OSDAV Public School, Kaithal
Half Yearly Exams (2024-25)
Class : XI
Subject : Economics (030)

SET- A

Time: 3 Hrs. **M.M: 80**

General Instructions:-

I. **All questions are compulsory.**
II. **Attempt all the theoretical questions with proper basis(headings).**
III. **Q. No 1-8 & Q. No 16-27 carry 1 mark, Q. No 9-11& Q. No 28-30 carry 3 marks, Q. No 13-14 & 31-33 carry 4 marks, Q. No 15 & 34-35 carry 6 marks.**

Q. No	Section A (Statistics for Economics)	Marks
1	Column I — Column II A. Census method. — i. Totality of items under study B. Sample. — ii. Extensive study of diverse items C. Questionnaire. — iii. A smaller group selected from the universe D. Population. — iv. A list of questions pertaining to the investigation a. A-i, B-ii, C-iv, D-iii. b. A-ii, B-iii, C-iv, D-i c. A-iii, B-iv, C-i, D-ii. d. A-iii, B-ii, C-i, D-iv	1
2	The upper limit of class intervals is considered for calculating: A) Less than cumulative frequency. B) More than cumulative frequency C) Relative frequency. D) None	1
3	Read the following statements carefully and choose the correct alternative from the following: **Statement 1:** Information from correspondents is widely used by news channels to collect news information. **Statement 2:** The method of information from correspondents is suitable when regular and continuous information is required. A) Both the statements are true B) Both the statements are false C) Statement 1 is true and statement 2 is false D) Statement 2 is true and statement 1 is false.	1
4	The following data related to the marks of a group of students: Marks: Below 10 — 15; Below 20 — 38; Below 30 — 65; Below 40 — 84; Below 50 — 100 How many students get marks more than 30 ? Alternatives: A) 65. B) 50. C) 35. D) 43	1
5	Which of the following statements is in not true for tabulation? A) Complicated data can be presented. B) Facilitates comparison between various observations. C) Statistical analysis of data requires tabulation. D) Tabulation aims to present the classified data in a complex manner.	1
6	If a household spends 70% of his income on food, then degree measure of an angle in the pie diagram will be: A) 200° B) 210° C) 252° D) 70°	1
7	Which of the following diagrams is drawn by joining mid points of the tops of all the rectangles in a histogram:- A) Histogram. B) Frequency Polygon. C) Ogive. D) None	1
8	If you are interested in how earnings of a company have fluctuated over time, it would be best to use: A) Bar Graph. B) Time series graphs. C) Pie chart. D) Histogram	1
9	"The government and policy makers use statistical data to formulate suitable policies of economic	3

development". Illustrate with two examples.

10 Do you agree that classified data is better than raw data. Why ? 3

11 **Prepare a graph to represent the following data of imports and exports from 2014 to 2019** 3

Years	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Imports(in ₹ Crores)	**4**	**10**	**8**	**16**	**18**	**20**
Exports(in ₹Crores)	**6**	**14**	**12**	**20**	**22**	**24**

12 In 2020-21, out of total of 700 employees of a factory 475 employees were skilled. The number of women employees was 450 of which 175 were unskilled. In 2021-22 the number of skilled employees decreased to 360 of which 120 were men. On the other hand, the number of unskilled employees fell down to 190 of which 80 were women. Tabulate the given information and give a suitable title. Write its working note also. 3+1

13 Represent the following data with the help of sub divided diagram: 4

Production (in '000 tonnes)

Year	**Wheat**	**Rice**	**Cotton**
2017	35	22	10
2018	15	25	16
2019	40	12	20

14 From the following marks of different students, prepare less than and more than ogive: 4

Marks	0-10	10-20	20-30	30-40	40-50	50-60
No. Of Students	5	10	10	15	10	5

15 A) Make a frequency curve of the following data: 3

Class Interval	20-40	40-60	60-80	80-100	100-120	120-140	140-160
Frequency	3	7	11	15	13	6	2

B) How does the procedure of drawing a histogram differ when class intervals are unequal in comparison to equal class intervals in a frequency table ? Explain. 3

Section B (Introductory Microeconomics)

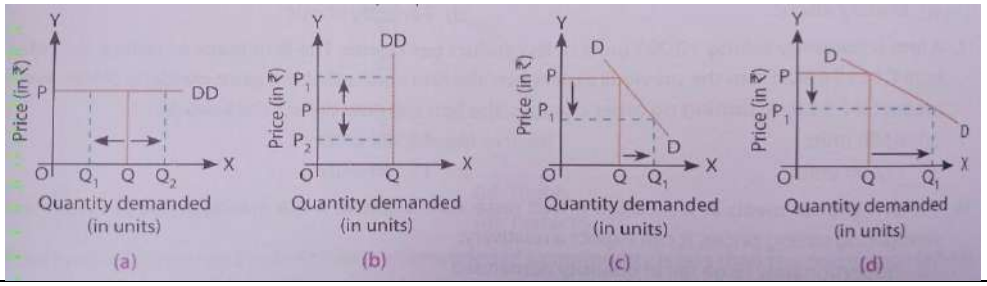
16 In which of the following situations, does scarcity raise ? 1
A) Supply of Resources > Demand of Resources B) Supply of Resources < Demand of Resources
C) Supply of Resources = Demand of Resources D) None of these

17 If MUx/Px > MUy/Py, then to reach the equilibrium position, consumer should: 1
A) Stop buying any commodity B) Buy Both the commodities in equal quantity
C) Buy more of X and less of Y D) Buy more of Y and less of X

18 Convexity of IC implies_____

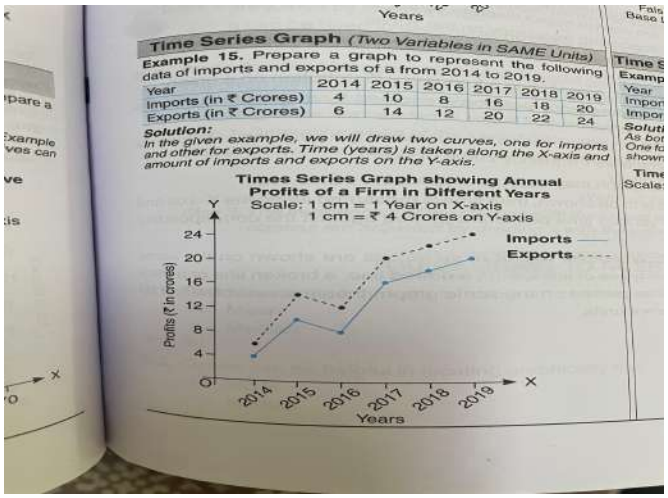
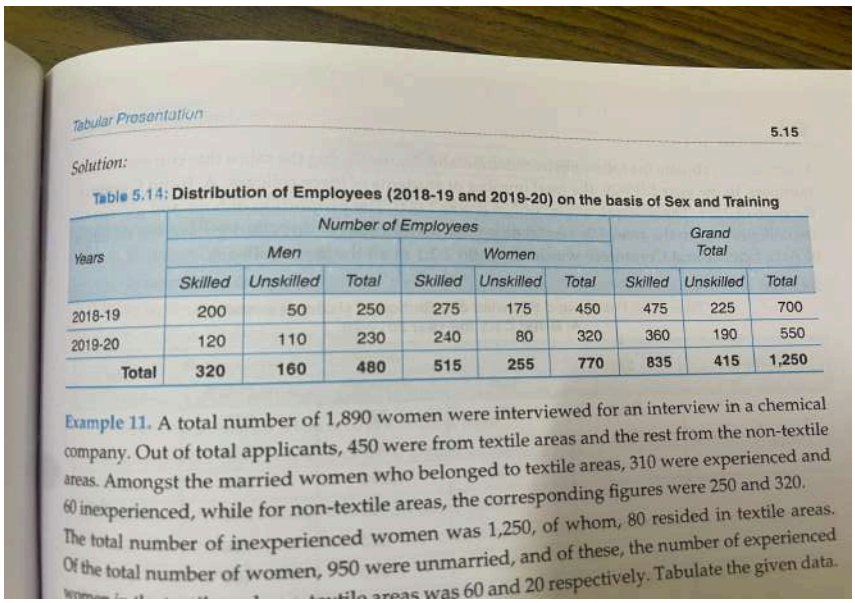
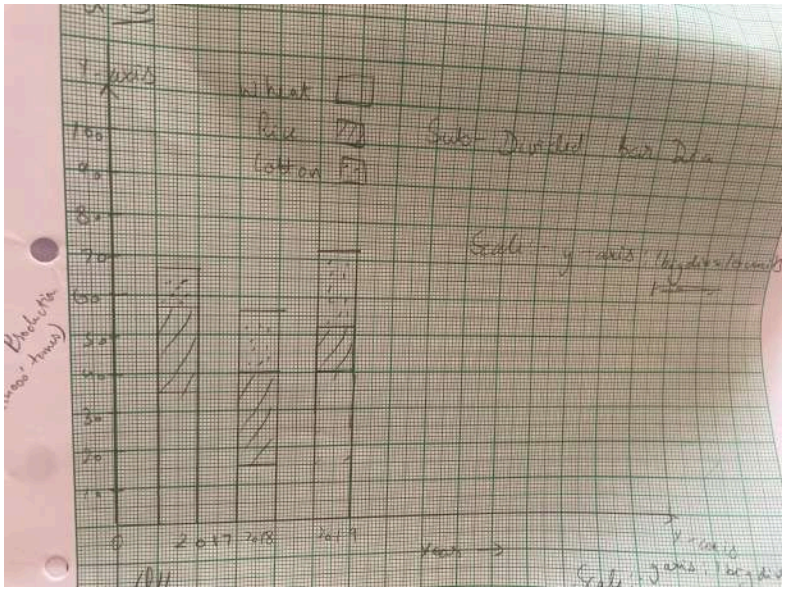
19 Read the following statements: assertion and reason. Choose one of the correct alternatives given below: 1
Assertion: Slope of budget line is represented by price ratio.
Reason: Budget line slopes downwards as more of one good can be brought by decreasing some units of the other good.
Alternatives:-
A) Both assertion and reason are true and reason is the correct explanation of assertion.
B) Both assertion and reason are true and reason is not the correct explanation of assertion.
C) Assertion is true but reason is false. D) Assertion is false but reason is true.

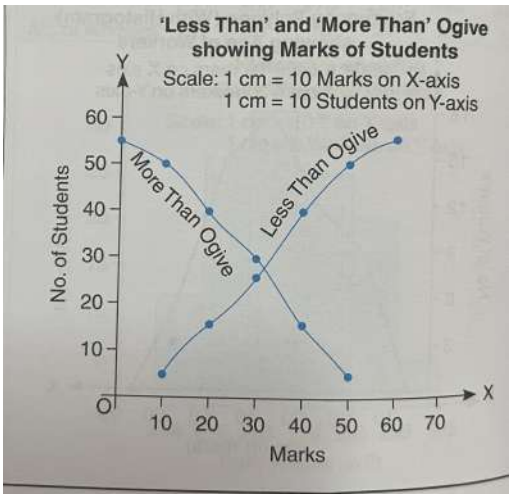
20 Read the following statements carefully and choose the correct alternative from the following: 1
Statement 1: Income effect is negative in case of inferior goods.
Statement 2: In case of inferior goods, fall in income leads to decrease in demand for the good.
Alternatives:

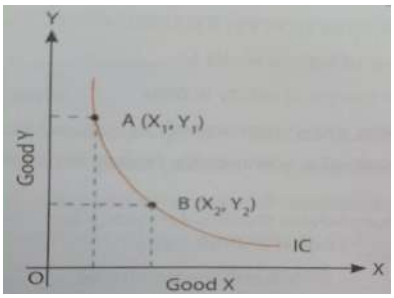
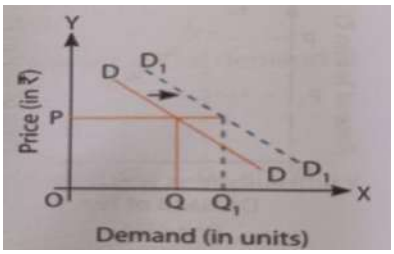
	A) Both the statements are true B) Both the statements are false C) Statement 1 is true and statement 2 is false D) Statement 2 is true and statement 1 is false.	
21	Which of the following diagram correctly depicts the situation of less elastic demand:  	1
22	If a good takes up significant share of consumer's budget, it will be: A) Less elastic. B) Highly elastic C) Unitary elastic D) Perfectly elastic	1
23	Which of the following is not an assumption of law of demand: A) Price of substitute goods do not change B) Income of the consumers remain same C) There is no change in tests and preferences of the consumers D) Price of the given commodity does not change.	1
24	In case of ordinal utility approach, utility is measured in: A) Rupees. B) Ranks. C) Utils. D) TU	1
25	Out of the following which one is macro variable ? A) Production of food grains in India. B) Pricing decision by Tata Motors C) Measurement of general price level. D) Fall in petrol prices	1
26	When AP falls due to increase in quantity of Variable input A)MP<AP. B)MP=AP. C)MP>AP. D)None of above	1
27	With increase in price of burgers by 22%, its demand falls by 25%. This indicate demand for burger is. A)Elastic. B)Inelastic. C)Unitary Elastic. D)Perfectly Elastic	1
28	Define Law of Variable Proportion.	3
29	If a consumer faces the budget line equation 20X + 10Y = 500. Answer the following questions: A) What will be the slope of budget line B) How many units would he be able to buy if the entire sum of ₹ 500 is to be spent on good X only ? Show calculations. C) Construct a new budget line equation if the price of Good Y falls 50%. Also, write the slope of the new budget line equation.	 1 1 1
30	Explain the effect of the increase in the level of air pollution, on the market demand for "Air Purifiers". Use diagram.	3
31	Price elasticity of demand for a product is 'unity (1)'. A household buys 25 units of this product at the price of ₹ 5 per unit. If the price of product rises by ₹ 1, how much quantity of the product will the household buy ?	4
32	There are train and bus services between New Delhi and Jaipur. Suppose that the train fare between the 2 cities comes down. How will this affect demand curve for bus travel between the 2 cities ? Use diagram.	4
33	What is Indifference curve ? Why does IC convex to the origin point ? Explain by using a suitable diagram.	1+ 3
34	A) Using a diagram, explain what will happen to the PPC of Bihar if the river Kosi river causes widespread floods ? Use diagram. B) Differentiate between Positive and Normative Economics.	4 2
35	Explain with the help of diagrams, the effect of the following changes on the demand of commodity: A) Fall in the price of substitute good B) Fall in the income of its buyer.	 3 3

OSDAV PUBLIC SCHOOL,KAITHAL
Marking Scheme and Answer key of Economics
Half Yearly Examination
Class:-11
Set-A

S. N		Marks
1	B	1
2	A	1
3	A	1
4	C	1
5	D	1
6	C	1
7	B	1
8	B	1
9	Ans. The government and policy makers require greater information in the form of numerical figures, to fulfill the welfare objectives. Popular statistical methods such as time-series analysis, index numbers, forecasting and demand analysis are extensively used in formulating economic policies. Examples: (i) While preparing and implementing new poverty alleviation programmes, Government makes use of various statistical data to determine the pros and cons of earlier poverty alleviation programmes. (ii) While framing budget, Government and policy makers make extensive use of economic survey and data of previous years, to formulate budget for the coming fiscal year. So, it can be concluded that it is impossible to think about functioning of the modern government, in the absence of statistics.	1½ 1½
10	Ans. Yes, there are number of advantages of classifying things. Classification of data serves the following purposes: (i) It condenses the raw data into a form suitable for statistical analysis. (ii) It removes complexities and highlights the features of the data. (iii) It facilitates comparisons and in drawing inferences from the data. (iv) It provides information about the mutual relationships among elements of a data set. (v) It helps in statistical analysis by separating elements of the data set into homogeneous groups and hence brings out the points of similarity and dissimilarity.	1 1 1

11		3
12		3+1=4
13		1+3=4

14	 **Table of more than and less than ogive should be made**	**1+3**
15	A Hints: Construct a frequency curve with or without Histogram. To make it, no need to use scale while connecting the topmost mid points of histogram. You can connect them smoothly without any scale. *(i) When class-intervals are unequal, then frequencies are first adjusted before constructin histogram.* *(ii) It is done with the help of adjustment factor, taking width of lowest class-interval as the standar* $$\text{Adjustment Factor for any Class} = \frac{\text{Width of the Class}}{\text{Width of the Lowest Class}}$$ *(iii) The frequencies of the classes with the lowest width are not changed and frequencies of classes are adjusted by dividing it with the adjustment factor.*	3 3
16	**B**	**1**
17	**C**	**1**
18	**MRS**	**1**
19	**A**	**1**
20	**C**	**1**
21	**C**	**1**
22	**B**	**1**
23	**D**	**1**
24	**B**	**1**
25	**C**	**1**
26	**A**	**1**
27	**A**	**1**

28	Indifference curve refers to the graphical representation of various alternative combinations of bundles of 2 goods among which the consumer is indifferent at all the combination shows the same level of satisfaction: **Indifference curves are always convex to the origin:** An indifference curve is convex to the origin because of diminishing MRS. MRS declines continuously because of the law of diminishing marginal utility. As seen in **Table 2.6**, when the consumer consumes more and more of apples, his marginal utility from apples keeps on declining and he is willing to give up less and less of bananas for each apple. Therefore, indifference curves are convex to the origin (see **Fig. 2.6**). *It must be noted that MRS indicates the slope of indifference curve.*  	1 2 1
29	(i) The slope of a budget line measures the amount of change in good Y required per unit of change in good X along the budget line. It is measured as follows: Slope $= \frac{-P_X}{P_Y} = \frac{-20}{10} = -2$ (ii) If entire sum of ₹ 500 is to be spent on Good X, then: 20X + 10 (0) = 500 or, 20X = 500 or, X = 500 ÷ 20 = 25 units. (iii) If price of Good Y falls by 50%, then new price of Good Y will be ₹ 10 – 50% of ₹ 10 = ₹ 5. New Budget Line Equation will be: 20X + 5Y = 500. Slope $= \frac{-P_X}{P_Y} = \frac{-20}{5} = -4$	1 1 1
30	Due to increase in the air pollution, demand curve of air purifier will shift to rightward: DD is the initial demand curve of air purifier, as air pollution increases, demand curve of air  purifier will shift to its rightward. Now new demand curve is DD^1, whereas its own price of purifier remains constant equal to OP.	1½ 1½

31		

Original Quantity (Q)	=	25 units	Original Price (P)	=	
New Quantity (Q_1)	=	?	Rise in Price (ΔP)	=	
Change in Quantity (ΔQ)	=	ΔQ	New Price (P_1)	=	
Elasticity of Demand (E_d) = 1					

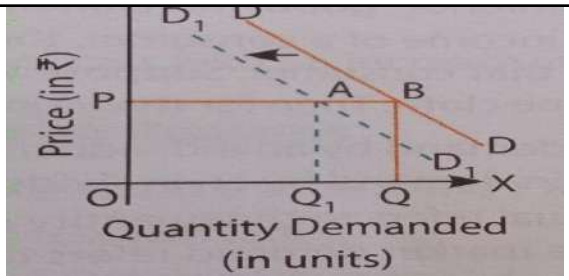
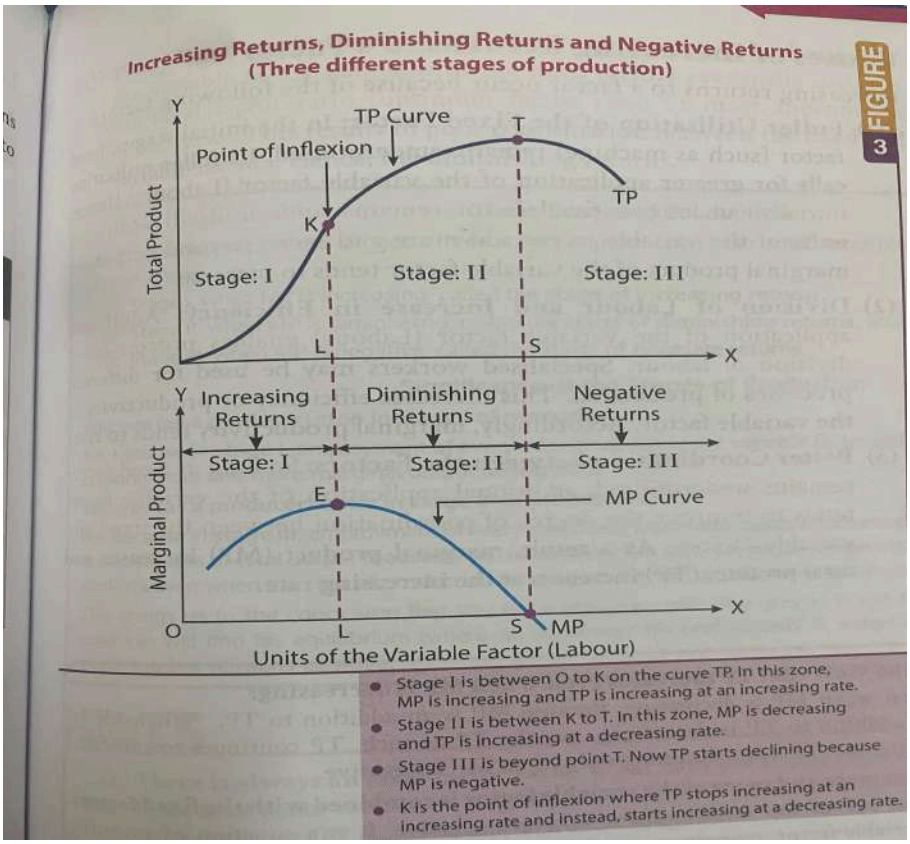
Price Elasticity of demand (E_d) $= \frac{\Delta Q}{\Delta P} \times \frac{P}{Q}$ 1

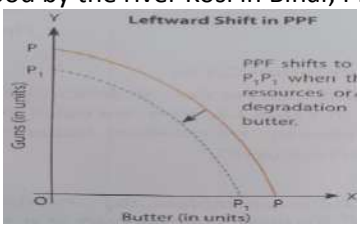
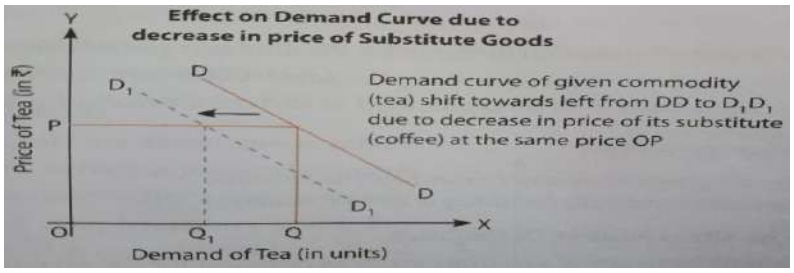
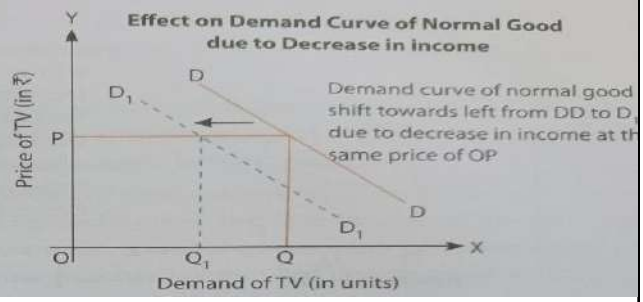
$1 = \frac{\Delta Q}{1} \times \frac{5}{25}$ i.e. $\Delta Q = 5$ units 1

As price is increasing, the quantity demanded will decrease. It means,

New quantity = Original quantity (Q) – Change in quantity (ΔQ) = 25 – 5 = 20 units

Ans. New Quantity = 20 units 1

32	 Demand curve for bus travel will shift towards left. It happens because price of substitute good (train fare) has decreased and it will make the bus travel relatively costly.	2 2
33		**1+3=4**

34	A Because of widespread flood by the river Kosi in Bihar, PPC of Bihar will shift to its left side  because resources are destroyed by the flood: Initial PPC is DD, after widespread flood in Bihar, its PPC will shift to Leftward and new PPC is DD^1. 	Basis	Positive Economics	Normative Economics
Meaning	It deals with what is or how the economic problems are actually solved.	It deals with what ought to be or how the economic problems should be solved.
Verification	It can be verified with actual data.	It cannot be verified with actual data.
Purpose	It aims to make real description of an economic activity.	It aims to determine the ideals.		2 2 2
35	*Decrease in Price of Substitute Goods:* With decrease in price of substitute goods (cof demand for the given commodity (tea) also decreases from OQ to OQ_1 at the same p of OP. It shifts the *demand curve of the given commodity towards left* from DD to D_1D_1.  B *Decrease in Income:* With fall in income, the demand for normal goods (TV) falls from OQ to OQ_1 at the same price of OP. It shifts the *demand curve* of normal good *towards left* from DD to D_1D_1.  	1½ 1½ 1½+1½

OSDAV Public School, Kaithal
Half Yearly Exams, (2024-25)
Class : XI
Subject : Economics (030)

SET- B

Time: 3 Hrs. **M.M: 80**

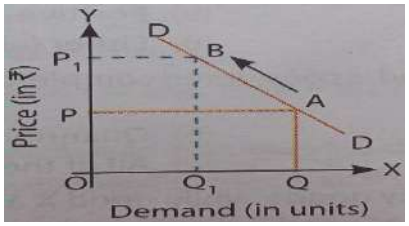
General Instructions:-

I. **All questions are compulsory.**
II. **Attempt all the theoretical questions with proper basis(headings).**
III. **Q. No 1-8 & Q. No 16-27 carry 1 mark, Q. No 9-11& Q. No 28-30 carry 3 marks, Q. No 13-14 & 31-33 carry 4 marks, Q. No 15 & 34-35 carry 6 marks.**

Q. No	Section A (Statistics for Economics)	Marks
1	Which of the following is a non-economic activity ? A) Housewife cooking food for her family B) Doctor attending to patients in his clinic C) Worker working in a factory D) Chef cooking food at a restaurant	1
2	Read the following statements: assertion and reason. Choose one of the correct alternatives given below: **Assertion:** The results of Indirect oral investigation are very accurate. **Reason:** In case of indirect oral investigation, information is obtained from other persons not directly connected. Alternatives:- A) Both assertion and reason are true and reason is the correct explanation of assertion. B) Both assertion and reason are true and reason is not the correct explanation of assertion. C) Assertion is true but reason is false. D) Assertion is false but reason is true.	1
3	Read the following statements carefully and choose the correct alternative from the following: **Statement 1:** In case of inclusive series, both the limits of class interval are counted in the same class. **Statement 2:** Exclusive series ensures continuity of data. Alternatives: A) Both the statements are true B) Both the statements are false C) Statement 1 is true and statement 2 is false D) Statement 2 is true and statement 1 is false.	1
4	Special purpose table is also known as: A) Text table. B) Analytical table C) Summary table D) All of these	1
5	In a Pie diagram, 1% value of data is represented by an angle at the centre equal to: A) 3.6° B) 36° C) 360° D) 0.36°	1
6	The second quadrant of a graph represents: A) -X and +Y. B) +X and -Y. C) -X and -Y. D) +X and +Y	1
7	An open end series is that series in which: A) Lower limit of the first class interval is missing. B) Upper limit of the last class interval is missing C) Both A and B D) Class intervals are unequal.	1
8	Data collected on religion from the census reports are: A) Secondary data. B) Primary data C) Sample data. D) Either A or B	1
9	"Statistical methods are no substitute for common sense". Comment with two examples from your daily life.	1½+ 1½
10	Discuss how you would use the lottery method to select 3 students out of 10 in your class ?	3
11	**Prepare a graph to represent the following data of imports and exports from 2014 to 2019**	3

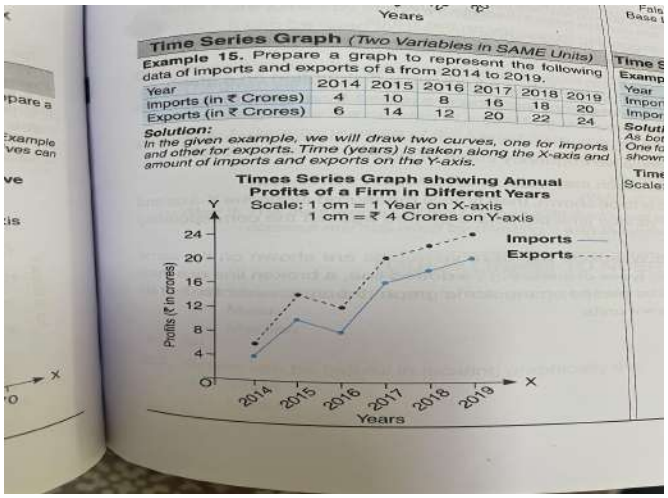
Years	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Imports(in ₹ Crores)	**4**	**10**	**8**	**16**	**18**	**20**
Exports(in ₹Crores)	**6**	**14**	**12**	**20**	**22**	**24**

12	1250 parents applied for admission of their child in school. Out of the total applicants 240 belongs to EWS (Economically weaker section) category and remaining are from general category. In the general category 32 parents are of service class, 12 are self employed and remaining parents are of business class. In the EWS category, 182 parents belong to service class. If Total business class applicants are 1000, then tabulate the given information. Write its working note also.	3+1
13	Draw a pie diagram to represent the following medium of transport in town: Medium of Transport: Private Vehicles | Taxi | Buses | Auto-Rickshaw No. Of Vehicles: 4200 | 2000 | 1800 | 2000	4
14	From the following marks of different students, prepare less than and more than ogive: **Marks**: 0-10 | 10-20 | 20-30 | 30-40 | 40-50 | 50-60 **No. Of Students**: 5 | 10 | 10 | 15 | 10 | 5	4
15	A) Make a frequency curve of the following data: **Class Interval**: 20-40 | 40-60 | 60-80 | 80-100 | 100-120 | 120-140 | 140-160 **Frequency**: 3 | 7 | 11 | 15 | 13 | 6 | 2 B) How does the procedure of drawing a histogram differ when class intervals are unequal in comparison to equal class intervals in a frequency table? Explain.	3 3
	Section B (Introductory Microeconomics)	
16	If the demand for a good is made by a rich consumer, its demand is generally: A) Less elastic. B) Highly elastic. C) Unitary elastic. D) Perfectly elastic.	1
17	Which of these economic problem deals with the technique of production? A) What to produce. B) How to produce C) For whom to produce. D) None of these.	1
18	What happens to MU when TU is maximum ? A) MU is negative B) MU is zero C) MU is decreasing. D) MU is increasing	1
19	Read the following statements: assertion and reason. Choose one of the correct alternatives given below: **Assertion:** Change in quantity demanded of one commodity due to change in price of other commodities is known as cross demand. **Reason:** Changes in consumer income leads to a change in demand. Alternatives:- A) Both assertion and reason are true and reason is the correct explanation of assertion. B) Both assertion and reason are true and reason is not the correct explanation of assertion. C) Assertion is true but reason is false. D) Assertion is false but reason is true.	1
20	Read the following statements carefully and choose the correct alternative from the following: **Statement 1:** An indifference curve is concave to the origin point because of increasing MRS. **Statement 2:** Every point on indifference curve represents an equal amounts of satisfaction to the consumer. Alternatives: A) Both the statements are true B) Both the statements are false C) Statement 1 is true and statement 2 is false D) Statement 2 is true and statement 1 is false.	1
21	The consumer is in equilibrium at a point where the budget line: A) Is above an Indifference curve. B) Is below an Indifference curve C) Is tangent to an Indifference curve. D) Cuts an Indifference curve	1

22	The following movement in the demand curve is because of:  A) increase in price of a given commodity. B) Decrease in price of given commodity C) Increase in price of substitute good D) Decrease in price of complementary food	1
23	Which of the following is not an assumption of law of demand: A) Price of substitute goods do not change B) Income of the consumers remain same C) There is no change in tests and preferences of the consumers D) Price of the given commodity does not change.	1
24	The slope of price line (in case of commodities X and Y) is given by: A) Tastes and preferences of the consumer. B) Prices of both the commodities C) Price of commodity X alone D) Price of commodity Y alone	1
25	A movement along the demand curve for soft drinks is best described as: A) Increase in demand. B) Decrease in demand C) Change in quantity demanded. D) Change in demand	1
26	When AP falls due to increase in quantity of Variable input A)MP<AP. B)MP=AP. C)MP>AP. D)None of above	1
27	With increase in price of burgers by 22%, its demand falls by 25%. This indicate demand for burger is. A)Elastic. B)Inelastic. C)Unitary Elastic. D)Perfectly Elastic	1
28	Define Law of Variable Proportion.	3
29	In order to encourage tourism in Goa, Indian Airlines reduces the air fare to Goa. How will it affect market demand curve for air travel to Goa ? Use diagram.	3
30	A consumer has total money income of ₹ 250 to be spent on 2 goods X & Y with prices of ₹25 and ₹10 per unit respectively. On the basis of the information given, answer the following questions. A) Give the equation of the budget line for the consumer. B) What is the value of slope of the budget line. C) How many units can the consumer buy if he is to spend all his money income on good Y ?	 1 1 1
31	What will be the impact on the demand curve of Trousers due to change in preferences in favour of Jeans.	4
32	Price elasticity of demand for a product is 'unity (1)'. A household buys 25 units of this product at the price of ₹ 5 per unit. If the price of product rises by ₹ 1, how much quantity of the product will the household buy ?	4
33	What is Production Possibility Curve? Explain the central problem "How to Produce" with the help of PPC.	1+3
34	Explain with the help of diagrams, the effect of the following changes on the demand of commodity: A) Fall in the price of substitute good B) Fall in the income of its buyer.	 3 3
35	A) Using a diagram, explain what will happen to the PPC of Bihar if the river Kosi river causes widespread floods ? Use diagram. B) Differentiate between Positive and Normative Economics.	4 2

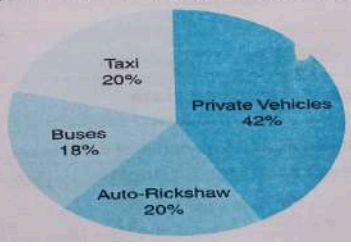
Marking Scheme and Answer key of Economics
Half Yearly Examination,2024
Subject:-Economics
Class:-11
Set:-B

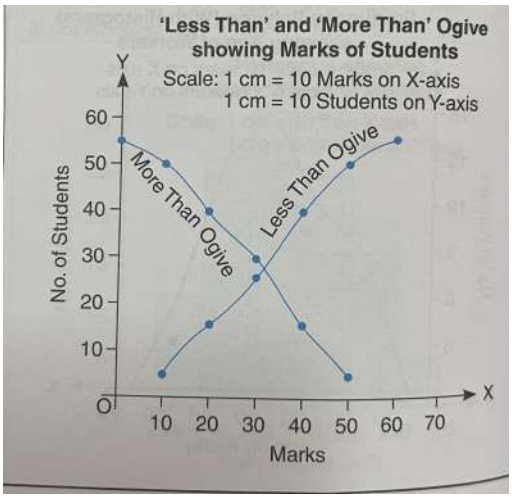
S. N		Marks
1	A	1
2	D	1
3	A	1
4	D	1
5	A	1
6	A	1
7	C	1
8	A	1
9	Statistical data should not be believed blindly as it can be misinterpreted or misused. The statistical da may involve personal biasness or may undergone manipulations. For example, once a family of fo persons (husband, wife and two children) set out to cross a river. The father knew the average depth the river. So, he calculated the average height of his family members. Since the average height of f family members was greater than the average depth of the river, he thought they could cross safe Consequently some members of the family (children) drowned while crossing the river. In the given case, the fault is not with the statistical method of calculating averages, but with the misu of average. The Statistics has been be misused by the father as he has drawn wrong conclusions. So is rightly said "Statistical methods are no substitute for common sense".	1.5+1.5=3
10	The following steps will be needed to select 3 students out of 10 students: (i) First of all, names of all the 10 students will be written on separate slips of paper of identica and shape. (ii) These slips are then folded and placed in a bowl and mixed thoroughly. (iii) A blindfolded or an unbiased person will be asked to select three slips at random, one by on (iv) The names of the three students that are written on the three slips drawn, are considered as sel	1 1 1

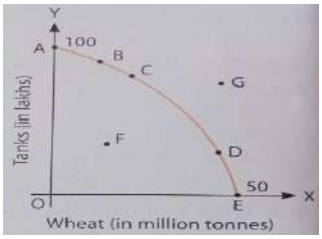
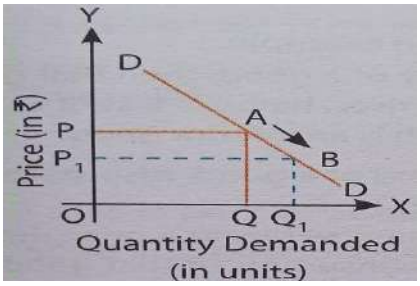
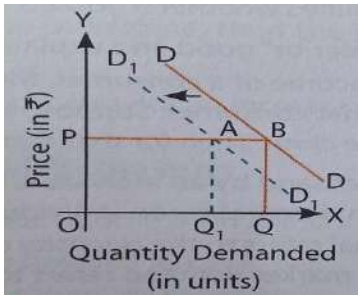
11	 **Time Series Graph** *(Two Variables in SAME Units)* **Example 15.** Prepare a graph to represent the following data of imports and exports of a from 2014 to 2019. Year: 2014 2015 2016 2017 2018 2019 Imports (in ₹ Crores): 4 10 8 16 18 20 Exports (in ₹ Crores): 6 14 12 20 22 24 ***Solution:*** *In the given example, we will draw two curves, one for imports and other for exports. Time (years) is taken along the X-axis and amount of imports and exports on the Y-axis.* **Times Series Graph showing Annual Profits of a Firm in Different Years** Scale: 1 cm = 1 Year on X-axis 1 cm = ₹ 4 Crores on Y-axis Imports Exports Profits (₹ in crores) Years	**3**
12	Table 5.8: **Table showing number of applicants (for admission) on the basis of Occupation and Financial Criteria** Write its working note also.	3 1
13	The angles of different components of pie diagram are calculated as shown below:	2
	Pie Diagram showing Medium of Transport in a Town	2

Occupation	*No. of Applicants*		*Total*
	General Category	*EWS Category*	
Service Class	32	182	214
Self-Employed	12	24	36
Business Class	966	34	1,000
Total	**1,010**	**240**	**1,250**

Medium of Transport	*Number of Vehicles*	*Percentage Values*	*Proportionate angles*
Private Vehicles	4,200	$\frac{4,200}{10,000} \times 100 = 42\%$	$42 \times 3.6 = \mathbf{151.2°}$
Taxi	2,000	$\frac{2,000}{10,000} \times 100 = 20\%$	$20 \times 3.6 = \mathbf{72°}$
Buses	1,800	$\frac{1,800}{10,000} \times 100 = 18\%$	$18 \times 3.6 = \mathbf{64.8°}$
Auto-Rickshaw	2,000	$\frac{2,000}{10,000} \times 100 = 20\%$	$20 \times 3.6 = \mathbf{72°}$
	10,000	100%	360°



14	 **Table of Less than and more than ogive should be made.**	**1+3**
15	A Hints: Construct a frequency curve with or without Histogram. To make it, no need to use scale while connecting the topmost mid points of histogram. You can connect them smoothly without any scale. *(i) When class-intervals are unequal, then frequencies are first adjusted before constructin histogram.* *(ii) It is done with the help of adjustment factor, taking width of lowest class-interval as the standar* $\text{Adjustment Factor for any Class} = \frac{\text{Width of the Class}}{\text{Width of the Lowest Class}}$ *(iii) The frequencies of the classes with the lowest width are not changed and frequencies of classes are adjusted by dividing it with the adjustment factor.*	3 3
16	**A**	**1**
17	**B**	**1**
18	**B**	**1**
19	**B/D**	**1**
20	**D**	**1**
21	**C**	**1**
22	**A**	**1**
23	**D**	**1**
24	**B**	**1**
25	**C**	**1**
26	**A**	**1**
27	**A**	**1**

28	Production possibility curve refers to graphical representation of possible combinations of 2 goods that can be produced with given resources and technology. How to produce means to choose the technology through which producer is going to produce goods. It may be either labour intensive or capital intensive technology.  In the above given diagram, AB is a PPC which is downward sloping. On which point A,B,C,D and E showing the efficient use of technology. Point F shows inefficient use of technology . Pint G can't be achieved because resources and Technology remain constant.	1 1 1
29	There will be a downward movement along the same market demand curve for air travel to Goa. It happens because of degrees in the air fair.  Initial demand of air travel is OQ, after reduction in the air fair, new demand is OQ^1. DD is a demand curve on which from point A to B shows the downward movement which explains extension in demand.	2 1
30	A PxQx + PyQy = M 25Qx+10Qy = 250. B Slope of budget line = (-) Px/Py = (-) 25/10 = (-) 2.5. C If Qx is to be zero 25(Qx)+10Qy = 250 25(0) + 10 Qy = 250 Qy = 250/10 = 25 Units	½ ½ ½+½ ½ ½
31	 In the above given diagram, DD is initial demand curve of trousers, Price equal to OP remains constant but due to increase in preferences in favour of jeans, demand curve of trousers will shift to its leftward.	2 2

32		

Original Quantity (Q)	=	25 units	Original Price (P)	=	
New Quantity (Q_1)	=	?	Rise in Price (ΔP)	=	
Change in Quantity (ΔQ)	=	ΔQ	New Price (P_1)	=	
Elasticity of Demand (E_d) = 1					

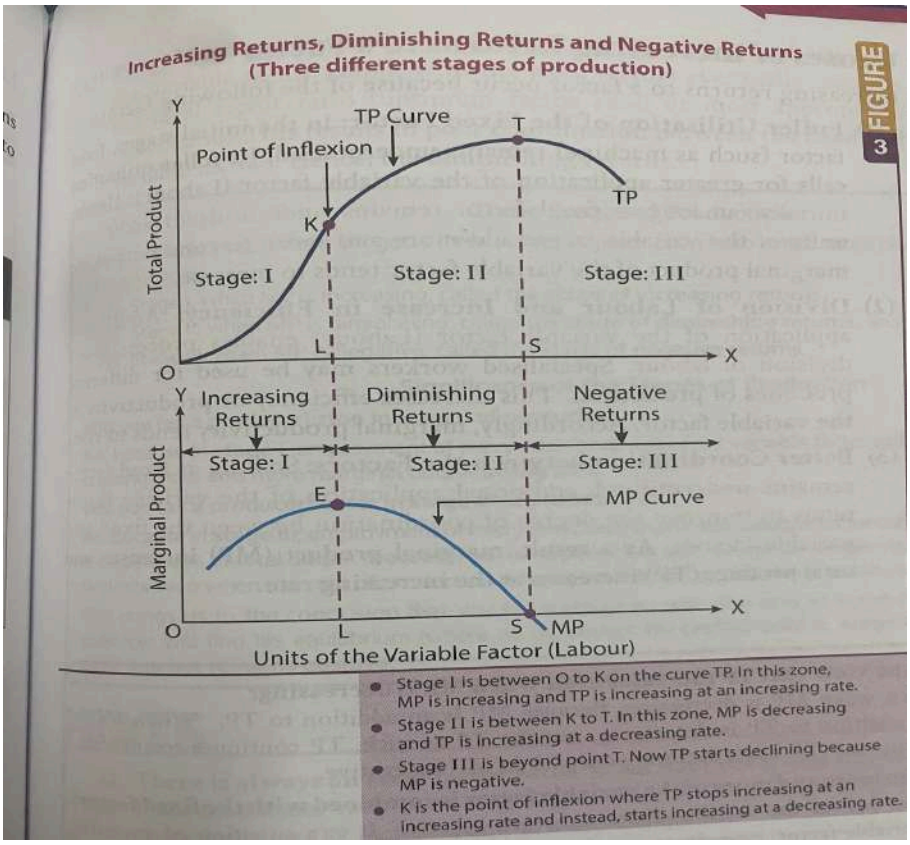
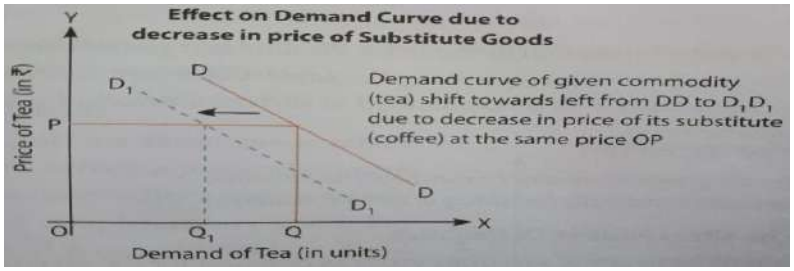
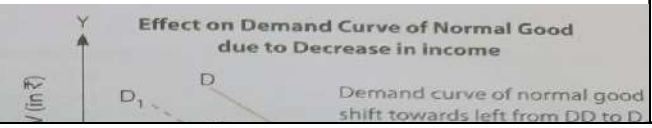
Price Elasticity of demand $(E_d) = \frac{\Delta Q}{\Delta P} \times \frac{P}{Q}$ — 1

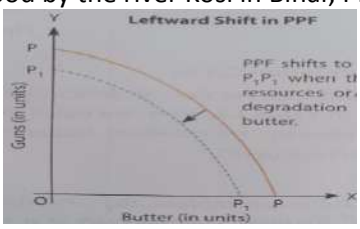
$1 = \frac{\Delta Q}{1} \times \frac{5}{25}$ i.e. $\Delta Q = 5$ units — 1

As price is increasing, the quantity demanded will decrease. It means,

New quantity = Original quantity (Q) − Change in quantity (ΔQ) = 25 − 5 = 20 units — 1

Ans. New Quantity = 20 units

33		**1+3=4**
34	***Decrease in Price of Substitute Goods:*** With decrease in price of substitute goods (coffee) demand for the given commodity (tea) also decreases from OQ to OQ_1 at the same price of OP. It shifts the *demand curve of the given commodity towards left* from DD to D_1D_1.	1½
		1½
	B	
	Decrease in Income: With fall in income, the demand for normal goods (TV) falls from OQ to OQ_1 at the same price of OP. It shifts 	1½+1½

35	A Because of widespread flood by the river Kosi in Bihar, PPC of Bihar will shift to its left side  because resources are destroyed by the flood: Initial PPC is DD, after widespread flood in Bihar, its PPC will shift to Leftward and new PPC is DD^1.	2 2

Basis	Positive Economics	Normative Economics
Meaning	It deals with what is or how the economic problems are actually solved.	It deals with what ought to be or how the economic problems should be solved.
Verification	It can be verified with actual data.	It cannot be verified with actual data.
Purpose	It aims to make real description of an economic activity.	It aims to determine the ideals.

2