



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian minority Institution

Subject: Economics

Class- XI

Date:30/06/2020

Answer key of Worksheet-14

Chapter- Economic Problems and Economic Systems

Topic- Invisible hand Theory of Adam Smith, Tragedy of commons and Five stages of Economic development according to Marx

1. Choose the correct alternative. 1x15=15
- a) Tragedy of common means i) when an individual starts using a private property without permission ii) **when common properties are overutilised** iii) overutilization of a private property iv) none of these
- b) Tragedy of commons leads to i) **inefficient uses of public property** ii) optimum uses of public property iii) inefficient uses of private property iv) none of these
- c) In developing countries like India livelihood of poor people depend on i) mostly privately owned properties ii) **mostly commonly owned properties** iii) industrial sector iv) none of these
- d) Invisible hand refers to i) **automatic mechanism of solving economic problems** ii) some special measure taken by government to resolve economic problems iii) planning of central planning authority iv) none of these
- e) Invisible hand theory works in i) centrally planned economy ii) socialist economy iii) **capitalist economy** iv) none of these
- f) 'laissez-faire' policy refers to i) government intervention in economic activities as much as possible ii) **non-intervention of government in economic activities** iii) actions of central planning authority iv) none of these
- g) According to Marx third stage of economic development is i) **feudalism** ii) slavery iii) capitalism iv) none of these
- h) In the stage of primitive communism i) **there was no private property** ii) there was class struggle iii) livelihood of people used to depend on agriculture iv) none of these

- i) According to Marx a society develops as a result of interaction between i) man and man ii) man and nature iii) **forces of production and relations of production** iv) none of these
- j) Industry emerged and became more important than agriculture in the stage of i) **capitalism** ii) feudalism iii) slavery iv) none of these
- k) In capitalism fruits of production were enjoyed by i) workers ii) **owners of means of production** iii) (i) and (ii) both iv) none of these
- l) When means of production got socialized, that stage is marked as i) feudalism ii) **socialism** iii) primitive communism iv) none of these
- m) When forces of production developed and private property appeared, that stage is marked as end of i) slavery ii) **primitive communism** iii) feudalism iv) none of these
- n) One of the solutions to tragedy of commons is i) common ownership should be abolished ii) all the properties should be privatized iii) **restriction should be imposed on the use of common properties** iv) none of these
- o) Contradiction arises between new forces of production and old relations of production because i) Relations of production change more quickly than forces of production ii) **forces of production change more quickly than relations of production and old relation of production stand in the way of emergence of new relation of production** iii) of emergence of a new stage iv) none of these

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