INDIAN SCHOOL SOHAR
FINAL EXAMINATION (2024 – 2025)
ECONOMICS (030)

CLASS: - XI **MAX MARKS: - 80**
DATE: 28/02/2025 **TIME: 3 HOURS**

General Instructions:

Read the following instructions very carefully and follow them strictly:

1. This question paper comprises two sections **A** and **B**.
2. All questions are **compulsory**. Marks are indicated against each question.
3. Both sections have four questions of one mark each as Case-Based Questions (CBQs).
4. 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.
5. 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.
6. 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.
7. 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.
8. There is no overall choice. However, an internal choice has been provided with **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 must be attempted.

SECTION A: STATISTICS FOR ECONOMICS

1. From the following data, how much percent of people earn more than ₹ 1499. [1]

Income in ₹	No. of persons
500 – 999	15
1000 – 1499	28
1500 - 1999	36
2000 - 2499	7

Alternatives:

A. 50 % B. 45 %

C. 40 % D. 60 %

2. Read the following statements carefully and choose the correct alternative. [1]

1. Median can be derived graphically by histogram.
2. Median can be derived graphically by less than ogive.
3. Median can be derived graphically by frequency polygon.
4. Median can be derived graphically by both the ogive.

Alternatives:

A. 1 and 2 are correct B. 2 and 4 are correct

C. 2 and 3 are correct D. 1 and 4 are correct

3. If you must study the opinion of students about the new Economics textbook of class XI, what would be your population and sample? [1]

A. Population = number of students studying Economics in class XI and sample = number of students not studying Economics in class XI.

B. Population = number of students studying in class XI and sample = number of students selected to give their opinion about the textbook.

C. sample = number of students studying economics in class XI and population = number of students selected to give their opinion about the textbook.

D. Population = number of students studying economics in class XI and sample = number of students selected to give their opinion about the textbook.

4. **Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative.** [1]

Assertion(A): A pie diagram is also a component diagram; here it is a circle whose area is proportionally divided among the components.

Reason (R): The circle is divided into as many parts as there are components by drawing straight lines from the center to the circumference.

Alternatives:

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.

5. Match the statements given under column I with the correct option given under Column II. [1]

Column I	**Column II**
a. Direct personal investigation	I. Local agents are appointed and trained to collect information from respondents.
b. Information from correspondents	II. An investigation approaches third parties who are in possession of information about the subject of enquiry.
c. Mailed questionnaire method	III. The investigator collects data by having direct contact with the informant and conducts on the spot enquiry.
d. Indirect oral investigation	IV. Investigator makes a questionnaire and sends it to the respondents along with a covering letter.

Alternatives:

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

6. **Read the following statements carefully and choose the correct alternatives given below:** [1]

Statement 1 – Technique which gives every item of the universe an equal chance of being selected is. called Non-random sampling.

Statement 2 – The most complete and continuous demographic record of population is provided by. 'National Sample Survey Organisation.'

Alternatives:

A. Statement 2 is true, and Statement 1 is false.
B. Both statement1 and 2 are true.
C. Statement 1 is true, and Statement 2 is false.
D. Both statements 1 and 2 are false.

7. Census of India depicting growth rate of population in India is an example of [1]

A. Quantitative classification
B. Spatial classification
C. Chronological classification
D. Quantitative classification

OR

Changes in two variables, if exactly proportional and in opposite direction are expressed as

A. Perfect correlation
B. Perfectly negative correlation
C. Perfectly positive correlation
D. Zero correlation

8. Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative. [1]

Assertion (A): The purpose of the sample is to get one or more estimates of the population parameters.

Reason (R): A good sample (representative sample) is smaller than the population and can provide reasonably accurate information about the population at a much lower cost and shorter time.

A. Both Assertion (A) and Reason (R) are true, but 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.

9. Match the correct item in Column A with the items in column B. [1]

Column A	Column B
a) Histogram	i. Drawn by using frequency
b) Pie chart	ii. Drawn by using class interval
c) Frequency curve	iii. Straight line curve
d) Bar graph	iv. Drawn by joining mid points

Alternatives:

A. a) - i
B. b) - ii

C. c) – iii D. d) - iv

OR

A frequency polygon is obtained by __________________.

A. Construction a frequency histogram
B. Constructing a cumulative frequency histogram
C. Linking mid points from a frequency histogram
D. Using a line graph

10. When does an economist, with the help of statistics, find out what happens to the demand for a commodity when its price increases or decreases? This is an example of which function of statistics? [1]

A. Condensing mass data into a few numerical measures.
B. Predicting future outcome
C. Study about the relationships between different economic factors
D. Presentation of economic facts in a precis definite form.

11. Construct a bivariate frequency table using the data of daily income (X) and percentage expenditure on food (Y) of 25 families. [3]

Daily income (in ₹) (X)	% expenditure (Y)	Daily income (in ₹) (X)	% expenditure (Y)
550	12	555	15
623	14	325	23
310	18	202	29
420	16	255	27
600	15	689	11
225	25	492	18
310	26	587	21
640	20	643	19
600	15	492	18
512	18	523	12
690	12	317	18
300	25	384	17
425	16	400	19
680	13		

12. "The Government and policy makers use statistical data to formulate suitable policies of economic development." Explain the statement. Justify the statement with the help of examples. [3]

OR

Unpublished data or literature is known as grey literature in research. The term 'grey literature' also includes data published in a non-commercial form, such as a conference proceeding. These data are collected by government organizations and others, for their self-use or office record. Unpublished data is useful in secondary research, such as literature reviews and systematic reviews. It provides pointers to new research and research paths to avoid. Preprints are a growing form of unpublished data these days and have proved extremely useful in guiding research in critical areas such as COVID- 19 Published sources of secondary data are government publications, semi-government publications, publications of research institutions, international publications etc.

Based on the extract explains the precautions that must be followed while using secondary data.

13. Draw a percentage bar diagram for the following information. [4]

Year	No. of students			
	Fine arts	Science	Commerce	Humanities
2013 – 2014	400	800	500	300
2014 – 2015	400	1200	800	400
2015 – 2016	300	1500	1000	500

OR

Draw a pie diagram to represent the following medium of transport in a town.

Medium of transport	Private vehicles	Taxi	Buses	Auto rickshaw
Number of vehicles	4200	2000	1800	2000

14. Calculate the coefficient of correlation of the heights of a sample of 10 fathers and their eldest sons. [4]

Height of father (in cm)	170	167	162	163	167	166	171	164	165	169
Height of son (in cm)	168	167	166	166	168	165	170	165	168	168

15. Represent the given data in a tabular form. [4]

In 2017, out of 4750 workers in a factory, 3900 were members of a trade union. The number of women employed was 1200, out of which 750 did not belong to a trade union. In 2018, the number of trade union workers increased to 4480 of which 3290 were men. The number of non-union workers increased to 1200 of which 780 were men. In 2019, there were 9800 workers who belonged to a trade union and 500 who did not belong to a trade union. Of all the employees in 2019, 2300 were women of whom only 200 did not belong to a trade union.

16. Calculate mean, median and mode for the following data. [6]

Marks (less than)	10	20	30	40	50	60	70	80	90
No. of students	5	15	98	242	367	405	425	438	439

17. Construct the index number of prices of the items using weighted aggregative method. [6]

Articles	2011 – 2012 [Base year]		2019 - 2020 [current year]	
	Price (₹)	Total expenditure	Price (₹)	Total expenditure
A	2	200	3	300
B	8	72	10	100

C	12	60	15	90
D	7	49	10	80

OR

Calculate cost of living index for the data using aggregate expenditure and family budget methods.

Commodity	Price (in ₹)		Quantity in units
	2011	2019	2011
A	10	15	15
B	8	12	20
C	20	24	10
D	32	40	5
E	15	20	6
F	12	18	2
G	8	10	1

SECTION B: INTRODUCTORY MICROECONOMICS

18. Assume that a PPC for butter and gun is drawn so that a straight line is drawn. It means. [1]
   - A. less and less units of butter are sacrificed to gain an additional unit of gun.
   - B. The same units of butter are sacrificed to gain an additional unit of guns.
   - C. No units of butter are sacrificed to gain an additional unit of guns.
   - D. more units of butter are sacrificed to gain an additional unit of gun

19. Firm under perfect competition faces a _______ demand curve. [1]
   - A. Highly elastic
   - B. Perfectly inelastic
   - C. Unitary elastic
   - D. Perfectly elastic

20. Read the following statement given below and choose the correct alternative. [1]

   Statement 1- TFC curve is a horizontal straight line parallel to X-Axis.

   Statement 2- Normal profit is the minimum reward that is just sufficient to keep the entrepreneurs supplying his factor services.

   Alternatives:
   - A. Statement 1 is correct and statement 2 is incorrect
   - B. Both statements 1 and 2 are correct
   - C. Statement 1 is incorrect and statement 2 is correct
   - D. Both statements 1 and 2 are incorrect

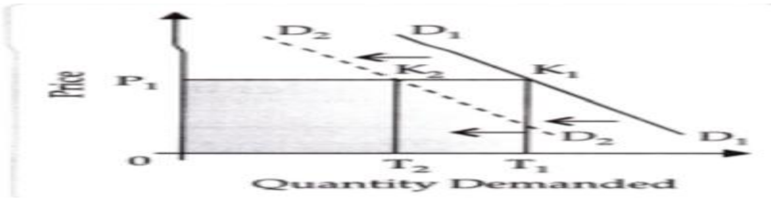
21. **Read the following statements carefully and choose the correct alternative.** [1]

   Statement 1: A perfectly elastic demand curve has an elasticity of zero.

   Statement 2: When demand is elastic and price is raised, total revenue will fall.
   - A. Statement 1 is true, and Statement 2 is false.
   - B. Both statements 1 and 2 are true.
   - C. Statement 2 is true, and Statement 1 is false.
   - D. Both statement 1 and 2 are false.

OR

Study the following curve. The above curve is associated with which of the following situation?



A. Increase in price of complementary goods
B. Decrease in price of complementary goods
C. Increase in price of substitute goods
D. Increase in price of normal goods

22. As output rises: [1]

A. AVC and AC curves move away from each other.
B. AVC and AC curves meet after some time
C. AVC and AC curves come closer to each other
D. AVC and AC curves come closer to each other and do not meet each other

23. During 2018-2019 we saw significant increases in the manufacturing of cars in India. During the same time, we also observed significant rises in the demand for cars. We know that during that time both price and the level of car trade increased. Based on that information, what happened in the market? [1]

A. The rise in supply was more than the rise in demand.
B. The rise in demand was perfectly matched by a rise in the supply.
C. The rise in demand was more than the rise in supply.
D. The fall in demand was more than the rise in supply.

24. Which of the following is an example of "Implicit cost"? [1]

A. Interest that could be earned on retained earnings used by the firm to finance expansion
B. Interest payment made by the firm for funds borrowed from a bank
C. Payment of wages by the firm
D. Payment of rent by the firm

OR

Average Production (AP) in short run can have ………………

A. Positive values only
B. Negative values only
C. Both positive and negative values
D. Neither positive nor negative values

25. **Read the statements carefully and choose the correct alternative among those given below:** [1]

Statement 1: Supply function refers to the functional relationship between supply of a commodity and its determining factors.

Statement 2: The supply function is used to measure price elasticity demand for goods and services.

Alternatives:

A. Statement 1 is true, and Statement 2 is false.
B. Both statements 1 and 2 are true.
C. Statement 2 is true, and Statement 1 is false.
D. Both statement 1 and 2 are false.

26. **Read the following statements: Assertion (A) and Reason (R). Choose the correct alternative.** [1]

Assertion (A): Economics is the study of the management of human resources in the presence of scarcity of resources.

Reason (R): Resources are not scarce always but they are scarce in relation to human wants.

Alternatives:

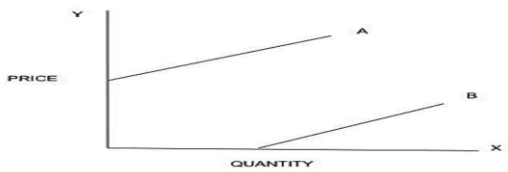
A. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

B. Both Assertion (A) and Reason (R) are true, and 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.

27. Identify the elasticity of supply of curve A and B from the following diagram: [1]



A. A (Es > 1), B (Es < 1)

B. A (Es < 1), B (Es > 1)

C. A (Es > 1), B (Es > 1)

D. A (Es < 1), B (Es < 1)

OR

The consumer is in equilibrium and consumes commodity X only. The marginal utility for the last unit consumed of commodity X is 50 utils and MU_M= 10. Find the price of commodity X.

A. ₹ 5

B. ₹ 40

C. ₹ 10

D. ₹ 4

28. **Read the following passage carefully and answer the following questions.** [3]

According to a report by the Commission for Agricultural Costs and Prices (CACP) in 2024-25, the Minimum Support Price (MSP) for wheat is set at ₹2,275 per quintal, while the market equilibrium price fluctuated around ₹1900-2000 per quintal due to domestic demand and production levels. This price floor for wheat is to safeguard farmers from unpredictable market forces and ensure they receive a profitable return on their product above the cost. The aim of MSP at stabilizing farmers' income and Ensuring food security benefits farmers by providing income security, especially during years of poor harvests or global price declines. By guaranteeing a minimum price, the government incentivized wheat production, which helped ensure the country's food security. Floor price also poses challenges like surplus production, market distortions, and resource misallocation. Policymakers must consider these factors and implement complementary measures, such as promoting crop diversification and efficient storage solutions, to address the unintended consequences of price floors.

A. Define price floor. Draw diagram.

B. What are the common purposes for the price floor is set by the government.

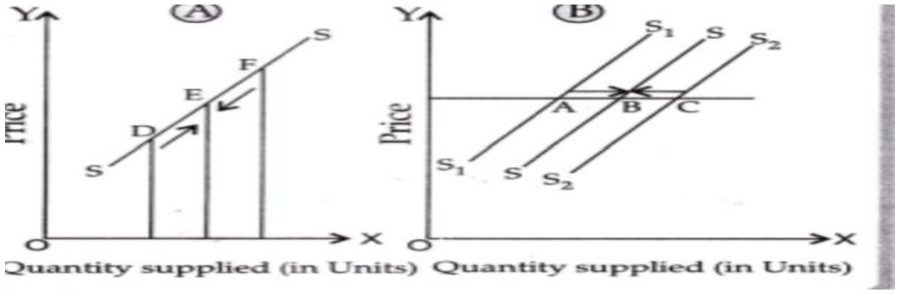
C. Explain any one consequence of this nature of intervention by the government.

29. What is the Average Fixed Cost of a firm? Why is an Average Fixed Cost Curve a rectangular hyperbola? Explain with help of a diagram. [3]

OR

Define perfect competition. Why will a firm under perfect competition not lower its price to increase the sales.

30. There are two diagrams given below concerned with the producer's behavior. Identify the nature of supply in diagrams? Differentiate between the identified concepts. [4]



31. Complete the following table: [4]

Output	TC	AVC	MC	AFC
0	30	----	----	----
1	---	----	25	30
2	78	----	----	----
3	---	23	----	10
4	---	----	23	----
5	150	----	----	6

32. By using the Marginal revenue and Marginal cost approach, find the level of output at which the producer is in equilibrium. The price of the commodity is ₹ 20. Give reasons for your answer. Draw a diagram to show the producer's equilibrium. Also calculate profit. [4]

Output (in units	1	2	3	4	5	6	7
Total Cost (in ₹)	26	45	60	76	94	114	142

OR

A consumer consumes only two goods X and Y. His income is ₹ 24, and the price of the goods X and Y are ₹ 4 and ₹ 2, respectively. Answer the following questions.

A. What is the equation of the budget line and its slope?

B. How does the budget line change if the consumer's income increases to ₹ 48 but the price does not change?

C. How does the budget line change if the price of good X falls by ₹ 1 but the price of good Y and income of the consumer remains unchanged?

D. How much good X can the consumer have by spending his entire income on that good?

33. **Read the following extract carefully and answer the questions given below:** [6]

Short-run production is the process of utilizing one or more inputs to produce output over a period where at least one input is fixed. Companies usually have several input factors that they use to produce their output. These input factors can include things such as land, labor, capital, and raw materials. Typically, the main inputs in short-run production are capital and labor. Some input factors are fixed inputs, which means they do not change during production. Meanwhile, other inputs are variable inputs that can be changed. For example, large machines and buildings are usually considered fixed inputs, while the number of workers hired is usually considered a variable input. Within the context of short-run production, at least one of the inputs must be fixed while the other inputs are variable. Short-run production can be related to a company's current contracts, a production that a company can complete given certain variable inputs, or a company can do without capital upgrades to its fixed inputs, such as factories.

A. Define production function.

B. State the law of variable proportion. Explain the behavior of Total product and Marginal Product in the different stages of production with the help of a diagram

34. A. When the price of a good is ₹ 7 per unit, a consumer buys 12 units. When the price falls to ₹ 6 per unit, he spends ₹ 72 on the good. Calculate Price Elasticity of Demand by using percentage method. Comment on the likely shape of demand curve based on this measure of elasticity. [6]

B. “There an inverse relationship between price and quantity demanded of a commodity.” Explain any four reasons for the inverse relationship between demand for a good and the price of it.

OR

A. A consumer consumes only two goods, X and Y, whose prices are ₹ 2 and ₹ 1 per unit, respectively. If the consumer chooses a combination of the two goods with marginal utility of X being 4 and that of Y also being 4, is the consumer in equilibrium? Give reasons. Explain what a rational consumer will do in this situation. Use marginal utility analysis.

B. What is the economic problem? Explain three factors that lead to an economic problem.