



Class : XI

SECOND TERM EXAMINATION

Time Allowed:3 Hrs.

06-12-2017

SUBJECT: ECONOMICS

Max. Marks:80

Sub. Code: 030

EXPECTED VALUE POINTS AND SCHEME OF EVALUATION

Section A: Statistics for Economics

1. What is a pilot survey? 1
ANS: Pilot survey is a pre-testing a survey on a small scale before starting the main survey.
2. When the collected data is grouped as per time such as years, months, weeks, etc., it is known as : 1
(Choose the correct alternative)
a) Geographical classification
b) Qualitative classification
c) Chronological classification
d) None
ANS: (C) Chronological classification
3. Define arithmetic mean. 1
ANS: Arithmetic mean is the average obtained by dividing the sum of all the observations by the total number of observations.
4. Median can be determined graphically through: (Choose the correct alternative) 1
a) Ogives
b) Frequency polygon
c) Histogram
d) Frequency polygon
ANS: (A) Ogives
5. Define statistics in its singular and plural sense. What are qualitative facts? 3
ANS:
 - In singular sense it means the 'science of collecting, classifying and using statistics' or a 'statistical fact'.
 - In the plural sense, 'statistics' means 'numerical facts systematically collected'
 - Qualitative data are information that describes attributes of a single person or a group that cannot be measured in quantitative terms. E.g. gender, nationality of a person.

OR

Briefly explain the role of statistics in economics

ANS:

- a) It enables an economist to present economic facts in a precise and definite form that helps in proper comprehension of what is stated.
- b) Statistics also helps in condensing the mass of data into a few numerical measures (such as mean, variance etc.) These numerical measures help summarise data.
- c) Statistics is used in finding relationships between different economic factors. An economist may be interested in finding out what happens to the demand for a commodity when its price increases or decreases
- d) An economist might be interested in predicting the changes in one economic factor due to the changes in another factor Such an exercise cannot be undertaken without the knowledge of Statistics.

6. Calculate average marks of students from the following data by assumed mean method.

3

Marks (x):	10	20	30	40	50
No. of students (f):	5	10	40	20	25

ANS:

Marks (x):	No. of students(f):	dx (X - A) (A=30)	fdx
10	5	(-) 2	- 100
20	10	(-) 10	- 100
<u>30</u>	40	0	0
40	20	10	200
50	25	20	500
	$\Sigma f = 100$		$\Sigma fdx = 500$

$$\bar{X} = A + \frac{\Sigma fdx}{\Sigma f} = 30 + \frac{500}{100} = 30 + 5$$

$$\bar{X} = 35$$

7. Prepare a frequency distribution of 'exclusive type' with a class interval of 5 from the following data.

4

31	23	19	29	22	20	16	10	13	14
38	33	28	21	15	18	36	24	18	15

ANS:

Number of Observations = 20

Smallest observation = 10

Largest observation = 38

Number	Tally	Frequency (f)
10 - 15		3
15 - 20		6
20 - 25		5
25 - 30		2
30 - 35		2
35 - 40		2
		$\Sigma f = 20$

OR

Prepare a frequency distribution of 'inclusive type' with a class interval of 5 from the following data.

12	30	27	23	20	17	14	32	26	25
38	29	24	19	36	11	22	15	17	10

ANS:

Number of Observations = 20

Smallest observation = 10

Largest observation = 38

Number	Tally	Frequency (f)
10 - 14		4
15 - 19		4
20 - 24		4
25 - 29		4
30 - 34		2
35 - 39		2
		$\Sigma f = 20$

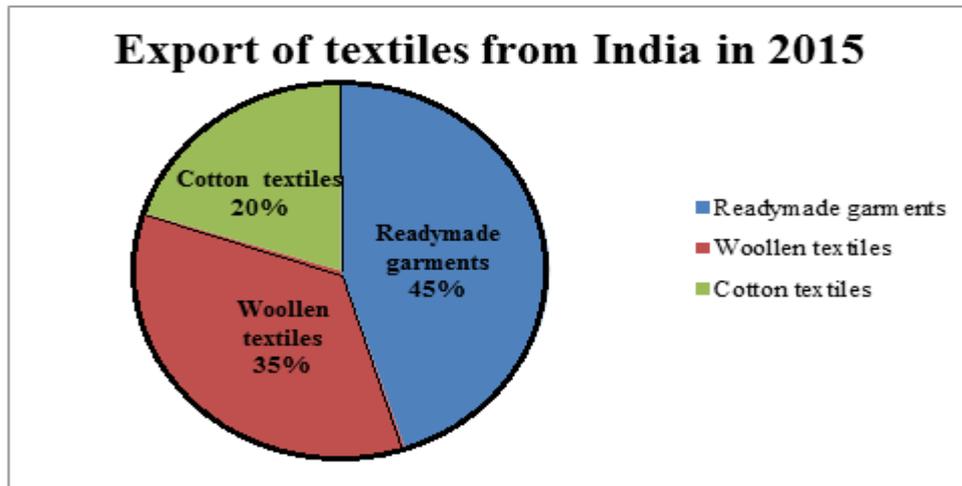
8. Prepare a pie diagram from the following data relating to export of textiles from India in 2015

4

Item of export	Percentage of export
Readymade garments	45
Cotton textiles	20
Woollen textiles	35
Total	100

ANS:

Item of export	Percentage of export	Degree on Pie chart
Readymade garments	45	$\frac{45}{100} \times 360 = 162^\circ$
Cotton textiles	20	$\frac{20}{100} \times 360 = 72^\circ$
Woollen textiles	35	$\frac{35}{100} \times 360 = 126^\circ$
Total	100	



9. Determine the first and third quartile from the following data.

4

Marks	10	20	30	40	50	60
No. of students	3	10	15	12	7	3

ANS:

Marks	10	20	30	40	50	60
No. of students	3	10	15	12	7	3
Cf.	3	13	28	40	47	50

$N = 50$

$$Q_1 = \left(\frac{N+1}{4}\right) \text{th Term} = Q_1 = \left(\frac{50+1}{4}\right) \text{th Term} = 12.75 \text{th Term}$$

12.5th term lies between cf. 3 and cf. 13

Size of cf. 13 = 20

$Q_1 = 20$

$$Q_3 = 3 \left(\frac{N+1}{4}\right) \text{th Term} \quad Q_3 = 3 \left(\frac{50+1}{4}\right) \text{th Term} = 3 \times 12.75 \text{th Term}$$

$$= 38.25 \text{th term}$$

38.25th term lies between cf. 28 and cf. 40

Size of cf. 40 = 40

Q3= 40

10. Briefly explain the different methods of collecting primary data. Which of the methods has the following advantages and why? 6
- Better for using open ended questions
 - Only method to reach remote areas
 - Researcher can assist the respondent by clarifying the questions

ANS:

Personal Interviews: The researcher (or investigator) conducts face to face interviews with the respondents. Personal contact is made between the respondent and the interviewer.

Mailing Questionnaire: When the data in a survey are collected by mail, the questionnaire is sent to each individual by mail with a request to complete and return it by a given date.

Telephone Interviews: In a telephone interview, the investigator asks questions over the telephone.

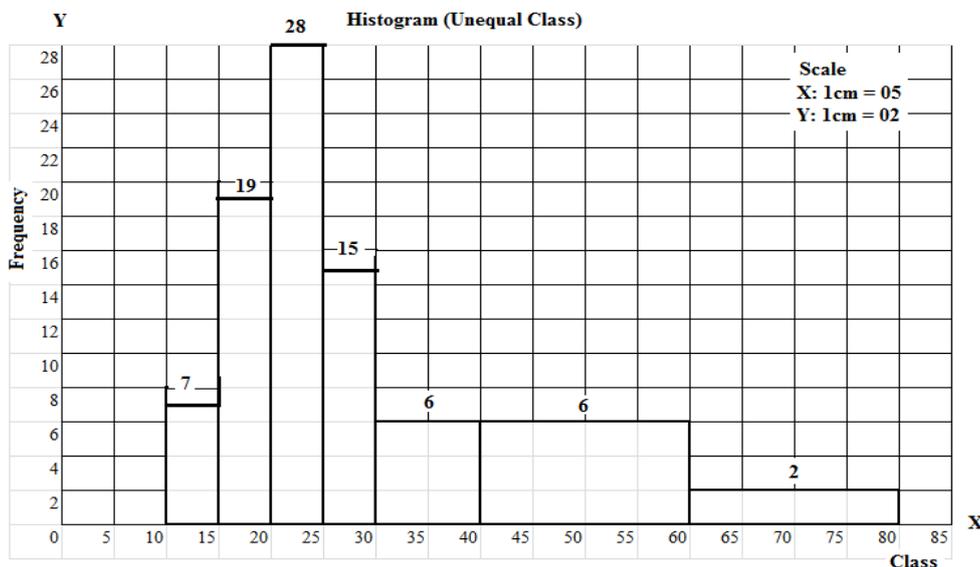
- Better for using open ended questions: Personal interview**
- Only method to reach remote areas: Mailing questionnaire**
- Researcher can assist the respondent by clarifying the questions: Telephone interview**

11. What is a histogram? Represent the following data on a histogram. 6

Class	10 – 15	15 – 20	20 – 25	25 – 30	30 – 40	40 – 60	60 – 80
Frequency	7	19	28	15	12	12	8

ANS: A histogram is a two dimensional diagram. It is a set of rectangles with base as the intervals between class boundaries and height area proportional to the class frequency.

Class	10 – 15	15 – 20	20 – 25	25 – 30	30 – 40	40 – 60	60 – 80
Frequency	7	19	28	15	12	12	8
Adjusted Frequency	7	19	28	15	$\frac{5 \times 12}{10} = 6$	$\frac{5 \times 12}{10} = 6$	$\frac{5 \times 8}{20} = 2$



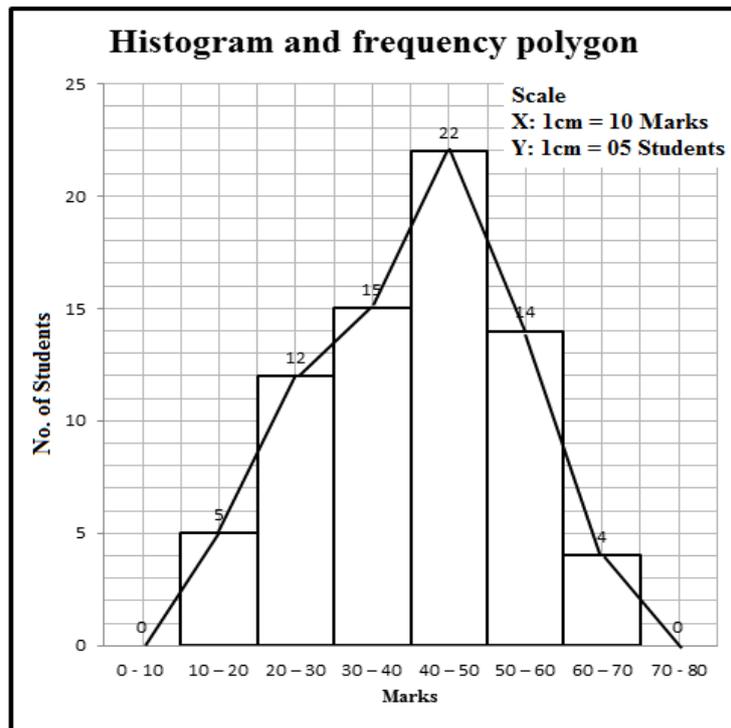
OR

What is a frequency polygon? Represent the following data on a histogram and also draw the frequency polygon.

Marks	10 – 20	20 – 30	30 – 40	40 – 50	50 – 60	60 – 70
No. of students	5	12	15	22	14	4

ANS: Frequency polygon is an alternative to histogram and is also derived from histogram itself. The simplest method of drawing a frequency polygon is to join the midpoints of the

topside of the consecutive rectangles of the histogram.



12. Locate the mode from the following data. (Use grouping and analysis table)

6

Class	0 – 6	6 – 12	12 – 18	18 – 24	24- 30	30 – 36
Frequency	12	24	36	38	37	6

ANS:

Grouping Table

Col -I	Col -II	Col -III	Col -IV	Col -V	Col -VI
12] 36	--] 72	--	--
24] 60] 98	--
36] 74] 75] 81
38] 43		--	
37] 43		--	--	--
6		--	--	--	--

Analysis Table

Col	0 – 6	6 – 12	12 – 18	18 – 24	24- 30	30 – 36
I				X		
II			X	X		
III				X	X	
IV				X	X	X
V		X	X	X		
VI			X	X	X	
Total	0	1	3	6	3	1

Modal Class = 18 – 24 $l_1 = 18, l_2 = 24, f_m = 38, f_1 = 36, f_2 = 37$

$$Mo = l_1 + \frac{f_m - f_1}{2f_m - f_1 - f_2} \times (l_2 - l_1)$$

$$Mo = 18 + \frac{38 - 36}{2 \times 38 - 36 - 37} \times (24 - 18)$$

$$Mo = 18 + \frac{2}{3} \times 6 = 18 + 4 = 22$$

Mode = 22

Section B: Indian Economic Development

13. What is meant by a mixed economy 1
ANS: A mixed economy is an economy in which both private and public sector co-exist and both work under the guidance of economic planning

14. The programme initiated by the government to improve the food and nutritional level of poor was: (Choose the correct alternative) 1
a) Public Distribution System
b) Midday Meal Scheme
c) Integrated Child Development Scheme
d) All of these

ANS: (D) All of these

15. Name any one indicator of educational attainment used in India. 1
ANS:
a) **Adult Literacy Rate**
b) **Primary Education completion Rate**
c) **Youth Literacy Rate** (ANY ONE)

16. What is meant by 'on the job training'? 1
ANS: On the job training is when workers are trained in the firm itself under the supervision of a skilled worker.

17. Briefly explain the major causes of India's agricultural stagnation during the British period? 3
ANS:
a) **Agricultural productivity was very low. This low productivity in agriculture was mainly because of land settlement under the Zamindari system which did nothing to improve the condition of agriculture.**
b) **The zamindars adopted a strict attitude for revenue settlement (tax and rent collection). Farmers who did not pay rent and tax would lose ownership of their land. This caused agricultural stagnation**
c) **The technology used by farmers for agriculture was very low. Irrigation facilities and small use of fertilizers also decreased level of agricultural productivity.**

18. State any three points that indicate the inadequate performance of the industrial sector during the reform period? 3
ANS:
a) **Decreasing demand of industrial products due to cheaper imports, inadequate investment in infrastructure, etc.**
b) **Developing countries like India are forced to open up their economies to greater flow of goods and capital from developed countries**
c) **Cheaper imports have replaced the demand for domestic goods.**
d) **Domestic manufacturers faced competition from cheaper imports.**
(ANY OTHER RELEVANT POINT. ANY THREE)

OR

State any three points that indicate the performance of the agricultural sector during the reform period?

ANS:

- a) **Public investment in agriculture sector especially in infrastructure, which includes irrigation, power, roads, market linkages and research and extension, has been reduced in the reform period.**
- b) **Removal of fertiliser subsidy has led to increase in the cost of production badly**

affecting small and marginal farmers.

- c) Agriculture has been experiencing a number of policy changes such as reduction in import duties, removal of minimum support price and lifting of quantitative restrictions. Indian farmers now have to face increased international competition.
- d) Export oriented policy strategies has made a shift from production for the domestic market towards production for the export market focusing on cash crops instead of food grains

(ANY OTHER RELEVANT POINT. ANY THREE)

19. State any four trade and investment policy reforms under the new economic policy? 4

ANS:

Trade And Investment Policy Reforms

- a) Removal of quantitative restrictions on imports and exports
- b) Reduction of tariff rates on exports
- c) Removal of licensing procedures for imports
- d) Import licensing was abolished except in case of hazardous and environmentally sensitive industries.
- e) Quantitative restrictions on imports of manufactured consumer goods and agricultural products were also fully removed
- f) Export duties have been removed to increase the competitive position of Indian goods in the international markets.

(ANY OTHER RELEVANT POINT. ANY FOUR)

20. How was private sector regulated under industrial policy resolution of 1956? 4

ANS:

- a) The private sector, the sector was kept under state control through a system of licenses.
- b) No new industry was allowed unless a license was obtained from the government.
- c) Even an existing industry had to obtain a license for expanding output or for diversifying production (producing a new variety of goods).
- d) License to expand production was given only if the government was convinced that the economy required the larger quantity of goods.

(ANY OTHER RELEVANT POINT. ANY FOUR)

21. Distinguish between 'human capital' and 'human development'. 4

ANS:

HUMAN CAPITAL	HUMAN DEVELOPMENT
Human capital considers education and health as a means to increase labour productivity.	Human development is based on the idea that education and health are integral to human well-being.
Human capital treats human beings as a means to an end; the end being the increase in productivity.	In the human development perspective, human beings are ends in themselves.
Any investment in education and health is unproductive if it does not enhance output of goods and services.	When people have the ability to read and write and the ability to lead a long and healthy life, they will be able to make other choices which they value.
In human capital basic education and basic health are important in themselves irrespective of their contribution to labour productivity.	Human welfare should be increased through investments in education and health

(ANY OTHER RELEVANT POINT. ANY FOUR)

OR

What is the relationship between human capital formation and economic development?

ANS:

- a) **The labour skill of an educated person and a healthy person is more than that of an uneducated person and skilled labour contributes more to national income. Economic growth means the increase in real national income of a country.**
- b) **Education provides knowledge to facilitate inventions and innovations and creates ability to absorb new technologies. This enhanced productivity of human beings contributes significantly towards increasing labour productivity. Improvement in education and health sectors and growth in real per capita income in both developing and developed countries shows the measures of human capital. Therefore, human capital and economic growth flows in either direction, which means higher income causes building of high level of human capital and high level of human capital causes economic development.**

22. How is poverty line estimated according to the planning commission of India? Why is the poverty line criticised as an inadequate to measure poverty? 6

ANS: There are many ways of measuring poverty. One way is to determine it by the monetary value (monthly per capita expenditure) of the minimum calorie intake that was estimated at 2,400 calories for a rural person and 2,100 for a person in the urban area. At 2009 – 2010 price level, the poverty line was defined for rural areas as consumption `673 per person a month and for urban areas it was `860.

- a) **It does not differentiate between the very poor and the other poor.**
- b) **This mechanism takes only consumption expenditure on food and a few select items as proxy. It is difficult to identify who among the poor need help the most.**
- c) **Factors, other than income and assets like the accessibility to basic education, health care, drinking water and sanitation are not take into consideration**
- d) **Social factors like illiteracy, ill health, lack of access to resources, discrimination or lack of civil and political freedoms are not considered.**
- e) **Though the government claims that higher rate of growth and the consumption basket, to estimate the poverty line and the number of poor is manipulated to arrive at the reduced figures of the number of poor in India.**

23. Explain the government's approach in India to alleviate poverty. 6

ANS:

- a) **Growth oriented approach. It is based on the expectation that the effects of economic growth (increase in gross domestic product and per capita income) would spread to all sections of society and will trickle down to the poor sections also. It was felt that rapid industrial development and transformation of agriculture through green revolution in select regions would benefit the underdeveloped regions and the more backward sections of the community.**
- b) **Self-Employment and Wage employment programmes: Expanding self-employment programmes and wage employment programmes are being considered as the major ways of addressing poverty from the third five year plan. Self-employment programmes like (REGP), (PMRY) and (SJSRY aims at creating self-employment opportunities in rural areas and small towns. Under self-employment programmes, financial assistance was given to families or individuals.**
Wage employment programmes like National Food for Work Programme (NFWP) and SampoornaGrameenRozgarYojana (SGRY) generate employment for the poor unskilled people living in rural areas. The National Rural Employment Guarantee Act-2005 guarantees wage employment to every household unskilled manual work

for a minimum of 100 days in a year.

- c) **Minimum Needs Programme:** To provide minimum basic amenities to the people through public expenditure on social consumption needs - provision of food grains at subsidised rates, education, health, water supply and sanitation people's living standard could be improved. Three major programmes are Public Distribution System, Integrated Child Development Scheme and Midday Meal Scheme.

OR

Write a critical assessment of the poverty alleviation programme in India.

ANS:

- (a) **Poverty alleviation have borne some fruit as the percentage of absolute poor in some states is now well below the national average. However, despite a variety of approaches to alleviate poverty, hunger, malnourishment, illiteracy and lack of basic amenities continue to be a common feature in many parts of India.**
- (b) **None of the PAPs resulted in any radical change in the ownership of assets, process of production and improvement of basic amenities to the needy because of three major reasons, which are**
- a. **unequal distribution of land and other assets**
 - b. **Benefits from direct poverty alleviation programmes have been appropriated by the non-poor, and**
 - c. **Insufficient resources allocated for these programmes.**
- (c) **Moreover, government and bank officials were not seriously interested for their implementation. They were not motivated, inadequately trained, corruption prone and vulnerable to pressure from a variety of local politician, resources are inefficiently used and wasted. There is also non-participation of local level institutions in programme implementation.**

24. Explain the following sources of human capital formation in India:

6

- a) Investment in Education
- b) Expenditure on migration
- c) Expenditure on information

ANS:

INVESTMENT IN EDUCATION

- a) **Spending on education by individuals is similar to spending on capital goods by companies with the objective of increasing future profits over a period of time.**
- b) **Individuals invest in education with the objective of increasing their future income.**

EXPENDITURE ON MIGRATION

- a) **People migrate in search of jobs that fetch them higher salaries than what they may get in their native places. Unemployment is the reason for the rural-urban migration in India.**
- b) **Technically qualified persons, like engineers and doctors, migrate to other countries because of higher salaries that they may get in such countries.**
- c) **Migration in both these cases involves cost of transport, higher cost of living in the migrated places and high social status. The enhanced earnings in the new place is more than the costs of migration; hence, expenditure on migration is also a source of human capital formation.**

EXPENDITURE ON INFORMATION

- a) **People spend to acquire information relating to the labour market and other markets. People want to know the level of salaries associated with various types of jobs, whether the educational institutions provide the right type of employable skills**

and at what cost. This information is necessary to make decisions regarding investments in human capital

- b) Expenditure on getting information relating to the labour market and other markets is also a source of human capital formation.**