

HYM HALF - YEARLY EXAMINATION - 2024

11 - STD

ECONOMICS

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Time : 3.00 Hrs

Marks : 90

I Answer all the questions.

20 X 1 = 20

1. "Economics is a science". The basis of this statement is
a) relation between cause and effect b) use of deductive method and inductive method
c) Experiments d) all of the above
2. Indifference curve was first introduced by
a) Hicks b) Allen c) Keynes d) Edge Worth
3. Who said, that one of the key of an entrepreneur is "uncertainty bearing".
a) J.B. Clark b) Schum Peter c) Knight d) Adam Smith
4. Wage is an example for cost of the production.
a) Fixed b) Variable c) Marginal d) Opportunity
5. Perfect competition assumes
a) luxury goods b) producer goods c) differentiated goods d) homogeneous goods
6. Monopolistic competition is a form of
a) oligopoly b) Duopoly c) Imperfect competition d) monopoly
7. The concept 'Quasi - rent' is associated with
a) Ricardo b) Keynes c) Walker d) Marshall
8. Loanable funds theory of Interest is called
a) classical theory b) modern theory c) traditional theory d) neo - classical theory
9. Which one of the following is a developed nations?
a) Mexico b) Ghana c) France d) Srilanka
10. Gandhian Economics is based on the principle
a) socialistic idea b) Ethical foundation
c) Gopala Krishna Gokhale d) Dadabhai Naoroji
11. The Father of Green revolution in India was
a) M.S. Swaminathan b) Gandhi c) Visweswaralah d) N.R. Viswanathan
12. The oldest scale industry in India
a) Cotton b) Jute c) Steel d) Cement
13. The Arguments against LPG relate to
a) Economic growth b) Move investment
c) Disparities among people and regions d) Modernization
14. The goods and service tax act came into effect on
a) 1st July 2017
b) 1st July 2016 c) 1st January 2017 d) 1st January 2016
15. Which is considered as the unit for rural areas?
a) Panchayat b) Village c) Town d) Municipality
16. Identify the advantages of rural roads
a) Rural marketing
b) Rural employment c) Rural development d) all the above
17. The TICEL park is
a) Rubber park b) textile park c) food park d) bio park
18. In health index, Tamil Nadu is a head of
a) Kerala b) Punjab c) Gujarat d) All the above

19. A statement of equality between two quantities is called
 a) In equality b) equality c) Equations d) Functions
20. Differentiation of X^n is
 a) $nX^{(n-1)}$ b) $nX^{(n+1)}$ c) Zero d) One

II i) Answer any seven questions. ii) Question number 30 is compulsory.

21. Give the meaning of deductive method. 7 X 2 = 14
22. State the production function.
23. Give the definition for 'Real cost'.
24. Draw demand curve of a firm for the following :
 a) Perfect competition b) Monopoly
25. What do you mean by interest?
26. State any two features of developed economy.
27. List out the weaknesses of Green revolution.
28. Why was structural reform implemented in Indian economy?
29. Define rural economy.
30. Write the formula of consumers surplus. 7 X 3 = 21

III i) Answer any seven questions. ii) Question number 40 is compulsory.

31. Distinguish between micro economics and macro economics.
32. Describe the feature of human wants.
33. What are the functions of entrepreneur.
34. Distinguish between explicit cost and implicit cost.
35. Differentiate between firm and industry.
36. State Ambedkar's economic ideas an agricultural economics.
37. State the reasons for nationalization of commercial banks.
38. How do you justify the merits of privatisation?
39. State the importance of rural development.
40. What are the motives of demand for money?

IV Answer in detail .

7 X 5 = 35

41. a) Compare and contrast various definitions of Economics. **(OR)**
 b) Elucidate the law of diminishing marginal utility with diagram.
42. a) Elucidate the law of demand with diagram: **(OR)**
 b) Elucidate the law's of returns to scale. Illustrate.
43. a) Bring out the relationship between AR and MR curves under various price conditions.
 b) Bring out the features of perfect competitions.
44. a) How price and output are determined under the perfect competition? **(OR)**
 b) Explain the Keynesian theory of interest.
45. a) Write a brief note on the Gandhian economic ideas. **(OR)**
 b) Write the importance of mineral resources in India.
46. a) Explain the role of SSIs in economic development. **(OR)**
 b) Discuss the problem of rural economy.
47. a) Explain the public transport system in Tamil Nadu. **(OR)**
 b) i) If $TC = 2.5q^3 - 13q^2 + 50q + 12$ derive the MC function and AC function.
 ii) Given the demand function $q = 150 - 3p$, derive a function for MR.

KRISHNAGIRI DISTRICT

HALF-YEARLY EXAMINATION - 2024

XI

ECONOMICS

PART - A

1. d. All of the above.
2. d. Edge Worth. **A. ANAND RAJ**
3. c. Knight. **M.A, M.Ed, M.Phil. phd,**
4. b. Variable. **P.h ASST in Economics**
5. d. Homogeneous goods. **GBHSS Bagalur**
6. c. Imperfect Competition. **Hasur, KRISHNAGIRI.**
7. d. Marshall. **9994451078.**
8. d. neo-classical theory.
9. c. France.
10. b. Ethical foundation.
11. a. M. S. Swaminathan.
12. a. Cotton.
13. c. Disparities among people and regions.
14. a. 1st July 2017.
15. b. Village.
16. d. All the above.
17. d. bio-park.
18. c. Gujarat.
19. c. Equations.
20. a. $n \times (n-1)$

PART - II

21. Deductive Method:-

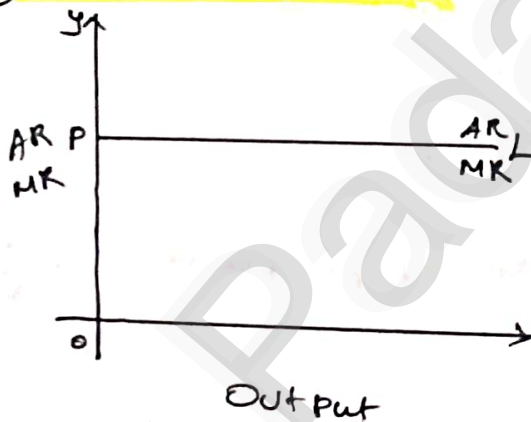
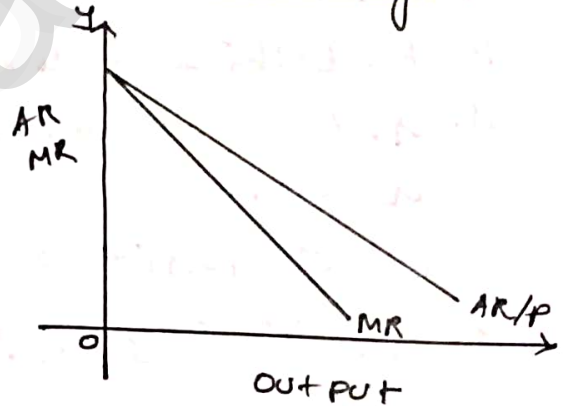
It consists of deriving conclusions from general truths. It takes a few general principles and applies them to draw a conclusion. (General to particular)

22. Production function:-

$Q = f(N, L, K, T)$ $Q =$ output $N =$ Land,
 $L =$ Labour, $K =$ Capital $T =$ Technology.

23. Real Cost

It refers to the payment made to compensate the efforts and sacrifices of all factors owners for their services in production.

24. (a) Perfect Competition(b) Monopoly25. Interest:-

"Interest is the price paid for the use of capital in any market" - Alfred Marshall

26. Features of Developed Economy:-

- ① High National Income
- ② High perCapita Income

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Weaknesses of Green Revolution!

- * Indian Agriculture was still gamble of the monsoons.
- * This strategy needed heavy investment in seeds, fertilizers, pesticides & water.

28

Structural Reform implemented inIndian Economy!

In the Indian Economy to correct the weaknesses and rigidities in the various sectors of the economy such as Industry, Trade, fiscal and Agriculture.

29

Rural Economy!

It deals with the application of economic principles in understanding and developing rural areas.

30

Formula of Consumer Surplus!

Potential price - Actual price = C.S

$$CS = TU - (P \times Q)$$

PART - III

31.

<u>Micro Economics</u>	<u>Macro Economics</u>
① It deals with the economic decision-making of individual economic agents such as the producer, the consumer etc...	① It deals with aggregate and average of the entire economy ex! Agg. output, National Income, Investment
② Account small components of the whole economy	Consideration the economy of the country as a whole
③ It is also known as the Price theory	It is also known as the Income Theory

32

feature of Human Wants :-

1. Wants are unlimited
2. Wants become habits.
3. Wants are satiable
4. Wants are Alternative.

33

functions of an Entrepreneur :-

1. Initiation
2. Innovation
3. Co-ordination.
4. Control, Direction and Supervision.
5. Risk-taking and uncertainty-bearing.

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Explicit Cost

⊕ It includes actual money expenditure incurred by a firm in hiring or buying the factors it needs in the production process.

⊕ It is explicitly shown in the firm books of accounts and is thus, called accounting costs (E.g) wage, rent, interest and insurance

Implicit Cost

⊕ It is not actual money expenditure but is the cost of factors owned by the firm and used by the firm in its production process.

It does not enter the firms books of accounts (E.g) wage of self labour, rent for self-owned premises etc....

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Firm

1. A firm refers to a single production unit in an industry

2. producing a large or a small quantum of a commodity or service.

3. A single cement firm

Industry

An industry refers to a group of firms.

producing the same product or service in an economy.

Cement Industry.

36

Ambedkar's Eco. ideas on Agri. Economics.

* Small Holding in India and their Remedies.

* "Consolidation of Holdings" & Enlargement of Holdings"

* It deal with the problem of the size of holding it affects agricultural productivity.

- ① To attain Social welfare.
- ② To curb private monopolies.
- ③ To encourage the banking habit among the rural population.
- ④ To reduce the regional imbalance.
- ⑤ Credit facilities mainly to the agri. sector.

Merits of privatisation! -

1. Helps in reducing the burden on the govt.
2. Makes the public sector units competitive.
3. Greater autonomy for public sector units.
4. Industrial growth.
5. Better service to customers.

Importance of Rural Development! -

1. The national-building activities.
2. The supports the urban sectors.
3. The villages can help avoid many urban problems.
4. To provide gainful employment.
5. The migration can be reduced.
6. To improve the nation's status in the global arena.

Motives of demand for money

- ① Transaction Motive.
- ② Precautionary motive
- ③ Speculative Motive.

PART - IV

41 (a)

Various definitions of Economics:-

Name of Author	Year	Concepts
Adam Smith	1776	Wealth Definition
Alfred Marshall	1890	Welfare Definition
Lionel Robbins	1932	Scarcity Definition
Paul Samuelson	1948	Growth Definition

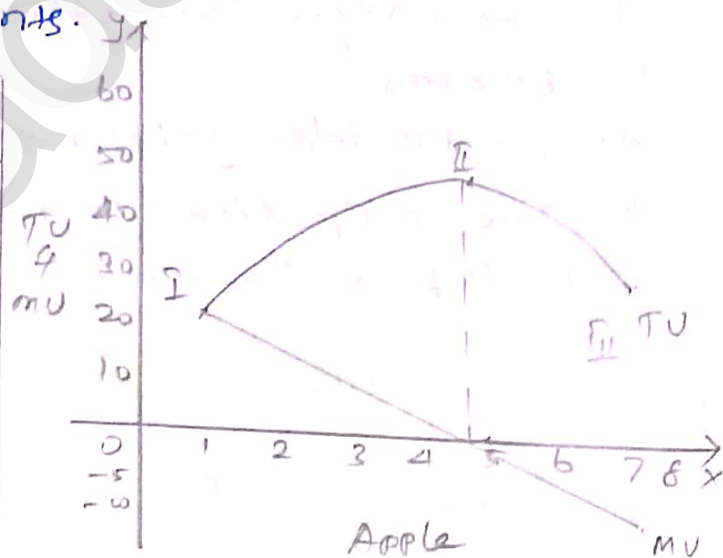
(b) Law of Diminishing marginal Utility.

Definition:-

Marshall states the law as, "the additional benefit which a person derives from a given increase of his stock of a thing, diminishes with every increase in the stock that he already has"

Assumptions - 5 points.

Apple	TU	MU
1	20	20
2	35	15
3	45	10
4	50	5
5	50	0
6	45	-5
7	35	-10



Stages	TU	MU
I	↑	↓
II	Maximum	0 Zero
III	↓	

A2

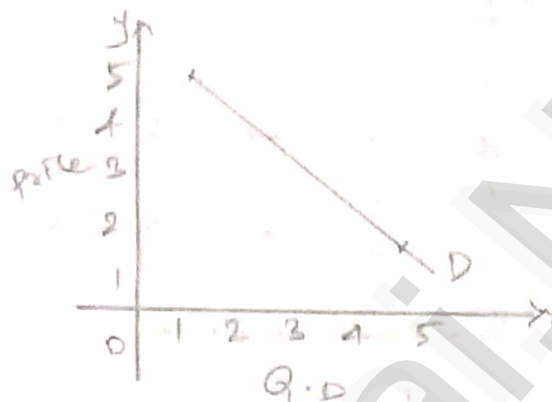
(9)

Definition

Marshall, "the quantity demanded increases with a fall in price and diminishes with a rise in price".

Assumption - 5 points.

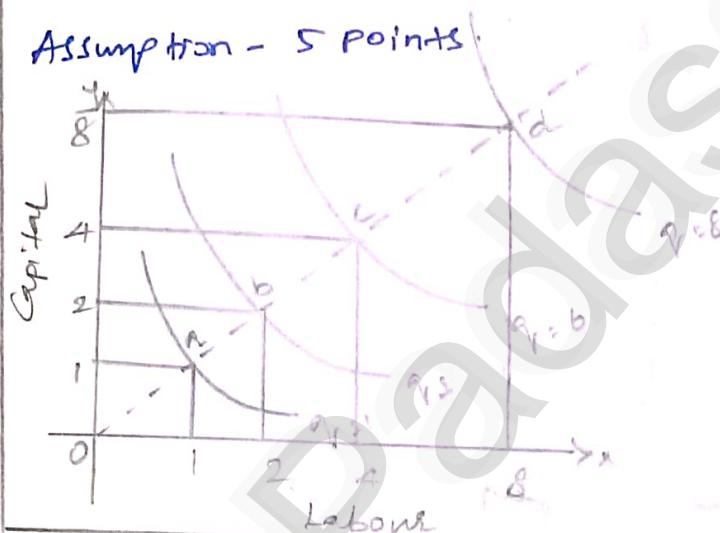
price	Q.D
5	1
4	2
3	3
2	4
1	5



(8)

Law of Returns to Scale!

Assumption - 5 points.

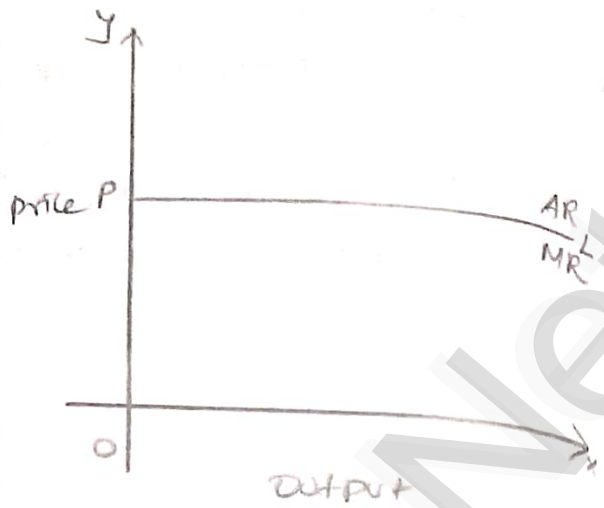


Stages	Input	Output	Returns to Scale
a to b	100% ↑	200% ↑	Increasing
b to c	100% ↑	100% ↑	Constant
c to d	100% ↑	33.33% ↑	Decreasing.

42 (a) Relationship between AR & MR.

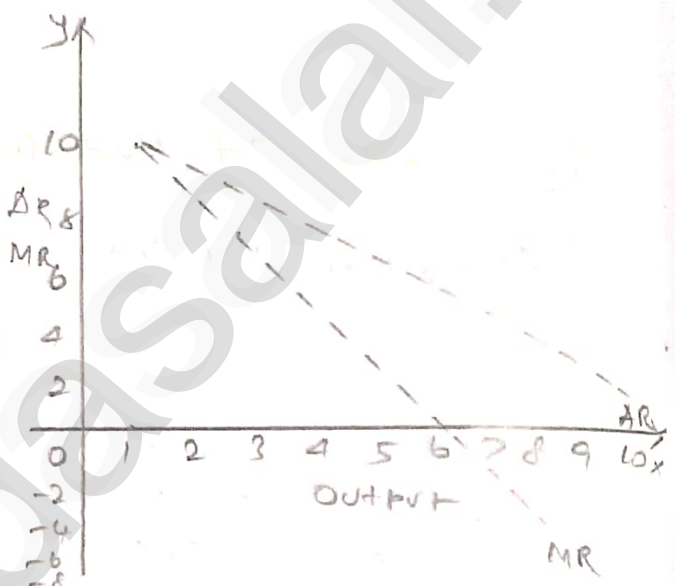
(a) Constant price :-

Q	Price	TR	AR	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



(b) Declining price

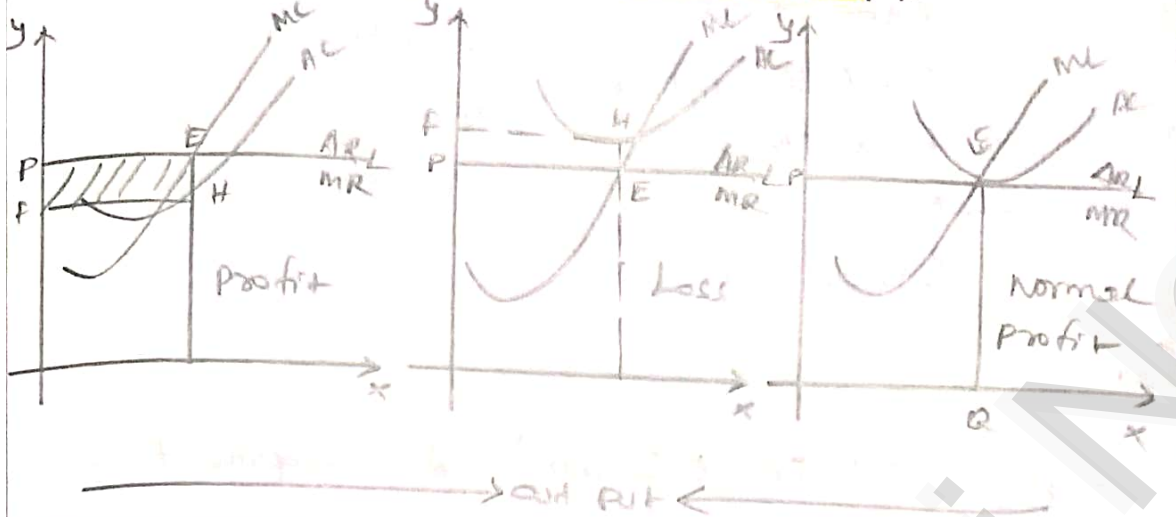
Q	P/AR	TR	MR
1	10	10	0
2	9	18	8
3	8	24	6
4	7	28	4
5	6	30	2
6	5	30	0
7	4	28	-2
8	3	24	-4
9	2	18	-6
10	1	10	-8



(b) Features of Perfect Competition :-

- ① Large number of buyers & sellers.
- ② Homogeneous product and uniform price.
- ③ Free Entry and Free Exit
- ④ Absence of Transport Cost
- ⑤ Perfect mobility of factors of production
- ⑥ Perfect knowledge of the market.
- ⑦ No government intervention.

price and output are determined under the perfect competition!



Keynesian theory of Interest

Motive of DD for money

- 1) The transaction motive $M_t = f(y)$
- 2) The precautionary motive $M_p = f(y)$
- 3) The speculative motive $M_s = f(i)$



DD for money \approx S for money

Gandhian Economic Ideas!-

- 1) Village Republics
- 2) on machinery
- 3) Industrialism
- 4) Decentralization
- 5) Village Sarvodaya
- 6) The doctrine of
- 7) Bread Labour
- 8) on population
- 9) on prohibition.

45 (b) Importance of Mineral Resources in India! -

1. Iron-ore
2. Coal & Lignite
3. Bauxite
4. Mica
5. Crude oil
6. Gold
7. Diamond
- 8.

46 (a) SSI in Economic Development! -

1. Provide Employment.
2. Bring Balanced Regional Development.
3. Help in mobilization of Local Resources.
4. Pave for Optimisation of Capital.
5. Promote Exports.
6. Complement Large Scale Industries.
7. meet Consumer Demands.
8. Develop entrepreneurship.

(b) Problems of Rural Economy! -

1. Agricultural Related Problems
2. Infrastructure Related Problems.
3. Economic problems.
4. Social & Cultural Problems.
5. Leadership Related Problems.
6. Administrative Problems.
7. People Related Problems.

A7

(a) Public transport system in Tamil Nadu -

- Road
- Rail
- Air transport
- Ports.

(b) $TC = 2.5q^3 - 13q^2 + 50q + 12$ MC & AC.

$$MC = \frac{dC}{dq}$$

$$\frac{dC}{dq} = 2.5(3)q^2 - (13 \times 2)q + 50$$

$$MC = 7.5q^2 - 26q + 50$$

$$AC = \frac{TC}{q}$$

$$= \frac{2.5q^3 - 13q^2 + 50q + 12}{q}$$

$$AC = 2.5q^2 - 13q + 50 + \frac{12}{q}$$

(ii) DD-function $q = 150 - 3P$ derive a function for MR

$$q = 150 - 3P$$

$$= \frac{dq}{dP} = -3$$

$$rd = \frac{-P}{q} \frac{dq}{dP}$$

$$= \frac{-P}{150 - 3P} (-3)$$

$$= \frac{3P}{150 - 3P}$$

$$MR = P \left(1 - \frac{1}{3P} \right)$$

$$= P \left(1 - \frac{150 - 3P}{3P} \right)$$

$$= P \left(\frac{3P - 150 + 3P}{3P} \right)$$

$$= P \left(\frac{6P - 150}{3P} \right)$$

$$= \frac{2}{3} (P - 25)$$

$$= 2 (P - 25)$$

$$\text{(*) } MR = 2P - 50$$

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