Class 11 Economics - Complete Q&A (AHSEC)

Chapter 1: Central Problems of an Economy

1. What are the central problems of an economy?
The three central problems are: What to produce? How to produce? For whom to produce?

2. Why do these problems arise?
Because resources are scarce but human wants are unlimited.

3. Explain the problem of ‘What to produce?’
It involves deciding which goods and services to produce given limited resources.

4. Explain the problem of ‘How to produce?’
It deals with choosing production techniques — labor or capital-intensive.

5. Explain the problem of ‘For whom to produce?’
It concerns distributing the output among people in society.

6. What is opportunity cost?
The value of the next best alternative foregone.

7. How do economic systems solve the central problems?
Market economies use demand and supply; planned economies use government decisions.

8. What is the role of price mechanism in solving these problems?
Prices guide production and allocation by reflecting scarcity and consumer preferences.

9. How does scarcity lead to the central problems?
Limited resources force choices on allocation.

10. Why is efficient resource allocation

important?
To maximize satisfaction and avoid wastage.

Chapter 2: Consumer Behaviour and Demand

1. Define utility.
Satisfaction derived from consuming goods or services.

2. Difference between total utility and marginal utility.
Total utility is overall satisfaction; marginal utility is satisfaction from one extra unit.

3. State the law of diminishing marginal utility.
Marginal utility decreases as more units are consumed.

4. Define demand.
Quantity of a good consumers are willing and able to buy at a price.

5. State the law of demand.
Demand decreases as price rises, ceteris paribus.

6. What causes a shift in demand?
Factors other than price like income, tastes, prices of related goods.

7. Difference between change in demand and change in quantity demanded.
Change in demand shifts the curve; change in quantity demanded is movement along the curve.

8. What is price elasticity of demand?
Responsiveness of demand to price changes.

9. Factors affecting price elasticity of demand.
Availability of substitutes, necessity, proportion of income spent.

10. Explain the demand schedule.
A table showing demand at different prices.

Chapter 3: Producer Behaviour and Supply

1. Define supply.
Quantity producers are willing to sell at different prices.

2. State the law of supply.
Supply increases as price rises, ceteris paribus.

3. What is supply schedule?
Table showing quantity supplied at different prices.

4. What is supply curve?
Graph representing the supply schedule.

5. Difference between increase in supply and increase in quantity supplied.
Increase in supply shifts the curve right; increase in quantity supplied is movement along the curve.

6. Factors affecting supply.
Price, technology, costs, taxes, expectations.

7. What is elasticity of supply?
Responsiveness of supply to price changes.

8. What is producer equilibrium?
Level of output where profit is maximized.

9. What is the relationship between supply and price?
Directly proportional.

10. How do taxes affect supply?
Taxes increase cost, reducing supply.

Chapter 4: Forms of Market and Price Determination

1. Name main forms of market.
Perfect competition, monopoly, monopolistic competition, oligopoly.

2. Define perfect competition.
Many sellers, homogeneous product, free entry/exit.

3. Define monopoly.
Single seller, unique product, high barriers to entry.

4. What is monopolistic competition?
Many sellers, differentiated products.

5. What is oligopoly?
Few sellers dominate the market.

6. What is market equilibrium?
Point where demand equals supply.

7. How is price determined in a market?
Interaction of demand and supply.

8. What happens when demand exceeds supply?
Price rises.

9. What happens when supply exceeds demand?
Price falls.

10. What is the effect of surplus and shortage on price?
Surplus lowers price; shortage raises price.

Chapter 5: Introduction to Statistics for Economics

1. Define statistics.
Science of collecting, analyzing, and interpreting data.

2. What are functions of statistics?
Description, analysis, interpretation.

3. Difference between primary and secondary data.

Primary is collected firsthand; secondary is already published.

4. Sources of secondary data.
Books, reports, government publications.

5. Methods of collecting primary data.
Surveys, interviews, observation.

6. What is census?
Collecting data from entire population.

7. What is sample survey?
Collecting data from a subset of population.

8. Difference between census and sample survey.

Census is comprehensive; sample is partial.

9. What is sampling?
Selecting representative units from population.

10. Limitations of statistics.
Data may be inaccurate, biased, or incomplete.

Chapter 6: Data Collection and Presentation

1. What is data?
Facts or figures collected for analysis.

2. Difference between qualitative and quantitative data.
Qualitative describes qualities; quantitative measures quantity.

3. Methods of collecting primary data.
Questionnaires, interviews, observation.

4. What is data classification?
Organizing data into groups or classes.

5. What is data tabulation?
Presenting data in tables.

6. Types of tables.
Simple, complex, frequency tables.

7. What is frequency distribution?
Showing data frequency in classes.

8. What are diagrams?
Visual representation of data.

9. Types of diagrams.
Bar chart, pie chart, histogram.

10. What is a histogram?
Diagram showing frequency distribution with bars.

Chapter 7: Measures of Central Tendency

1. Define central tendency.
Value representing center of data.

2. What is mean?
Average of data values.

3. How to calculate mean?
Sum of values divided by number of values.

4. What is median?
Middle value when data is ordered.

5. How to find median for grouped data?
Using cumulative frequency.

6. Define mode.
Most frequently occurring value.

7. How to find mode for grouped data?
Using formula with class intervals.

8. Compare mean, median, and mode.
Mean is affected by extremes; median and mode are not.

9. Uses of central tendency.
Summarizes data; useful in decision making.

10. Limitations of mean.
Sensitive to outliers.

Chapter 8: Measures of Dispersion and Correlation

1. What is dispersion?
Spread of data values.

2. Measures of dispersion.
Range, mean deviation, variance, standard deviation.

3. Define range.
Difference between highest and lowest values.

4. What is mean deviation?
Average of absolute deviations from mean.

5. Define standard deviation.
Square root of variance; measures spread.

6. What is variance?
Average of squared deviations from mean.

7. Define correlation.
Degree of relationship between variables.

8. Positive and negative correlation.

Positive: both variables move in same direction; negative: opposite.

9. Methods of studying correlation.
Scatter diagram, Karl Pearson's coefficient.

10. Significance of correlation in economics.
Helps analyze relationships, forecast trends.

Chapter 9: Index Numbers

1. What is an index number?

Measure of relative change in variables over time.

2. Types of index numbers.
Price index, quantity index, value index.

3. Uses of index numbers.
Measure inflation, economic trends.

4. Define base year.
Year chosen for comparison in index number.

5. Define current year.
Year for which index number is calculated.

6. What is unweighted index number?
All items have equal importance.

7. What is weighted index number?
Items have different importance based on weights.

8. Explain simple aggregate method.
Sum of current year values divided by sum of base year values.

9. Explain simple average of price relatives method.
Average of price relatives of individual items.

10. Limitations of index numbers.
Quality changes ignored, choice of base year affects results.