



**ST. LAWRENCE HIGH SCHOOL**



**A Jesuit Christian minority Institution**

**Subject: Economics**

**Class- XI**

**Date:27/06/2020**

**Worksheet-12**

**Chapter-Economic problems and Economic Systems**

**Topic- Socialist Economy – merits and demerits**

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1. Choose the correct alternative. 1x15=15
- a) In the socialist economic system we find i) private ownership ii) public ownership iii) (i) and (ii) both iv) none of these
  - b) In socialist economic system, the three basic economic problems get resolved by i) central planning authority ii) individuals iii) price mechanism iv) none of these
  - c) Another name of socialist economy is i) Mixed economy ii) centrally planned economy iii) economy with automatic mechanism iv) none of these
  - d) Socialist economy works on the basis of i) non-profit motive ii) profit motive iii) interest of the society iv) none of these
  - e) Surplus value created in the production process is appropriated by few individuals in i) socialist economy ii) capitalist economy iii) centrally planning authority iv) none of these
  - f) Exploitation of labour can be found in i) centrally planned economy ii) socialist economy iii) capitalist economy iv) none of these
  - g) In socialist economy surplus value created in the production process is appropriated by i) society ii) owners of the means of production iii) only few individuals iv) none of these
  - h) Business cycles do not take place in socialist economy because i) there is no conflict between producers and workers ii) this economy is completely regulated iii) there is no exploitation of labor iv) none of these
  - i) One of the very important merits of the socialist economy is i) there is no inequality in distribution of income ii) there is possibility of optimum resource allocation iii) complete liberty of individuals iv) none of these

- j) One of the demerits of the socialist economy is i) there is class struggle ii) emergence of business cycle iii) bureaucratic influence iv) none of these
- k) Workers lack motivation to work in socialist economy because i) there is absolute liberty of individuals ii) since they have security of employment iii) of exploitation of labour iv) none of these
- l) In socialist economy i) people lack political liberty ii) people lack political liberty followed by lack of economic liberty iii) there is lack of equality in distribution of income iv) none of these
- m) Main motive of the socialist economy is i) to increase profit ii) to increase welfare of the society iii) producing the commodities which are profitable iv) none of these
- n) 'Invisible hand' works in i) capitalist economy ii) socialist economy iii) centrally planned economy iv) none of these
- o) In socialist economy allocation of resources are determined by i) market forces ii) central planning authority iii) price mechanism iv) none of these

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