October Competency Based Questions - Economics

Class XI

1. When data are given in the form of a frequency distribution the median class is identified by * 1 point

Mark only one oval.

- The class with the maximum frequency
- The first-class interval
- The last class interval
- The class corresponding to the cumulative frequency just greater than N/2

Ans - The class corresponding to the cumulative frequency just greater than N/

the median class is the class corresponding to the cumulative frequency just greater than N/2

2. Which of the following measures of central tendency is least affected by extreme values * 1 point

Mark only one oval.

- Mean
- Median
- Mode
- Weighted mean

Ans - Median

The median is not affected by extreme values as it depends only on the middle position

3. When all items in the series are equal, the arithmetic mean is equal to * 1 point

Mark only one oval.

- zero
- That common value
- half of the common value
- cannot be determined

Ans - That common value
if all values are the same their mean will is the same value

4. The mean income of 5 families is Rs 20000. If one family leaves and the mean income of the remaining 4 families becomes Rs 18000, what is the income of the family that was left * 1 point

Mark only one oval.

- Rs 18000
- Rs 20000
- Rs 28000
- Rs 30000

Ans - Rs 28000. Total income of 5 families = 5 x 20000 = 100000
Total income of 4 families = 4 x 18000 - Rs 72000 hence income of the family left = 100000 - 72000 = Rs 28000

5. Which of the following is the short run characteristics of production * 1 point

Mark only one oval.

- all inputs can be changed
- fixed inputs can be increased
- at least one input remains fixed
- Technology remains constant

Ans - at least one input remains fixed
In the short run at least one factor must be constant like land and building, machinery etc. Only variable inputs can be adjusted

6. If total product increases at a decreasing rate, what can be said about the marginal product * 1 point

Mark only one oval.

- MP is constant
- MP is increasing
- MP is positive but decreasing
- MP is negative

Ans - MP is positive but decreasing.
When TP is increasing at decreasing rate, MP is still positive but falling which indicates stage of diminishing returns

7. suppose the marginal product of 4th worker is negative. What does this imply * 1 point

Mark only one oval.

- Each worker produces the same output
- Total product is still increasing
- Total product is at its maximum
- Total product is falling

Ans - Total product is falling When MP < 0 ,additional input reduces total output. TP begins to decline

8. Which of the following statements about the stages of Law of Variable Proportions is most accurate for rational decision making * 1 point

Mark only one oval.

- Rational producer operates in Stages I because MP is rising
- Rational producer operates in Stages II where M> 0 and AP > MP is rising
- Rational producer operates in Stages III where MP < 0
- Producer can operate in any stage depending on demand

Ans - Rational producer operates in Stages II where M> 0 and AP > MP is rising
Stage II is the rational stage as output increases at a decreasing rate. MP is positive but falling and both inputs are efficiently used

9. Read the following statements –Assertion (A) and Reason (R) Choose one of the correct alternatives given below: * 1 point

Assertion (A): Zero marginal product signifies that changes in total product is zero.

Reason (R) : Marginal product can be negative but average product cannot be negative.

Alternatives:

Mark only one oval.

- a. Both Assertion (A) and Reason (R) is true but Reason (R) is the correct explanation of Assertion (A).
- b. Both Assertion (A) and Reason (R) is true but Reason (R) is not the correct explanation of Assertion (A).
- c. Assertion (A) is true but Reason (R) is false.
- d. Assertion (A) is false but Reason (R) is true
- e. Ans - Both Assertion (A) and Reason (R) is true but Reason (R) is not the correct explanation of Assertion (A).

Both Assertion (A) and Reason (R) is true but Reason (R) is not the correct explanation of Assertion (A).
Marginal product = TPn - TPn-1 if example MP = 28 – 28 MP = 0, hence true
Reason is also true but it shows relation between MP and AP.
hence reason is not the correct explanation of assumption

10. The sum of deviations of different values from the arithmetic mean is always_____ * 1 point

Mark only one oval.

- (a) Equal to zero
- (b) Equal to one
- (c) Equal to the sum of values
- (d) Greater than the mean

Ans - Equal to zero

The algebraic sum of the deviations of a dataset's values from its arithmetic mean is always zero. This is because the sum of the positive deviations (values greater than the mean) exactly cancels out the sum of the negative deviations (values less than the mean), resulting in a total sum of zero