

# Directorate of Education, GNCT of Delhi

## Suggestive Answer of Practice Paper

Class – XI

Economics (Code: 030)

Term – II (2021 – 2022)

Time Duration: 2 hrs.

Maximum Marks: 40

Q.No	Suggested Answer: -
1.	<div><div><div>1. Helpful in formulation of policies.</div><div>2. Measuring inflation</div><div>3. Measuring changes in standard of living.</div><div>4. Fixing and increasing salaries of employees. (Any two)</div></div><div>Or</div><div><div>1. Quantitatively expressed.</div><div>2. Measure relative changes.</div><div>3. They are averages. (Any two)</div></div></div>
2.	<div><div>Standard deviation is the square root of the mean of the squares of the deviations of the values from the mean. Formula is</div><div><math display="block">\sigma = \sqrt{\frac{(x-\bar{x})^2}{N}}</math></div><div>Or</div><div><b>Merits</b><div><div>1. Based on all values.</div><div>2. Rigidly defined.</div><div>3. Least affected by fluctuations of sampling.</div></div></div><div><b>Demerits</b><div><div>1. Difficult to calculate.</div><div>2. Affected by extreme values.</div><div>3. Cannot be used for comparison.</div></div></div></div>
3.	<div><div><b>Positive:</b><div><div>1. Price and Supply</div><div>2. Income and Expenditure.</div></div></div><div><b>Negative:</b><div><div>1. Price and Demand</div><div>2. Temperature and Sale of woollens</div></div></div></div>

4.	<p><b>Average Fixed Cost :-</b> Fixed cost per unit output. <math>AFC = \frac{TFC}{Q}</math></p> <p>AFC curve is a rectangular hyperbola. Since TFC remains constant, AFC keeps falling with increase in output but never reaches zero.</p> <p style="text-align: center;"><b>Or</b></p> <p>The other name for Average Revenue curve is Price line.</p> <p>This is because <math>AR = \frac{TR}{Q} = \frac{P \times Q}{Q} = P</math>.</p>																								
5.	<p>The statement is false because MP is rate of change in TP. Hence TP keeps increasing even when MP is falling but is positive.</p>																								
6.	<table border="1"><thead><tr><th>Consumer price index</th><th>Wholesale price index</th></tr></thead><tbody><tr><td>1. Based on retail prices</td><td>1. Based on wholesale prices.</td></tr><tr><td>2. Includes services also</td><td>2. Does not include services.</td></tr><tr><td>3. Used to measure cost of living</td><td>3.Used to measure rate of inflation</td></tr></tbody></table> <p style="text-align: center;"><b>Or</b></p> <p>a) <b>Selection of base year:</b> Base year should be a normal year, free from abnormalities like wars, earthquakes, floods, fires, famines, pandemic etc</p> <p>b) <b>Selection of items:</b> Items selected should be representative and should be an important part of the consumption pattern.</p>	Consumer price index	Wholesale price index	1. Based on retail prices	1. Based on wholesale prices.	2. Includes services also	2. Does not include services.	3. Used to measure cost of living	3.Used to measure rate of inflation																
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7.	<table border="1"><thead><tr><th>X</th><th><math>x = (X - \bar{X})</math></th><th><math>x^2</math></th></tr></thead><tbody><tr><td>14</td><td>-3</td><td>9</td></tr><tr><td>12</td><td>-5</td><td>25</td></tr><tr><td>16</td><td>-1</td><td>1</td></tr><tr><td>20</td><td>3</td><td>9</td></tr><tr><td>18</td><td>1</td><td>1</td></tr><tr><td>22</td><td>5</td><td>25</td></tr><tr><td><math>\sum X = 102</math></td><td></td><td>70</td></tr></tbody></table> <div><math display="block">\bar{X} = \frac{\sum X}{N}</math><math display="block">\bar{X} = \frac{102}{6} = 17</math></div>	X	$x = (X - \bar{X})$	$x^2$	14	-3	9	12	-5	25	16	-1	1	20	3	9	18	1	1	22	5	25	$\sum X = 102$		70
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$$\sigma = \sqrt{\frac{(x-\bar{x})^2}{N}}$$

$$= \sqrt{\frac{70}{6}} = \sqrt{11.67}$$

$$= 3.41$$

8.

Units of capital	Units of labour	Total product	MP
2	1	10	10
2	2	24	14
2	3	40	16
2	4	50	10
2	5	58	8
2	6	64	6
2	7	68	4
2	8	68	0
2	9	60	-8

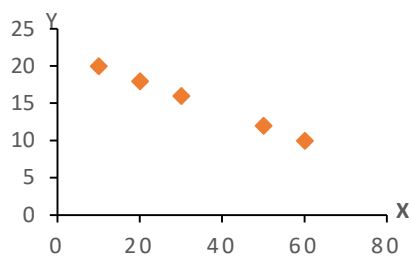
9.

Stage 1: Units of labour 1 to 3 – MP 10, 14, 16  
 Stage 2: Units of labour 4 to 8 – MP 10, 8, 6, 4, 0  
 Stage 3: Units of labour 8 to 9 – MP 0, -8

10.

$Q_s = 50 + 15P$   
 $P = 2$   
 $Q = 50 + 15 \times 2 = 50 + 30 = 80$   
 $\frac{\Delta Q}{\Delta P} = 15$   
 $e_s = \frac{\Delta Q}{\Delta P} \times \frac{P}{Q}$   
 $e_s = 15 \times \frac{2}{80}$   
 $e_s = 0.38$

11.



High degree negative Correlation.

Or

X	Y	$x = X - 34$	$y = Y - 35$	$x^2$	$y^2$	$xy$
48	45	14	10	196	100	140
35	20	1	-15	1	225	-15
17	40	-17	5	289	25	-85
23	25	-11	-10	121	100	110
47	45	13	10	169	100	130
<b><math>\Sigma X = 170</math></b>	<b><math>\Sigma Y = 175</math></b>	<b><math>\Sigma x = 0</math></b>	<b><math>\Sigma y = 0</math></b>	<b><math>\Sigma x^2 = 776</math></b>	<b><math>\Sigma y^2 = 550</math></b>	<b><math>\Sigma xy = 280</math></b>

$$\bar{x} = \frac{\Sigma X}{N}$$

$$\bar{x} = \frac{170}{5} = 34 \text{ similarly } \bar{y} = 35$$

$$r = \frac{\Sigma xy}{\sqrt{\Sigma x^2 \times \Sigma y^2}}$$

$$r = \frac{280}{\sqrt{776 \times 550}}$$

$$r = \frac{280}{\sqrt{426800}}$$

$$r = \frac{280}{653.3}$$

$$r = 0.43$$

12.	<p>a) Minimum Support Price is also known as 'Price Ceiling'.</p> <p><b>Impacts:</b></p> <ol style="list-style-type: none"> <li>1. Income stability to farmers.</li> <li>2. Financial burden on the government.</li> </ol> <p>b) Shortage of food grains leads to decrease in supply of food grain. Demand remaining same, there is excess demand in the market. Excess demand puts upward pressure on the price. This leads to contraction in demand and extension in supply and the equilibrium price of food grains increases.</p>								
13	<p>a)</p> <table border="1"> <thead> <tr> <th>Extension in supply</th><th>Increase in supply</th></tr> </thead> <tbody> <tr> <td>1. Increase in quantity supplied due to increase in price of the commodity.</td><td>1. Increase in supply due to factors other than price of the commodity.</td></tr> <tr> <td>2. Other factors remain constant.</td><td>2. Price remains constant.</td></tr> <tr> <td>3. Leads to rightward movement along the supply curve.</td><td>3. Leads to rightward shift in the supply curve.</td></tr> </tbody> </table> <p>b) Free entry and exit of firms implies that there are no barriers to entry and exit of firms in the market. If the industry is earning supernormal profits, new firms can enter the market and if industry is suffering losses, existing firms and leave the market at their free will. Implication of this feature is that a firm always earns normal profit in the long run.</p>	Extension in supply	Increase in supply	1. Increase in quantity supplied due to increase in price of the commodity.	1. Increase in supply due to factors other than price of the commodity.	2. Other factors remain constant.	2. Price remains constant.	3. Leads to rightward movement along the supply curve.	3. Leads to rightward shift in the supply curve.
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