



# ST. LAWRENCE HIGH SCHOOL



## A Jesuit Christian minority Institution

Subject: Economics

Class- XI

Date:26/06/2020

### Answer key of Worksheet-11

#### Chapter- Economic Problems and Economic Systems

#### Topic- Capitalist Economy – Merits and Demerits

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1. Choose the correct alternative.  $1 \times 15 = 15$
- a) Capitalist economy works on the basis of i) non-profit motive ii) **profit motive** iii) the wellbeing of the society iv) none of these
- b) In capitalist economy consumers can purchase commodities i) **according to their preference** ii) according to producer's preference iii) selected by government iv) none of these
- c) In capitalist economy ownership of means of production is vested in the hand of i) society ii) government iii) **individuals** iv) none of these
- d) In capitalist economy an individual can take up any occupation i) **according to their will** ii) according to government rules iii) according to rules of society iv) none of these
- e) In capitalist economy i) **labour and capital are mobile in nature** ii) labour and capital are not mobile in nature iii) labour and capital can move only if government wants iv) none of these
- f) In capitalist economy, price gets determined by i) government intervention ii) **forces of demand and supply** iii) central planning authority iv) none of these
- g) In capitalist economy, price of the factors of production gets determined by i) **market forces** ii) government intervention iii) central planning authority iv) none of these
- h) One of the merits of capitalist system is i) there is no competition ii) **absolute liberty of producers and consumers** iii) there is no inequality in the distribution of income iv) none of these
- i) A capitalist economic system is i) hugely affected by bureaucratic interference ii) **free from bureaucratic interference** iii) affected by government intervention iv) none of these

- j) One of the important demerits of the capitalist system is i) it has an automatic mechanism ii) **there is inequality in the distribution of income** iii) complete liberty of consumers iv) none of these
- k) There is possibility of efficient allocation of resources in i) socialist economy ii) **capitalist economy** iii) both (i) and (ii) iv) none of these
- l) A very important feature of capitalist system is i) **class struggle** ii) security of workers iii) bureaucratic interference iv) none of these
- m) Business cycles are regularly found in i) socialist economic system ii) **capitalist economic system** iii) (i) and (ii) both iv) none of these
- n) In the present world we find i) no capitalist system ii) pure capitalist system iii) **regulated capitalist system** iv) none of these
- o) The main reason behind class struggle is i) **conflicting interests of capitalist class and working class** ii) complete liberty of producers and consumers iii) bureaucratic interference iv) none of these

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