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Code Number **B**



INDIAN SCHOOL MUSCAT FIRST TERM EXAMINATION



ECONOMICS

CLASS: XI

Sub. Code: 030

Time Allotted: 3 Hrs

23.09.2018

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. Question 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. Question 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. Question 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.

SECTION A

- | | | |
|---|---|---|
| 1 | How is a service holder different from a service provider? | 1 |
| 2 | What is the root cause of all economic problems? | 1 |
| 3 | What is the purpose collecting statistical data? | 1 |
| 4 | All statistical calculations in a classified data are based on: (choose correct alternative) | 1 |
| | <ol style="list-style-type: none"> i. Actual value of the observation ii. Upper class limits iii. Lower class limits iv. Class mid points | |
| 5 | Statistics is an indispensable tool for economist that helps him to understand economic problems. How does statistics function as an indispensable tool in economics? | 3 |

- 6 Give meaning of the following terms: 3
- Variable
 - Observations
 - Sampling errors

OR

State the meaning of three categories of non sampling errors.

- 7 Distinguish between: 4
- Primary data and secondary data
 - Census method and sampling method

- 8 What does raw data mean? What are the different ways of classifying raw data? Give meaning of each. 4

- 9 Classification of raw data into a frequency distribution has inherent shortcomings. Explain to justify the statement. 4

OR

Explain inclusive and exclusive methods used in classification of data. Which method is mostly used for further statistical analysis? How can we convert an inclusive series into an exclusive series of frequency distribution?

- 10 What are the important points that we should keep in mind while constructing a good questionnaire for collecting primary data? 6
- 11 What are the three modes of collecting primary data? Explain any one of the method in terms of its meaning, suitability, advantages and disadvantages. 6
- 12 What is a frequency distribution? How is it prepared? Explain. 6

OR

Construct a frequency distribution for the following data by inclusive method taking seven as the class interval.

28	17	15	22	29	21	23	27	18	12	7	2	9	4
1	8	3	10	5	2	16	12	8	4	33	27	21	15
3	36	27	18	9	2	4	6	32	31	29	18	14	13

15 11 9 7 1 5 37 32 28 26 24 20 19 25

19 20 6 9

SECTION B

- 13 When a 10% rise in price of a good results in 10% fall in its quantity demanded, its absolute value of price elasticity of demand is: (Choose the correct alternative) 1
- (i) Greater than one (ii) Zero (iii) Equal to one (iv) Less than one
- 14 Give one example for a normative statement in economics. 1
- 15 Total Utility is -----(Choose the correct alternative) 1
- i. The sum of marginal utilities
ii. Utility from the last unit X number of units consumed
iii. Utility from the first unit X number of unit consumed
iv. Always increasing
- 16 Which of the following is responsible for a downward movement along the demand curve? 1
(Choose the correct alternative)
- i. Favourable change in taste and preference of the consumer
ii. Fall in price of the complementary good
iii. Fall in price of the good
iv. Rise in price of the substitute good
- 17 A consumer buys 80 units of a good at a price of Rs. 8 per unit. How many units will he buy when its price rises by Rs. 2 if price elasticity of demand is -1? 3
- 18 A consumer buys one commodity. How many units of this commodity will the consumer buys so that she gets maximum satisfaction? Explain using utility analysis. 3

OR

How are Marginal Utility and Total utility related? Explain using diagram.

- 19 Define Marginal Rate of Substitution. How does it determine the shape of indifference curve? Explain using diagram. 4

OR

Define indifference map. Why is an indifference curve to the right shows higher levels of utility? Explain with diagram.

- 20 Giving reason comment on the shape of Production Possibility Curve based on the following 4

schedule. Show with diagram.

Good X: 0 1 2 3 4 5

Good Y: 10 9 6 4 2 0

- 21 Define economic problem. Explain the central problem of ‘how to produce’? How is this problem getting solved in a free market economy? 4
- 22 Define a Production Possibility curve. Explain the concept using a diagram. Identify two situations each in which it can shift to right and left. 6
- 23 Comment on the following statements as true or false. Give reasons with explanation using suitable diagram as illustration. 6
- a. When ‘good X’ and ‘good Y’ are complementary goods, demand for ‘good X’ will increase when price of ‘good Y’ falls
 - b. Demand for a good by a consumer will definitely increase when income of the consumer rises.
- 24 Explain the difference between budget set and budget line. When can budget line shift? Explain with diagram. 6

OR

Explain the conditions of consumer equilibrium under indifference curve analysis.

End of the Question Paper