

**CBSE**  
**Class XI Economics**  
**Sample Paper - 1**

**Time: 3 hrs**

**Max. Marks: 80**

**General Instructions:**

- i. All questions are **compulsory**.
- ii. Marks for questions are indicated against each question.
- iii. Question Nos. **1-10** and **18-27** are objective type questions/MCQ carrying **1** mark each. They are required to be answered in one sentence.
- iv. Question Nos. **11-12** and **28-29** are short answer questions carrying **3** marks each. Answers to them should normally not exceed **60** words each.
- v. Question Nos. **13-15** and **30-32** are also short answer questions carrying **4** marks each. Answers to them should normally not exceed **70** words each.
- vi. Question Nos. **16-17** and **33-34** are long answer questions carrying **6** marks each. Answers to them should normally not exceed **100** words each.
- vii. Answers should be brief and to the point, and the above word limits should be adhered to as far as possible.

**SECTION A: Statistics for Economics**

1. Formula for Karl Pearson's coefficient of correlation is: (Choose the correct alternative) [1]
  - a.  $\frac{\sum xy}{\sigma_x \sigma_y}$
  - b.  $\frac{N \sigma_x \sigma_y}{\sum xy}$
  - c.  $\frac{\sum N}{\sigma_x \sigma_y}$
  - d.  $\frac{\sum xy}{N \sigma_x \sigma_y}$
2. State any two merits of Arithmetic mean. [1]
3. In notation  $P_{01}$ , 1 stands for: (Choose the correct alternative) [1]
  - a. reference year
  - b. current year
  - c. base year
  - d. periodic year
4. Which of the following statements represents Statistics in the plural sense? (Choose the correct alternative) [1]
  - a. Statistics involves presentation of data
  - b. Statistics refers to aggregate of facts
  - c. Statistics involves collection and organisation of data

d. Statistics includes interpretation of data

**OR**

State any two points highlighting the importance of statistics in Economics.

5. Coefficient of range is: (Choose the correct alternative) [1]

a.  $\frac{H+L}{2}$

b.  $\frac{H+L}{H-L}$

c.  $\frac{H-L}{H+L}$

d.  $\left(\frac{H-L}{H+L}\right)^2$

6. Which of the following indicates the statistical errors? (Choose the correct alternative)[1]

a. Data collected indirectly

b. Difference between collected data and actual value of facts

c. Data collected from each and every element

d. Only some representative items of a population are selected

7. State an important government agency at national level which collects, process and tabulate the data. [1]

8. Give any one difference between discrete and continuous variables. [1]

9. Arithmetic mean of these items are 4, 6, 8, 15,25 (Choose the correct alternative) [1]

a. 10

b. 11.2

c. 15

d. 11.6

10. If the value of coefficient of correlation is +1. it indicates that the correlation between two variables is: (Choose the correct alternative) [1]

a. perfect negative

b. perfect positive

c. absence of correlation

d. none of the above

11. What is meant by ogive or cumulative frequency curve? From the following distribution, construct the 'less than' ogive: [3]

Capital (in lakh)	0-20	20-40	40-60	60-80	80-100	100-120	120-140
Number of Companies	4	5	7	13	17	7	21

12. Calculate range and coefficient of range from the following data: [3]  
8, 16, 24, 30, 49, 45, 66, 54

**OR**

What is meant by mean deviation and state its characteristics.

13. During a particular period, the cost of living index increases from 120 to 210 and the daily wages of a worker in a factory was also increased from Rs 70 to Rs 115. Has the worker actually gained, if yes, by how much in real terms? [4]

**OR**

Construct Cost of Living Index Number for the year 2016 from the following statistics:

14. The mean wage of 100 workers is Rs 324. The mean wage of 60 workers is Rs 340. Find the mean wage of the remaining 40 workers. [4]

15. The best paper was wrongly scored 75 instead of 85. What will be the new mean if the average score of 24 students in a class is 58 marks? [4]

16. Find the average age of workers in a factory from the following data by using the step deviation method: [6]

Age (in years)	Less than 10	10-20	20-30	30-40	More than 40
No. of workers	6	10	12	14	8

**OR**

Calculate the coefficient of correlation by Karl Pearson's method from the following data: [6]

<b>X</b>	6	2	10	4	8	12
<b>Y</b>	9	11	-	8	7	5

Arithmetic mean of the X and Y series is 7 and 9, respectively.

17. Answer the following [6]
- 'Samples provide appropriate outcome than surveys'. Why?
  - Differentiate between univariate and bivariate frequency distribution.

**SECTION B: Introductory Microeconomics**

- 18.** In the long run, if new firms are free to enter in the industry, then the firm's profit will be: (Choose the correct alternative) [1]
- zero
  - abnormal profit
  - normal profit
  - abnormal loss
- 19.** Mr. X consumes 2 goods X and Y whose prices are Rs 60 and Rs 30 per unit respectively. Which of the value of marginal rate of substitution states that the consumer is in equilibrium? (Choose the correct alternative) [1]
- 6
  - 4
  - 2
  - 5
- 20.** In the context of support price, market price is always: (Choose the correct alternative) [1]
- Equal/lesser than support price
  - Greater than support price
  - Lesser/greater than support price
  - Equal to/greater than support price
- 21.** Identify the price elasticity of demand from the given information by using percentage method. (Choose the correct alternative) [1]

Price	Quantity
$P_0 = \text{Rs } 6$	$Q_0 = 20 \text{ units}$
$P_1 = \text{Rs } 7$	$Q_1 = 18 \text{ units}$

- Elasticity of demand ( $E_D$ ) = 1
  - Elasticity of demand ( $E_D$ ) = 0.6
  - Elasticity of demand ( $E_D$ ) = 1.2
  - Elasticity of demand ( $E_D$ ) = 0.4
- 22.** How does AFC change as output increases? [1]
- 23.** Which of the following relates to perfect knowledge in perfect completion? (Choose the correct alternative) [1]
- No extra cost to be borne by the buyers
  - Large number of buyers and sellers

- c. Buyer and sellers are aware about the market price
- d. All of the above

24. At the point where MR is zero, TR is \_\_\_\_\_. (Choose the correct alternative) [1]
- a. maximum
  - b. zero
  - c. negative
  - d. lowest

**OR**

Which of the following is a better situation for a firm to achieve equilibrium?  
(Choose the correct alternative).

- a.  $MR > MC$
  - b.  $MR = MC$
  - c.  $MR < MC$
  - d.  $MR = 0$
25. When a good X reaches the point of satiety, the marginal utility of that good will be equal to: (Choose the correct alternative) [1]
- a. Zero
  - b. Positive
  - c. Negative
  - d. Unity
26. A firm is a price taker in: (Choose the correct alternative) [1]
- a. Perfect competition
  - b. Monopolistic competition
  - c. Oligopoly
  - d. Monopoly

27. Why does Average Product continue to rise even when Marginal product starts falling? [1]

28. A consumer is in equilibrium in consuming two Goods X and Y. With the help of utility analysis, show that if the price of Good X falls, then its demand would rise. [3]

29. The market for a good is in equilibrium. What would be the impact on the market price if there is a simultaneous increase in both demand and supply of the good? (the increase in demand being more than increase in supply) [3]

**OR**

Give any 3 points of difference between Contraction of demand and decrease in demand

30. Explain with the help of an example the effect of change in the price of substitute good to change in the demand of the commodity. [4]

31. Complete the following table:

[4]

<i>Output</i>	<i>Average Cost</i>	<i>Marginal Cost</i>
1	5	-
2	3	-
3	-	9
4	7	-
5	-	17

32. Explain the central problem of 'what to produce'. How is this problem solved under market economy? [4]

**OR**

State the differences between positive economics and normative economics.

33. With the help of a numerical example, illustrate producer's equilibrium. [6]

**OR**

Explain consumer equilibrium using indifference curve analysis.

34. Explain the following features under perfect competition market: [6]

- Large number of buyers and sellers
- Free entry and exit of firms in the market