

CBSE Class 11 Economics Sample Paper

General Instructions:

- a) This paper consists of two parts.
- b) First: **STATISTICS FOR ECONOMICS** with questions from 1 to 16.
- c) Second: **INDIAN ECONOMIC DEVELOPMENT** with questions from 17 to 32.
- d) All one marks and should be answered in 10 to 20 words.
- e) All three marks and should be answered in 20 to 30 words.
- f) All six marks and should be answered in 100 words.
- d) Marks are allotted to each question for your help.

STATISTICS FOR ECONOMICS

1. Whether perfect completion exists in reality or is a myth? [1 mark]

Ans. Perfect completion is not found existing in reality and therefore is considered as a myth.

2. What do you mean by fiscal discipline in economics? [1 mark]

Ans. Fiscal discipline means maintaining the control over the expenditure of the government.

3. What is progressive tax? [1 mark]

Ans. Tax which increases with the increase in the income level. This tax results in real burden on the rich people than on the poor people.

4. What do you mean by surplus budget? [1 mark]

Ans. A budget in which the receipts estimated by the government exceeds the total expenditure by the government.

5. What are the two basis in which market can be classified? [1 mark]

Ans. Two basis in which market can be classified are as follows

- (A) numbers of buyers and sellers in the market
- (B) nature of the commodity existing

6. Whether market is confined only to the shopping markets? Give valid reason to support your answer? [3 mark]

Ans. A market is not only confined to shopping complexes. In economics it is termed as a special type of arrangement which influences sale and purchase of the commodity.

7. What is oligopolic market? [3 mark]

Ans. Oligopolic refers to market having few number of sellers. Oligopoly refers to a market form in which there are few big sellers selling close substitute goods to large number of buyers.

8. In which form of market homogeneous goods are sold? [3 mark]

Ans. Homogeneous goods are mostly sold in markets having perfect competition where there is no substitute to the product.

9. How is the equilibrium price influenced by the change in supply? [3 mark]

Ans. If the demand of a product is constant and there is an increase in its supply, then the equilibrium price will decrease and vice versa.

10. What is perfect competition in economics? [3 mark]

Ans. Perfect competition is the case where exists a large number of buyers and the sellers who

work freely and there exist uniformity in the price of the product with no closer substitute and also there exists no restriction on entry or exiting of the firms.

11. Does homogeneous product has any influence in perfectly competitive market? [4 mark]

Ans. Homogeneous products are those products having same size, weight, shape, price etc. and in perfect competitions sellers sell identical products and there can be no change in the price of the product and thus only one price exists.

12. What significance does large number of sellers and firms play? [4 mark]

Ans. The significance lie in the fact that the independent action of the buyer or the seller influence the price of the product. The degree to which the price is influenced depend on the share of the demand of the buyer on total markets demand.

13. Define development expenditure? [4 mark]

Ans. The expenditure relates to that expenditure which is spent on growth and development activities of the government.

14. "If the price of the product increases, a family's spending on that product has to increase." Justify the statement? [6 mark]

Ans. The above statement is incorrect because the price of the product incurred by the family depends on the elasticity of demand for that product which is explained below:

(i) Elastic demand : It means that small price change of the product would lead to larger change in the quantity demanded which means price and quantity demanded are inversely proportional.

(ii) Inelastic demand : It represents that that a larger price change would need a small change in the quantity demanded for the product, therefore if the price of product with inelastic demand increases the total expenditure also increases

Conclusion :- An increase in price of the product may lead to an increase or decrease in total expenditure incurred on the product depending on the price elasticity of demand for the product.

15. Explain the factors responsible for a leftward shift in market demand curve of a commodity? [6 mark]

Ans. A left shift would mean that the consumer is ready to consume only a small quantity of the product at a given price. It exists because of following factors:

(i) When there is a decrease in price of substitute goods: when the price of the product decreases it is considered to be as cheaper and this changes the consumers preference for that product and prefer more of the substitute goods eg: tea and coffee

(ii) When there is an increase in price of complementary goods: when the price of the good increase then the demand for its complementary good decreases for eg: bread and butter.

(iii) When there is a decrease in income level of consumer: When the income of the consumer decreases its purchasing power also decreases as a result the consumer purchases lesser quantity of the product at the available

(iv) When there is change in taste of consumer: If the consumer changes its preference for a product then the consumer is ready to consume small quantity at available price.

16. What is the other name of Economic reforms and define NEP?[6 mark]

Ans. In the beginning of 1990's Indian Economy was going through a very bad stage. A process to correct this problem was started in the year 1991. Since than things are going in a correct way. This better way of performance is called as Economics reforms. Steps take are as mentioned:-

1. Reforms the whole Industrial sector
2. Remove all problems of Financial sector reforms

3. Resolve Tax reforms
4. Improvement of Foreign exchange reforms

INDIAN ECONOMIC DEVELOPMENT

17. What are the three basics pillars of economics reforms? [1 mark]

Ans. Liberalization, Privatization and Globalization are the three basics pillars of economics reforms.

18. What do you understand by privatization? [1 mark]

Ans. Privatization is the process of disinvestment or you can say that it implies giving away ownership of government enterprises to private companies.

19. Give one limitation of Index Number. [1 mark]

Ans: The most important limitation is that Index Number is based on the study of samples.

20. Give a factors responsible for environmental crisis in India? [1 mark]

Ans: Rising population is the biggest factor for it.

21. What do you mean by discrete variable? [1 mark]

Ans: Discrete variables can take only some particular values at a particular time.

22. What do you understand by poverty line? [1 mark]

Ans: It is the cut-off point which divides population as poor and non-poor.

23. What do you understand by underemployment?[1 mark]

Ans: Underemployment refers to people who are working in a lower capacity than they are qualified for, including in a lower-paid job or for less hours than they would like to work.

24. Describe significance of the primary deficit. [4 mark]

Ans. Primary deficit is the difference between fiscal deficit and interest payment. It generally creates a burden for the tax payment.

25. Define tax and non-tax revenue. [4 mark]

Ans. Tax revenue may be defined as receipts from all kinds of taxes imposed by the government such as, income tax, sales tax, custom duty etc.

Non-tax revenue may be defined as receipts of the government from the sources other than taxes such as interest, profits, dividends, fees, fines, penalties etc.

26. What do you understand by plan expenditure? [3 mark]

Ans. Plan expenditure is that public expenditure which represents current and investment outlays that arises due to plan proposals on various projects and programmes.. Items of plan expenditure include spending on electricity generation, irrigation and development of rural areas, construction of roads and bridges etc.

27. What do you mean by commercial revenue? [4 mark]

Ans. Commercial revenue means revenue received by the government in the form of prices paid for government supplied commodities and services i.e., revenues derived from the government from their own production units called public enterprises. For instance nationalised banks, Industrial Finance Corporation of India, LIC etc.

28. What is fees? Explain the main features of fees. [4 mark]

Ans. Fee is the payment that is done to the government for the services it provides to the people. There are some features of the fee which are:

- (a) It is compulsory for all to pay the fees if the person has consumed the service provided.
- (b) It always result in a specific type of benefit provided to the payer of the fees.

29. Explain all the necessary limitations of statistics in details. [6 mark]

Ans. All the necessary limitations of statistics are :

- 1. Statistics can't be studied as an individual subject. It includes the aggregate facts only.
- 2. Statistics deals with the mentioned quantitative facts which are numerically expressed numerically expressed. They may be in the form of quantitative data.
- 3. Statistical laws are not exact like the laws of physics, chemistry etc. Statistical results are true only on an average basis.
- 4. Only experts are able to make possible use of statistics in a expert way which is beneficial for all as a result.
- 5. All data must be in a uniform and homogeneous way.

30. What are the rules for collecting primary data for interview? Mention all merits and demerits of it? [6 mark]

Ans. Personal Interviews : This is the method by which one can access to all the members in a quick way. The researcher always tried to conducts face to face interviews with the respective respondents. The interviewer has the opportunity at that time to give a quick details of himself to the interviewer.

Merits :

- 1. Through this method highest response rate are collected.
- 2. All the Misinterpretation and misunderstanding should be avoided.
- 3. Allows classification of ambiguous questions.

Demerits :

- 1. It is an expensive method
- 2. It requires trained interviewers for this purpose.

31. Discuss all different methods of classification of data? [6 mark]

Ans. The all different methods of classification of data are:

- 1. Chronological Classification :** In such a classification data are classified either in ascending or in descending order with reference to time.
- 2. Spatial Classification :** The data are classified as per geographical locations such as countries, states etc.
- 3. Qualitative classification :** Characteristics is done on the basis of nationality, status etc. are called qualities or attributes.
- 4. Quantitative classification :** Characteristics is done on the basis of height, weight, age, income, makers of students etc. are quantitative in nature.

Conclusion: It is the longer way to complete the survey.

32. Explain characteristics of the classification? [6 mark]

Ans. The main characteristics of classification are as follow:

- 1. Homogeneity :** The data classified in one group or class should be homogeneous .
- 2. Clarity :** The data classified should be in a meaningful way. Each item of the data should belong to one particular class only. There should be no confusion about the group or class of a given item.
- 3. Flexibility :** The data classified should be flexible and should be able to adapt all changes required.



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