

**DELHI PUBLIC SCHOOL, JAMMU**  
**FOUNDATION WORKSHEET**  
**SESSION(2024-25)**

**CLASS: XI SUB: ECONOMICS**

**TOPIC: INTRODUCTION TO ECONOMICS**

**Gist of the lesson- In this chapter student will learn about the key concepts of economics. Further they will learn about economic systems. In the end students will be aware about the basic economic concepts which will enhance their understanding related to the subject.**

1. What are the three central problems of Economy?

Ans: The three central problems of Economy are:

What to Produce

How to Produce

For whom to Produce

2. Define micro and macro economics.

Ans: Microeconomics is the study of economics at an individual, group or company level. Macroeconomics, on the other hand, is the study of a national economy as a whole. Microeconomics focuses on issues that affect individuals and companies. ... Macroeconomics focuses on issues that affect the economy as a whole.

3. Give two examples of Micro and Macro Economy.

Ans: The two examples of Micro economy are Individual supply and demand and the two examples of Macro economy are aggregate supply and demand.

4. Define Scarcity.

Ans: Scarcity refers to the deficit of resources as compared to the demand

5. Is the subject of the Jute industry studied in a macroeconomy?

a) True

b) False

c) Maybe

d) Can't say

Ans: False

6. Which of the following is a statement of normative nature in economics

a) Economics is a study of choices /alternatives

b) The government should be concerned with how to reduce unemployment

c) According to the estimate, in spite of severe shortage, more than 10% of houses in Indian cities are vacant

d) Accommodation of refugees is posing a big problem for Europe

Answer: Economics is a study of choices /alternatives

7. What is the basic definition of economics?

Ans: In its most simple and concise definition, economics is the study of how society uses its limited resources. Economics is a social science that deals with the production, distribution, and consumption of goods and services.

8. Define planned economy with its characteristics.

Ans: The government controls all aspects of the economic production. In other words, the government decides what goods will be produced and how they will be produced.

Its characteristics are as follows-

The government decides how resources are distributed and used. For example, if the government thinks we need more goods in a particular area, they will make that decision, not the businesses in that area.

The government needs to make the decisions. It is assumed that the needs of the people are not met in a market economy; therefore, in a centrally planned economy, the government controls decision-making.

The government can determine the price of goods and services.

9. What is economic problem? Why do it arise?

Ans: An economic problem is basically the problem of choice which arises because of scarcity of resources.

Human wants are unlimited but means to satisfy them are limited. Therefore, all human wants cannot be satisfied with limited means. Wants differ in intensity and limited resources have alternative uses.

10. Differentiate between positive and normative economics.

Ans: Positive economics describes and explains various economic phenomena or the "what is" scenario. ...

While positive economics is based on fact and cannot be approved or disapproved, normative economics is based on value judgments. Most public policy is based on a combination of both positive and normative economics.

11. Define marginal rate of transformation.

Answer: Marginal Rate of Production MRT is the ratio of a particular product sacrificed to manufacture another product.  $MRT = \Delta y / \Delta x$

12. The primary assumption about resources while drawing a PPC is

Resources are limited

Resources depend on the kind of products produced

Resources can be put to a particular use

Resources are constant and given

Answer: Resources are constant and given

13. What is the opportunity cost?

Ans: Opportunity Cost is the next best alternative foregone.

14. Explain opportunity cost with a numerical example.

Ans: Opportunity Cost is something when an individual has to give up something to achieve or acquire something else. In microeconomy, the opportunity cost is also known as alternative cost and is also used in calculating cost benefits or analyzing a project in terms of best alternative while making a choice.

For example, Dev has three career offers to choose from. Job X has a salary offer of Rs 60000, job Y offer is Rs. 70000 and job Z offer is Rs. 80000. So, in this case, Devout of three offers he has to choose what is best for him.

15. What are the reasons for rightward shift of PPC?

Ans: (i) When resources increase or grow, more of the goods can be produced. For example, when more capital is accumulated or new natural resources are discovered and used for production, PPC shifts to the right.

(ii) PPC also shifts to the right when there is an improvement in technology. When technological progress takes place, it is possible to produce more of two goods with a given amount resources.

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1. Define marginal opportunity cost.
2. Is the study of general price level a study of micro or macroeconomics?
3. What do you mean by saving?
4. Economics is about making choices in the presence of scarcity. Explain it.
5. Lot of people die and many factories are washed away. How will it affect the countries PPC?
6. What does PPC show? When will it shift to the right? Use diagram
7. Explain the problem of what to produce with the help of PPC.
8. Define PPF. Explain it with its assumptions, schedule and diagram.
9. Differentiate between Positive and normative economics.
10. Explain the central problems What to produce, how to produce and whom to produce?
11. Explain the properties of PPC.
12. Explain Meaning and example of opportunity cost.
13. Explain Marginal opportunity cost with the help of numerical example.
14. What will be the likely impact of large scale outflow of foreign capital on PPC of the economy and why?