

Yearly Examination, 2020-21

Economics

Grade: 11

Time: 3 hrs.

Date: 14.02.2021

Max. Marks:80

General Instructions

- i. All questions in both the sections are compulsory.
- ii. Marks for questions are indicated against each question.
- iii. Question Nos. **1-10** and **18-27** are very short-answer and MCQ type carrying **1 mark each**. They are required to be answered in one sentence or one word each.
- iv. Question Nos. **11-12** and **28-29** are short-answer questions carrying **3 marks each**. Answer to them should normally not exceed 60-70 words each.
- v. Question Nos. **13-15** and **30-32** are also short-answer questions carrying **4 marks each**. Answer to them should normally not exceed 80-100 words each.
- vi. Question Nos. **16-17** and **33-34** are long-answer questions carrying **6 marks each**. Answer to them should normally not exceed 120-150 words each.
- vii. Answer should be brief and to the point and the above word limits should be adhered to as far as possible.

SECTION A

1. Which of the following is an economic activity? (1)
(a) production (b) consumption (c) distribution (d) all of these

OR

Define statistics as a singular noun.

2. The aggregate of data is called _____. (1)
(a) statistics (b) editing of data
(c) analysis of data (d) collection of data
3. Which of the following is a source of secondary data? (1)
(a) Government publication (b) Private publication
(c) Report published by State Bank of India (d) All of these
4. Under random sampling each item of the universe has _____ chance of being selected. (1)
(a) equal (b) unequal
(b) zero (d) none of these
5. Identify which of the following statements is true. (Choose the correct alternative) (1)
(a) Bivariate Frequency distribution is a statistical series data with three variables.
(b) Raw data are collected by investigator during the investigation.
(c) Cumulative frequency is the frequency of a class.
(d) In an inclusive series the upper limit of one class is the lower limit of the next class

6. From the statements given in Column I and Column II choose the correct pair of statement: (1)

Column I	Column II
(A) Bar Diagram	Geometric data presentation
(B) Pie Diagram	Frequency diagram
(C) Histogram	Discrete series presentation
(D) Ogives	Arithmetic line graph

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

Read the following extract and answer Questions 7-10 on the basis of the same:

Studying statistics as a singular noun implies the knowledge of various stages of statistical study. Obviously at the first stage we collect data. Second we organize the data in some systematic order. Third we present data in the form of graphs, diagrams, tables. Fourth we analyze the data in terms of averages. Fifth we interpret the data to find certain conclusions. Interpretation is done in terms of the magnitude of averages, percentages or coefficients of correlation between economic variables. Index number is a statistical device to measure relative or percentage changes in the variables over time.

7. Which is the initial stage in the statistical study? (1)
- (a) collection of data (b) organization of data
(c) analysis of data (c) interpretation of data
8. Correlation between two economic variables: price and demand are _____. (1)
- (a) definite (b) neutral (c) positive (d) negative
9. Coefficient of variation is the interpretation of data by percentage expression of _____. (1)
- (a) mean deviation (b) quartile deviation
(c) standard deviation (d) none of these
10. Index numbers used for interpretation of data are not the _____ statements. (1)
- (a) qualitative (b) quantitative (c) weekly (d) current
11. State, with valid reasons, which of the following statements are true or false: (3)
- a. In case of discrete variable data are expressed in fractions.
b. In an inclusive series, the upper limit of one class interval is the lower limit of the next class.

12. State, giving valid reasons, whether the following statements are true or false: (3)
- While constructing an index number, base year or reference year should be a normal year without much ups and downs.
 - Consumer price index is constructed for measuring the effect of average changes in wholesale prices on consumers living in different places.

OR

Discuss the difference between consumer price index and wholesale price index.

13. a. Define frequency polygon. (4)
- b. Represent the following data using a subdivided bar diagram.
The following table shows the monthly expenditure of different families on different items.

Items of expenditure	Education	Clothing	Food	Rent	Others	Total Expenditures
Family A	1500	1000	1250	750	500	5000
Family B	1700	850	1200	850	600	5200
Family C	1600	700	1500	800	600	5200

14. Wage rate of 19 workers are given below: Calculate mean using short cut method. [Assumed Average =30] (4)

Wages	10	20	30	40	50
No. of workers	4	5	3	2	5

OR

Calculate median of the following series:

Wages	0-10	10-20	20-30	30-40	40-50	50-60	60-70	70-80
No. of workers	15	20	25	24	12	31	71	52

15. Calculate the mode from the following data:

Wages	0-5	5-10	10-15	15-20	20-25	25-30	30-35
No. of workers	3	7	15	30	20	10	5

16. Why should we measure dispersion about some particular value? (6)
- A batsman is to be selected for a cricket team. The choice is between X & Y on the basis of their five scores which are:

X	25	85	40	80	120
Y	50	70	65	45	80

Which batsman should be selected if we want,

- (i) a higher run getter, or
- (ii) a more reliable batsman in the team? [use standard deviation method]

17. What is meant by correlation? Explain the types of correlation with example. Discuss the degrees of correlation. (6)

OR

Calculate the coefficient of correlation between the age of husbands and wives. Use Karl Pearson method.

Age of husband	21	22	28	32	35	36
Age of wife	18	20	25	30	31	32

SECTION B

18. Economic problem arises due to _____.

- (a) limited wants
- (b) scarce means
- (b) alternative uses
- (d) both (b) & (c)

19. The problem of 'what to produce' relates to _____.

- (a) the choice of techniques
- (b) distribution of income
- (c) market value of goods & services
- (d) the choice of goods & services

20. Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below: (1)

Assertion (A) : Farmers should always be granted subsidies to ensure good returns on their investment.

Reason (R) : It is normative economics because this is a type of economic issue which is suggestive in nature and are not verifiable.

Alternatives:

- a. Assertion and reason both are correct statements and reason is correct explanation for assertion.
- b. Assertion and reason both are correct statements but reason is not correct explanation for assertion.
- c. Assertion is correct statement but reason is wrong statement.
- d. Assertion is wrong statement but reason is correct statement

OR

Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

Assertion (A): In centrally planned economies, the central problems of how, what and for whom to produce are solved by the central authority appointed by government

Reason (R): So, India being a centrally planned economy, railways are the monopoly of the government.

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.

21. Read the following statements - Assertion (A) and Reason (R). Choose one of the correct alternatives given below: (1)

Assertion (A): Law of variable proportion states that as more and more of the variable factor is combined with the fixed factor, marginal product of the variable factor may initially increase but later decrease..

Reason (R): This is false because Law of variable proportion operates basically because all factors of production are variable.

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

22. From the set of particulars given in column I and corresponding relevant fact given in column II, choose the correct pair of statement

	Column I		Column II
A	Micro economics	i.	Theory of Price
B	Macro economics	ii.	Opinions of the economists
C	Normative economics	iii.	Facts and figures are verifiable
D	Positive economics	iv.	Theory of Income & Employment

Alternatives:

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

23. In which kind of market, a firm is a price taker?

- (a) Perfect competition (b) Monopoly (c) Oligopoly (d) Monopsony

Read, the following hypothetical Case Study, carefully and answer the question numbers 24 - 27 on the base of the same.

In order to produce output a firm needs inputs. Land, labor and capital are the common inputs or factors for the production of goods and services. A firm needs nonfactor inputs also like raw materials to produce goods. Production function shows the functional relation between factor inputs and factor output. Consumption of goods and services leads to satisfaction of human wants. Market is a mechanism or an arrangement that facilitates the sale and purchase of goods and services. Some markets discriminate the price by charging different prices from different buyers for same good. Perfectly competitive market produces homogenous products at a given price unlike the monopoly or monopolistic market. An individual buyer has no control over price.

24. Inputs used for the production of goods and services are called _____. (1)
(a) Substitute goods (b) Complementary goods
(c) Factors of production (d) Inferior goods
25. The practice of charging different prices from different buyers for same good is (1)
(a) Price skimming (b) Price penetration
(c) Price discrimination (d) Price diversification
26. Identify the market which produces goods at the given price level in market? (1)
(a) Perfect Competition (b) Monopoly
(c) Oligopoly (d) Monopolistic competition
27. _____ function shows the functional relation between factor inputs and factor output. (1)
(a) production (b) distribution (c) consumption (d) cost
28. When the price of a good is Rs 5, the consumer buys 20 units of that good. When price changes to Rs 7, the quantity purchased changes to 12 units. Calculate the price elasticity of demand, using percentage change method. (3)

OR

A consumer's budget is Rs 40. He is buying Good 1 and Good 2. Price of Good 1 is 8 per unit, and of Good 2 is Rs 10 per unit. Form the equation of budget line and find the quantity of Good 1 & 2 that a consumer can purchase.

29. State any three features of perfect competition type of market. (3)
30. What is law of demand? How do we distinguish between substitute good and complementary good with examples? (4)
31. Explain any two causes of decrease in supply of a commodity. (4)

OR

Diagrammatically explain the relationship between Total Cost, Total Fixed Cost & Total Variable Cost.

32. Discuss with the help of a diagram how government intervention in the commodity market through price floor and price ceiling impacts the market. (4)
33. With the help of a diagram explain the Law of variable proportion. (6)

OR

With the help of appropriate diagrams show how shifts and movements in demand curve occur.

34. The following table shows the total cost schedule of a competitive firm. It is given that the price of a good is Rs 10. (6)
- Calculate the profit at each output level.
 - Find the profit maximizing level of output.
 - Define normal profit.

Quantity sold	0	1	2	3	4	5	6	7	8	9	10
TC[Rs]	5	15	22	27	31	38	49	63	81	101	123
