



ECONOMICS XI - Model Paper

TOTAL MARKS: 75

SECTION A (MULTIPLE CHOICE QUESTIONS)

Q1. Choose the correct answer from the provided options. Attempt all questions. (35 Marks)

1) Economics is a science of wealth is stated by:

- A. Adam Smith
- B. Alfred Marshall
- C. Lionel Robbins
- D. Irving Fisher

2) This is not a Direct Tax:

- A. Income Tax
- B. Wealth Tax
- C. Sales Tax
- D. Property Tax

3) Reward on capital is:

- A. Rent
- B. Wages
- C. Interest
- D. Profit

4) Supply of Labor is:

- A. Constant
- B. Diminishing
- C. Variable
- D. None of the above

5) Total Cost (TC) is equal to:

- A. $VC+AC$
- B. $AC+MC$
- C. $FC+VC$
- D. $AFC+AVC$

6) The other name of Trade Cycle is:

- A. Investment cycle
- B. Expenditure cycle
- C. Business cycle
- D. Income cycle

7) Large number of buyers and sellers is the essential characteristic of:

- A. Monopoly
- B. Oligopoly
- C. Perfect Competition
- D. None of the above

8) Annual average income of the population of a country is called?

- A. Net national income
- B. Net domestic income
- C. Disposable income
- D. Per capita income

9) If a point is located above the mid-point of demand curve, then Elasticity of Demand is:

- A. Equal to unity
- B. Less than unity
- C. More than unity
- D. Infinity

10) The ability to satisfy human wants is called:

- A. Productivity
- B. Utility
- C. Usefulness
- D. Scarcity

11) All factors of production become variable in:

- A. Short-run
- B. Long-run
- C. Middle term
- D. Market period

12) National Income does not include:

- A. Profit
- B. Retained Earnings
- C. Transfer Payments
- D. Interest

13) Burden of tax cannot transfer to any other?

- A. Proportion tax
- B. Indirect tax
- C. Direct tax
- D. Regressive tax

14) Problem of scarcity and choice is called?

- A. Economic problem
- B. Social problem
- C. Political problem
- D. Ethical problem

15) Microeconomics is related to

- A. The whole economy
- B. The household purchase decisions
- C. The individual economic behavior
- D. None of the above

16) Supply of land as a factor is:

- A. Fixed
- B. Variable
- C. Zero
- D. Unlimited

17) Change in total revenue is called?

- A. Price
- B. Average revenue
- C. Marginal revenue
- D. Average cost

18) A garbage truck driver is an example of which Factor of Production?

- A. Labor
- B. Land
- C. Entrepreneurship
- D. Capital

19) Ceteris Paribus is defined as _____

- A. Everything is variable
- B. Other things are equal/constant
- C. Both A & B
- D. None of the above

20) Total utility is maximum where marginal utility is:

- A. Zero
- B. Positive
- C. Positive but increasing
- D. Negative

21) Demand is related to:

- A. A given price
- B. A given time period
- C. Given price and period
- D. None of these



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22) Amount that producers bring to the market at any given time

- A. Quantity Supplied
- B. Supply Curve
- C. Quantity Demanded
- D. Production

23) Which of the following statement is incorrect:

- A. Price and quantity supplied are directly related
- B. Law of supply deems factors other than price as constant
- C. Law of demand deems factors other than income as constant
- D. Advertisement effects quantity demanded

24) Total utility curve:

- A. Always rises
- B. Always falls
- C. First rises then fall
- D. First falls then rises

25) Of which type of cost is not faced in the long run?

- A. Total
- B. Variable
- C. Fixed
- D. Marginal

26) Number of firms in monopoly?

- A. 1
- B. 2
- C. 3
- D. Unlimited

27) National income of a country is based on?

- A. The taxes earned by the State
- B. The sum of all factors of income
- C. Personal incomes of all the citizens
- D. Surplus of exports over imports

28) It is transfer payment:

- A. Payment of college tuition
- B. A social security payment
- C. Interest paid for a bank loan
- D. Payment for a leased car

29) Which of the following is referred by the phase trade balance?

- A. Income from export
- B. Equalization of imports and exports
- C. Income from imports
- D. All of them

30) Phases of trade cycle are:

- A. One
- B. Two
- C. Three
- D. Four

31) Which of the following is international trade?

- A. Trade between provinces
- B. Trade between regions
- C. Trade between countries
- D. (b) and (c) of above

32) Which of the following has is NOT the quality of a good tax system?

- A. Canon of equality
- B. Canon of certainty
- C. Political advantage
- D. Instrument of Economic growth

33) The government can collect funds from:

- A. Taxes
- B. Fees
- C. Prices of public goods
- D. All the three

34) It is drawback of protection:

- A. Consumers have to pay higher prices
- B. Producers get higher profits
- C. Quality of goods may be affected
- D. All of the above

35) Division of labor is:

- A. Advantageous
- B. Harmful
- C. Neither advantageous nor harmful
- D. Both advantageous as well as harmful

SECTION 'B' (SHORT ANSWER QUESTIONS)

MICRO ECONOMICS

Q2. Briefly answer the following questions. Attempt any 3 questions. (15 Marks)

- i. Define economics in the words of Adam Smith.
OR Discuss the significance of study of Economics.
- ii. Elaborate the term Factors of production.
- iii. State Law of Diminishing Marginal Returns.
OR List the types Laws of Returns and Costs.
- iv. Differentiate between Stock and Supply.
- v. Define the terms Utility and Marginal Utility.

MACRO ECONOMICS

Q3. Briefly answer the following questions. Attempt any 3 questions. (15 Marks)

- i. Name the methods of measuring National Income and discuss any ONE.
OR Compute National Income and Disposable Income when Personal Income- Rs. 35,000, Capital Gain- Rs. 3,500, Transfer Payments- Rs. 4,000, Direct Taxes Rs. 5,500.
- ii. Briefly explain kinds of taxes.
- iii. Define Gross Domestic Product and Gross National Product.
- iv. List the advantages of International Trade.
- v. What are the qualities of a good tax system?

SECTION C (DETAILED ANSWER QUESTIONS)

Q4. Answer the following questions in detail. Attempt any 1 questions. (10 Marks)

- i. State and explain Law of Demand.
- ii. Discuss the Theory of Comparative Advantage.