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Class XI   Subject: Economics

1. Read the following statement given below and choose the correct alternative
Statement 1- Correlation is a perfectly negative change in two variables in the same direction.
Statement 2- Correlation is perfectly positive when changes in the two variables are in the opposite direction.
(a) Both are correct
(b) Both are incorrect
(c) Statement 1 is correct and statement 2 is incorrect
(d) Statement 1 is incorrect and statement 2 is correct
Answer:
b) is the correct answer because
Correlation may be positive or negative. When variables change in the same direction correlation is positive, if variable change in opposite direction correlation is negative. The degrees of correlation are may be high or low.

2. The correlation implies the study of the relationship between two variables is called;
(a) Linear correlation
(b) Simple correlation
(c) Nonlinear correlation
(d) Multiple correlations.
Answer:
b) is correct answer because
Simple correlation refers to the relationship between two variables i.e. presence of one variable is affecting the other variable. A simple correlation coefficient can range from -1 to +1.

3. Read the following statement given below and choose the correct alternative
Statement 1- when the correlation of two series is close to 1 it is called moderate degree of correlation
Statement 2- when the correlation of two series is close to one it is called a high degree of correlation.
(a) Both are correct
(b) Both are incorrect
(c) Statement 1 is correct and statement 2 is incorrect
(d) Statement 1 is incorrect and statement 2 is correct
Answer:
 d) is correct answers because
when the correlation of two series is 1 is perfect correlation, close to 1 is high degree correlation
Correlation is 1 or -1 perfect positive or perfect negative
Correlation between 0.75 and 1 high degree
correlation between 0.25 and 0.75 is moderate
correlation between 0 and 0.25 is low degree
may be positive or negative

4. Which one from the following is not a importance of correlation.
a) Measurement of relationship
b) Facilitate regression
C) facilitate decision making
d) Calculation of unemployment
Answer:
 d) is correct answer because
the Measurement of relationship is importance of correlation

the facilitates regression is a importance of correlation

the facilitate decision making is importance of correlation

option d is not related to correlation

5. Degree of correlation is also known as;

a) Linear correlation

b) Simple correlation

c) Nonlinear correlation

d) Coefficient of correlation

Answer:

 d) is correct answer because

Pearson. The Pearson product-moment correlation coefficient, also known as r, R, or Pearson's r, is a measure of the strength and direction of the linear relationship between two variables that is defined as the covariance of the variables divided by the product of their standard deviations.

6. Producer is in equilibrium when he produces the level of output at which his profits are _____.

a) Maximum

b) Minimum

c) High but not maximum

d) None of the above

Answer:

 a) is correct answers because

producer is always try to produce that level of output at which he earn maximum profit. in producers' equilibrium when MR and MR equal and MC curve cut MR curve from below.

7. When the level of output is Less than the level of output at Equilibrium, the profits of the producer are :-

a) Less than maximum profit

b) Maximum profit

c) Decline from maximum level of profits

d) None of the above

Answer:

 a) is correct answer because

Variable factors are not required in case of zero output.

Variable factors can be changed in the short run, but fixed factors remain same in the short run irrespective of level of output.

8. When using Total cost and Total revenue curves, profit is maximum when the vertical difference between Total Revenue and Total Cost curve is : −

a) Minimum

b) Near maximum

c) Maximum

d) None of the above

Answer:

 c) is correct answer

Reason: The profits are maximised when the gap between the total revenue and the total cost curves is the maximum. This happens only when both the curves are parallel to each other. The profits will be positive only when the total revenues exceed the total costs.

9. Which of the following statements defines equilibrium. (Choose the correct alternative)

a) State of rest

b) Forces working in different directions are in balance

c) Both (a) and (b)

d) Tendency to move in either directions

Answer:

 c) is correct answer because

1. It is point of rest

2. Forces working in different directions are in balance

10. Read the following statements Assertion (A) and Reason (R). Choose one of the correct alternatives given below:

A): A rational producer always seek to operate in phase II of law of variable proportions.

R): In phase II of law of variable proportions, marginal product is negative.

(a) Both Assertion (A) and Reason (R) are the true and Reason (R) is a correct explanation of Assertion (A).

(b) Both Assertion (A) and Reason (R) are the true but Reason (R) is not a correct explanation of Assertion (A).

(c) Assertion (A) is true and Reason (R) is false.

(d) Assertion (A) is false and Reason (R) is true.

Answer:

c) is correct answer because

Assertion (A) is true and Reason (R) is false.

A rational producer always seek to operate in phase II of law of variable proportions. in this phase total product increase and reach at its maximum.