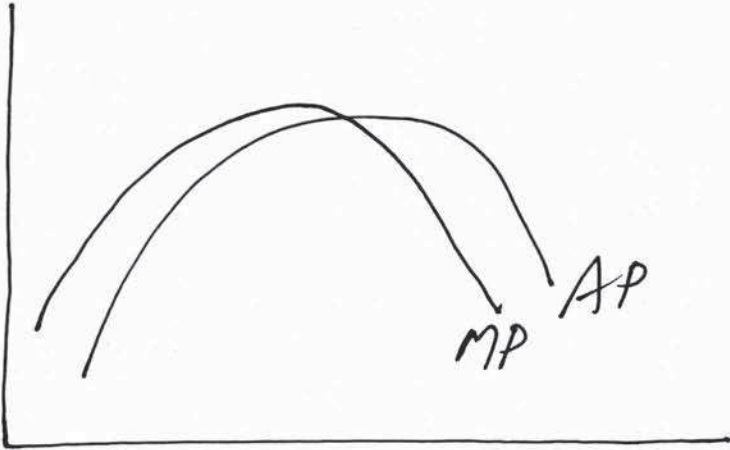


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SECOND YEAR HIGHER SECONDARY EXAMINATION, MARCH 2016.  
(Finalised Scheme of Valuation)

Subject: Economics

Code No: 1026

Qn.No	Scoring Indicators	Split Score	Total Score
1.	How to produce?	1	1
2. (i)		2	4
3.	<p>(ii)</p> <p>(i) When MP is greater than AP, AP rises</p> <p>(ii) When MP is less than AP, AP falls</p> <p>(iii) When MP = AP, AP is at its maximum</p> <p>[Any two points]</p>	1 1	



Subject:

Code No:

Qn.No	Scoring Indicators	Split Score	Total Score
	$M_3 = M_1 + \text{net Time Deposits of commercial banks}$	1	3
4.	<p>(a) May collude together and decide not to compete with each other and maximise total profits</p> <p>(b) Firms decide how much quantity to produce by maximising its own profits assuming that other firms would not change quantity</p> <p>(c) Makes the market price of the commodity rigid.</p> <p style="text-align: center;"><span style="border: 1px solid black; padding: 2px;">OR</span></p> <p>oligopoly and its features such as group behaviour price leadership etc. should also be considered</p>	1          1	3
5	<p>A. 1936</p> <p>B. Macro Economics</p>	1+1	2
6.	(i) Excess supply	1 1/2	



Subject:

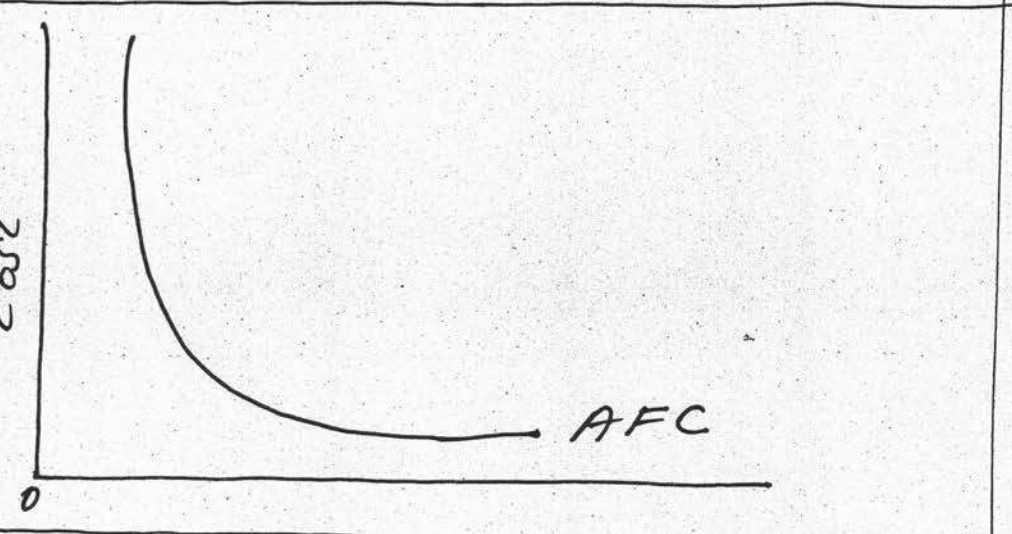
Code No:

Qn.No	Scoring Indicators	Split Score	Total Score
	(ii) Excess Demand - Rationing, black marketing (Any one point)	1½	3
7.	(a) Net Income from Abroad (b) N.V.P Since the sub-questions (c) (d) and (e) are <del>too</del> confusing any attempt of these questions deserve full marks. [1 score each]	1  1	5
8	Yes - non-rivalry in consumption, non-excludability - free-rider problem, difficulty to charge price etc. <span style="border: 1px solid black; padding: 2px;">OR</span> [relevant justification]	1  3	4
9.	Devaluation - Deliberate reduction in value of domestic currency in terms of foreign currency. Depreciation - Reduction in the value of domestic currency due to market forces.	1  1	2



Subject:

Code No:

Qn.No	Scoring Indicators	Split Score	Total Score
10	$Q_D = Q_S$ $100 - P = 70 + 2P$ $3P = 30$ $P = \frac{30}{3} = \underline{\underline{10}}$ <p>Equilibrium price = 10 Equilibrium quantity = <u>90</u></p>	2    1	3
11	Production Function	1	1
12		1	1
13	<p>(a) Break-even point <math>\rightarrow</math> <u><u>TR = TC</u></u></p> <p>(b) Shut down point <math>\rightarrow</math></p> <p style="text-align: center;"><u><u>P = minimum AVC</u></u></p> <p><span style="border: 1px solid black; padding: 2px;">OR</span> <u><u>P = minimum LRAC</u></u></p>	1½   1½	3



Qn.No	Scoring Indicators	Split Score	Total Score
14	@ MC	1	1
15	(i) False A perfectly competitive market deals with homogeneous products <u>OR</u> Non-competitive market deals in heterogeneous products  (ii) and (iii) malayalam and English versions are different. Give full score to the attempt.	1   1+1	3
16	Ⓐ Revenue Deficit = Revenue Expenditure — Revenue Receipts  Ⓑ Fiscal Deficit = Total Expenditure — (Revenue Receipts + Non- debt creating capital Receipts)  Ⓒ Primary Deficit = Fiscal Deficit — Net Interest payments	1   1   1	3



Subject:

Code No:

Qn.No	Scoring Indicators										Split Score	Total Score	
17	Q	1	2	3	4	5	6	7	8	9	3	4	
	MR	10	6	2	2	2	0	0	0	5			
	TR	10	16	18	20	22	22	22	22	17			
	AR/ Price	10	8	6	5	4.4	3.66	3.14	2.75	1.88			1
<p>TR — 3 score</p> <p>AR/p — 1 score</p>													
18	<p>(a) Economic decisions are taken by the Govt.</p>										1	2	
	<p>(b) Economic problems are solved by market forces</p> <p>[Any relevant definition of centrally planned economy and Market economy give full score]</p>										1		
19	<p><math>P_1, P_2</math> and <math>M</math></p>										$\frac{1}{2} + \frac{1}{2}$	1	
20	<p>(i) Budget Line/Budget constraint</p>										1		
	<p>(ii) Consumer's Equilibrium</p>										1		



Qn.No	Scoring Indicators	Split Score	Total Score
	<p>⑥ Downward sloping, convex to the origin, Two Indifferent curves never intersect. Higher IC shows higher level of satisfaction.</p> <p>⑦ Yes. Justification</p>	<p>4</p> <p>1+1</p>	<p>8</p>
21	<p>The monopolistically competitive firm could sell more of the commodity only by reducing the price.</p>	2	2
22	<p>(i) Distribution of GDP is not uniform</p> <p>(ii) Non-monetary exchanges</p> <p>(iii) Externalities</p> <p>(Any relevant justification can also be considered)</p>	4	4



Qn.No	Scoring Indicators	Split Score	Total Score
23	<p>English - Malayalam versions are different. So give full score to answer relating to Aggregate Demand, Effective Demand, changes in Demand and supply, Market Equilibrium. Consider diagrammatic presentation also.</p>	8	8
<del>23</del> <del>23</del> 24	<p>(i) Demand for money for carrying out trans- actions. <span style="border: 1px solid black; padding: 2px;">OR</span> <math>M^d = kPY</math></p> <p>(ii) Demand for money for speculative business (bonds, shares) <span style="border: 1px solid black; padding: 2px;">OR</span></p> $M^d = \frac{r_{max} - r}{r - r_{min}}$	<del>8</del> 2 2	4



Subject:

Code No:

Qn.No	Scoring Indicators	Split Score	Total Score
25	yes It will create inflationary pressures in the economy — <span style="border: 1px solid black; padding: 2px;">OR</span> (Relevant Explanation)	2  3	5