
Sample Paper-05 (2016-17)

Economics

Class – XI

Time allowed: 3 hours

Maximum Marks: 90

General Instructions:

- (a) All questions are compulsory.
 - (b) Question no. **1 to 3** and **13 to 14** are very short answer type questions carrying **1 mark** each.
 - (c) Question no. **4 to 8** and **15 to 18** are short answer type questions carrying **3 marks** each.
 - (d) Question no. **9** and **19 to 20** are also short answer type questions carrying **4 marks** each.
 - (e) Question no. **10 to 12** and **21 to 23** are long answer type questions carrying **6 marks** each.
 - (f) Question no. **24 to 25** are **Open Text Based Assessment** questions carrying **5 marks** each.
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Section A

- 1. State the meaning of frequency curve.
- 2. Define index number.
- 3. State the kinds of correlation.
- 4. Distinguish between quantitative and qualitative data.
- 5. Prepare a blank table to show the percentage of rural and urban population in India in 1981, 1991, 2001, and 2011
- 6. Explain any 3 merits and demerits each of arithmetic mean.
- 7. From the following data, compute the coefficient of correlation between X and Y series.

	X Series	Y Series
Number of items	6	6
Arithmetic mean	350	138
Squares of deviations from mean	19	94

Summation of product of deviations of X and Y series from their respective arithmetic mean=41.

- 8. (A) If mean of a series is 30 and mode is 25. Find Median.
(B) The wholesale price index in India is continuously rising over the year 2012 and 2013. Which value is compromised with the rising wholesale price index?
- 9. With mean as the base, calculate the mean deviation and compare the variability of the two series A and B.

Series A	10	12	16	20	25	27	30
Series B	10	20	22	25	27	31	40

- 10. (A) Distinguish between exclusive method and inclusive method.
(B) Why open – end distributions are used?
- 11. (A) What are the difficulties in the construction of consumer price index?
(B) An enquiry into the budgets of middle class families in a certain city gave the following information:

Expenses on	Food 35%	Fuel 10%	Clothing 20%	Rent 15%	Other 20%
Price in 2004 (Rs)	1500	250	750	300	400
Price in 1995 (Rs)	1400	200	500	200	250

What is the cost of living index of 2004 as compared to 1995?

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12. Calculate the coefficient of correlation of the following data by spearman's rank correlation method:

X	19	24	12	23	19	16
Y	9	22	20	14	22	18

Section B

13. Name some notable economist, who estimated India's per capita income during the colonial period.
14. What is the most important function of RBI?
15. How are bilateral trade agreements different from multilateral trade agreements? Who facilitates these agreements?
16. Was there any positive impact of the British rule in India? Explain.
17. State any four failures of the Indian plans.
18. Discuss the areas where India has an edge over Pakistan?
19. Discuss the principal components of Industrial Policy Resolution, 1956.
20. Explain the salient features of trade policy after liberalization.
21. (a) How was structural transformation different in China as compared to India and Pakistan?
(b) What do you mean by one child policy in china?
22. Explain the salient features of the strategy of industrial growth during the period 1950-90.
23. (A) What do you mean by Great Leap Forward?
(B) What is the condition of liberty indicators in India as compared to China and Pakistan?
(C) What are the areas where Pakistan has an edge over India?
(D) What was the major reason for the low population growth in China?

24. **OTBA Questions**

25. **OTBA Questions**

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Answer**Section A**

1. Frequency curve is obtained by joining the points of a frequency polygon through freehand smoothed curves not by straight lines.
2. Index numbers are devices for measuring difference in the magnitude of a group of related variables.
3.
 1. Positive and negative correlation
 2. Linear and non linear correlation
 3. Simple and multiple correlation.
4. Quantitative variables are like income, expenditure etc which can be expressed in numerical terms. On the other hand, Qualitative data includes IQ level of different individuals which cannot be expressed in numerical terms. These can be ranked or rated as good, very good, or excellent. Quantitative data refers to quantitative variables; qualitative data refers to qualitative attributes of the different objects.
5. Table 1. Percentage Distribution of Urban and Rural Population in India.

Census Year	Percentage of Population		Total	
	Rural	Urban		
1981				
1991				
2001				
2011				

6. Merits: simplicity, certainty, based on all items, algebraic treatment.
Demerits: effects of extreme value mean value may not figure in the series at all, laughable conclusion.
 7. We are given:
 $N=6$
 $\bar{X} = 350, \bar{Y} = 138, \sum x^2 = 19, \sum y^2 = 94, \sum xy = 41$
$$r = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = \frac{41}{\sqrt{19 \times 94}} = \frac{41}{\sqrt{1786}} = \frac{41}{42.26} = 0.97$$
 8. (A) Mode = 3 Median- 2 Mean
 $25 = 3 \text{ Median} - (2 \times 30)$
 $25 = 3 \text{ Median} - 60$
 $3 \text{ Median} = 85 \text{ or Median} = \frac{85}{3} = 28.33$
(B) The value of non equitable treatment to the poor section of the society is compromised here. The rise in wholesale price index hurts more the poor and lower middle class as they have meager resources to run their life. Rise in prices of essential commodities will lead to sufferings for them.
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9.

Series A (X_A)	Deviations from Mean $ D $ $X_A - \bar{X}_A$	Series A (X_B)	Deviations from Mean $ D $ $X_B - \bar{X}_B$
10	10	10	15
12	8	20	5
16	4	22	3
20	0	25	0
25	5	27	2
27	7	31	6
30	10	40	15
$\sum X_A = 140$	$\sum D = 44$	$\sum X_B = 175$	$\sum D = 46$

Series A

$$\text{Mean } (\bar{X}_A) = \frac{\sum X_A}{N} = \frac{140}{7} = 20$$

$$\text{Mean Deviation (Series A)} = \frac{\sum |D|}{N} = \frac{44}{7} = 6.28$$

$$\text{Coefficient of M.D. (Series A)} = \frac{M.D.}{\bar{X}_A} = \frac{6.28}{20} = 0.31$$

Series B

$$\text{Mean}(\bar{X}_B) = \frac{\sum X_B}{N} = \frac{175}{7} = 25$$

$$\text{Mean Deviation (Series B)} = \frac{\sum |D|}{N} = \frac{46}{7} = 6.57$$

$$\text{Coefficient of M.D. (Series B)} = \frac{M.D.}{\bar{X}_B} = \frac{6.57}{25} = 0.26$$

Since coefficient of mean deviation for series A is more than that of series B, we can say that series A has greater variability as compared to series B.

10. (A)

S. No.	Exclusive Method	Inclusive Method
1.	The upper limit of a class-interval is counted in the next immediate class.	Both the limits of a class-interval is counted in the same class.
2.	The upper limit of a class-interval and the	The upper limit of a class-interval and

	lower limit of next class are the same.	lower limit of next class are different. The difference is generally of one.
3.	There is no need of converting it to inclusive method prior to calculation.	For simplicity in calculation, it is necessary to change it into exclusive method.

(B) When few items of the data are very small or considerably large, then they are known as extreme items or extreme values. In order to include such extreme items in the frequency distribution, we may need so many class-intervals that the frequency distribution will become unwieldy. To avoid the unwanted classes, open-end classes are used. For example, class less than '80' is an open-end class in which lower limit is not known. The open-end class can be taken at the beginning or at the end of the frequency distribution. The difficulty with open-end classes is that its mid-point cannot be computed.

11. (A) 1. Prices used in the construction of cost of living index are retail prices, which vary from shop to shop, place to place and consumer to consumer. Therefore, index numbers prepared on such prices cannot be used for different places or different classes of people.
 2. It includes so many commodities of unstable quality, which will not be used at the different point of time.
 3. The ratio of expenditure on different commodities at different point of time and by various persons is not same, which creates difficulties in construction of cost of living index numbers. Thus there will be variety of cost of living indices depending upon region, group, community etc.

(B)

Commodity	Price (in Rs)		Price Relatives $R = \frac{P_1}{P_0} \times 100$	Weights W	RW
	1995 P_0	2004 P_1			
Food	1400	1500	107.14	35	3749.9
Fuel	200	250	125	10	1250
Clothing	500	750	150	20	3000
Rent	200	300	150	15	2250
Other	250	400	160	20	3200
				$\sum W = 100$	$\sum RW = 13,449.9$

Cost of living index for the year 2004

$$= \frac{\sum RW}{\sum W} = \frac{13,449.9}{100}$$

$$= 134.499$$

Cost of living index = 134.499. It means there is an increase of 34.499% in prices in 2004 as compared to 1995.

12.

X	Y	R_1	R_2	$(R_1 - R_2)$ D	D^2
19	9	3.5	1	+2.5	6.25
24	22	6	5.5	+0.5	0.25

12	20	1	4	-3	9
23	14	5	2	+3	9
19	22	3.5	5.5	-2	4
16	18	2	3	-1	1
N = 6					$\sum D^2 = 29.50$

Here number 19 is repeated twice in series X and number 22 is repeated twice in series Y. Therefore, in X, m = 2 and in Y, m = 2. Rank Coefficient of Correlation

$$(r_k) = 1 - \frac{6 \left[\sum D^2 + \frac{1}{12} (m^3 - m) + \frac{1}{12} (m^3 - m) + \dots \right]}{N^3 - N}$$

$$\sum D^2 = 29.50;$$

$$= 1 - \frac{6 \left[29.50 + \frac{1}{12} (2^3 - 2) + \frac{1}{12} (2^3 - 2) \right]}{6^3 - 6}$$

$$= 1 - \frac{6[29.50 + 0.5 + 0.5]}{210}$$

$$= 1 - \frac{6 \times 30.5}{210}$$

$$= 1 - \frac{183}{210} = 1 - 0.871$$

$$= 0.128$$

Rank Coefficient of Correlation = 0.128. There is very low degree of positive correlation.

Section B

13. Dada Bhai Naoroji, V.K. R.V.Rao and R. C.Desai.

14. The most important function of RBI is to issue the currency and to undertake credit control measures.

15. Bilateral trade agreements refer to trade agreements of one country with the other. Or, these are trade agreements between any two countries of the world. Multilateral trade refers to trade agreements of one country with many countries of the world. Or, these are trade agreements among many countries of the world.

WTO facilitates bilateral as well as multilateral trade agreements. It is focusing on the competition in the international market and free access to markets across different countries of the world.

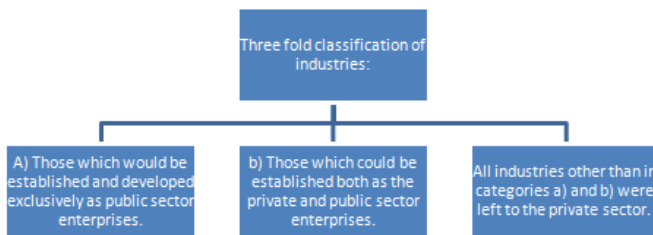
16. 1. Commercial agriculture became a practical proposition .it implied a good breakthrough in agriculture, even when it challenged self sufficiency in food grain production.

2. Spread of railways and roadways opened up new opportunities of economic and social growth. It also implied greater cultural affinity across different parts of the country,

3. There was a significant transition from barter system of exchange to monetary system of exchange.

4. The British raj in India left a legacy of an efficient administrative set up.

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17. 1. Alleviation of poverty was the central theme of planning. On an average, a normal healthy person needs 2508 calories of food per day, but in India it provides only 2400 calories. In India, 21.8% of population still lives below the poverty line. These are those people who are not getting even the basics of life including food, shelter and clothing.
2. Owing to mounting inflation, real income of the people has tended to shrink and economic divide between haves and have-nots has tended to swell overtime. First plan is the only exception when price level came down; in all other plans the prices recorded a steep rise.
3. While more and more opportunities of employment have been generated, challenge of unemployment has not subsided.
4. Development of infrastructure continues to be inadequate; despite 60 years of planning. Consequently actual growth has failed to match the targets of growth.
18. There is little doubt that skilled manpower and research and development institutions in India are far superior to those in Pakistan. India has shown a remarkable breakthrough in the export of software after economic reforms of 1991. Human capital formation in India has made a substantial contribution to the pace of growth and development.
- Indian scientists excel in the areas of defense technology, space research, electronics and avionics etc.
- India also has better record of investment in education. Rapid decline in total fertility rates in India has reduced population growth rate to 1.7 % compared to 2.5% in Pakistan.
- Issues of health facilities in general and infant mortality in particular are better addressed in India.
19. 1.



2. Industries in the private sector could be established only through a license from the government. The basic idea was to encourage the establishment of industry in backward regions, with a view to encouraging regional equality.
3. While the government was to assume a leading role in the process of industrialization, the private entrepreneurs were offered many types of industrial sops for establishing industry in the backward regions of the country.
20. 1. Import quotas have been done away with.
2. Policy of import licensing has almost been scrapped.
3. There is a comprehensive moderation of import duty to enhance competitiveness in the domestic market.
4. Export duty has been withdrawn to enhance competitiveness of Indian goods in the international market.
- Briefly, trade policy after liberalization is to facilitate integration of the Indian markets with rest of the world with a view to enhance economic growth through global competition rather than non competitive controls and protection.
21. (a) China has succeeded in placing greater reliance on industrial sector compared to India and Pakistan. It is perhaps owing to GLF a campaign launched in china in 1958 focusing on widespread industrialization of the country, encouraging people to set-up household industries
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in their backyard, and policy of reforms and opening up launched in 1978 which gave a big push to china's manufacturing exports.

(b) One child policy in china, adopted since 1979, has reduced the growth rate of population to nearly half, from 1.33% in 1979 to 0.64% in 2005. controlling its population growth rate, china can now focus on quality of life rather than sustenance of its people.

22. 1. Public enterprises were to play a central role in the process of industrialization.

2. Private enterprises were to play only a secondary role in the process of industrialization and that too under permit – license raj.

3. Process of industrialization was to proceed in tandem with the key policy instrument of import substitution. It was to foster the objective of growth with self reliance.

4. As far as possible, domestic industry was to be protected from foreign competition. It was realized that protection would accelerate the pace of growth with self reliance.

5. Large scale industry was to be developed with a view to building in infrastructural base in the country.

23. A. A campaign launched in china in 1958 focusing on widespread industrialization of the country, encouraging people to set-up household industries in their backyard.

B. It may be argued that HDI rating of India is low as compared with china, partly because HDI does not include parameters of liberties of life, like political liberty of participating in state administration, and social liberty of freedom of speech, and related human rights. If these indicators are also included in the construction of HDI, India's ranking is likely to considerably improve, as these parameters are placed fairly high in India, compared with china and Pakistan.

C. Migration of people from rural to urban areas, access to improved water sources and reduction in BPL population to 13.4% contrasting with India's 21.8% in 2004-05.

D. One child policy adopted since 1979, has reduced the growth rate of population to nearly half. Controlling its population growth rate, china can now focus on quality of life rather than sustenance of its people.
