram</p> <p>explanation</p> <p>OR</p> <p>Increase in demand , equilibrium price, and quantity</p> <p>The same split up marks can be given for choice qn also</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>2</p>	6
16	<p>MU of a product/mu of a rupee= price of the product</p> <p>MU= price, for calculation</p> <p>For explanation.</p>	<p>1</p> <p>1+2</p> <p>2</p>	6
Section B			
17	Borrowing from RBI/disinvestment/loan from foreign govt.		1
18	It is the ratio of demand deposits of commercial bank which it keeps in the special liquid assets.		1
19	Through devaluation or any relevant explanation		1
20	It is the value of exports in terms of import of goods		1
21	Value of currency will be fixed in terms of gold		1
22	<p>Yes .It is known as underemployment equilibrium</p> <p>Excess demand, inflationary gap.</p> <p>Explanation</p>	<p>1</p> <p>1</p> <p>1</p>	3
23	<p>Formula, $k=5$, $1-MPC=1/5$; $1-MPC=.2$; $NPC=0.8$;</p> <p>Calculation, correct answer</p>	1,1,1	3
24	<p>Meaning for double coincidence</p> <p>Money as a function of medium of exchange</p> <p>Explanation</p>	<p>1</p> <p>1</p> <p>1</p>	3
25	<p>Two differences each side</p> <p>Eg for each</p>	<p>1,1</p> <p>$1\sqrt{2}+1\sqrt{2}$</p>	3

	Or Through increased public expenditure – brief explanation of the point	3	
26	Formula, correct items included, Calculation (viii)+(vii)+(vi)+(v)+(iv-iii)+(ix)-(i)-(ii); NI=Rs.34245	1,1,1,	3
27	It is the excess of government 's revenue expenditure Over its revenue receipts. Large borrowing will result in future burden of interest payment (with explanation) Steps: Reduce its revenue expenditure Raise more tax	1 1 2	4
28	It carries out banking of govt. It accepts all receipts and making payment in behalf of govt. Exchange remittance Loans and advances for short period to govt. Manages public debt and sells securities Each point one mark with explanation Or bank rate –meaning , cheap credit promotes credit creation during deflation and during inflation it increases bank rate in order to control credit. Each point one mark with explanation	1 1 1 1	4
29	Four components Each point one mark with explanation Private transactions, official, direct investment and portfolio investment	1 1 1 1	4
30	No mark for writing just “included” or “not included” Ans should be followed by reason i)included- within domestic territory	2	

	ii)included- within domestic territory	2	
	iii)Not included- outside domestic territory	2	6
31	Assume Y as 400,500,600 Y=400 C=100+0.5x400=300 When y=500 c=350 (similar calculation) finding APC =C/Y0.75, 0.7, 0.67 Thus APC falls Or Investment expenditure=Rs.300 Autonomous consumption=Rs 200 Investment multiplier= 4 Calculation with formula to be credited full marks	2 3 1 2 2 2	6
32	GNP @MP=(ix)+(iii)-(xi)=2060 PDI=(xiv)-(v)-(viii)-(xiii)-(iv)=Rs.860	1, 11/2,1/2 1, 11/2,1/2	3 3 6