

HALF YEARLY EXAMINATION, 2018-19

ECONOMICS

Time : 3 hrs.

Class - XI

M.M. : 80

Date – 26.09.2018 (Wednesday)

Name of the student _____ Section _____

General Instructions:

- All questions in both the sections are compulsory.
- Marks have been indicated against each question.
- Question nos. 1 - 4 and 13 - 16 are **very short answer questions** carrying 1 mark each. They are to be answered in **one sentence** each.
- Question nos. 5 & 6 and 17 & 18 are **short answer questions** carrying 3 marks each. Answers to them should normally not exceed **60 words** each.
- Question nos. 7 - 9 and 19 - 21 are also **short answer questions** carrying 4 marks each. Answers to them should normally not exceed **70 words** each.
- Question nos. 10 - 12 and 22 - 24 are **long answer questions** carrying 6 marks each. Answers to them should normally not exceed **100 words** each.
- Answers should be brief and to the point and the above word limits should be adhered to as far as possible.

SECTION - A

- Q.1 Why is the study of the problem of unemployment in India considered as a macroeconomic study? (1)
- Q.2 How many ice-creams will a consumer have, if ice-cream is available free of cost? (1)
- Q.3 A balloon seller has decided that he will sell all his balloons at a fixed price of Rs.10 each. In such a case, TR curve will be : (1)
- horizontal straight line parallel to x-axis.
 - vertical straight line parallel to the Y-axis.
 - positively sloped straight line starting from the origin.
 - downward sloping straight line.
- Q.4 Is the following statement true or false? Give reason. (1)
- ‘Marginal revenue can never be zero’.
- Q.5 Briefly discuss the shapes of TR, AR and MR curves with the help of an imaginary schedule and diagram for a market where price falls with rise in output. (3)
- Q.6 Price elasticity of demand of a good is (-)1. At a given price, the consumer buys 60 units of the good. How many units will he buy if the price falls by 10 %. (3)

OR

Price elasticity of demand of a good is (-)2. The consumer buys a certain quantity of this good at a price of Rs.8 per unit. When the price falls, he buys 50 % more quantity. What is the new price?

- Q.7 Explain the central problem of ‘for whom to produce’. (4)
- Q.8 Differentiate between change in quantity demanded and change in demand. (4)
- Q.9 Explain the relationship between AC, AVC and MC. (4)

OR

Dr. Vivek Agrawal is running a dental clinic at his home. He has invested Rs. 2,00,000 as capital and has also borrowed Rs. 1,00,000 from Axis bank at an interest rate of 9% p.a. He has also hired an assistant at a monthly salary of Rs. 12,000. The estimated monthly rental of his clinic is Rs. 25,000. Calculate the annual implicit and explicit cost if imputed value of services of Dr. Vivek Agrawal is Rs. 4,00,000.

- Q.10** Can there be a positive level of output that a profit maximising firm produces in a competitive market at which market price is not equal to marginal cost? Give an explanation .Which other condition is also necessary to attain equilibrium? **(6)**
- Q.11** How does a consumer reach equilibrium position when he is buying only one commodity? Explain with the help of utility schedule. **(6)**
- Q.12** Explain any six factors affecting demand. **(6)**

OR

Explain consumer's equilibrium by IC analysis.

SECTION - B

- Q.13** Define Marginal rate of transformation. **(1)**
- Q.14** Harish earns Rs. 10 lakhs per year from his business .He gets an offer from a company to work at a salary of Rs. 8,40,000 per year. He would earn Rs. 11,00,000 if he starts a business. Determine the opportunity cost. **(1)**
- Q.15** A negative sign with coefficient of Price elasticity of demand denotes: **(1)**
- Direct relation between price and quantity demanded.
 - Inverse relation between price and quantity demanded
 - No relation between price and quantity demanded
 - None of these
- Q.16** What economic measure can the government take to reduce demand for commodity X which is harmful for health ? **(1)**
- Q.17** Explain in brief, the following kinds of price elasticities of demand: **(3)**
- Highly elastic demand
 - Perfectly elastic demand
 - Less elastic demand.
- Q.18** Distinguish between Contraction in supply and decrease in supply. **(3)**

OR

In which phase a rational producer will operate in the short run and why ?

- Q.19** Explain law of demand. **(4)**

OR

What is law of diminishing marginal utility. Explain it with the help of a table.

- Q.20** Complete the following table : **(4)**

Output (units)	Average Variable Cost (Rs.)	Marginal Cost (Rs.)	Total Cost (Rs.)
1	_____	20	50
2	18	_____	_____
3	_____	18	_____
4	20	_____	110
5	22	_____	_____

- Q.21** During peak hours of demand for electricity, the own price elasticity of demand tends to be low. Given this fact, would you recommend higher unit price of electricity during peak hours? **(4)**
- Q.22** Explain any four factors affecting supply. **(6)**
- Q.23** Explain Law of variable proportions. **(6)**

OR

Explain reasons behind increasing and diminishing returns to a factor.

- Q.24** Explain the concept of PPC with an hypothetical example. **(6)**

