

**Class XI (2019-20)**

**Economics Worksheet-1 (Micro - Ch1, 2)**

1. Scarcity of resources exists:
  - a. at the micro level
  - b. at the macro level
  - c. micro as well as macro level
  - d. none of these
2. Who controls economic activities under centrally planned economies?
  - a. Industrialists
  - b. Government
  - c. Private firms
  - d. Consumers
3. Which of the following is related to the problem 'how to produce'?
  - a. Factoral distribution of income
  - b. choice of technique
  - c. choice of product
  - d. none of these
4. When an economy is operating on the PPC, it indicates:
  - a. potential output > actual output
  - b. potential output = actual output
  - c. potential output < actual output
  - d. NOT
5. Concavity of PPC implies:
  - a. increasing slope
  - b. decreasing slope
  - c. constant slope
  - d. none of these
6. The opportunity cost of 100 kg of rice produced on a land which can also produce 80 tonnes of wheat is:
  - a. 100 kg of wheat
  - b. 80 tonnes of wheat
  - c. 8,000 tonnes of wheat
  - d. none of these
7. State the two characteristics of resources.
8. What is the problem of choice?
9. What do you mean by economising the use of resources?
10. What is the problem of resource allocation?
11. Define:
  - a. opportunity cost
  - b. marginal rate of transformation
12. Write 'True' or 'False' for the following statements with a reason:
  - a. Scarcity exists even when certain goods are available at zero price.
  - b. Problem of resource allocation would not arise if resources had no alternative uses.
  - c. Positive statements are the statements of truth.
  - d. An economy produces goods and services in a manner such that it always operates on the PPC.
  - e. If an economy is operating inside the PPC, it is possible to increase the production of Good-1 without any decrease in the production of Good-2.
13. a. Do you think the actual level of output in the Indian economy is less than its potential level?
  - b. Does it mean that the level of our PPC could be higher than what it is now?
14. Explain the central problem of 'for whom to produce'.
15. Why is production possibility curve concave?
16. What does a PPC show? When will it shift to the right? Give examples.
17. Draw PPC to indicate:
  - a. Fuller utilisation of resources
  - b. Underutilisation of resources
  - c. Growth of resources