

**Class: XI****Time Allowed: 20 minutes**
**MODEL PAPER EXAMINATION 2026**  
**SUBJECT: PRINCIPLE OF ECONOMICS**  
**(SECTION "A")**
**Marks: 15****Note:** Attempt all questions from this section. Each question carries **ONE** mark.

1. According to \_\_\_\_\_ method, conclusions are derived from general truth through a process of reasoning.  
 A. Inductive                      B. Deductive                      C. Redacted                      D. Reduction
2. \_\_\_\_\_ of labor is a process of production in which a job is split up into a number of small parts.  
 A. Inclusion                      B. Diversity                      C. Division                      D. Union
3. The power of product and services to \_\_\_\_\_ human wants is called utility.  
 A. Ignore                      B. Satisfy                      C. Dissatisfy                      D. Disregard
4. If a price of a commodity falls the \_\_\_\_\_ increases.  
 A. Supply                      B. Cost                      C. Quantity demanded                      D. Goodwill
5. \_\_\_\_\_ curve usually slopes from left to right in upward trajectory  
 A. Demand                      B. Supply                      C. Utility                      D. Cost
6. \_\_\_\_\_ economies are those advantages and benefits which arise to each member firm as a result of expansion of the Industry as a whole  
 A. Internal                      B. External                      C. Outward                      D. Upward
7. The law of \_\_\_\_\_ is also known as the law of increasing cost.  
 A. Diminishing cost                      B. Diminishing returns                      C. Increasing returns                      D. Cumulative cost
8. \_\_\_\_\_ costs consist of firm's self-owned and self-employed resources.  
 A. Explicit                      B. Implicit                      C. Average variable                      D. Average fixed
9. \_\_\_\_\_ refers to income which a person can use.  
 A. Personal income                      B. Disposable personal income                      C. Net income                      D. National income
10. \_\_\_\_\_ involves the mutual exchange of produced goods to fulfil daily wants of people.  
 A. Money                      B. Cash                      C. Ideas                      D. Barter system
11. When same rate or same percentage of tax is charged to whatever sized taxable income it is called \_\_\_\_\_.  
 A. Progressive tax                      B. Proportional tax                      C. Digressive tax                      D. Regressive tax
12. Government's revenue raising and revenue spending activities are called \_\_\_\_\_.  
 A. Monetary policy                      B. Fiscal policy                      C. Regulatory policy                      D. Healthcare policy
13. Boom phase of business cycle eventually leads to \_\_\_\_\_ phase.  
 A. Recovery                      B. Depression                      C. Recession                      D. Peak
14. Total value of goods and services of a country with the rest of the world is called \_\_\_\_\_.  
 A. Balance of trade                      B. Balance of export                      C. Balance of import                      D. Balance of payment
15. \_\_\_\_\_ presented to theory of comparative cost.  
 A. Adam Smith                      B. David Ricardo                      C. Robbins                      D. Marshall

**END OF SECTION A**



Class: XI

MODEL PAPER EXAMINATION 2026

Time: 2 hours 40 minutes

SUBJECT: P O ECONOMICS (SECTION "B" AND SECTION "C")

Total Marks 60

SECTION "B" (SHORT ANSWER QUESTIONS)

30 Marks

**Microeconomics****Q2.** Attempt any **FIVE-PART** questions. Each question carries **THREE** marks.**(15)**

1. Describe the scope of Micro economics.
2. The efficiency of land depends on three factors. Briefly explain.
3. What are the characteristics of utility?
4. List the degrees of Elasticity of demand.
5. Explain how the price of perishable goods is determined in market period.
6. Differentiate between variable and fixed factors of production
7. State the key features of monopoly.

**Macroeconomics****Q3.** Attempt any **FIVE-PART** questions. Each question carries **THREE** marks.**(15)**

1. Provide 3 differences between Gross National Product and Net National Product.
2. List any 5 forms of Inflation.
3. Explain importance of money.
4. What are the sources of public revenue? Explain briefly.
5. Discuss the 3 types of budget.
6. Define Trade cycle. Describe any 1 phase of trade cycle.
7. Differentiate between domestic and international trade.

**SECTION "C" (DETAILED ANSWER QUESTIONS)****30 Marks****Microeconomics****Q4.** Attempt any **ONE** of the following. Each question carries **FIFTEEN** marks.**(15)**

1. Explain the law of demand with the help of schedule and diagram and also describe its assumptions.
2. Describe and illustrate Marginal Productivity Theory.

**Macroeconomics****Q5.** Attempt any **ONE** of the following questions. Each question carries **FIFTEEN** marks.**(15)**

1. Define National Income. Describe various concepts of National Income.
2. What are the functions of money? Explain the characteristics of good money

**END OF PAPER**