

DINDIGUL DISTRICT

HMD

HALF YEARLY EXAMINATION- 2022

CLASS :11

ECONOMICS

--	--	--	--	--	--

TIME : 3.00 Hrs

MARKS : 90

Instructions: 1. Check the Question paper for fairness of printing. If there is any lack of fairness, inform the Hall Supervisor immediately. 2. Use Blue or Black ink to write and underline and pencil to draw diagrams.

Part - a

I i) Answer all the questions. ii) Choose the correct answer.

20 X 1 = 20

1. Who is the Father of Economics?
a) Max Muller b) Adam Smith I c) Karl marx d) Paul A. Samulson
2. Which theory is generally included under micro economics?
a) Price Theory b) Income Theory c) Employment Theory d) Trade Theory
3. Ordinal utility can be measured by
a) Ranking b) Numbering c) Wording d) None of these
4. Elasticity of demand is equal to one indicates
a) Unjitary Elastic Demand b) perfectly Elastic Demand
c) Perfectly in elastic Demand d) Relatively Elastic demand
5. Mention the economics reaped from inside the firm
a) Financial b) Technical c) Kanagerial d) All of the above
6. Modern Economists have propounded the law of
a) Increasing returns b) Decreasing returns
c) Constant returns d) Variable proportions
7. Explicit costs are termed as
a) Out of pocket expenses b) Real cost c) Social cost d) Sunk cort
8. Long run average cost curve is also called as curve
a) Demand b) Planning c) Production d) Sales
9. There is no excess capacity under
a) Monopoly b) Monopolistic competition c) Oligopoly d) Perfect competition
10. Price discrimination will always lead to
a) increase in output b) increase in profit c) Different prices d) B and C
11. Quasi - rent arises in
a) Man - made appliances b) Home made items c) Imported items d) None of these
12. Theory of distribution is popularly known as
a) Theory of product - pricing b) Theory of factory pricing
c) Theory of wages d) Theory of interest
13. Thiruvalluvar economics ideas mainly dealt with
a) Wealth b) poverty is the curse in the society
c) Agriculture d) All of them
14. The year 1961 is known as
a) Year of small divide b) Year of population explosion
c) Year of Urbanisation d) Year of Great divide
15. Annual plans formed in the year
a) 1989 - 1991 b) 1990 - 1992 c) 2000 - 2001 d) 1981 - 1983
16. The main objective of nationalisation of banks was
a) Private Social welfare b) Social welfare
c) To earth d) Industries monopoly

HMD 11 பொருளியல் EM PAGE-1

17. India is the largest producer of in the world.
a) Fruits b) Gold c) Petrol d) Diesel
18. Financial sector reforms mainly related to
a) Insurance sector b) Banking sector c) Both a and b d) Transport sector
19. The recommended nutritional intake per person in rural areas.
a) 2100 calories b) 2200 calories c) 2300 calories d) 2400 calories
20. In health index, Tamilnadu is a head of
a) Kerala b) Punjab c) Gujarat d) All the above

Part - B

II (i) Answer any seven of the following questions (ii) Question number 30 is compulsory. 7 X 2 = 14

21. Define positive Economics.
22. What are the degrees of price elasticity of Demand?
23. Define Marginal product of a factor?
24. What is meant by Sunk-cost ?
25. Mention any two types of Price discrimination.
26. What is meant "distribution" ?
27. Write the short note natural resources.
28. Define disinvestment.
29. Define Rural Electrification.
30. What is heritage tourism?

PART- C.

II (i) Answer any seven of the following. (ii) Question number 40 is compulsory. 7 X 3 = 21

31. Explain different types of economic activities.
32. Explain the theory of "Consumer's Surplus"
33. What are the Characteristics of land?
34. Write a short note on Marginal Revenue.
35. List out the kinds of wages.
36. Explain Social infrastructure.
37. Write any three objectives of industrial policy 1991.
38. What is GST & What its advantages?
39. List out the objectives of MUDRA Bank.
40. Differentiate between firm and industry"

PART-D

IV Answer the following questions in about a Page. 7 X 5 = 35

41. Elaborate the nature and scope of Economics. (OR)
Explain the Law of Equi- marginal utility.
42. Explain the internal and external economics of scale. (OR)
Bring out the relationship between AR and MR Curves under various price conditions.
43. Bring out the features of perfect Competition. (OR)
Describe the features of oligopoly.
44. Illustrate the Ricardian Theory of Rent. (OR)
Explain the strong features of Indian Economy.
45. Write a brief note on the Gandhian economic Ideas. (OR)
Explain the role of SSIs in economic development.
46. Describe the salient features of EXIM Policy (2015 - 2020). (OR)
Analyses the causes for Rural Indebtedness.
47. Explain the Public transport system in Tamil Nadu. (OR)
What are the ideas of information and communication technology used in economics.

VIVEKANANDA VIDYALAYA MATRIC HR SEC SCHOOL, PANNAIKADU PIRIVU**KODAIKANAL, DINDIGUL DISTRICT****HALF YEARLY EXAMINATION (DINDIGUL DISTRICT) KEY – DECEMBER 2022****CLASS: 11 STD****ECONOMICS – ANSWER KEY****MARKS: 90****I. CHOOSE THE CORRECT ANSWER:****20*1=20**

1	b). Adam smith	11	a). Man – made appliances
2	a). Price Theory	12	b). Theory of factory pricing
3	a). Ranking	13	d). All of them
4	a). Unitary Elastic Demand	14	b). Year of population explosion
5	d). All of the above	15	b). 1990-1992
6	a). Increasing returns	16	b). Social welfare
7	a). Out of pocket expenses	17	a). Fruits
8	b). Planning	18	c). Both a and b
9	d). Perfect competition	19	a). 2100 calories
10	d). b and c	20	c). Gujarat

II. ANSWER ANY 7 QUESTIONS: (Q.NO: 30 IS CUMPULSORY)**7*2=14****21 Define positive economics**

- An increase in money supply implies a price-rise in an economy.
- As the irrigation facilities and application of chemical fertilizers expand, the production of food-grains increases.

22 What are the degrees of price elasticity of demand?

- | | |
|-----------------------------|-----------------------------|
| • Perfectly Elastic Demand | Perfectly Inelastic Demand |
| • Relatively Elastic Demand | Relatively Inelastic Demand |

23 Define Marginal Product of a factor.

- It is the addition or the increment made to the total product when one more unit of the variable input is employed.

24 What is meant by Sunk cost?

- A cost incurred in the past and cannot be recovered in future is calls as sunk cost.
- They are unrecoverable.

25 Mention any two types of price discrimination

- Personal - different prices are charged for different individuals.
- Geographical - Different prices are charged at different places for the same product.

26 What is meant by distribution?

- Division of income among the four factors of production.
- Distribution is given in terms of rent to landlords, wage to labour, interest to capital and profit to entrepreneurs.

27 Write the short note on natural resources.

- Any stock or reserve that can be drawn from nature is a natural resource.
- The major natural resources are land, forest, water, mineral and energy.

28 Define disinvestment

- It selling of government securities of public sector undertakings to other PSUs.

29 Define Rural Electrification

- The main aims of rural electrification are to provide electricity to agricultural operations and to enhance agricultural productivity.

30 What is heritage tourism?

It is traveling to experience the places artifacts and activities that authentically represent the stories and people of the past and present.

II. ANSWER ANY 7 QUESTIONS: (Q.NO: 40 IS CUMPULSORY)**7*3=21****31 Explain different types of economic activities.**

- **Consumption:** Human wants coming under consumption is the starting point of economic activity.
- **Production:** Production is the process of transformation of inputs into output.
- **Exchange:** Human activities which are performed in exchange for money.
- **Distribution:** the produced wealth has to be distributed

32 Explain the theory of “consumer’s surplus” .

The excess of price which a person would be willing to pay rather than go without the thing, over that which he actually does pay, is the economic measures of this surplus of satisfaction.

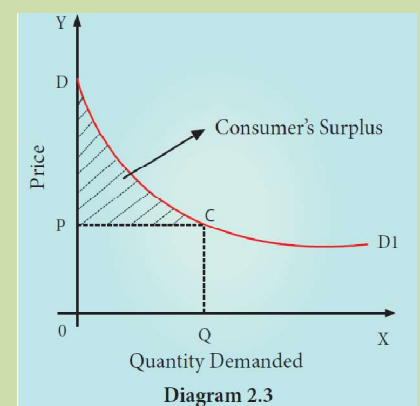
Consumer Surplus = Potential price – Actual price

Consumer Surplus = TU – (P x Q)

Where, TU – Total Utility, P = Price, Q= Quantity

Assumptions:

- X axis shows the amount demanded and Y axis represents the price.
- DD1 shows the utility which the consumer derives from the purchase of different amounts of commodity.
- When price is OP, the amount demanded is OQ.
- Hence, actual prices OPCQ (OP x OQ). Total utility is ODCQ.

**33 What are the characteristics of land?**

- Land is a primary factor of production.
- Land is a passive factor of production.
- Land is the free gift of Nature.
- Land is permanent.
- Land is immovable

34 Write a short note on Marginal Revenue.

- Marginal cost is the addition made to the total cost by producing one extra unit of output.
- $MC = \Delta TC / \Delta Q$
- Where MC denotes Marginal cost, ΔTC denotes change in the total cost and ΔQ denotes change in total quantity.
- The other method of estimating MC is : $MC = TC_n - TC_{n-1}$.
- MC – Marginal Cost, TC_n – Total cost of nth item, TC_{n-1} – Total cost of 1th item.

35 List out the kinds of wages.

- Money wages
- Real wages
- Piece wages
- Time wages

36 Explain Social infrastructure.

- To those structures which are improving the quality of manpower and contribute indirectly towards the growth of an economy.
- These structures are outside the system of production and distribution.
- For example, schools, colleges, hospitals and other civic amenities.

37 Write any three objectives of Industrial Policy 1991.

- Reduce disparities in income and wealth
- Higher employment generation
- Focus on development of small scale sector
- Rural industrialization

38 What is GST? Write its advantages.

- It is defined as the tax levied when a consumer buys a goods and service.
- The act came into effect on 1st July 2017.
- The Motto is “one nation, one market, one tax”.

Advantages:

- Removing cascading tax effect
- Single point tax
- Higher threshold for registration
- Composition scheme for small business

39 List out the objectives of MUDRA Bank.

- Regulate the lender and the borrower of microfinance.
- Bring stability to the microfinance system.

- Lend money to small business, retailers, self help groups and individuals
- Introduce a system of performance rating.

40. Differentiate between 'firm' and 'industry'.

S.No	Basis	Firm	Industry
1	Meaning	It refers to a single production unit in an industry	It refers to a group of firms
2	Production	Producing a large or a small quantum of a commodity or service	Producing the same product or service in an economy.
3	Example	A single cement firm	Cement industry

IV. ANSWER THE FOLLOWING QUESTIONS:

7*5=35

41 a). Elaborate the nature and scope of Economics.

Nature:

- A Law expresses a causal relation between two or more than two phenomena.
- Marshall states that the Economic laws are statement of tendencies, the laws function with cause and effect. Economic laws are not as precise and certain.
- Economic laws are not inviolable
- The use of the assumption other things remaining the same.

Scope:

- All human activities related to wealth constitute the subject matter of economics.
- Production consumption and capital formation are called the basic economic activities.
- The flow chart gives the scope of economics.
- Human activities not related to wealth are not treated in economics.

Explain the law of Equi-marginal utility.

Meaning:

☼ To analyze such a situation, the law of diminishing marginal utility is extended and is called "Law of Equi- Marginal Utility".

☼ It is also called the "Law of Substitution".

Equi-marginal = $MUA = MUO = K$

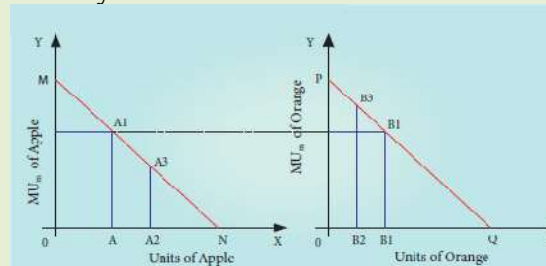
$$PA = PO$$

Assumption:

- ☺ The consumer is rational in the sense that he wants to get maximum satisfaction.
- ☺ The utility of each commodity is measurable in cardinal numbers.
- ☺ The marginal utility of money remains constant.

Explanation:

- X axis represents the amount of money spent and Y axis represents the marginal utilities of apple and orange respectively.



- If the consumer spends ₹10 on Apple and ₹4 on Orange, the marginal utilities of both are equal i.e., $AA_1 = BB_1$ ($5=5$).
- Hence, he gets maximum utility.

42 a). Explain the internal and external economies of scale.

Basic	Internal	External
Technical Economies	There is possibility to introduce up to date technologies.	Increased transport facilities.
Financial economies	Big firms can float shares in the market for capital expansion.	Banking facilities.
Managerial economies	Large scale production facilitates specialization and delegation.	Development of townships.
Labour economies	Large scale production implies greater and minute division of labour.	Development of information and communication.
Marketing economies	The producer can both buy raw materials in bulk at cheaper cost.	Expansion of the plant size.

Bring out the relationship between AR and MR curves under various price conditions.

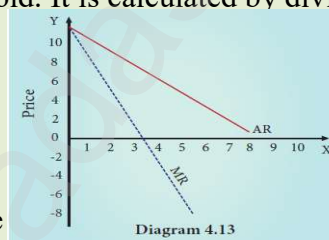
Average Revenue:

It is the revenue per unit of the commodity sold. It is calculated by dividing the total revenue by the number of units sold.

$$AR = TR / Q$$

Marginal revenue:

- It is the addition made to the total revenue
- selling one more unit of a commodity
- If a firm is able to sell additional units at the same price then AR and MR will be constant and equal.
- If the firm is able to sell additional units only by reducing the price, both AR and MR will fall and be different.

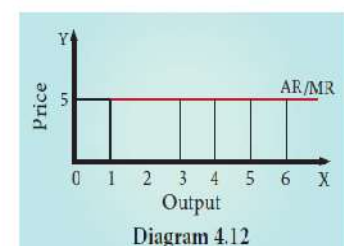


TR, AR, MR - Constant price

Quantity Sold (Q)	Price (P) ₹	Total Revenue (TR) ₹	Average Revenue (AR) ₹	Marginal Revenue (MR) ₹
1	5	5	5	5
2	5	10	5	5
3	5	15	5	5
4	5	20	5	5
5	5	25	5	5
6	5	30	5	5

AR, TR, MR at declining price

Quantity Sold (Q)	Price (P)/ Average Revenue (AR) ₹	Total Revenue (TR) ₹	Marginal Revenue (MR) ₹
1	10	10	-
2	9	18	8
3	8	24	6
4	7	28	4
5	6	30	2
6	5	30	0
7	4	28	-2
8	3	24	-4
9	2	18	-6
10	1	10	-8



43 Bring out the features of perfect competition.

a. Large Number of Buyers and Sellers:

- ☞ The term, 'large number of sellers' implies that share of each individual seller is a very, very small quantum of a product.
- ☞ This means that he has no power to fix the price of the product.

b. Homogeneous Product and Uniform Price

- All the units of the product are identical of the same size, shape, colour, quality etc.

- Therefore, a *uniform price* prevails in the market.

c. Free Entry and Exit

- Efficient producer, producing the product at a very low cost, to earn *super normal profits*.
- Attracted by such a profit, new firms enter into the industry.

d. Absence of Transport Cost

- The prevalence of the uniform price is also due to the absence of the transport cost.

e. Perfect Knowledge of the Market

- All buyers and sellers have a thorough knowledge of the quality of the product, prevailing price etc.

Describe the features oligopoly.

i). Few large firms

- Very few big firms own the major control of the whole market by producing major portion of the market demand.

ii). Interdependence among firms

- The price and quality decisions of a particular firm are dependent on the price and quality decisions of the rival firms.

iii). Group behavior

- The firms under oligopoly realize the importance of mutual co-operation.

iv). Advertisement cost

- The oligopolist could raise sales either by advertising or improving the quality of the product.

v). Nature of product

- Perfect oligopoly means homogeneous products and imperfect oligopoly deals with heterogeneous products.

44 Illustrate the Ricardian Theory of Rent.

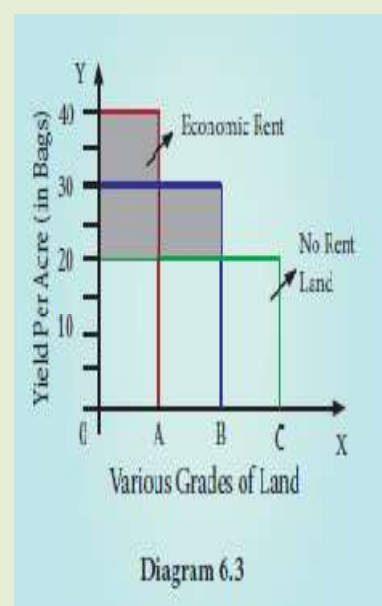
Meaning:

Rent is that portion of the produce of the earth which is paid to the landlord for the use of the original and indestructible powers of the soil.

Assumption:

- Land differs in fertility
- The law of diminishing returns operates in agriculture.
- Rent depends upon fertility and location of land.
- Theory assumes perfect competition.

Schedule of Ricardian Theory of Rent Grades of lands	Production	Surplus
A	40	$40-20=20$
B	30	$30-20=10$
C	20	$20-20=0$



Explain the strong features of Indian economy**i). India has a mixed economy**

- Indian economy is a typical example of mixed economy.
- This means both private and public sectors co-exist and function smoothly.

ii). Agriculture plays the key role

- Around 60% of the people in India depend upon agriculture for their livelihood.
- In fact, about 17% of our GDP today is contributed by the agricultural sector.

iii). An emerging market

- India has a high potential for prospective growth.
- This also makes it an emerging market for the world.

iv). Fast Growing Economy

- India's economy is well known for high and sustained growth.
- It has emerged as the world's fastest growing economy in the year 2016-17 with the growth rate of 7.1% in GDP next to People's Republic of China.

v). Demographic dividend

- The human capital of India is young.
- This means that India is a pride owner of the maximum percentage of youth.

45 Write a brief note on the Gandhian economic ideas.

S.no	Gandhian Thoughts	Gandhian Economic Ideas
1	Village Republics	India lives in villages. He was interested in developing the villages as self sufficient units.
2	On Machinery	Gandhi described machinery as great sin
3	Industrialization	Gandhi considered industrialism as accurse on mankind.
4	Decentralization	He advocated a decentralized economy
5	Village sarvodaya	He suggested the development of self sufficient self dependant villages.

Explain the role of SSIs in economic development?**i). Provide employment:**

- SSIs use labour intensive techniques.
- Hence they provide employment opportunities to a large number of people.

ii). Bring Balanced Regional Development:

- SSIs promote decentralized development of industries as most of the SSIs are set up in backward and rural areas.

iii). Help in Mobilization of Local Resources:

- SSIs help to mobilize and utilize local resources like small savings, entrepreneurial talent etc.

iv). Pave for Optimization of Capital

- SSIs require less capital per unit of output.
- They provide quick return on investment

v). Develop Entrepreneurship:

- SSIs help to develop a class of entrepreneurs in the society.

46 Describe the salient features of EXIM policy (2015 – 2020)

- Reduce export obligations by 25% and give boost to domestic manufacturing supporting the “Make in India” concept.
- As a step to Digital India concept, online procedure to upload digitally signed document by CA/CS/Cost Accountant are developed and further mobile app for filing tax, stamp duty has been developed.
- Repeated submission of physical copies of documents available on Exporter Importer Profile is not required.
- Export obligation period for export items related to defense, military store, aerospace and nuclear energy to be 24 months.
- EXIM Policy 2015-2020 is expected to double the share of India in World Trade from present level of 3% by the year 2020. This appears to be too ambitious.

Analyze the causes for Rural Indebtedness.**Meaning:**

Rural indebtedness refers to the situation of the rural people unable to repay the loan accumulated over a period.

Causes:**i). Poverty of Farmers:**

The vicious circle of poverty forces the farmers to borrow for consumption, cultivation and celebrations.

ii). Failure of Monsoon:

It is a curse to the farmers and they have to suffer due to the failure of nature.

iii). Litigation:

Due to land disputes litigation in the court compels them to borrow heavily.

iv). Money lenders and High rate of Interest:

The rate of interest charged by the local money lenders is very high and the compounding of interest leads to perpetuate indebtedness of the farmer.

47 Explain the public transport system in Tamil Nadu.**a. Road**

- ☺ There are 28 national highways in the State, covering a total distance of 5,036 km.
- ☺ It ranks second in India with a share of over 20% in total road projects under operation.

b. Rail

- Tamil Nadu has a well-developed rail network as part of Southern Railway, Headquartered at Chennai.
- Tamil Nadu has a total railway track length of 6,693 km and there are 690 railway stations in the State.
- Main rail junctions in the State include Chennai, Coimbatore, Erode, Madurai, Salem, Tiruchirapalli and Tirunelveli.

c. Air

- Tamil Nadu has four major international airports.
- Chennai International Airport is currently the third largest airport in India after Mumbai and Delhi.

d. Ports

- Tamil Nadu has three major ports; one each at Chennai, Ennore, and Tuticorin, as well as one intermediate port in Nagapattinam, and 23 minor ports.
- Ennore Port was recently converted from an intermediate port to a major port.

What are the ideas of information and communication technology used in economics?

- Information and Communication Technology (ICT) is the infrastructure that enables computing faster and accurate.
- The following table gives an idea of range of technologies that fall under the category of ICT.

S. No	Information	Technologies
1	Creation	Personal Computers, Digital Camera, Scanner, Smart Phone
2	Processing	Calculator, PC, Smart Phone
3	Storage	CD, DVD, Pen Drive, Microchip, Cloud
4	Display	PC, TV, Projector, Smart Phone
5	Transmission	Internet, Teleconference, Video conferencing, Mobile Technology, Radio
6	Exchange	E mail, Cell phone

@*@@*@@*@@*@@*@@

- ❖ All of the above I mentioned is my own proposed list.
- ❖ This is not final decision.
- ❖ This subject to be changed.
- ❖ If there is any error in this, please correct it.

PREPARED BY

P.VAHEESWARAN *M.COM., M.PHIL. DCA., B.ED*

VICE- PRINCIPAL

PG ASSISTANT OF COMMERCE & ACCOUNTANCY

VIVEKANANDA VIDYALAYA MATRIC HR SEC SCHOOL

**PANNAIKADU PIRIVU, KODAIKANAL MAIN ROAD,
DINDIGUL DISTRICT.**

CELL: 9791324143 EMAIL: npvasu92@gmail.com