



Class: XI

Time Allowed: 20 minutes

MODEL PAPER EXAMINATION 2025
SUBJECT: PRINCIPLE OF ECONOMICS
(SECTION "A")

Marks: 15

Q1:

Note: Attempt **ALL** questions from this section. Each question carries **ONE** mark.

1. Economics is the science of material welfare according to _____.
 A. Marshall B. Robbins C. Adam Smith D. Robert Malthus
2. _____ combines all factors of production.
 A. Land B. Labor C. Capital D. Organization
3. The elasticity of supply is _____ when the percentage change in quantity supplied is equal to percentage change to price.
 A. Less than unity B. Equal to Unity C. Greater than Unity D. None of these
4. All the factors of production become _____ in the long-run.
 A. Fixed B. Constant C. Variable D. None of these
5. Law of Diminishing returns is also called the law of _____.
 A. Diminishing cost B. Increasing cost C. Constant cost D. None of these
6. Equilibrium of a firm occurs at a point where _____.
 A. $MC=MR$ B. $AC=AR$ C. $AC=MC$ D. $AR=MR$
7. In _____, price is higher and output is smaller.
 A. Perfect competition B. Monopoly C. Duopoly D. None of these
8. Factor pricing was first presented by _____.
 A. Robbins B. Ricardo C. Adam Smith D. Robert Malthus
9. _____ is calculated by dividing national income by total population.
 A. Per capita income B. Personal disposable income C. Personal income D. None of these
10. _____ is the difference between GNP and depreciation of capital allowances.
 A. GDP B. DPI C. NNP D. None of these
11. The value of money decreases during _____.
 A. Deflation B. Boom period C. Inflation D. None of these
12. If face value of money and real value of money are not equal it is called _____ money.
 A. Standard B. Credit C. Token D. Metallic
13. Sales tax is _____ tax.
 A. Direct B. Indirect C. Progressive D. None of these
14. When the economy starts rising steadily it is called _____.
 A. Boom B. Depression C. Recession D. Recovery
15. _____ takes into account only the aggregate value of visible exports and imports.
 A. Balance of trade B. Balance of payment
 C. Both balance of trade & payment D. None of these

END OF SECTION A



Class: XI

Time: 2 hours 40 minutes

MODEL PAPER EXAMINATION 2025

SUBJECT: P O ECONOMICS (SECTION "B" AND SECTION "C")

Total Marks 60

SECTION "B" (SHORT ANSWER QUESTIONS)

30 Marks

Microeconomics**Q2.** Attempt any **FIVE** of the following. Each question carries **THREE** marks. (15)

1. Give three differences between Marshall's definition and Robbins' definition of economics.
2. Briefly explain Malthusian theory of population.
3. List the five degrees of elasticity of demand.
4. State the law of supply. Give any three assumptions of its validity?
5. Define normal price. Briefly explain how equilibrium price is determined.
6. What are the advantages of large-scale production?
7. Explain opportunity costs.

Macroeconomics**Q3.** Attempt any **FIVE** of the following. Each question carries **THREE** marks. (15)

1. Describe the importance of money in a modern economy.
2. What are the disadvantages of Indirect taxes?
3. Describe the two types of public expenditure.
4. Name the different phases of trade cycle. Describe the main features of recovery.
5. What is the adverse balance of payment? Describe any three of its causes.
6. Differentiate between Tax and Zakat.
7. List any five characteristics of good money.

SECTION "C" (DETAILED ANSWER QUESTIONS)**30 Marks****Microeconomics****Q4.** Attempt any **ONE** of the following. Each question carries **FIFTEEN** marks. (15)

1. Explain in detail the law of Diminishing marginal utility with the help of a schedule and diagram. Also provide its assumptions and limitations.
2. State and illustrate the law of increasing returns. Also explain why it is called the law of diminishing cost.

Macroeconomics**Q5.** Attempt any **ONE** of the following. Each question carries **FIFTEEN** marks. (15)

1. Explain the various concepts of National Income. Explain in detail any one method of measurement of National Income.
2. Define Inflation. What are the causes of inflation and what effects does inflation have on the economy and different groups of people?

END OF PAPER