

Chapter End Test

(2019-20)

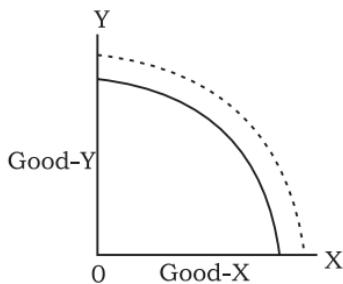
Date : _____ Duration: 1:00 Hr. Min. Marks : 25	Economics Topic : Introduction to Economics	XI
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General instruction:

1. This paper consist of two Sections. Students has to attempt both sections.
2. Section – A is MCQ carry 1 mark each.
3. Section – B is subjective.

Section - A

1. Why does economic problem arises?
(a) Unlimited wants (b) Limited resources (c) Alternative uses (d) All of the above
2. Which economic problem involves selections of category of people who will ultimately consume?
(a) How to produce (b) For whom to produce
(c) What to produce (d) None of these
3. Scarcity refers to limitation of _____ in relation to _____ for a commodity.
(a) Demand, sale (b) Demand, supply
(c) Supply, demand (d) None of these
4. Opportunity cost is the:
(a) No. of units sacrificed (b) No. of units gained
(c) Cost of next best alternative foregone (d) None of these
5. What will happen to PPF if there is a technological improvement in case of both the goods?
(a) Rightward shift in PPF (b) Leftward shift in PPF
(c) Rotation of PPF (d) None of these
6. Labour intensive techniques are chosen in a:
(a) Labour surplus economy (b) Capital surplus economy
(c) Developed economy (d) Developing economy
7. Which of the following illustrates a decrease in the unemployment using the PPC?
(a) A movement down along PPC
(b) A rightward shift of PPC
(c) A movement from a point on the PPC to a point inside the PPC
(d) A movement from a point inside the PPC to a point toward PPC
8. Which of the following is related to microeconomics
(a) Inflation in the economy (b) Unemployment problem
(c) National income (d) Income from postal department
9. The PPF is generally:
(a) Convex shaped downward sloping (b) Concave shaped downward sloping
(c) Either (a) or (b) (d) Neither (a) nor (b)
10. The following change in PPC is due to:
(a) Massive unemployment (b) Destruction of resources
(c) Increase in resources (d) Fuller utilisation of resources



11. Concavity of PPC implies:

(a) Increasing slope	(b) Decreasing slope
(c) Constant slope	(d) None of these
12. Output of good-X decreases by 500 units and output of good-Y increases by 500 units, and some of resources are shifted from the production of X to the production of Y, the marginal opportunity cost is:

(a) 0.2	(b) 0.75	(c) 0.8	(d) 1.0
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13. The opportunity cost of 100 kg of rice produced on land which can also produce 80 tonnes of wheat is

(a) 100 kg wheat	(b) 80 tonnes of wheat
(c) 8000 tonnes of wheat	(d) None of these
14. When an economy is operating on the PPC, it indicates

(a) Potential output > actual output	(b) Potential output = actual output
(c) Potential output < actual output	(d) None of these
15. PPC is a straight line in case of:

(a) rising MOC	(b) Falling MOC	(c) Constant MOC	(d) None of these
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Section - B

1. What is meant by economizing resources? [1]
2. Explain the central problem of 'how to produce'. [2]

OR

Explain the central problem of 'choice of technique'.

3. Using a diagram, explain what will happen to the PPC of Bihar if the river Kosi causes widespread floods? [3]
4. An economy producer two goods: T-shirt and cell phone. The following table summarises its production possibilities. [4]

Cell Phones	T-shirts
0	100000
1	90000
2	78000
3	62000
4	44000
5	24000
6	0

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| (a) Calculate marginal opportunity cost | (b) Draw a PPF |
| (d) Give reason for its shape | |



Hints/Solutions to Chapter End Test

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[Section – A]

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| 1. (d) | 2. (b) | 3. (c) | 4. (c) |
| 5. (a) | 6. (a) | 7. (d) | 8. (d) |
| 9. (b) | 10. (c) | 11. (a) | 12. (d) |
| 13. (b) | 14. (b) | 15. (c) | |

