



B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

MARKING SCHEME

PERIODIC TEST – I

ECONOMICS (CLASS XII)

1. (d) Low level of literacy, high mortality rate and low life expectancy 1)
2. (d) less than 2 per cent, close to half per cent 1)
3. b) Statement 1 is false and statement 2 is true 1)
4. b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A) 1)
5. b) to reduce dependence on foreign countries, particularly for defence items. 1)
6. What was the condition of foreign trade under the British rule? 3)

Under British rule, India's foreign trade was characterized by a heavy focus on exporting raw materials and importing finished goods, with Britain maintaining a strong monopoly over much of the trade. This system led to a "drain of wealth" from India, as the British used export earnings to fund their administration and other interests.

1. Britain's Monopoly:

- Britain held a dominant position in India's foreign trade, with more than half of it controlled directly by the British.
- The remaining trade was primarily with countries like China, Sri Lanka (Ceylon), and Persia (Iran), but even these were closely monitored by the British.

2. Shift in Trade Patterns:

- India, once a major exporter of high-value goods, became a supplier of raw materials like jute, wool, indigo, cotton, and sugarcane.
 - Simultaneously, India imported finished consumer goods like silk and woollen clothing, and small machinery, from Britain.
7. Critically appraise some of the shortfalls of the industrial policy pursued by the British colonial administration. 3)

1. Neglect of Indian handicraft industries - The British had discriminatory tariff policy for the handicraft exports of India. The export to and import from Britain was duty free whereas they imposed heavy export duties on India's export of handicraft product, which made it costlier and the international demand for our leading industry collapsed.

2. Lack of investment - The modern industries in India required investment in capital goods which was not within the means of Indian investors and British government was least interested in investing in Indian industries. So the lack of investment in capital goods hampered the growth of Indian Industries.

3. Limited operation of public sector - The growth in public sector was limited up to the development required for smooth functioning of British government like Railways, Ports, Post and Telegraph, etc.

4. Lack of modernization - The British neither encouraged nor permitted the modernization of Indian Industries.

8. What objectives did the British intend to achieve through their policies of infrastructure development in India? 4)

1) To have effective control and administration over the vast Indian territory. For this Britishers linked important administrative and military centres through railway lines.

2) To earn profits through foreign trade. For this they linked railways with major ports and the marketing centres or Mandies.

3) To create an opportunity for profitable investment of British funds in India.

4) To mobilise army within India and carrying out raw materials through roads to the nearest railway station or to the port to send it to Britain.

9. Explain how import substitution can protect domestic industry. (4)

Import substitution refers to substituting imports by domestically produced goods.

This is done in two ways – Tariff and Quotas.

Tariff is the tax levied by the government on imports and exports. Quotas are quantitative restriction imposed by imports and exports.

It protects domestic industry by:

1) Boosting demand for domestically produced goods by increasing the cost of imports.

2) Providing them shield from international competitive environment.

It allows domestic industries to sustain and earn profits, so that they can invest in R&D and gain expertise in all the related activities. Import substitution policy provides the domestic industry a platform to prepare itself to sustain in the global competitive market.

10. (a) Justify the direct participation of the state in industrial development of the country after 3) independence.

During India's planning period, the public sector was given a leading role in industrial development primarily due to weak economic conditions, the need for heavy investment in capital-intensive industries, and the desire for balanced regional development and equitable income distribution.

Weak Initial Conditions:

At the time of independence, India's economy was underdeveloped, with limited foreign investment and a lack of infrastructure.

Need for Heavy Investment: Many industries, particularly those requiring large-scale investment and long gestation periods (like steel, energy, and heavy machinery), were deemed too risky and capital-intensive for the private sector to undertake alone.

Strategic Importance: Certain industries, like defense, atomic energy, and railways, were considered strategically important for national security and were therefore reserved for the public sector.

Promoting Balanced Development: The public sector was seen as a tool to reduce regional disparities and promote a more equitable distribution of wealth and income, which was a key goal of the planning process.

Infrastructure Development: The public sector played a crucial role in building infrastructure like power plants, transportation networks, and communication systems, which are essential for industrial growth.

b) 'Aatmanirbhar Bharat had been at the roots of Indian planning process in the form of Self-Reliance as an objective of the planning process.' 3)
Do you agree with the given statement? Justify the rationale of the given statement.

a) It is a correct statement as it is majorly and only focusing on making India self-reliant in terms of the production of every and goods and service to be consumed in India.

b) The policy initiatives that were formulated like land reforms and green revolution that helps India in becoming self-sufficient for producing food grains. This led to increasing agriculture produce and not the proportion of people depending on agriculture did not decline.

c) The concept of "Aatmanirbhar Bharat" goes beyond food self-sufficiency and aims for self-reliance in various sectors, including manufacturing and services. While the Green Revolution and land reforms addressed food security, the current "Aatmanirbhar Bharat" initiative focuses on broader economic self-reliance.
