



# ST. LAWRENCE HIGH SCHOOL

*A Jesuit Christian Minority Institution*  
**PRE -ANNUAL EXAMINATION**

**Class: 11**

**Sub: ECONOMICS ( MODEL ANSWER )**

**F.M.: 80**

**Date: 21/01/2020**

---

## Group- A

**1. Multiple choice Questions: 10X1 = 10**

i) There is no exploitation of labour in \_\_\_\_\_ economy.

a) capitalist, b) socialist, c) mixed, d) market

Ans: b) socialist

ii) An example of common property resources is \_\_\_\_\_.

a) government office building, b) reserve forest, c) factory owned by a company, d) common grazing land

Ans: d) common grazing land

iii) Which of the following is not a characteristic of a less developed economy?

a) Low per capita income, b) low rate of savings and capital formation, c) Low rate of population growth, d) Low rate of literacy

Ans: c) Low rate of population growth

iv) How many phases does a business cycle have?

a) three, b) four, c) five, d) six

Ans: b) four

v) Which of the following taxes is levied by the Central Government of India?

a) Agricultural income tax, b) Land revenue, c) Import duty d) Electricity duty

Ans: c) Import duty

vi) Shareholders of a joint stock company earns

a) interest, b) Rent, c) Wage, d) Dividend

Ans: d) Dividend

vii) Which of the following is not a function of central bank?

a) Note issue, b) credit creation, c) credit control, d) clearing house

Ans: b) credit creation

viii) When average product increases then marginal product is \_\_\_\_\_

a) greater than AP, b) less than AP, c) equal to AP, d) zero

Ans: a) greater than AP

ix) Which one is not the measure of central tendency?

a) mean, b) median, c) pie chart, d) mode

Ans: c) pie chart

x) Which of the following is not a public sector undertaking?

a) WIPRO, b) SAIL, c) BHEL, d) BSNL

Ans: a) WIPRO

**2) Short answer type questions :**

**10X1 =10**

i) \_\_\_\_\_ is called the produced means of production.

Ans: Capital

ii) The basic problems of any economic system arise from scarcity of resources. ( True/ False)

Ans: True

iii) Direct tax can be evaded. ( True/ False)

Ans: True

iv) If the tax rate decreases as the taxable income increases then this type of taxation is known as \_\_\_\_\_ taxation.

Ans: Regressive

v) Demand for factors of production is known as \_\_\_\_\_ demand.

Ans: Derived

vi) Money has \_\_\_\_\_ functions.

Ans: Four

vii) In a single ownership firm the liability of owner is \_\_\_\_\_

Ans: Unlimited

viii) The breadths of bars in a bar diagram are unequal. ( True/ False)

Ans: False

ix) \_\_\_\_\_ is measured by highest frequency.

Ans: Mode

x) The new industrial policy of India was announced in the year 1991. ( True/ False)

Ans: True

**3) Answer the following questions :** 2X10 = 20

i) Mention any two characteristics of developed economy.

Ans: a) High per capita income, b) Low rate of growth of population

ii) Mention two advantages of partnership firm.

Ans: a) It is possible to collect more funds.

b) It is possible to manage the firm more efficiently.

iii) What do you mean by technical progress?

Ans: When it is possible to increase production without increasing any input employed it is said that technological progress takes place.

iv) Define business cycle

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

v) Distinguish between primary and secondary data.

Ans: a) Primary data are raw data but secondary data are like finished products.

b) Primary data are original in nature but secondary data are not original in nature

vi) What do you mean by production function?

Ans: Production function means the functional relationship between input used and output produced.

vii) What is operation barga?

Ans: In the post 1977 era a programme of universal registration of tenants took place in West Bengal, it is known as operation barga

viii) What is joint sector?

Ans: It is the mixture of private and public sectors.

ix) What do you mean by human development?

Ans: Human development has been defined as a process of widening people's choices and the level of well being they achieve.



x) Compare the economy of India and China on the basis of rate of growth of population.

Ans: Both India and China have a large population and hence a large internal market. China has the largest population in the world. However population density of India is much higher than that of China.

### Group- B

4) Answer the following questions :

5X6 = 30

i) Show how the equilibrium price is determined by the interaction between demand and supply.

Ans: The price at which there is no excess demand or excess supply in the market is known as equilibrium price.

Diagrammatical explanation of this equilibrium price determination.

OR

What are the characteristics of perfectly competitive market?

Ans: Characteristics of perfectly competitive market are:

- a) large number of buyer and seller
- b) homogeneous product
- c) price taker
- d) free entry and free exit
- e) perfect knowledge

Brief explanation of these five points

ii) What are the different types of unemployment?

Ans Different types of unemployment are:

- a) voluntary unemployment,
- b) involuntary unemployment,
- c) seasonal unemployment,
- d) frictional unemployment,
- e) structural unemployment.

iii) Give some arguments for free trade.

- Ans: a) international specialisation,  
b) Efficient utilisation of natural resources  
c) import of essential commodities

d) increase in total production and total consumption.

e) international cooperation and understanding

Brief explanation of all these five points

**OR**

What are the disadvantages of free trade?

Ans: a) excessive dependence on other countries,

b) obstacles to industrialisation,

c) import of harmful commodities,

d) expansion of economic crisis

e) growth of colonialism

Brief explanation of all these five points

iv) Explain the different parts of a statistical table.

Ans: Different parts of a statistical table are:

a) title,

b) caption,

c) stub,

d) body,

e) footnote,

f) source note

Brief explanation of all these five points

v) Discuss the sectoral distribution of national income.

Ans: Brief explanation of sectoral distribution of national income with the help of Clerk Fisher Thesis.

vi) What are the importance of small scale industry in India.

Ans: Importance of small scale industry in India are as follows:

a) greater growth rate of output

b) more employment in small scale industries

c) more opportunities in exports

d) overall development of the economy

Brief explanation of all these points

**OR**

What are the problems of public sectors in India.

Ans: The problems of public sectors in India are as follows:

- a) very low rate of profit
- b) inefficiency of management
- c) over capitalisation
- d) excessive bureaucratisation
- e) poor and inadequate planning.

### **Group- C**

#### **5) Long answer question**

**10X1 = 10**

i) Discuss about Green Revolution in India.

Ans: The rapid growth of agricultural output since the middle of the 1960;s is known as the Green Revolution.

Brief explanation of the features of Green Revolution and the effects of Green Revolution.

**OR**

What do you mean by MGNREGA? What its characteristics?

Ans: To solve the problem of rural unemployment the Govt. of India passed an Act in Parliament in 2005. It is known as National Rural Employment Guarantee Act. It is known as 100 days of employment scheme. Lter on this programme was renamed as Mahatma Gandhi National Rural Employment Guarantee scheme.

Brief explanation of the features of MGNREGA.