Roll Number		

Code Number	SET B

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	A consumer buys certain units of the good and she found that Marginal Utility of a good is more than price of the good. Consumer will: (Choose the correct alternative) A. Buy less units of the good to be at equilibrium B. Buy more units of the good to be at equilibrium C. Will not change the units purchased because she is already at equilibrium. D. Will decide not to buy the good.	1
2	If Marginal Rate of substitution is diminishing in nature, Indifference curve becomes: (Choose the correct alternative) A. Upward sloping with a diminishing slope B. Downward sloping and convex to the origin C. Downward sloping and concave to the origin D. Downward sloping and straight line.	1

3	What happens to Average Fixed Cost when firm increases the level of output? OR What could be the shape of Average Revenue curve if firms sell its entire output at the same price per unit?	1
4	Define demand for a good.	1
5	Discuss the nature of Total Revenue curve of a firm if the firm is functioning under a perfectly competitive market. OR Discuss the implication behind the feature of 'perfect freedom of entry and exit' of firms under perfect competition.	3
6	A firm supplies 500 units of a good at a price of Rs.5 per unit. Its price elasticity of supply is 1. How many units of this good will the firm supply if price increases to Rs. 7 per unit?	3
7	Give two points of distinctions between: a. Monopoly market and monopolistic market b. Perfect competitive market and Oligopoly market.	4
8	Using suitable diagram explain the effect on demand for a good when: a. Price of its substitute good rises. b. Price of its complementary good rises.	4
9	Define a Production Possibility Curve. How does it explain the problem of choice? Explain using a diagram OR Define Marginal Rate of Transformation. How does it influence the shape of production possibility curve? Show with diagrams.	4
10	Why should the Budget Line be tangent to the highest possible Indifference Curve at consumer equilibrium? Explain using diagram.	6
11	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. OR 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.	6
12	Why should Marginal Revenue be equal to Marginal Cost at equilibrium level of output of a firm? Explain using suitable diagram.	6

<table>
<tr><td></td><td>PART B – STATISTICS</td><td></td></tr>
<tr><td>13</td><td>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 a downward sloping straight line.</td><td>1</td></tr>
<tr><td>14</td><td>State one difference between a discrete variable and a continuous variable

OR

How is chronological classification different from Spatial classification of data</td><td>1</td></tr>
<tr><td>15</td><td>Statistical calculation of a classified data is based on: (Choose the correct alternative)

A. Actual values of observations
B. The upper class limits
C. The lower class limits
D. The class mid points</td><td>1</td></tr>
<tr><td>16</td><td>Define Coefficient of Range.</td><td>1</td></tr>
<tr><td>17</td><td>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.</td><td>3</td></tr>
<tr><td>18</td><td>Calculate Arithmetic Mean for the following distribution.

<table>
<tr><td>Marks less than</td><td>10</td><td>20</td><td>30</td><td>40</td><td>50</td><td>60</td></tr>
<tr><td>Number of students</td><td>4</td><td>10</td><td>30</td><td>40</td><td>47</td><td>50</td></tr>
</table>

OR

Calculate Lower Quartile, Middle Quartile and Upper Quartile for the following distribution.

<table>
<tr><td>Marks</td><td>5</td><td>10</td><td>15</td><td>20</td><td>25</td><td>30</td><td>35</td><td>40</td></tr>
<tr><td>Number of students</td><td>4</td><td>6</td><td>10</td><td>15</td><td>10</td><td>7</td><td>5</td><td>2</td></tr>
</table>
</td><td>3</td></tr>
</table>

19	It is stated that 'Non Sampling errors' are more serious than 'Sampling errors'. Why? What are the possible non sampling errors? Explain with meaning. OR 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?	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 / Expenditure (Rs.crores): Agriculture 5600 Animal Husbandry 5000 Fisheries 2800 Forestry and Logging 2400 Mining and Logging 4200	4
21	A psychological test on intelligence and mathematical ability was conducted for five students that give the following result. Find Rank correlation coefficient for the following data related their Intelligence Quotient and Arithmetic Ability. Intelligent Quotient: 30, 24, 60, 70, 30 Arithmetic Ability: 50, 41, 64, 65, 36	4
22	Calculate the value of Mode and locate the same on a graph and verify the result. Classes: 0-4, 4-8, 8-12, 12-16, 16-20, 20-24, 24-28, 28-32, 32-38, 38-42 frequencies: 3, 8, 14, 30, 40, 28, 14, 8, 3, 2	6
23	Calculate Mean Deviation from median and its coefficient for the following distribution. Size: 4, 6, 8, 10, 12, 14, 16, 20 Frequencies: 2, 4, 5, 3, 2, 1, 2, 1 OR Calculate Standard Deviation and its coefficient. Classes: 5 - 15, 15 - 25, 25 - 35, 35 - 45, 45 - 55 Frequencies: 8, 12, 15, 9, 6	6

24	Calculate Index numbers for the year 2010 considering 2005 as the base year using the following methods: a. Laspeyer's Method. b. Paasche's Method.	6

Commodities	2005		2010	
	Price	Quantities	Price	Quantities
A	100	7	150	4
B	75	6	100	8
C	90	11	90	10
D	60	5	40	6

End of the Question Paper