**Economics (Class XI)**

**Practice Paper – 02**

Instructions:

1. This paper has 33 questions, carrying 1 mark each
2. All questions are compulsory.
3. Answer the questions as per the given instructions

**Section – A**

**Statistics for Economics**

**Multiple Choice Questions**

1. Which of the following definition of economics studies about the “Mankind in the ordinary business of life”?
2. Wealth definition
3. Welfare definition
4. Both (a) & (b)
5. None of these
6. A teacher helping his own son in doing his homework is an example of \_\_\_\_\_\_\_\_\_ activity.
7. Non-market economic
8. Market economic
9. Self-satisfying
10. Non-economic
11. An ideal questionnaire should be comprised of multiple choice question as much as possible. Choose from the options below.
12. True
13. False
14. Partially true
15. Incomplete statement
16. Which of the following methods of presentation uses degree as a unit of measurement?
17. Bar graphs
18. Arithmetic line graphs
19. Histograms
20. Pie-diagrams
21. If mode of a given data is 20 while median is 18 and mean is 15, the given data will be\_\_\_\_\_\_\_.
22. Symmetrical distribution
23. Positively skewed distribution
24. Negatively skewed distribution
25. Can’t be predicted
26. Statistics deals only with quantitative facts. Choose from the options below.
27. True
28. False
29. Partially true
30. Incomplete statement
31. In which of the following methods of collecting primary data, the investigator does not come in direct contact with respondents?
32. Indirect oral investigation
33. Questionnaire filled by enumerators
34. Both (a) & (b)
35. None of these
36. The measure of central tendency which is calculated on the basis of the weights assigned to each unit of the data is called\_\_\_\_\_\_\_\_\_\_\_\_ .
37. Unweighted mean
38. Combined mean
39. Weighted mean
40. Corrected mean
41. There can be more than one median value in an asymmetrical distribution. Choose from the options below.
42. True
43. False
44. Partially true
45. Incomplete statement
46. Which of the following is/are true about the line graphs?
47. Line graphs can be drawn in either horizontal or vertical form
48. Line graphs may be drawn with different scales
49. Both (a) & (b)
50. None of these
51. When the means of different series are computed jointly, it is known as
52. Corrected mean
53. Combined mean
54. Correlated mean
55. None of these

**Assertion- Reasoning MCQs**

Direction: There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below.

1. Both assertion and reason are true and reason is the correct explanation of assertion
2. Both assertion and reason are true but reason is not the correct explanation of assertion
3. Assertion is false but reason is true
4. Both are false
5. Assertion- In a line graph, the lines connecting the data points state the statistical representation of data.

Reason- In diagrammatic presentation of data, the scale of measurement plays a major role to present the given statistical information.

1. Assertion- All measures of central tendencies can be computed only when the data is presented using an exclusive frequency distribution method.

Reason- Inclusive frequency distribution does not represent the data between the class limits of the different classes.

**Case Based MCQs**

**Direction: Read the following case study and answer the questions.**

Observation allows researchers to experience a specific aspect of social life and get a first-hand look at a trend, institution or behaviour. Participant observation involves the researcher joining a sample of individuals without interfering with that group’s normal activities in order to document their routine behaviour or observe them in a natural context.

Observational research is a type of descriptive research that differs from most other forms of data gathering as in that the researcher’s goal is not to manipulate the variables being observed.

While participants may or may not be aware of the researchers’ presence, the researchers do not try to control variables (as in an experiment), or ask participants to respond to direct questions (as in an interview or survey based study).

Instead, the participants are simply observed in a natural setting, defined as a place in which behaviour ordinarily occurs, rather than a place that has been arranged specifically for the purpose of observing the behaviour.

Unlike correlational and experimental research which use quantitative data, observational studies tend to use qualitative data.

1. As mentioned in the above paragraph, observational research is a part of which of the following methods of collecting data?
2. Personal investigation
3. Information from correspondents
4. Questionnaire filled by the enumerators
5. None of the above
6. Which of the following are the advantages of observational research technique?
7. Verification of data
8. Flexibility
9. Unbiased
10. All of the above
11. Assertion- Observational research techniques cannot be applied where the area of statistical enquire is infinite.

Reason- Observational method is capable of dealing with both quantitative and qualitative information.

Alternatives

1. Both assertion and reason are true and reason is the correct explanation of assertion
2. Both assertion and reason are true but reason is not the correct explanation of assertion
3. Assertion is false but reason is true
4. Both are false
5. Correlation and experimental research can only use quantitative statistical information. Choose from the options below.
6. True
7. False
8. Partially true
9. Incomplete statement
10. Which of the given below is/are true about observational research method?
11. It is a type of descriptive in nature
12. It is non-judgemental
13. Rely upon the body language of the respondents
14. All of the above

**Section – B**

**Introductory Microeconomics**

**Multiple choice questions**

1. Elastic demand varies from \_\_\_\_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_\_\_ .
2. Zero, one
3. More than zero, infinity
4. More than one, infinity
5. None of the above
6. Viaan likes to consume coffee over tea. For him, two different brands for coffee will be an example of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .
7. Substitute goods
8. Complementary goods
9. Luxury goods
10. None of the above
11. The problem of choice arises due to which of the following reasons?
12. Limited resources
13. Unlimited wants of mankind
14. Multiple use of resources
15. All of the above
16. Labour intensive technique of production does not require any use of capital. Choose from the options below.
17. True
18. False
19. Partially true
20. Incomplete statement
21. The graphical presentation of law of demand is known as
22. Demand schedule
23. Demand curve
24. Both (a) & (b)
25. None of the above
26. On a straight line downward sloping demand curve, price elasticity of demand varies from 0 to 1. Choose from the options given below.
27. True
28. False
29. Partially true
30. Incomplete statement
31. Which of the following is the sufficient condition of equilibrium under ordinal approach?
32. Equality of MRS and MRE
33. Downward slope of budget line
34. Convexity of indifference curve
35. Tangency of budget line and indifference curve

**Assertion- Reasoning MCQs**

Direction: There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below.

1. Both assertion and reason are true and reason is the correct explanation of assertion
2. Both assertion and reason are true but reason is not the correct explanation of assertion
3. Assertion is false but reason is true
4. Both are false
5. Assertion- A demand function represents the relation between price of the commodity and quantity at all times.

Reason- Demand for given commodity is affected by multiple factors categorised as price and other factors.

1. Assertion- Inter-temporal distribution of income is the main component of third central problem of an economy.

Reason- Income distribution generated in the production process among various groups of the society ensures equality among people.

1. Assertion- Once a consumer reaches the point of equilibrium, he will never change his preferences under any situation.

Reason- Income of the consumer is the constraint which restricts him from reaching the highest possible combination of goods.

**Case Based MCQs**

**Read the following case study and answer the questions.**

A shoe shop decided to offer a sale. It sells more shoes but take in less money per pair sold. The gain or loss from the sale depends majorly upon the price elasticity of demand. The future of any business depends upon the market opportunity and profitability.

Elasticity of demand is the key in such case, it is a measure of responsiveness, a point to which a demand or supply curve reacts to a change in price.

Understanding elasticity concept is useful and essential in comprehending an extremely wide range of applications in economics such as the incidence of taxation, welfare distribution or especially, the response of supply and demand in a market. The common elasticities used include price elasticity of demand, price elasticity of supply and income elasticity of demand.

1. The firm will gain more from the sale only, when the price elasticity of demand is\_\_\_\_\_\_\_\_\_\_\_ .
2. Less than one
3. More than one
4. Equal to one
5. All of the above
6. Assertion- Elasticity of demand helps in identifying the presence of a group of consumers in market.

Reason- The responsiveness of demand against the changing determinants decides the movement of market in long-run.

Alternatives

1. Both assertion and reason are true and reason is the correct explanation of assertion
2. Both assertion and reason are true but reason is not the correct explanation of assertion
3. Assertion is false but reason is true
4. Both are false
5. Suppose the shoe seller has a competitor available in the market. What type of price elasticity of demand will this shoe seller will face?
6. Perfectly elastic demand
7. Perfectly inelastic demand
8. Elastic demand
9. Inelastic demand
10. Which of the following is/are the common form(s) of elasticity used in the market by various business firms to determine the level of demand?
11. Price elasticity of demand
12. Price elasticity of supply
13. Income elasticity of demand
14. Both (a) & (c)
15. Considering the market demand for shoes, which of the statement will be correct?
16. Market demand will be more elastic as compared to individual demand
17. Market demand will be less elastic as compared to individual demand
18. Market demand will have equal elasticity as individual demand
19. None of the above