



ST. LAWRENCE HIGH SCHOOL
A JESUIT CHRISTIAN MINORITY INSTITUTION
First Term Examination - 2018



Class :11 C

Sub :Economics

F.M.:80

DURATION:3 Hrs15Mins

DATE:03.08.2018

Group- A

10X1 = 10

1. Multiple choice Questions:

- i) Which of the following cannot be reproduced?
a) Land, b) Labour, c) Capital, d) Organisation
- ii) "Economics is the science which studies human behaviour" _____ explained by
a) Smith, b) Marshall, c) Robbins, d) Samuelson
- iii) According to Marx an economy, during the process of development, passes through _____ stages.
a) three, b) four, c) five, d) six
- iv) An example of common property resources is _____.
a) government office building, b) reserve forest, c) factory owned by a company, d) common grazing land
- v) 'The function of an economic system is to solve three basic problems' – stated by
a) Smith, b) Marshall, c) Robbins, d) Samuelson
- vi) Government interference is least in _____ economic system.
a) Capitalist, b) Socialist, c) Mixed, d) Planned
- vii) How many phases does a business cycle have?
a) three, b) four, c) five, d) six
- viii) When total utility is maximum then marginal utility is _____.
a) 1, b) 0, c) positive, d) negative
- ix) In India _____ economic system prevails.
a) capitalist, b) socialist, c) mixed, d) planned
- x) There is no exploitation of labour in _____ economy.
a) capitalist, b) socialist, c) mixed, d) market

2) Short answer type questions :

10X1=10

- i) Production is the creation of _____ through exchange.
- ii) According to classical economists, production means _____ type of changes.
- iii) _____ is produced means of production.
- iv) _____ cannot be separated from the labourer.
- v) _____ is the source of future income.
- vi) _____ establishes coordination among land, labour, and capital.
- vii) There will be _____ social goals to solve the basic problems of the society.
- viii) In _____ economic system price mechanism works freely.
- ix) Business cycle refers to _____ movement in economic activities.
- x) One phase of business cycle _____ comes from the previous phase.

3) Answer the following questions :

2X10 = 20

- i) What is opportunity cost?
- ii) When does the production possibility curve shift to the right?
- iii) What do you mean by problem of choice?
- iv) What is the difference between private and public property?
- v) Define a developed economy?
- vi) What do you mean by economic system?
- vii) Define business cycle?
- viii) What is stagflation?
- ix) Distinguish between land and capital.
- x) What are the characteristics of business cycle?

Group- B

4) Answer the following questions :

5X6 = 30

- i) What are the social goals for solving three basic problems of an economy?

OR

What are the characteristics of capitalist economic system?

- ii) Distinguish between price and value.
- iii) State the law of diminishing marginal utility. What are its assumptions? What are the reasons behind this law?
- iv) What are the merits of socialist economic system?

OR

What are the demerits of mixed economy?

- v) Explain graphically the phases of business cycle.
- vi) Define production possibility curve. What are its assumptions? Explain it graphically.

Group- C

5) Long answer question

10X1 = 10

- i) What do you mean by an underdeveloped economy? What are its characteristics?

OR

What do you mean by developed economy? What its characteristics?



ST. LAWRENCE HIGH SCHOOL



First Term Test- 2018 (Model Answer)

Subject: Economics

Class: XI (C)

F. M. 80

Duration: 03 hours 15 min

Date: 3.8.2018

Group – A

1. Select the correct answer:

1 x 10 = 10

- i) a) Land
- ii) b) Marshall
- iii) c) five
- iv) d) common grazing land
- v) d) Samuelson
- vi) a) capitalist
- vii) b) four
- viii) b) 0
- ix) c) mixed
- x) b) socialist

2. Answer the following questions :

1 x 10 = 10

- i) utility
- ii) three
- iii) capital
- iv) labour
- v) capital
- vi) organisation
- vii) six
- viii) capitalist
- ix) cyclical
- x) automatically

3. Answer the following questions

2x10=20

- i) Opportunity cost: The opportunity cost of any commodity is the amount of other commodity sacrificed to produce one unit of that commodity.

ii) When the economic growth process takes place in an economy or there will be any technological advancement then production possibility curve will shift to the right.

iii) Human wants are unlimited but the resources are limited. So we have to choose which want we fulfill now and which we can postpone for future. This is known as problem of choice.

iv) a) The property which has private ownership is known as private property and the property which has government ownership is known as public property

b) Exclusion principle is applicable for private property but it is not applicable for public property.

v) Developed economy: The economy which has high levels of per capita income is called developed economy.

vi) Economic system: It means the set of social and political rules that govern economic activities in a country.

vii) Business cycle: In the economic activities of a country there occur regular ups and downs. These are known as business cycles

viii) Stagflation: When the economy is in stagnant situation and there is inflationary pressure also it will be known as stagflation.

ix) a) Land is a free gift of nature but capital is produced means of production.
b) Land is immobile but capital is mobile.

x) Characteristics of business cycle:

a) it is cyclical movement in economic activities.

b) there is regularity in the movements of economic activities

c) there are different phases of a business cycle.

d) there is an element of automaticity in a business cycle.

Group-B

4. Answer the following questions:

5x6=30

i) There are six social goals for solving three basic problems of an economy. These are:

a) efficiency, b) equity, c) freedom, d) growth, e) security, f) stability.

Explanation of each point in brief.

OR

Characteristics of capitalist economic system are:

a) private ownership, b) consumers' sovereignty, c) freedom of enterprise, d) price mechanism, e) competition

Explanation of each point in brief.

ii) Any five differences between price and value.

iii) The law of diminishing marginal utility states that when a consumer will buy more and more units of a commodity then marginal utility derived from the successive units gradually decreases.

Assumptions and reasons explanations in brief.

iv) Merits of socialist economic system:

a) no economic crisis, b) no inequality in the distribution of income, c) no exploitation of labour, d) increase in welfare

Explanation of each point in brief.

OR

Demerits of mixed economy:

a) impossibility to integrate the elements of capitalism and socialism in a single system, b) non co-operation between private and public sector, c) existence of inequality in the distribution of income.

Explanation of each point in brief.

v) Four phases of business cycle are:

a) depression, b) recovery, c) boom, d) recession

Graphical explanation of each point

vi) Graphical explanation of production possibility curve along with its assumptions.

Group-C

5. Long answer questions:

1x10=10

i) Under developed economy is that economy in which per capita real income is low when compared with per capita real incomes of the United States of America, Canada, Australia and Western Europe.

Characteristics:

a) low per capita income, b) predominance of primary sector, c) scarcity of capital, d) high growth rate of population, e) low standard of living, f) dual economy, g) backward methods of production, h) non utilisation of natural resources.

Explanation of each point in brief.

OR

The economy which has high levels of per capita income is called developed economy.

Characteristics:

a) high per capita income, b) high rate of saving and investment, c) low growth of population, d) higher standard of living, e) good infrastructural facilities, f) industrial in nature, g) improved technology used, h) unemployment is temporary.

Explanation of each point in brief.