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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	<p>Expansion of demand is due to: (choose the correct alternative)</p> <p>A. Increase in price of substitute good. B. Increase in income of the consumer. C. Decrease in price of complementary good. D. Decrease in price of the good.</p>	1
2	<p>A budget line of the consumer becomes steeper (slope increases) when: (Choose the correct alternative)</p> <p>A. Income of the consumer decreases B. Price of good₁ increases C. Price of good ₁ decreases D. Prices of both good₁ and good₂ increase in the same proportion</p>	1

3	<p>Define Marginal Opportunity Cost.</p> <p style="text-align: center;">OR</p> <p>Define Marginal Rate of Substitution.</p>	1
4	<p>What can you say about Marginal Product when Total Product is maximum and constant?</p> <p style="text-align: center;">OR</p> <p>What happens to Total Fixed Cost when firm increases the level of output?</p>	1
5	<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
6	A firm supplies 500 units of a good at a price of Rs.20 per unit. Its price elasticity of supply is 2. At what price will this firm supply 400 units?	3
7	<p>Using suitable diagram explain the effect on demand for a good when:</p> <p style="margin-left: 40px;">a. Price of its substitute good falls.</p> <p style="margin-left: 40px;">b. Price of its complementary good falls.</p>	4
8	Discuss the nature of Average Revenue and Marginal curves of a firm under conditions of perfect competition. Explain with reasons and diagram.	4
9	<p>Define Marginal Rate of Transformation. How does it influence the shape of production possibility curve? Show with diagrams.</p> <p style="text-align: center;">OR</p> <p>Define a Production Possibility Curve. How does it explain the problem of choice? Explain using a diagram.</p>	4
10	<p>In the recent budget government decided to fix a floor price of Wheat by 40% 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> <p style="text-align: center;">OR</p> <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>	6
11	Briefly explain the theory of optimal choice of the consumer using budget line and indifference curve.	6
12	A firm is increasing the employment of a variable input keeping the employment of all other inputs constant. What could be the impact on Its Marginal Product and Total Product? Explain the impact in three stages with diagram.	6

	PART B - STATISTICS																																						
13	State one difference between a discrete variable and a continuous variable OR How is chronological classification different from Spatial classification of data						1																																
14	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																																
15	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						1																																
16	State one advantage of arithmetic mean over median						1																																
17	Calculate Arithmetic Mean for the following distribution. <table border="1"><tr><td>Score less than</td><td>20</td><td>40</td><td>60</td><td>80</td><td>100</td><td>120</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 First Quartile, Second Quartile and Third Quartile for the following distribution <table border="1"><tr><td>Marks</td><td>15</td><td>25</td><td>35</td><td>45</td><td>55</td><td>65</td><td>75</td><td>85</td></tr><tr><td>Number of students</td><td>4</td><td>6</td><td>10</td><td>18</td><td>10</td><td>7</td><td>6</td><td>3</td></tr></table>						Score less than	20	40	60	80	100	120	Number of students	4	10	30	40	47	50	Marks	15	25	35	45	55	65	75	85	Number of students	4	6	10	18	10	7	6	3	3
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18	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																																
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	Find product moment correlation using the method of Karl Pearson's coefficient of correlation for the following data related Values of X and Values of Y. <table border="1"><tr><td>Values of X</td><td>2</td><td>3</td><td>5</td><td>6</td><td>9</td></tr><tr><td>Values of Y</td><td>6</td><td>5</td><td>7</td><td>8</td><td>14</td></tr></table>						Values of X	2	3	5	6	9	Values of Y	6	5	7	8	14	4																				
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21	<p>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.</p> <table><tr><td>Sectors</td><td>Expenditure (Rs. Crores)</td></tr><tr><td>Agriculture</td><td>1400</td></tr><tr><td>Animal Husbandry</td><td>1250</td></tr><tr><td>Fisheries</td><td>700</td></tr><tr><td>Forestry and Logging</td><td>600</td></tr><tr><td>Mining and Quarrying</td><td>1050</td></tr></table>	Sectors	Expenditure (Rs. Crores)	Agriculture	1400	Animal Husbandry	1250	Fisheries	700	Forestry and Logging	600	Mining and Quarrying	1050	4																	
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22	<p>Calculate the value of Mode and locate the same on a graph and verify the result.</p> <table><tr><td>Classes</td><td>0-2</td><td>2-4</td><td>4-6</td><td>6-8</td><td>8-10</td><td>10-12</td><td>12-14</td><td>14-16</td><td>16-18</td><td>18-20</td></tr><tr><td>frequencies</td><td>6</td><td>16</td><td>28</td><td>60</td><td>80</td><td>56</td><td>28</td><td>16</td><td>6</td><td>4</td></tr></table>	Classes	0-2	2-4	4-6	6-8	8-10	10-12	12-14	14-16	16-18	18-20	frequencies	6	16	28	60	80	56	28	16	6	4	6							
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23	<p>Calculate Standard Deviation and its coefficient.</p> <table><tr><td>Classes</td><td>5 - 15</td><td>15 - 25</td><td>25 - 35</td><td>35 - 45</td><td>45 - 55</td></tr><tr><td>Frequencies</td><td>8</td><td>12</td><td>15</td><td>9</td><td>6</td></tr></table> <p>OR</p> <p>Calculate Mean Deviation from median and its coefficient for the following distribution</p> <table><tr><td>Values</td><td>5</td><td>15</td><td>25</td><td>35</td><td>45</td></tr><tr><td>Frequencies</td><td>8</td><td>12</td><td>15</td><td>9</td><td>6</td></tr></table>	Classes	5 - 15	15 - 25	25 - 35	35 - 45	45 - 55	Frequencies	8	12	15	9	6	Values	5	15	25	35	45	Frequencies	8	12	15	9	6	6					
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24	<p>Calculate Index numbers for the year 2010 considering 2005 as the base year using the following methods:</p> <p>a. Laspeyer’s Method. b. Paasche’s Method.</p> <table><tr><td rowspan="2">Commodities</td><td colspan="2">2005</td><td colspan="2">2010</td></tr><tr><td>Price</td><td>Quantities</td><td>Price</td><td>Quantities</td></tr><tr><td>A</td><td>40</td><td>5</td><td>60</td><td>5</td></tr><tr><td>B</td><td>50</td><td>6</td><td>75</td><td>8</td></tr><tr><td>C</td><td>90</td><td>8</td><td>100</td><td>10</td></tr><tr><td>D</td><td>20</td><td>5</td><td>30</td><td>6</td></tr></table>	Commodities	2005		2010		Price	Quantities	Price	Quantities	A	40	5	60	5	B	50	6	75	8	C	90	8	100	10	D	20	5	30	6	6
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