



INDIAN SCHOOL SOHAR
TERM 1 EXAMINATION (2022 – 2023)
ECONOMICS (030)

CLASS : - XI

DATE: 21/09/2022

MAX MARKS: 80

TIME: 3HRS

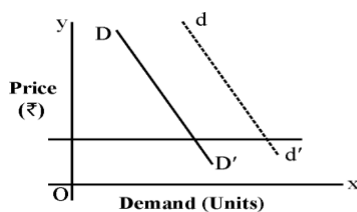
General Instructions:

Read the following instructions very carefully and strictly follow them:

- A. This question paper comprises two sections **A** and **B**.
- B. All questions are **compulsory**. Marks are indicated against each question.
- C. Question numbers **1 – 8** and **17 – 24** are very short-answer questions carrying **1** mark each. They are required to be answered in **one word** or **one sentence** each.
- D. Question numbers **9 – 10** and **25 – 26** are short-answer questions carrying **3** marks each. Answers to them should not normally exceed **60 – 80** words each.
- E. Question numbers **11 – 14** and **27 – 29** are also short-answer questions carrying **4** marks each. Answers to them should not normally exceed **80 – 100** words each.
- F. Question numbers **15 – 16** and **30 – 31** are long answer questions carrying **6** marks each. Answers to them should not normally exceed **100 – 150** words each.
- G. There is no overall choice. However, an internal choice has been provided in **2** questions of one mark, **2** questions of three marks, **2** questions of four marks and **2** questions of six marks. Only one of the choices in such questions have to be attempted.

SECTION A: INTRODUCTORY MICROECONOMICS

1. A Production Possibility Curve would be..... curve if all the available resources in an economy are equally efficient to produce both the goods. (Choose the correct alternative) [1]
 - a. a straight line
 - b. convex to origin
 - c. concave to origin
 - d. upward sloping
2. The demand curve of a goods shifts from DD' to dd'. [1]



This shift can be caused by: (Choose the correct alternative)

- a. fall in the price of the goods.
 - b. rise in the price of the goods.
 - c. rise in the price of substitute goods.
 - d. rise in the price of complementary goods.
3. Budget set is [1]
 - a. Right angle triangle formed by the budget line with axes.

- b. All points on the budget line.
- c. Points inside the budget line.
- d. Points on Y axis from where budget line starts and the points on X axis where budget line ends.

OR

Total utility is maximum when

- a. Marginal utility is zero.
 - b. Marginal utility is at its highest point.
 - c. Marginal utility is equal to average utility.
 - d. Average utility is maximum.
4. The higher Indifference curve gives higher level of satisfaction in an indifference map because [1]
- a. Indifference curves are parallel to each other.
 - b. At higher indifference curve a consumer becomes indifferent.
 - c. At higher indifference curve a consumer attains satisfaction
 - d. At higher indifference curve a consumer becomes monotonic
5. Choose the incorrect pair from the given below. [1]

Column I	Column II
A. Scarcity Definition of Economics	(i) Prof. Lionel Robbins
B. Growth Oriented Definition of Economics	(ii) Prof. Paul Sweezy
C. Welfare Definition of Economics	(iii) Prof. Alfred Marshall
D. Economics is the Science of the Wealth of the Nation	(iv) Prof. Adam Smith

- a. A – (i)
- b. B – (ii)
- c. C – (iii)
- d. D – (iv)

6. Read the following statements-Assertion (A) and Reason (R). Choose the correct alternatives. [1]

Assertion (A): Luxury goods often have high price elasticity of demand.

Reason (R): When price of luxury goods increase, then their demand falls considerably as they are put to urgent uses only.

- a. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A)
- b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is true, but Reason (R) is false
- d. Assertion (A) is false, but Reason (R) is true

Read the following case study and answer questions 7 to 8 on the basis of the same.

A shoe shop decided to offer a sale. It sells more shoes but take in less money per pair sold. The gain

or loss from the sale depends majorly upon the price elasticity of demand. The future of any business depends upon the market opportunity and profitability. Elasticity of demand is the key in such case, it is a measure of responsiveness, a point to which a demand or supply curve reacts to a change in price. Understanding elasticity concept is useful and essential in comprehending an extremely wide range of applications in economics such as the incidence of taxation, welfare distribution or especially, the response of supply and demand in a market. The common elasticities used include price elasticity of demand, price elasticity of supply and income elasticity of demand.

7. The firm will gain more from the sale only, when the price elasticity of demand is [1]
 - a. less than one
 - b. more than one
 - c. equal to one
 - d. equal to zero
8. Suppose the shoe seller has a competitor available in the market. What type of price elasticity of demand will this shoe seller face? [1]
 - a. Perfectly elastic demand
 - b. Perfectly inelastic demand
 - c. Elastic demand
 - d. Inelastic demand
9. What will be the impact of recently launched 'Clean India Mission' (Swachh Bharat Mission) on the Production Possibilities curve of the economy and why? [3]

OR

What will likely be the impact of large-scale outflow of foreign capital on Production Possibilities curve of the economy and why?

10. A consumer spends ₹ 1000 on a good priced at ₹ 8 per unit. When price rises by 25 percent, the consumer continues to spend ₹ 1000 on the good. Calculate price elasticity of demand by the percentage method. [3]
11. Distinguish between contraction of demand and decrease in demand. [4]
12. What is the relationship between price of shoe and the quantity demanded of socks? Explain with the help of a schedule and diagram [4]
13. A consumer consumes only two goods X and Y both priced at ₹ 3 per unit. If the consumer chooses a combination of these goods with the marginal rate of substitution equal to 3, is the consumer in equilibrium? Give reasons for your answer. What will a rational consumer do in this situation? Explain. [4]

OR

A consumer consumes only two goods X and Y whose price are ₹ 4 and ₹ 5 per unit respectively. If the consumer chooses a combination of the two goods with marginal utility equal to 5 and that of Y equal to 4, is the consumer in equilibrium? Give reasons for your answer. What will a rational consumer do in this situation? Use utility analysis.

14. "There an inverse relationship between price and quantity demanded of a commodity." Explain the [4]

reasons for the inverse relationship between demand for a good and the price of it.

15. Define price elasticity of demand. Explain the factors affecting the elasticity of demand. [6]

OR

Explain with diagram, the relationship between TU and MU.

16. A. What is economic problem? Explain three factors that lead to an economic problem. [6]
B. Give reasons for the following:
1. An indifference curve always slopes downwards from left to right.
2. Demand for salt is highly inelastic.

SECTION B: STATISTICS FOR ECONOMICS

Read the following passage and answer Questions 17-18 on the basis of the same.

Statistics are an important part of our lives. Often, we rely on announcements from certain agencies or departments to send out reports regarding information on natural calamities. Earthquake, weather, and volcanic predictions are all calculated through a series of statistical methods. Without records and formulas, we will be unable to predict when the latest storm is coming. We won't be able to make the necessary precautions when an earthquake strikes. Statistics, in this sense, gives us a heads up so we can prepare better in case of emergencies. Certain drugs and other types of medication are carefully formulated through data produced by a chemist with the use of chemistry and statistics. Statistics makes sure all substances have the correct measurements and also calculates how likely people can be cured by a certain prescription. Without Statistics, we may not be able to enjoy sports as much as we wouldn't be able to keep track of scores and team standings. Winners won't be determined as there will be a system to identify progress in games. In the world of sports, statistics is the main tool used to measure an athlete's level of skill and tendency. A company makes thousands of products every day and make sure that they sold the best quality items. For a company it is not possible to test each product. The company uses quality test with help of statistics.

17. Which of the following facts is Statistics? (Choose the correct alternative) [1]
a. John secured 1st position in Olympiads in 1995.
b. John secured 2nd position in Olympiads in 2000.
c. John secured 1st position in Olympiads in 1995 while he secured 2nd position in 2000.
d. None of the above
18. Which of the following statement is true? (Choose the correct alternative) [1]
a. Statistics always presents facts in numbers.
b. Statistics make the complexities simple.
c. Statistics shows data in a precise manner.
d. All of the above

25. Calculate the missing frequency from the following data, when the mean is 33. [3]

X	5	15	25	35	45	55
F	5	10	25	30	?	10

26. From the given table make "less than" and "more than" cumulative frequency distribution. [3]

Marks scored in Economics	0-5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30
Number of students	2	5	7	6	3	2

OR

30 families in an area spend the following monthly income on food.

115	159	156	209	212	223	256	271	310	129	335	169	184	234	245
241	265	144	135	172	173	229	220	238	278	243	220	238	238	298

A. Prepare a frequency distribution for the following data.

B. Find the number of families whose monthly expenditure on food is

a. Less than ₹ 250 b. More than ₹ 300 c. Between ₹ 200 and ₹ 300

27. Name the method of primary data collection which is commonly used by committees and commissions appointed by the Government for primary data collection. Explain any three merits and demerits of this method of collection of data. [4]

OR

This organisation functioning under the Ministry of Statistics, Government of India collects statistical data relating to several economic activities in rural and urban areas through sample surveys. Identify the organisation and explain three important functions of this organization.

28. Differentiate between [4]

A. Census method and sample method of statistical enquiry

B. Primary data and Secondary data

29. Define statistics. Explain the important limitations of statistics [4]

30. A. A company has 800 managers. The mean salary paid to them is 3850. Later on, it was found that the salary of two managers was wrongly taken as 2870 and 3645 instead of 2780 and 3654. Find the corrected mean. [6]

B. The mean marks of 100 students of combined section A and B are 38 marks. If the mean marks of section A are 40 and that of section B are 35. Find out the number of students in section A and B.

31. Define sampling method of collection of data. Explain the various methods of sampling. [6]

OR

Differentiate between

A. Primary data and secondary data

B. Chronological classification and geographical classification