INDIAN SCHOOL AL WADI AL KABIR
DEPARTMENT OF COMMERCE

SAMPLE PAPER -1

Class: XI **ECONOMICS (030)** **M.M: 80**

	SECTION A: STATISTICS	
1	Read the following statements carefully -Assertion (A) and Reason (R) and choose the correct alternative: **Assertion (A)** -Economic problems involve the problem of making choices **Reason (R)** -It arises because of never-ending wants and their alternative uses. a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of (A) b) Assertion (A) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). c) Assertion (A) is true, but Reason (R) is false. d) Assertion (A) is false, but Reason (R) is true.	1
2	What is the purpose of a survey?	1
3	The class midpoint is equal to: a. Average of the upper-class limit and the lower-class limit. b. Product of the upper-class limit and the lower-class limit. c. Ratio of the upper-class limit and the lower-class limit. d. None of the above	1
4	Explain the following property of arithmetic mean with example: The sum of deviations of items from arithmetic mean is always equal to 0.	1
5	Read the following statements and choose the correct alternative Statement 1: Scatter diagram indicates the exact numerical value of correlation Statement 2: Scatter diagram does not require to calculate any number. a) Statement 1 is true and statement 2 is false b) Statement 1 is false and statement 2 is true c) Both statements 1 and 2 are true d) Both statements 1 and 2 are true	1
6	If a company is interested to know how its sales and profits have fluctuated over the years which of the following it should prepare? a. Bar Diagram b. Pie Diagram c. Histogram d. Arithmetic line graph	1
7	An index numbers is used to measure changes in: a. Quantity only b. Demand only c. A variable over time d. Price only	1
8	If the coefficient of correlation is positive, a change in with one variable is associated with change in the other variable in the opposite direction. True or False? Justify.	1

9	When the variables cannot be measured precisely, _____ can be used to calculate correlation: a. Scatter diagram b. Karl Pearson's correlation coefficient c. Spearman's correlation coefficient d. All of the above	1
10	Which index number is used for calculating the purchasing power of money and real wage?	1
11	Locate Median of the following distribution: <table><tr><td>Variable</td><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td><td>16</td></tr><tr><td>Frequency</td><td>8</td><td>15</td><td>25</td><td>20</td><td>12</td><td>10</td><td>5</td></tr></table>	3
12	Calculate Fisher's Ideal Price Index: <table><tr><th>Commodity</th><th>Base period Price</th><th>Base period Quantity</th><th>Current period Price</th><th>Current period Quantity</th></tr><tr><td>A</td><td>2</td><td>10</td><td>4</td><td>5</td></tr><tr><td>B</td><td>5</td><td>12</td><td>6</td><td>10</td></tr><tr><td>C</td><td>4</td><td>20</td><td>5</td><td>15</td></tr><tr><td>D</td><td>2</td><td>15</td><td>3</td><td>10</td></tr></table>	3
13	Calculate Spearman's coefficient between marks of 10 students in Mathematics and English. Interpret the result. **Marks in Mathematics**: 52 53 42 60 45 41 37 38 25 27 **Marks in Economics:** 65 68 43 38 77 48 35 30 25 50	4
14	a. Construct a histogram from the following distribution of total wages obtained by 50 workers in a factory and prepare a frequency polygon and a frequency curve: <table><tr><td>Daily wages</td><td>500</td><td>600</td><td>700</td><td>800</td><td>900</td></tr><tr><td>No. of workers</td><td>5</td><td>10</td><td>19</td><td>11</td><td>3</td></tr></table> **OR** a. What kind of diagrams are more effective in representing the following: i. Monthly rainfall in a year ii. Composition of population in Oman in terms of religion iii. Components of cost in a factory iv. Production of Wheat in 5 states in a particular year. b. Explain the following parts of the table: i. Caption ii. Stub iii. Body iv. Title	4
15	Calculate Simple aggregative price index and Simple average of price relative index from the following data: <table><tr><th>Commodity</th><th>Price in base year (Rs)</th><th>Price in current year (Rs)</th></tr></table>	4

Rice	120	180
Wheat	80	100
Oil	300	400
Pulses	130	180
Sugar	150	200

16 Calculate Mean using Step-Deviation method: 6

Marks	0-4	4-8	8-12	12-16	16-20
Frequency	4	8	2	1	5

17 Calculate the Correlation between years of schooling for farmers and the annual yield per acre (in Rs 1000) 6

No. of years of schooling of farmers	**Annual yield per acre (in Rs 1000)**
0	4
2	4
4	6
6	10
8	10
10	8
12	7

OR

Write true or false and justify.

a. If r=0, there is no relation between the two variables.
b. Coefficient of correlation has no unit.
c. All the properties of the simple correlation coefficient are applicable to rank correlation coefficient.
d. The correlation coefficient between marks secured in English and Maths is 0.1. It means strong correlation between the two.
e. The correlation coefficient between marks secured in English and Hindi are 0.9. It implies very less correlation.
f. The magnitude of r is unaffected by the change of origin and the change of scale.

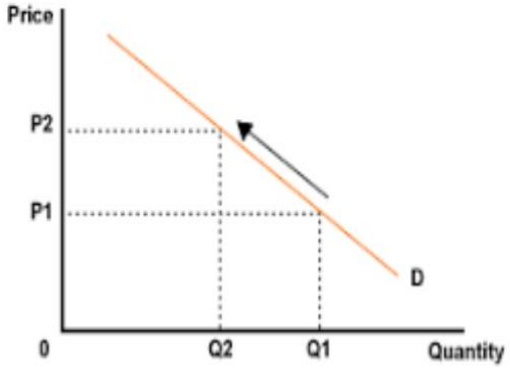
SECTION B; MICRO ECONOMICS

18 Which of the following is not a feature of perfect competition? 1

a. Large number of buyers and sellers
b. Homogeneity of product
c. Advertisement and selling cost
d. Perfect knowledge of the market

19 Read the following statements carefully and choose the correct alternative from the following. 1

Statement 1: Bundles which cost more than consumer's money income lies outside the budget line.
Statement 2: Budget set is a narrower concept than budget line.
(a) Both statements are true

	(b) Both statements are false (c) Statement 1 is true and statement 2 is false (d) Statement 1 is false and statement 2 is true	
20	What does the law of variable proportion show?	1
21	 D represents a demand curve. The arrow indicates upward movement along the same demand curve. This is: a. Contraction of demand b. Expansion of demand c. Increase in demand d. Decrease in demand	1
22	Read the following statements carefully -Assertion (A) and Reason (R) and choose the correct alternative: a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of (A) b) Assertion (A) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A). c) Assertion (A) is true, but Reason (R) is false. d) Assertion (A) is false, but Reason (R) is true. Assertion (A): In the short run firms have no flexibility to adjust any of its inputs. Reason (R): Short run generally is defined in terms of say, days, weeks or month	1
23	Define total opportunity cost.	1
24	How does an increase in number of firms affect the market supply curve?	1
25	Price of a commodity is determined at a point where: a. Demand exceeds b. Supply exceeds c. Demand equals supply d. None of these	1
26	At a price above the equilibrium price, there is: a. Excess supply. b. Excess demand. c. Price ceiling. d. Price flooring.	1

<table>
<tr><td>27</td><td>In case resources of an economy are destroyed by war, PPC will:
a. Shift rightwards
b. Shift leftwards
c. Rotate along X axis
d. Rotate along Y axis</td><td>1</td></tr>
<tr><td>28</td><td>Distinguish between normal good and inferior good with examples.
OR
Coffee and milk are complimentary goods. How does the decrease in price of coffee affect the demand of the milk? Explain with a diagram.</td><td>3</td></tr>
<tr><td>29</td><td>a. State the Law of variable proportion.
b. Show the three phases of diminishing return to the factor with a neatly labeled diagram.</td><td>3</td></tr>
<tr><td>30</td><td>On the basis of the following information, calculate the firm's equilibrium output in terms of marginal revenue and marginal cost. Also calculate profit at this output.
<table><tr><th>Output (Units)</th><th>Total Revenue (Rs)</th><th>Total Cost (Rs)</th></tr><tr><td>1</td><td>8</td><td>9</td></tr><tr><td>2</td><td>14</td><td>15</td></tr><tr><td>3</td><td>16</td><td>19</td></tr><tr><td>4</td><td>26</td><td>25</td></tr><tr><td>5</td><td>32</td><td>32</td></tr></table></td><td>4</td></tr>
<tr><td>31</td><td>A consumer consumes only two goods X and Y. His money income is Rs.200 and the prices of foods X and Y and Rs.40 and Rs.20 respectively.
a. Write two such combinations of X and Y which lie on the budget line.
b. Write two such combinations of X and Y which are part of his budget set but do not lie on his budget line.
c. What is the equation of budget line and its slope?
d. Can the consumer afford a bundle 4X and 5Y? Explain.
e. What will be the MRS when the consumer is in equilibrium? Explain.
OR
i. How does MRS impact the shape of indifference curve?
ii. Mr. X consumes two commodities whose prices are Rs 4 and Rs 2 respectively. What will be the value of MRS if the consumer is in equilibrium?</td><td>4</td></tr>
<tr><td>32</td><td>Discuss the following two features of perfect competition and their implications:
i. Innumerable number of buyers and sellers
ii. Homogenous products</td><td>4</td></tr>
<tr><td>33</td><td>State giving reasons whether the following statements are true or false:
a. If the goods X and Y are substitutes, a rise in price of X will result in rightward shift in demand curve Y.
b. If a fall in price of good X leads to a rise in demand for good Y, then X & Y are substitute goods.
c. The demand for a good always increases with increase in price of other goods.
d. Demand for a good always increases with the increase in income of its buyers.
OR
a. Define price elasticity of demand.
b. Arrange the following coefficients of price elasticity of demand in ascending order: -0.87, -0.53, -3.1, -0.80.</td><td>6</td></tr>
</table>

	c. Explain the reason behind the negative sign of the price elasticity of demand. d. When price of commodity X falls by 10%, its demand rises from 150 units to 180 units. Calculate its price elasticity of demand. How much would be the % fall in its price so that its demand rises from 150 to 210 units?	
34	Explain the following with diagram in the context of market equilibrium: i. Price floor ii. Price ceiling iii. Also outline what are the steps necessary for the Government to take to ensure the effectiveness of price floor or price ceiling.	6