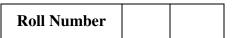
SET	A/B/C
SEI	A/D/C





INDIAN SCHOOL MUSCAT SECOND TERM EXAMINATION ECONOMICS (030)

CLASS: XI TERM 2 Max. Marks: 40

		MARKING SCHEME	
QN	SET	VALUE POINTS	MARKS SPLIT UP
1.	A	 Helpful in formulation of policies. Measuring inflation Measuring changes in standard of living. Fixing and increasing salaries of employees. (Any two) OR	1 + 1 = 2Marks
		1. Quantitatively expressed. 2. Measure relative changes. 3. They are averages. (Any two)	
	В	Standard deviation is the square root of the mean of the squares of the deviations of the values from the mean. Formula $\sigma = \sqrt{\frac{\Sigma dx^2}{N}} \text{OR} \sigma = \sqrt{\frac{(\Sigma (X - \overline{X})^2)}{N}}$	1 + 1 = 2Marks
		Merits 1. Based on all values. 2. Rigidly defined. 3. Least affected by fluctuations of sampling. Demerits 1. Difficult to calculate. 2. Affected by extreme values. 3. Cannot be used for comparison.	Two Merits ½ Mark each Two Demerits ½ Mark each ½ x4 = 2 Marks
	С	Relation between TC and TVC (a) Total cost can never be zero, even when the level of output is zero, because fixed cost is positive and constant at zero level of output. (b) As the level of output increases, Total Cost also increases due to increase in variable cost (c) TC and TVC are S shaped (they rise initially at a decreasing rate, then at a constant rate & finally at an increasing rate) due to law of variable proportions. (d) TC and TVC curves parallel to each other.	½ Mark each ½ x4 = 2 Marks

OR	Definition 1 Mark for
Average Fixed Cost: - Fixed cost per unit output. AFC = $\frac{\text{TFC}}{\text{Output}}$	shape $1+1=2$ Marks
AFC curve is a rectangular hyperbola. Since TFC remains constant, AFC keeps falling with increase in output but never reaches zero.	1

2.	A	Standard deviation is the square root of the mean of the squares of the	
		deviations of the values from the mean.	
		Formula	
		$\sigma = \sqrt{\frac{\Sigma dx^2}{N}} \text{ OR } \sigma = \sqrt{\frac{\left(\Sigma (X - \overline{X})^2\right)}{N}}$	1 + 1 = 2Marks
		V IV	
		OR	
		Merits	Two Merits
		4. Based on all values.	½ Mark each
		5. Rigidly defined.	Two Demerits
		6. Least affected by fluctuations of sampling.	¹ ⁄ ₂ Mark each ¹ ⁄ ₂ x4 = 2 Marks
		Demerits	72 X4 = 2 Warks
		4. Difficult to calculate.	
		5. Affected by extreme values.	
		6. Cannot be used for comparison.	
	В	Positive Correlation:	Two Positive
		1. Price and Supply	Correlation
		2. Income and Expenditure.	½ Mark each Two Negative
		Negative Correlation:	Correlation
		1. Price and Demand	½ Mark each
		2. 2. Temperature and Sale of woolens (Any other valid examples)	$\frac{1}{2}$ x4 = 2 Marks
	С	The statement is false because MP is rate of change in TP. Hence TP keeps	1 Mark for
		increasing even when MP is falling but is positive.	Justification
			1 Mark for
			reason 1 + 1 = 2 Marks

3.	A	Positive Correlation:	Two Positive
		1. Price and Supply	Correlation
		2. Income and Expenditure.	½ Mark each
		Negative Correlation:	Two Negative Correlation
		1. Price and Demand	½ Mark each
		2. Temperature and Sale of woolens (Any other valid examples)	$\frac{1}{2}$ x4 = 2 Marks
	В	1. Helpful in formulation of policies.	
		2. Measuring inflation	
		3. Measuring changes in standard of living.	
		4. Fixing and increasing salaries of employees. (Any two)	
			1 + 1 = 2Marks
		OR	
		Quantitatively expressed.	

	2. Measure relative changes.	
	3. They are averages. (Any two)	
С	(a) Index numbers is a statistical tool for measuring relative change in a group of related variables over two or more different times.(b) (i) Laspeyre's Method	$1 + \frac{1}{2} + \frac{1}{2} = 2$ Marks
	(ii) Paasche's Method	

4.	A	Relation between TC and TVC	
		(e) Total cost can never be zero, even when the level of output is zero,	
		because fixed cost is positive and constant at zero level of output.	
		(f) As the level of output increases, Total Cost also increases due to	
		increase in variable cost	½ Mark each
		(g) TC and TVC are S shaped (they rise initially at a decreasing rate, then	$\frac{1}{2} x4 = 2 \text{ Marks}$
		at a constant rate & finally at an increasing rate) due to law of variable	
		proportions.	
		(h) TC and TVC curves parallel to each other.	
			1 Mark
		OR	Definition
			1 Mark for
		Average Fixed Cost: - Fixed cost per unit output. AFC = $\frac{\text{TFC}}{\text{Output}}$	shape
		<u> </u>	1 + 1 = 2 Marks
		AFC curve is a rectangular hyperbola. Since TFC remains constant, AFC	
		keeps falling with increase in output but never reaches zero.	
	В	The statement is false because MP is rate of change in TP. Hence TP keeps	1 Mark for
		increasing even when MP is falling but is positive.	Justification 1 Mark for
			reason
			1 + 1 = 2 Marks
	С	Standard deviation is the square root of the mean of the squares of the	
		deviations of the values from the mean.	
		Formula	
			1 + 1 = 2Marks
		$\sigma = \frac{\sum dx^2}{\sum dx^2}$ OR $\sigma = \frac{\sum (\sum (X - X)^2)}{\sum dx^2}$	
		$\sigma = \sqrt{\frac{\Sigma dx^2}{N}}$ OR $\sigma = \sqrt{\frac{\left(\Sigma (X - \overline{X})^2\right)}{N}}$	
		OR	
		Merits	Two Merits
		1. Based on all values.	½ Mark each
		2. Rigidly defined.	Two Demerits
		3. Least affected by fluctuations of sampling.	½ Mark each
		Demerits	$\frac{1}{2}$ x4 = 2 Marks
		1. Difficult to calculate.	
		2. Affected by extreme values.	
		· ·	
		3. Cannot be used for comparison.	

5.	A	The statement is false because MP is rate of change in TP. Hence TP keeps increasing even when MP is falling but is positive.	1 Mark for Justification 1 Mark for
			reason $1 + 1 = 2$ Marks

В	(a) Marginal cost is equal to average cost (b) Marginal cost also rises	1 +1 =2 marks
	OR	
	Define Average Variable Cost. Explain the shape of the AVC curve.	
	Average Variable Cost: - Variable cost per unit output. $AVC = \frac{TVC}{Output}$	
	AVC curve is a 'U" shaped curve due to returns to factor.	
C	Positive Correlation: 3. Price and Supply 4. Income and Expenditure.	Two Positive Correlation ½ Mark each
	Negative Correlation:	Two Negative Correlation
	3. Price and Demand4. Temperature and Sale of woolens (Any other valid examples)	$\frac{1}{2}$ Mark each $\frac{1}{2}$ x4 = 2 Marks

-	Α.			XX71.	11			
6.	Α	Consumer price i			lesale price index			
		1. Based on retail prices			wholesale prices.	1 X 3 =3 Marks		
		2. Includes services also			include services.			
		3. Used to measure cost	of living	3.Used to m	easure rate of inflation			
		(a) Selection of base	year: Base	year should b	e a normal year, free from	$n \mid_{1\frac{1}{2}+1\frac{1}{2}} Marks$		
			•	•	ls, fires, famines, pandemi	1 /2 1 /2 ITIMINO		
		etc.	,	1 ,	, , , , 1			
		(b) Selection of items:	: Items selec	cted should b	e representative and shoul	$1\frac{1}{2} + 1\frac{1}{2} = 3$		
		be an important pa	rt of the cor	sumption pat	ttern.	Marks		
	В	Marks obtained by	dx (x	$(X - \overline{X})$	dx^2	1 mark for 'dx'		
		students (X)	and 'dx ² ' 1 Mark for					
		14	formula					
		12	1 mark for final					
		16 - A	answer					
		20	1+1+1 = 3					
		18		2	4	Marks		
		22		6	36			
		N =6						
		$\sigma = \sqrt{\frac{\Sigma dx^2}{N}}$						
	С	Given $P = ₹50$ $\Delta P = 20$	1 Mark for					
			formula 1 mark for					
		$Es = \frac{\Delta Q}{\Delta P} X \frac{P}{Q} \qquad 2 =$	finding 'Q'					
		· · · · · · · · · · · · · · · · · · ·	1 mark for finding 'final					
		Q = 31 units						
		Final output = $Q + \Delta Q$	= 31 + 25 =	= 56 units		output' 1+1+1 = 3		
						marks		
L	1	l						

Students (X) Stu	7. A							1 mark for 'dx'
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Marks obtained by	dx (x	$(\overline{X} - \overline{X})$		dx^2		and 'dx ² '
$ \begin{array}{ c c c c c c } \hline 14 & -2 & 4 & 16 \\ \hline 12 & -4 & 16 & \\ \hline 16 - A & 0 & 0 & \\ \hline 20 & 4 & 16 & \\ \hline 18 & 2 & 4 & \\ \hline 22 & 6 & 36 & \\ \hline N = 6 & \\ \hline \\$		students (X)						formula
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$		14	_	- 2				1 mark for final
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$		12	-	- 4		16		answer
$ \begin{array}{ c c c c c c } \hline 20 & 4 & 16 \\ \hline 18 & 2 & 4 \\ \hline 22 & 6 & 36 \\ \hline \hline & & & & & & & & \\ \hline \hline & & & & & &$		16 - A)		0		1+1+1 = 3
$\sigma = \sqrt{\frac{\Sigma dx^2}{N}} = \sqrt{\frac{76}{6}} = \sqrt{12.66} \sigma = 3.55$ $\frac{Consumer price index}{1. \text{ Based on retail prices}} = \frac{1. \text{ Based on wholesale price index}}{2. \text{ Includes services also}} = \frac{1. \text{ Based on wholesale prices.}}{2. \text{ Includes services also}} = \frac{1. \text{ Based on wholesale prices.}}{3. \text{ Used to measure cost of living}} = \frac{1. \text{ Based on wholesale prices.}}{3. \text{ Used to measure rate of inflation}} = \frac{1. \text{ Markspanning of the measure rate of inflation}}{0R}$ $\frac{OR}{(c) \text{ Selection of base year: Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc.}} = \frac{1. \text{ Markspanning of the miss.}}{1. \text{ Markspanning of the miss.}} = \frac{1. \text{ Markspanning of the consumption pattern.}}{1. \text{ Markspanning of the miss.}} = \frac{1. \text{ Markspanning of the measure rate of inflation}}{1. \text{ Markspanning of the measure rate of inflation}} = \frac{1. \text{ Markspanning of the measure rate of inflation}}{1. \text{ Markspanning of the measure rate of inflation}} = \frac{1. \text{ Markspanning of the measure rate of inflation}}{1. \text{ Markspanning of the measure rate of inflation}} = \frac{1. \text{ Markspanning of the measure rate of inflation}}{1. \text{ Markspanning of the measure rate of inflation}} = \frac{1. \text{ Markspanning of the measure rate of inflation}}{1. \text{ Markspanning of the measure rate of inflation}} = \frac{1. \text{ Markspanning of the measure rate of inflation}}{1. \text{ Markspanning of the measure rate of inflation}} = \frac{1. \text{ Markspanning of the measure rate of inflation}}{1. \text{ Markspanning of the measure rate of inflation}} = \frac{1. \text{ Markspanning of the measure rate of inflation}}{1. \text{ Markspanning of the measure rate of inflation}} = \frac{1. \text{ Markspanning of the measure rate of inflation}}{1. \text{ Markspanning of the measure rate of inflation}} = \frac{1. \text{ Markspanning of the measure rate of inflation}}{1. \text{ Markspanning of the measure rate of inflation}} = \frac{1. \text{ Markspanning of the measure rate of inflation}}{1. \text{ Markspanning of the measure rate of inflation}} = 1. \text{ Mar$		20	4	1		16		Marks
$N = 6$ $\sigma = \sqrt{\frac{\Sigma dx^2}{N}} = \sqrt{\frac{76}{6}} = \sqrt{12.66} \sigma = 3.55$ $B \frac{Consumer price index}{1. \text{ Based on retail prices}} \frac{Wholesale price index}{1. \text{ Based on wholesale prices.}}$ $2. \text{ Includes services also} 2. \text{ Does not include services.}$ $3. \text{ Used to measure cost of living} 3. \text{ Used to measure rate of inflation}$ OR $(c) \text{ Selection of base year: Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc.}$ $(d) \text{ Selection of items: Items selected should be representative and should be an important part of the consumption pattern.}$ $C \text{ Units of capital Units of labour Total product } \mathbf{AP}$		22	(5				
$\sigma = \sqrt{\frac{\Sigma dx^2}{N}} = \sqrt{\frac{76}{6}} = \sqrt{12.66} \sigma = 3.55$ B Consumer price index 1. Based on retail prices 1. Based on wholesale prices. 2. Includes services also 2. Does not include services. 3. Used to measure cost of living 3. Used to measure rate of inflation OR (c) Selection of base year: Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc. (d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP						$\Sigma dx^2 = 76$		
B Consumer price index 1. Based on retail prices 2. Includes services also 3. Used to measure cost of living OR (c) Selection of base year: Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc. (d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP		N =6						
B Consumer price index 1. Based on retail prices 2. Includes services also 3. Used to measure cost of living OR (c) Selection of base year: Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc. (d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP		Σ .	$\frac{1}{\sqrt{100}}$	_				
B Consumer price index 1. Based on retail prices 2. Includes services also 3. Used to measure cost of living OR (c) Selection of base year: Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc. (d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP		$\sigma = \frac{2\sigma}{2}$	$\frac{dx}{dx} = \frac{70}{6}$	$= \sqrt{12.66}$	$\sigma =$	3.55		
1. Based on retail prices 2. Includes services also 3. Used to measure cost of living OR (c) Selection of base year: Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc. (d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP		V	V				1	
2. Includes services also 2. Does not include services. 3. Used to measure cost of living OR (c) Selection of base year: Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc. (d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP	В							
3. Used to measure cost of living OR (c) Selection of base year: Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc. (d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP 3. Used to measure rate of inflation 1 ½ +1 ½ each each of the consumption pattern.		-						1 X 3 = 3 Marks
(c) Selection of base year: Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc. (d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP								
(c) Selection of base year: Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc. (d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP		3. Used to illeasure of	ost of fiving	3.0 sed to III	easure	rate of illitation		
(c) Selection of base year: Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc. (d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP			()R				
abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc. (d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP 3 Mai			`					
abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc. (d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP 3 Mai		(c) Selection of bas	se year: Base y	ear should b	e a noi	rmal year, free fr	rom	1 ½ +1 ½ Marks
(d) Selection of items: Items selected should be representative and should be an important part of the consumption pattern. C Units of capital Units of labour Total product AP 3 Mark			•			<u>-</u>		each
be an important part of the consumption pattern. C Units of capital Units of labour Total product AP 3 Mar		etc.						
C Units of capital Units of labour Total product AP 3 Man					-	sentative and sho	ould	$1\frac{1}{2} + 1\frac{1}{2} = 3$
Onits of capital Onits of labour Total product AT		be an important	part of the con	sumption pat	tern.			
	C	Units of capital U	Units of labour	Total prod	duct	AP		3 Marks
2 1 10 10		2	1	10		10		
2 2 24 12		2		24		12		
2 3 40 13.33						13.33		
2 4 50 12.5								
2 5 58 11.6								
2 6 64 10.66								
2 7 68 9.71								
2 8 68 8.5				_				
2 9 60 6.66		2	9	60		6.66		

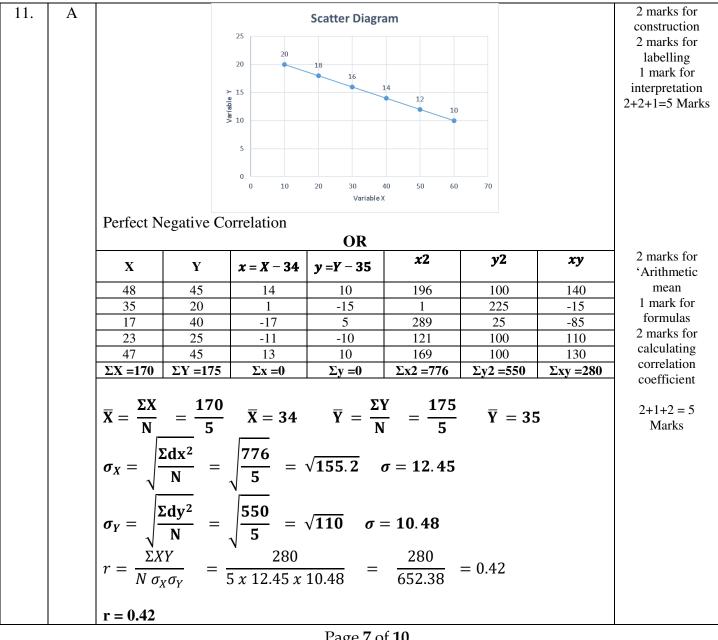
8.	A	Units of capital	Units of labour	Total product	MP	
		2	1	10	10	
		2	2	24	14	3 Marks
		2	3	40	16	
		2	4	50	10	
		2	5	58	8	
		2	6	64	6	
		2	7	68	4	
		2	8	68	0	
		2	9	60	-8	

В	Units of capital	Units of labour	Marginal product	TP		
	2	1	10	10		3 Marks
	2	2	14	24		2 Ividino
	2	3	16	40		
	2	4	10	50		
	2	5	8	58		
	2	6	6	64		
	2	7	4	68		
	2	8	0	68		
	2	9	-8	60		
C S	tage 1: (Increasing Re		3 Marks			
S	tage 2: (Diminishing					
S	tage 3: (Negative Ret					

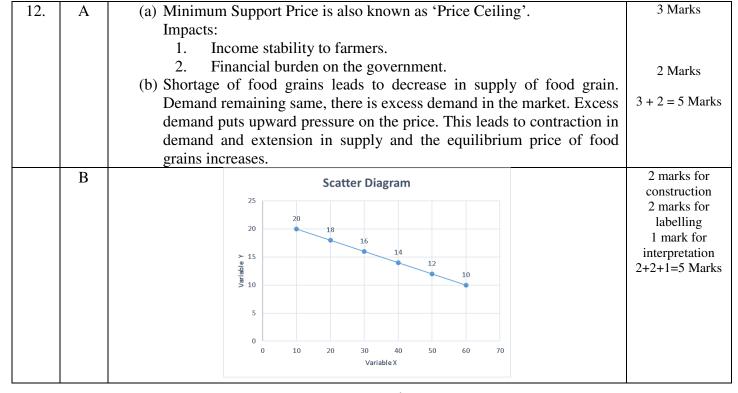
9.	A	Stage 1: (Increasing Returns	3 Marks						
		Stage 2: (Diminishing Returns to factor) Units of labour 4 to 8 – MP 10, 8, 6,4, 0 Stage 3: (Negative Returns to factor) Units of labour 8 to 9 – MP 0, -8							
	В	Stage 1: (Increasing Returns			3 Marks				
		Stage 2: (Diminishing Retur			0				
		positive	, 6 1						
		Stage 3: (Negative Returns t	o factor) – Marginal produ	ct becomes negative					
	C				1 mark for 'dx'				
		Marks obtained by	$dx (x - \overline{X})$	dx ²	and 'dx ² ' 1 Mark for				
		students (X)			formula				
		14	- 2	4	1 mark for final				
		12	- 4	16	answer				
		16 - A	0	0	1+1+1 = 3				
		20	4	16	Marks				
		18	2	4					
		22	6	36					
		$\Sigma dx^2 = 76$							
		N =6							
		7.1							
		$\sigma = \sqrt{\frac{\Sigma dx^2}{N}} = \sqrt{\frac{76}{6}} = \sqrt{12.66} \sigma = 3.55$							
		√ N							

10.	A	Given $P = \sqrt[3]{5}$ $\Delta P = 15$ $\Delta Q = 15$ Es = 0.5 Q = ? final output =?	1 Mark for
			formula
		AO D 15 5 5	1 mark for
		Es = $\frac{\Delta Q}{\Delta P} \times \frac{P}{Q}$ $0.5 = \frac{15}{15} \times \frac{5}{Q}$ = $0.5Q = 5$ Q = $\frac{5}{0.5}$ 10 units	finding 'Q'
		$\Delta P \sim Q$ $15 \sim Q$ $0.5 \sim 0.5$	1 mark for
		Q = 50 units	finding 'final
		Final output = $Q + \Delta Q = 10 + 15 = 25$ units	output'
		1 mai output – Q 2Q – 10 13 – 23 umts	1+1+1=3
			marks
	В	Given P= ₹200 Δ P = ₹50 Δ Q = 50 Es = 1 Q =? final output =?	1 Mark for
			formula
		AO D 50 200	1 mark for
		Es = $\frac{\Delta Q}{\Delta P} \times \frac{P}{Q}$ $1 = \frac{50}{50} \times \frac{200}{Q}$ = Q = 200units	finding 'Q'
		$\Delta P Q = 50 Q$	1 mark for

	Q = 200 units Final output = $Q - \Delta Q = 200 + 50$	finding 'final output' 1+1+1 = 3 marks					
C	Consumer price index						
	1. Based on retail prices	1. Based on wholesale prices.	1 X 3 =3 Marks				
	2. Includes services also 2. Does not include services.						
	3. Used to measure cost of living						
OR							
	(e) Selection of base year: Base abnormalities like wars, earth etc.	1 ½ +1 ½ Marks each					
	(f) Selection of items: Items sele be an important part of the con	$1 \frac{1}{2} + 1 \frac{1}{2} = 3$ Marks					



В	Contraction of supply	Decrease in supply	1 X 3 = 3 Marks
	1. Decrease in quantity		
	supplied due to decrease in		
	price of the commodity.	the commodity.	
	2. Other factors remain	2. Price remains constant.	
		2. Price remains constant.	
	constant.	2 Loods to leftward shift in	
	3. Leads to downward		
	movement along the supply	the supply curve.	
	curve.		
	· •	t each firm sells an identical product. The	2 Marks for the
	-	ect substitutes and this is the reason that	explanation
	*	rice as that by the rival firm. There exists	enpiunuion
	<u> •</u>	ividual firm has no influence over the	
	market price.		
C	Extension in supply	Increase in supply	$1 \times 3 = 3 \text{ Marks}$
	4. Increase in quantity	4. Increase in supply due to	
	supplied due to increase in	factors other than price of	
	price of the commodity.	the commodity.	
	5. Other factors remain	5. Price remains constant.	
	constant.		
	6. Leads to rightward	6. Leads to rightward shift in	
	movement along the supply	the supply curve.	
	curve.		
	b) Free entry and exit of firms impli	es that there are no barriers to entry and	
	exit of firms in the market. If the ind	2 Marks for the	
	firms can enter the market and if in	explanation	
	and leave the market at their free will		
	always earns normal profit in the long		



	Perfect Negative Correlation							
	OR							2 marks for
	X	Y	x = X - 34	y = Y - 35	<i>x</i> 2	<i>y</i> 2	xy	'Arithmetic
	48	45	14	10	196	100	140	mean 1 mark for
	35	20	1	-15	1	225	-15	formulas
	17	40	-17	5	289	25	-85	2 marks for
	23	25	-11	-10	121	100	110	calculating
	47	45	13	10	169	100	130	correlation
	$\Sigma X = 170$	$\Sigma Y = 175$	$\Sigma x = 0$	$\Sigma y = 0$	$\Sigma x2 = 776$	Σ y2 =550	$\Sigma xy = 280$	coefficient
				$\overline{\mathbf{Y}} = \frac{\mathbf{\Sigma}\mathbf{Y}}{\mathbf{N}}$	_	$\overline{Y} = 35$	5	2+1+2 = 5 Marks
	$\sigma_X = \sqrt{\frac{2}{3}}$							
	$\sigma_Y = \sqrt{\frac{\Sigma}{\Sigma}}$							
	$r = \frac{\sum X}{N \sigma_{x}}$							
	r = 0.42							
C	(a) M	Iinimum S	upport Price	is also know	vn as 'Price	Ceiling'.		1 mark for
	In	npacts:						definition
		1. Incom	me stability	to farmers.				1+1 for impacts
	2. Financial burden on the government.							1+1+1=3marks
	(b) Sl	food grain.	2 marks for the					
	(b) Shortage of food grains leads to decrease in supply of food grain. Demand remaining same, there is excess demand in the market. Excess							explanation
			_	essure on the				1
		-			-			
		ains increa		in supply a	ma me equi	monum pri	CE 01 100d	

13.	Α	Extension in supply	Increase in supply	4 77 2 2 3 7 1						
		Increase in quantity supplied due to	1 X 3 = 3 Marks							
		increase in price of the commodity.								
		Other factors remain constant.								
		Leads to rightward movement	Leads to rightward movement Leads to rightward shift in the							
		along the supply curve.	supply curve.							
		b) Free entry and exit of firms implied	es that there are no barriers to entry and	d						
		exit of firms in the market. If the indu	stry is earning supernormal profits, nev	v						
		firms can enter the market and if inc	s							
		and leave the market at their free will.	n							
		always earns normal profit in the long	2 Marks for the							
			explanation							
	В	(a) Minimum Support Price is also	known as 'Price Ceiling'.	1 mark for						
		Impacts:	definition							
		1. Income stability to farm	1+1 for impacts							
		2. Financial burden on the	1+1+1=3marks							
			s to decrease in supply of food grain	2 marks for the						

	Demand remaining same, there is excess demand in the market. Excess							explanation	
	demand puts upward pressure on the price. This leads to contraction in								
	demand and extension in supply and the equilibrium price of food								
	grains increases.								
C		2 marks for							
			25					construction 2 marks for	
			20					labelling	
			20	18				1 mark for	
		>	15		14 12			interpretation	
		, i o	15		10			2+2+1=5 Marks	
			. 10						
			5						
			0						
			0 10		40 50 60	70			
				Variable)	(
	Perfect N	egative Co	orrelation						
				OR					
	X	Y	x = X - 34	y = Y - 35	<i>x</i> 2	y2	хy	2 marks for 'Arithmetic	
	48	45	14	10	196	100	140	mean	
	35	20	1	-15	190	225	-15	1 mark for	
	17	40	-17	5	289	25	-85	formulas	
	23	25	-11	-10	121	100	110	2 marks for	
	47	45	13	10	169	100	130	calculating correlation	
	ΣX =170	$\Sigma Y = 175$	$\Sigma x = 0$	$\Sigma y = 0$	$\Sigma x2 = 776$	Σ y2 =550	$\Sigma xy = 280$	coefficient	
	$\overline{X} = \frac{\Sigma X}{N}$	$=\frac{170}{5}$	$\overline{\mathbf{X}} = 34$	$\overline{Y} = \frac{\Sigma Y}{N}$	$\frac{Y}{x} = \frac{175}{5}$	$\overline{\mathbf{Y}} = 35$;		
	N _	= <u> </u>		N	$\frac{1}{1} = \frac{1}{5}$	1 00		2+1+2=5	
	Σ	$\frac{\text{Edx}^2}{}$ _	776					Marks	
	$\sigma_X = -\frac{1}{2}$	<u>N</u> =	$\left \frac{1}{E} \right = 1$	$\sqrt{155.2}$	$\sigma = 12.45$				
	1 1		\ 3						
	5								
	$\sigma_Y = \frac{1}{2}$	$\frac{Edy^2}{N} =$	$\left \frac{330}{5} \right = 1$	$\sqrt{110}$ $\sigma =$	= 10.48				
	1								
	700								
	$r = \frac{\Sigma XY}{N \sigma_X \sigma_Y} = \frac{280}{5 \times 12.45 \times 10.48} = \frac{280}{652.38} = 0.42$								
	$r = \frac{2N}{N \sigma_{N}}$	$_{Y}\sigma_{Y}$:	5 x 12.45 x	10.48	652.38	3. 			
	r = 0.42								