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ST. LAWRENCE HIGH SCHOOL



Mid- Term Examination – 2019

Sub: Economics

Class: 11-B/D.

F. M. 80

Duration: 3 hrs 15min.

Model Answer

Date:1.8.19.

GROUP-A

Q.1) Choose the correct options: 1x10=10

- i) What type of bar diagram is used to denote time series data?
b) vertical
- ii) Tragedy of commons is associated with:
c) mixed economy.
- iii) Part of the table which gives description of the rows is called :
a) stub
- iv) Which of the following is not a feature of capitalist economy?
c) presence of central planning authority.
- v) The shape of PPC is :
b) concave
- vi) The market with few sellers and many buyers is called :
b) oligopoly
- vii) The function of an economic system is to solve three basic problems. It has been stated by:
b) Samuelson
- viii) Scarcity of capital is one of the features of a _____ country.
b) under developed
- ix) Economics is the science of wealth---- who said?
a) Adam Smith
- x) If the AM of $(x-1)$, x and $(x+1)$ is 10, the value of x is :
c) 10.

Q.2) Answer in one / two sentences : 1x10=10.

- i) What are free goods?
Abundantly available and price not paid.
- ii) What is relative frequency?
Frequency of the class/Total frequency.
- iii) What is meant by labour in economics?
Physical and mental effort exerted to produce goods in lieu of money.
- iv) What is social relation?
Man –man interaction on the basis of historically evolved rules.
- v) Define market demand schedule.
It shows quantities demanded by all consumers in the market at different prices.
- vi) Give two examples of variable cost of production.
Cost of raw materials, fuel cost, transport cost etc.
- vii) What is meant by consumer's sovereignty?
Freedom of the consumers to make their own choice.
- viii) Define pure oligopoly market with examples.
Few sellers selling homogenous product to large number of buyers. Eg-mineral water.
- ix) What are the classification of market according to time period?
Very short period, short period, long period, very long period.
- x) What is a mixed economy?
Features of both capitalism and socialism is present.

GROUP-B

Q.3). Short answer type questions: 2x10=20

- i) Define economics as given by Robbins.
Economics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses.
- ii) What are the differences between land and capital?
Land is a free gift of nature and has no cost of production but capital is a produced means of production and do have cost of production.
- iii) What according to Karl Marx are the five stages through which an economy passes during the process of economic development?
Primitive communism, Slavery, Feudalism, Capitalism, Socialism.
- iv) Write two demerits of capitalist economic system.
Inequality in the distribution of income increases. System is often faced with economic crisis.
- v) State the law of diminishing marginal utility.
As the consumer consumes more and more of a commodity the MU derived from the successive units of the commodity gradually diminishes.
- vi) State the relation between AC and MC.
When $MC > AC$, AC increases. When $MC < AC$, AC decreases. When $MC = AC$, AC is minimum and stationary.
- vii) Write two features of developed economy.
PCI and standard of living high. Less inequality in the distribution of income and wealth etc.
- viii) What is the difference between discrete and continuous variable?
Discrete variables can have only isolated real numbers within its range. Eg- Students of a class. Continuous variable can take any value within its range of possibilities. Eg- Height.
- ix) What is meant by man-nature interaction?
Social activity is defined as man-nature interaction on the basis of a historically evolved rules.
- x) What is frequency density?
Frequency of the class/Width of the class.

Group-C

Q.4) Long answer type questions (Attempt any 6): 5x6=30

- i) Show how equilibrium price is determined.
Equilibrium price is determined by the interaction of demand and supply forces. It must be explained with the help of diagram.
- ii) What are the differences between fixed cost and variable cost?
At least five points of distinctions along with diagram is required.
- iv) What is demand curve? How is market demand curve obtained from individual demand curves?
Definition and explanation with diagram is required.
- v) What are the differences between economic growth and economic development?
At least four points of distinction should be mentioned.
- vi) Discuss the functions of an economic system.
What to produce and in what quantities? How to produce? For whom to produce? Explain in details.
- vii) Discuss the uses and abuses of common property resources.
Uses- Helps the poor to get their livelihood from the common property resources. Abuses- Overutilisation leading to tragedy of commons. Explained in details.
- viii) Find the AM from the following data:

X_i	5	10	15	20	25
F_i	1	2	3	3	1

$$AM = \frac{\sum fx}{\sum f} = \frac{155}{10} = 15.5$$

Draw a histogram to represent the following data:

Income (Rs) :	5-10	10-15	15-20	20-25	25-30
No. of workers :	15	25	30	20	10

Students should draw histogram from the above data.

GROUP-D

Q.5) Essay type questions (Attempt any 1): 10x1=10

- i) Discuss the classification of market on the basis of competition.
Perfectly competitive market, Monopoly market, Oligopoly market, Monopolistic market, Bi-lateral monopoly market, Monopsony market and Oligopsony market. Definition, features with example is required.
- ii) Discuss the differences between developed and under developed economy.
At least five points must be mentioned and explained in details.