

Apeejay Common Examination 2021-22
Class XI
Subject – Economics
Term-II

MM: 40

Time: 2 hrs.

General Instructions:

- a) This is a Subjective Question Paper
- b) All questions are compulsory.
- c) Internal choices are given.
- d) This paper contains 5 questions of 2 marks each, 5 questions of 3 marks each and 3 questions of 5 marks
- e) 2 marks questions are Short Answer Type Questions and are to be answered in 30-50 words
- f) 3 marks questions are Short Answer Type Questions and are to be answered in 50- 80 words
- g) 5 marks questions are Short Answer Type Questions and are to be answered in 80-120 words

1	Defend or refute the following statements with reason: a) When marginal revenue is zero, average revenue will be constant. b) Marginal product can fall even if Average product is rising.	2
2	Under perfect competition price remains constant as firm is price taker, not price maker. Does that mean that price never changes in this market? Give argument in support of your answer. <p style="text-align: center;">OR</p> Suppose the demand and supply curves of salt are given by $Q_d = 1500 - p$ $Q_s = 600 + 2p$ Where, Q_d represent market demand; Q_s represents market supply and p is the price of the good. Find the equilibrium price and quantity for the perfectly competitive market.	2
3	If the salary of a person in the base year is Rs 4,000 per annum and the current year salary is Rs 6,000 by how much should his salary rise to maintain the same standard of living if the CPI is 400? <p style="text-align: center;">OR</p> State any two uses of Index numbers.	2
4	Does correlation imply causation? Give reasons or your answer.	2
5	Distinguish between Absolute measures and Relative measures of dispersion.	2

6	<p>Define price floor. State the consequences of imposition of floor price with the help of diagram.</p> <p style="text-align: center;">OR</p> <p>The equilibrium market wage rate is Rs 14,000 per month. The Govt. finding it low, fixes minimum wage rate Rs 18,000 per month. Examine the implication of this decision in the labour market where labour supplied by worked and demanded by factories. Use diagram.</p>	3																																			
7	<p>At a price of Rs. 5 per unit of a commodity A, total revenue is Rs. 500. When its price falls by 20 per cent, total revenue increases by Rs.700. Calculate its price elasticity of supply state the degree of elasticity of supply.</p> <p style="text-align: center;">OR</p> <p>The price elasticity of supply of a commodity is 2. When its price falls from Rs. 10 to Rs. 8 per unit, its quantity supplied falls by 500 units. Calculate the quantity supplied at reduced price.</p>	3																																			
8	<p>Calculate Average Fixed cost, Average Variable cost and Average Total cost on the basic of following information :</p> <p>A small family run engineering company has a production capacity of 9,000 units per year. Market research suggests that his output will be sold for Rs. 400 per unit. The firm's cost structure is as follows</p> <ul style="list-style-type: none"> • Direct Labour Rs. 75 per unit • Raw materials Rs. 25 per unit • Other variable cost Rs. 50 per unit • Total fixed costs are Rs. 1350000 a year <p style="text-align: center;">OR</p> <p>Complete the table:-</p> <table border="1" data-bbox="381 1150 1177 1417"> <thead> <tr> <th>Output</th> <th>TVC</th> <th>TC</th> <th>MC</th> <th>AVC</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>_____</td> <td>10</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>1</td> <td>15</td> <td>25</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>2</td> <td>27</td> <td>_____</td> <td>12</td> <td>_____</td> </tr> <tr> <td>3</td> <td>_____</td> <td>46</td> <td>9</td> <td>_____</td> </tr> <tr> <td>4</td> <td>52</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>5</td> <td>72</td> <td>82</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table>	Output	TVC	TC	MC	AVC	0	_____	10	_____	_____	1	15	25	_____	_____	2	27	_____	12	_____	3	_____	46	9	_____	4	52	_____	_____	_____	5	72	82	_____	_____	3
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9	<p>Construct cost of living index number for 2006 on the basis of 1994 from the following data using Aggregate Expenditure Method OR Family Budget Method and interpret the result.</p> <table border="1" data-bbox="414 1606 1144 1879"> <thead> <tr> <th>Article</th> <th>Quantity(KG)</th> <th>Price in 1994</th> <th>Prices in 2006</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>10</td> <td>20</td> <td>30</td> </tr> <tr> <td>B</td> <td>7</td> <td>20</td> <td>28</td> </tr> <tr> <td>C</td> <td>5</td> <td>20</td> <td>25</td> </tr> <tr> <td>D</td> <td>2</td> <td>10</td> <td>12</td> </tr> <tr> <td>E</td> <td>2</td> <td>4</td> <td>8</td> </tr> </tbody> </table>	Article	Quantity(KG)	Price in 1994	Prices in 2006	A	10	20	30	B	7	20	28	C	5	20	25	D	2	10	12	E	2	4	8	3											
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11	With the help of diagram and schedule explain the behavior of Total Product, Marginal product and Average product in a short run time period as per Law of variable proportion.	5																										
12	<p>a) New environment regulations require the drug industry to use a more environment friendly technology whose running costs are higher but which discharges fewer chemicals than before. How would it affect the equilibrium price of drug in a perfectly competitive market? Explain with the help of a diagram.</p> <p>b) Briefly explain the implication of freedom of entry and exit in a perfectly competitive market.</p>	5																										
13	<p>From the prices of shares X and Y given below , calculate the following and state which share is more stable :-</p> <p>a) Standard Deviation</p> <p>b) Coefficient of variance.</p> <table border="1"> <tr> <td>X</td> <td>41</td> <td>44</td> <td>43</td> <td>48</td> <td>45</td> </tr> <tr> <td>Y</td> <td>91</td> <td>93</td> <td>96</td> <td>92</td> <td>90</td> </tr> </table>	X	41	44	43	48	45	Y	91	93	96	92	90	3+2														
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