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INDIAN SCHOOL SALALAH
FIRST TERM EXAMINATION – SEPTEMBER 2026



ECONOMICS - 030

Class: XI

DATE: 16.09.2026

Time: 3 Hours

Maximum Marks: 80

GENERAL INSTRUCTIONS:

Read the following instructions very carefully and strictly follow them:

1. This question paper comprises two sections –A and B. All questions are compulsory.
2. Questions 1-10 and 18-27 are very short-answer questions carrying 1 mark each. They are required to be answered in one word or one sentence each.
3. Question numbers 11-12 and 28-29 are short-answer questions carrying 3 marks each. Answers them should not normally exceed 60-80 words each.
4. Questions numbers 13-15 and 30-32 are also short-answer questions carrying 4 marks each. Answers to them should not normally exceed 80-100 words each.
5. Questions numbers 16-17 and 33-34 are long answer questions carrying 6 marks each. Answers to them should not normally exceed 100-150 words each.
6. Answers should be brief and to the point. Also, the above word limit be adhered to as far as possible

PART A – Statistics		
		Marks
1	When you buy goods to satisfy your own needs, your family's needs, or to give as a gift to someone else, you are called a: (a) Producer (b) Consumer (c) Retailer (d) Wholesaler	1

2	A person who hires someone to work for them and pays them a wage is called a: (a) Consumer (b) Producer (c) Employer (d) Employee	1
3	Assertion (A): Scarcity is the root cause of all economic problems. Reason (R): If resources were unlimited and there was no scarcity, there would be no economic problem. Choose the correct option: (a) Both assertion (A) and reason (R) are true and Reason (R) is the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are true and 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) true.	1
4	Consider the following statements about classification of data: 1. Classification summarises raw data and makes it comprehensible. 2. Facts with similar characteristics are placed in the same class. 3. Classification makes it easier to locate data and compare different groups. 4. Classification makes it impossible to draw inferences from the data. Which of the above statements are correct? (a) 1, 2 and 3 only (b) 1 and 4 only (c) 2, 3 and 4 only (d) 1, 2, 3 and 4	1
5	When data are grouped according to time, such a classification is known as: (a) Geographical Classification (b) Qualitative Classification (c) Chronological Classification (d) Quantitative Classification	1
6	A frequency distribution is primarily used to: (a) Find the highest value in a data set (b) Systematically classify raw data of a quantitative variable (c) Calculate only the arithmetic mean (d) Represent qualitative data only	1

7	The variable “height” of a student can take every conceivable value and can be divided into infinitely many gradations. Therefore, height is an example of a: (a) Discrete variable (b) Continuous variable (c) Qualitative variable (d) Nominal variable	1
8	Which of the following statements is correct in relation to the mode? (a) The mode is always unique in a data set. (b) A data set can have only one mode. (c) A data set can have two or more modes. (d) The mode is always equal to the arithmetic mean.	1
9	Consider the following statements regarding the calculation of Arithmetic Mean for a discrete series: 1. Each observation is multiplied by its corresponding frequency. 2. The products obtained are added together to get ΣfX. 3. The sum ΣfX is divided by the total frequency Σf. 4. The arithmetic mean is calculated using the formula $\bar{X} = \Sigma f / \Sigma fX$. Which of the above statements are correct? (a) 1, 2 and 3 only (b) 1 and 4 only (c) 2, 3 and 4 only (d) All of the above	1
10	The Median of a data set refers to: (a) The value that occurs most frequently (b) The average of all observations (c) The middle value observations when they are arranged in ascending or descending order (d) The difference between the largest and smallest observations	1
11	A. Define statistics. B. describe two uses of statistics in economics. OR Distinguish between Quantitative and Qualitative data with examples.	1, 2
12	What is a Sample? Why is a sample used instead of studying the whole population?	3
13	Explain Telephonic Interview method and compare its advantages and disadvantages. OR Describe Personal Interview method with its advantages and disadvantages	4

14	What is a variable? Distinguish between a discrete and a continuous variable.	4																																																			
15	Explain the different parts of a statistical table.	4																																																			
16	(a)Explain the different types of Bar Diagrams (b)The following table shows the annual expenditure of a school (in ₹ lakh) under different heads: <table><tr><td>Year</td><td>Salaries</td><td>Infrastructure</td><td>Teaching Materials</td><td>Sports</td><td>Total</td></tr><tr><td>2023</td><td>40</td><td>20</td><td>15</td><td>10</td><td>85</td></tr><tr><td>2024</td><td>45</td><td>25</td><td>20</td><td>10</td><td>100</td></tr><tr><td>2025</td><td>50</td><td>30</td><td>25</td><td>15</td><td>120</td></tr><tr><td>2026</td><td>55</td><td>35</td><td>30</td><td>20</td><td>140</td></tr></table> Represent the above data graphically using the most suitable bar diagram, showing the total expenditure for each year and its distribution among the different heads. OR (a)Explain arithmetic line graph and its uses. (b)The following table shows the monthly expenditure on food and clothing of a family for six months. <table><tr><td>Month</td><td>January</td><td>February</td><td>March</td><td>April</td><td>May</td><td>June</td></tr><tr><td>Food Expenditure (₹)</td><td>4,000</td><td>4,500</td><td>4,200</td><td>4,800</td><td>5,000</td><td>5,200</td></tr><tr><td>Clothing Expenditure (₹)</td><td>2,000</td><td>2,500</td><td>2,200</td><td>2,800</td><td>3,000</td><td>2,700</td></tr></table> Draw an Arithmetic Line Graph to represent both variables on the same graph.	Year	Salaries	Infrastructure	Teaching Materials	Sports	Total	2023	40	20	15	10	85	2024	45	25	20	10	100	2025	50	30	25	15	120	2026	55	35	30	20	140	Month	January	February	March	April	May	June	Food Expenditure (₹)	4,000	4,500	4,200	4,800	5,000	5,200	Clothing Expenditure (₹)	2,000	2,500	2,200	2,800	3,000	2,700	3,3
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17	The following table shows the distribution of marks obtained by 60 students in a test: <table><tr><td>Marks</td><td>Number of Students</td></tr><tr><td>0–10</td><td>3</td></tr><tr><td>10–20</td><td>5</td></tr><tr><td>20–30</td><td>8</td></tr><tr><td>30–40</td><td>12</td></tr><tr><td>40–50</td><td>15</td></tr><tr><td>50–60</td><td>10</td></tr><tr><td>60-70</td><td>5</td></tr><tr><td>70-80</td><td>2</td></tr><tr><td>Total</td><td>60</td></tr></table> Using the above data: a) Calculate the Arithmetic Mean. b) Calculate the Median. c) Calculate the Mode.	Marks	Number of Students	0–10	3	10–20	5	20–30	8	30–40	12	40–50	15	50–60	10	60-70	5	70-80	2	Total	60	2,2,2
Marks	Number of Students																					
0–10	3																					
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40–50	15																					
50–60	10																					
60-70	5																					
70-80	2																					
Total	60																					
PART B – Micro Economics																						
18	Assertion (A): Scarcity of resources gives rise to the problem of choice in an economy. Reason (R): Scarce resources have competing uses, so society has to decide how to allocate them among different economic activities. Choose the correct option: (a) Both assertion (A) and reason (R) are true and Reason (R) is the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are true and 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) true.	1																				
19	Which of the following correctly distinguishes positive economics from normative economics? (a) Positive economic studies what <i>is</i>, while normative economics studies what <i>ought to be</i>. (b) Positive economic studies what <i>ought to be</i>, while normative economics studies what <i>is</i>. (c) Both positive and normative economics study only facts. (d) Both positive and normative economics deal only with government policies.	1																				

20	What is meant by the utility of a commodity? (a) The price of a commodity (b) The want-satisfying capacity of a commodity (c) The scarcity of a commodity (d) The quantity of a commodity available	1
21	Consider the following statements about Total Utility (TU) and Marginal Utility (MU): 1. Total Utility is the total satisfaction derived from consuming a given quantity of a commodity. 2. Total Utility depends on the quantity of the commodity consumed. 3. Marginal Utility is the change in Total Utility resulting from consuming one additional unit of a commodity. 4. TU_n refers to the total utility derived from consuming n units of a commodity. Which of the above statements are correct? (a) 1 and 2 only (b) 1, 2 and 3 only (c) 1, 2, 3 and 4 (d) 2 and 4 only	1
22	A demand curve that is horizontal and parallel to the X-axis represents: (a) Zero elasticity of demand (b) Unitary elasticity of demand (c) Elasticity of demand greater than one (d) Infinite elasticity of demand	1
23	Which of the following statements correctly describes a Giffen good? (a) Its demand always increases when its price increases. (b) Its demand is positively related to its price when the income effect is stronger than the substitution effect. (c) Its demand is negatively related to its price because the substitution effect is stronger than the income effect. (d) Its demand remains unchanged when its price changes.	1
24	The slope of the budget line is: (a) $\frac{P_1}{P_2}$ (b) $-\frac{P_1}{P_2}$ (c) $\frac{P_2}{P_1}$ (d) $-\frac{P_2}{P_1}$	1

25	Assertion (A): The law of Diminishing Marginal Rate of Substitution causes an indifference curve to be convex to the origin Reason (R): As a consumer substitutes more and more of one commodity for another, the willingness to give up units of one commodity for an additional unit of the other gradually decreases. Choose the correct option: (a) Both assertion (A) and reason (R) are true and Reason (R) is the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are true and 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) true.	1
26	Which of the following statements is correct regarding the measurement of variables in a demand curve? (a) Price is measured on the horizontal axis and quantity demanded on the vertical axis. (b) Price is measured on the vertical axis and quantity demanded on the horizontal axis. (c) Both price and quantity demanded are measured on the vertical axis. (d) Both price and quantity demanded are measured on the horizontal axis.	1
27	Goods that are consumed together are known as: (a) Substitute goods (b) Inferior goods (c) Complementary goods (d) Normal goods	1
28	Explain any three changes in the budget line resulting from changes in the prices of commodities, with the help of suitable diagrams.	3
29	The price of a commodity falls from Rs. 10 to Rs. 5, while its quantity demanded increases from 100 units to 250 units. Using the expenditure method, determine the price elasticity of demand. Give reason. OR The price of a commodity rises from ₹20 to ₹25, resulting in a fall in its quantity demanded from 100 units to 80 units. Calculate the price elasticity of demand using the percentage method and state the nature of elasticity demand based on your answer.	3
30	Distinguish between microeconomics and macroeconomics	4

	OR Distinguish between a centrally planned economy and a market economy	
31	Explain with a diagram the contraction and expansion of demand curve.	4
32	Explain the negative slope of the demand curve with the help substitution effect and income effect. Illustrate your answer using the example of bananas and mangoes.	4
33	What is a Production Possibility Frontier (PPF)? Explain the concept of PPF with the help of a suitable production possibility schedule (table) and a well-labelled diagram. Also explain what the points on, inside, and outside the PPF represent	6
34	Explain the consumer equilibrium using indifference curve approach with help of a diagram. OR Illustrate with an example consumer equilibrium for two goods by utility approach. (Cardinal utility theory)	6