



ST. LAWRENCE HIGH SCHOOL



**A Jesuit Christian minority Institution**

**Subject: Economics**

**Class- XI**

**Date:19/06/2020**

**Answer key of Worksheet-5**

**Chapter- Definition and subject matter of Economics**

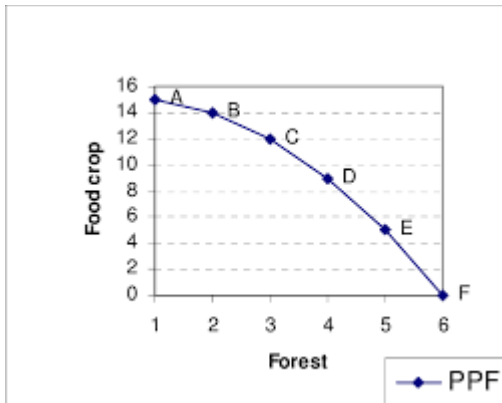
**Topic- Shift of PPC and concept of opportunity cost**

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1. Choose the correct alternative. 1x15=15
- a) Optimum allocation of resources means i) increase in production of one commodity with the other remaining same **ii) increase in production of one commodity with the other decreasing** iii) increase in production of both commodities iv) none of these
- b) Economy is moving from one point to another with both the commodity increasing means **i) there are under utilized resources** ii) optimum utilization of resources iii) over utilization of resources iv) none of these
- c) If positive technological change occurs then i) as a result number of labours increases **ii) it improves productivity of the available resources** iii) it decreases productivity of the available resources iv) none of these
- d) A positive technological change implies i) leftward shift of the PPC ii) PPC remains in its place **iii) rightward shift of the PPC** iv) none of these
- e) If there is an increase in the available resources then i) PPC shifts leftward **ii) PPC shifts rightward** iii) PPC remains in its place iv) none of these
- f) A positive technological change leading the PPC to shift rightward means **i) increase in the production of both the commodities simultaneously** ii) increase in production of one commodity while production of the other decreases iii) increase in the production of one commodity and production of the other remains same iv) none of these
- g) Amount of one commodity sacrificed for getting one additional unit of the other is known as i) production cost ii) marginal cost **iii) opportunity cost** iv) none of these

h) Basic fact behind the concept of opportunity cost is i) resources are unlimited ii) **one resource has many alternative uses** iii) one resource has one specific use iv) none of these

i) In the following figure, When we move from B to C, opportunity cost of forest in terms of food crops is i) 3 units ii) 1 unit **iii) 2 units** iv) none of these



j) In the above figure, when we move from D to E, opportunity cost in terms of food crop is **i) 4 units** ii) 5 units iii) 3 units iv) none of these

k) PPC is concave to origin because of i) decreasing opportunity cost ii) constant opportunity cost **iii) increasing opportunity cost** iv) none of these

l) If opportunity cost remained the same then, PPC would look like i) convex to the origin ii) concave to the origin **iii) downward sloping straight line** iv) none of these

m) Efficient utilization of resource takes place where **i) opportunity cost is the lowest** ii) opportunity cost is the highest iii) it has nothing to do with opportunity cost iv) none of these

n) In the above figure what is the opportunity cost of food crop in terms of forest when we move from E to D i)  $\frac{1}{3}$  units **ii)  $\frac{1}{4}$  units** iii)  $\frac{1}{2}$  units iv) none of these

o) In the above figure what is the opportunity cost of food crop in terms of forest when we move from D to C **i)  $\frac{1}{3}$  units** ii)  $\frac{1}{4}$  units iii)  $\frac{1}{2}$  units iv) none of these

Aparajita Mondal