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Code Number	SET A
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INDIAN SCHOOL MUSCAT FINAL TERM EXAMINATION

SUBJECT :ECONOMICS

CLASS: XI

Sub. Code:030

Time Allotted: 3 Hrs.

14.02.2019

Max. Marks:80

General Instructions:

- i. All questions are compulsory
- ii. Marks for questions are indicated against the questions.
- iii. Questions No. 1-4 and 13-16 are very short answer questions carrying 1 mark each. These are to be answered in one sentence each.
- iv. Questions No. 5 & 6 and 17 & 18 are short answer questions carrying 3 marks each. Answer to them should normally not exceed 60 words each.
- v. Questions No. 7-9 and 19-21 are short answer questions carrying 4 marks each. Answer to them should normally not exceed 70 words each.
- vi. Questions No.10 -12 and 22-24 are short answer questions carrying 6 marks each. Answer to them should normally not exceed 100 words each.
- vii. Answers should be brief and to the point and the above word limit should be adhered to as far as possible.

PART A - MICRO ECONOMICS

1	If with rise in price of good Y, demand for good X rises, the two goods are: (Choose the correct alternative) A. Substitute goods B. Complementary goods C. Not at all related D. Jointly demanded	1
2	A budget line of the consumer becomes steeper (slope increases) when: (Choose the correct alternative) A. Income of the consumer decreases B. Price of good ₁ increases C. Price of good ₁ decreases D. Prices of both good ₁ and good ₂ increase in the same proportion	1

3	<p>Define price elasticity of demand.</p> <p style="text-align: center;">OR</p> <p>Define demand for a good.</p>	1
4	<p>What happens to Total Fixed Cost when firm increases the level of output?</p> <p style="text-align: center;">OR</p> <p>Why does Average Variable Cost diminish in the initial stage of production?</p>	1
5	<p>A firm supplies 1000 units of a good at a price of Rs.10 per unit. Its price elasticity of supply is 2. How many units of this good will the firm supply if price decreases to Rs. 8 per unit?</p>	3
6	<p>Discuss the nature of total revenue curve of a firm if the firm is functioning under a perfectly competitive market.</p> <p style="text-align: center;">OR</p> <p>Discuss the implication behind the feature of 'perfect freedom of entry and exit' of firms under perfect competition.</p>	3
7	<p>Define a Production Possibility Curve. How does it explain the problem of choice? Explain using a diagram</p> <p style="text-align: center;">OR</p> <p>Define Marginal Rate of Transformation. How does it influence the shape of production possibility curve? Show with diagrams.</p>	4
8	<p>Using suitable diagram explain the effect on demand for a good when:</p> <ol style="list-style-type: none"> Price of its substitute good rises. Price of its complementary good rises. 	4
9	<p>Answer the following:</p> <ol style="list-style-type: none"> Give two points of similarities between Monopolistic competition and Perfect competition Give two points of distinction between Monopoly market and Oligopoly market. 	4
10	<p>Briefly explain the theory of optimal choice of the consumer using budget line and indifference curve.</p>	6
11	<p>Why should Marginal Revenue be equal to Marginal Cost at equilibrium level of output of a firm? Explain using suitable diagram.</p>	6
12	<p>Consider the market for Tea in terms of its market price and quantity exchanged. Explain the possible impact on its market price and quantity exchanged when market price of coffee rises. Use diagram.</p> <p style="text-align: center;">OR</p> <p>In the recent budget government decided to fix a floor price of paddy by 50% above the market price. What could be the purpose behind this policy? What are the possible consequences of the policy? Explain using a diagram.</p>	6

	PART - B – STATISTICS																																	
13	Statistical calculation of a classified data is based on: (Choose correct answer) A. Actual values of observations B. The upper class limits C. The lower class limits D. The class mid points	1																																
14	State one difference between a discrete variable and a continuous variable OR How is chronological classification different from Spatial classification of data?	1																																
15	Define Inter Quartile Range.	1																																
16	Interpret the value of 'r=+1' in the case of coefficient of correlation. OR Interpret the result if all the dots in a scatter diagram lie on an upward sloping straight line.	1																																
17	The subject economics involves the study of man engaged in economic activities of various kinds. These economic activities are broadly classified under three heads. What are these? State with meaning.	3																																
18	Calculate Arithmetic Mean for the following distribution. <table border="1"><tr><td>Marks more than</td><td>0</td><td>10</td><td>20</td><td>30</td><td>40</td><td>50</td></tr><tr><td>Number of students</td><td>50</td><td>46</td><td>40</td><td>20</td><td>10</td><td>3</td></tr></table> OR Calculate First Quartile, Second Quartile and Third Quartile for the following distribution <table border="1"><tr><td>Marks</td><td>10</td><td>20</td><td>30</td><td>40</td><td>50</td><td>60</td><td>70</td><td>80</td></tr><tr><td>Number of students</td><td>8</td><td>12</td><td>20</td><td>30</td><td>20</td><td>14</td><td>11</td><td>4</td></tr></table>	Marks more than	0	10	20	30	40	50	Number of students	50	46	40	20	10	3	Marks	10	20	30	40	50	60	70	80	Number of students	8	12	20	30	20	14	11	4	3
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19	The most common type of instrument used in surveys to collect information or data is questionnaire. The success of any statistical investigation is determined by the quality of the questionnaire and the response that evoke from the respondents. What are the essential characteristics of a good questionnaire? OR It is stated that 'Non Sampling errors' are more serious than 'Sampling errors'. Why? What are the possible non sampling errors? Explain with meaning.	4																																

20	Draw a pie diagram for the following information regarding expected expenditure allocated for the different sub-sectors of Primary sector of the economy in the recent budget. Sectors
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