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CLASS 11

Economics

Sample Paper 5 - Questions

34 questions | 80 marks | 2026-27

Time: 3 hours. Answer all questions and subparts unless a choice is stated. Marks are shown on the right. Write answers on separate sheets. Independently prepared practice paper.

Section A - Objective questions

1. Which concept is illustrated in this example? Two measured variables tend to rise together without this alone proving causation. **1**

(A) Perfect competition

(B) Correlation

(C) Fixed cost

(D) Production possibility frontier

2. Which statement correctly describes Demand shift? **1**

(A) Planned quantity demanded and supplied are equal at the equilibrium price.

(B) A statistical association describes the direction and degree of co-variation.

(C) A curve represents bundles giving a consumer the same satisfaction under the model.

(D) A non-price determinant changes demand at each relevant price.

3. Which statement correctly describes Production possibility frontier? 1

(A) A statistical association describes the direction and degree of co-variation.

(B) A sample estimate differs from the population value because a sample rather than the full population is observed.

(C) Combinations on the line exactly exhaust given income at specified prices.

(D) A boundary shows efficient output combinations feasible with given resources and technology.

4. Which statement correctly describes Opportunity cost? 1

(A) Additional satisfaction is associated with consuming one more unit.

(B) A statistical association describes the direction and degree of co-variation.

(C) A choice sacrifices the benefit of the next-best alternative.

(D) A non-price determinant changes demand at each relevant price.

5. Which statement correctly describes Budget line? 1

(A) Additional output results from one extra unit of a variable input.

(B) Combinations on the line exactly exhaust given income at specified prices.

(C) Planned quantity demanded and supplied are equal at the equilibrium price.

(D) The change in total cost results from producing an additional unit.

6. Which statement correctly describes Arithmetic mean? 1

(A) The sum of observations divided by their number measures their average.

(B) A cost does not change with output within the relevant short-run range.

(C) A sample estimate differs from the population value because a sample rather than the full population is observed.

(D) Combinations on the line exactly exhaust given income at specified prices.

7. Which statement correctly describes Fixed cost? **1**

(A) Combinations on the line exactly exhaust given income at specified prices.

(B) A relative measure compares a group or variable with a specified base.

(C) A cost does not change with output within the relevant short-run range.

(D) A curve represents bundles giving a consumer the same satisfaction under the model.

8. Which concept is illustrated in this example? An individual firm takes the prevailing market price as given. **1**

(A) Demand shift

(B) Budget line

(C) Production possibility frontier

(D) Perfect competition

9. Which concept is illustrated in this example? A researcher uses the middle household income to reduce the influence of extreme values. **1**

(A) Median

(B) Opportunity cost

(C) Arithmetic mean

(D) Marginal cost

10. Which statement correctly describes Price elasticity of demand? **1**

(A) Responsiveness is measured by the proportional change in quantity demanded relative to price.

(B) The central position in ordered data determines a positional average.

(C) Information is collected first-hand for a specific enquiry.

(D) A statistical association describes the direction and degree of co-variation.

11. Which concept is illustrated in this example? An additional worker increases a firm's output by a particular amount. **1**

(A) Marginal product

(B) Production possibility frontier

(C) Sampling error

(D) Opportunity cost

12. Which concept is illustrated in this example? Different combinations can be equally preferred. **1**

(A) Price elasticity of demand

(B) Indifference curve

(C) Sampling error

(D) Fixed cost

13. Which statement correctly describes Sampling error? **1**

(A) A relative measure compares a group or variable with a specified base.

(B) A statistical association describes the direction and degree of co-variation.

(C) Responsiveness is measured by the proportional change in quantity demanded relative to price.

(D) A sample estimate differs from the population value because a sample rather than the full population is observed.

14. Which statement correctly describes Marginal cost? **1**

(A) A cost does not change with output within the relevant short-run range.

(B) Combinations on the line exactly exhaust given income at specified prices.

(C) A non-price determinant changes demand at each relevant price.

(D) The change in total cost results from producing an additional unit.

15. Which concept is illustrated in this example? A price index summarises changes relative to a base period. **1**

(A) Indifference curve

(B) Sampling error

(C) Index number

(D) Marginal utility

16. Which statement correctly describes Market equilibrium? **1**

(A) Additional satisfaction is associated with consuming one more unit.

(B) Planned quantity demanded and supplied are equal at the equilibrium price.

(C) A statistical association describes the direction and degree of co-variation.

(D) A sample estimate differs from the population value because a sample rather than the full population is observed.

17. Which statement correctly describes Primary data? 1

(A) Additional output results from one extra unit of a variable input.

(B) A curve represents bundles giving a consumer the same satisfaction under the model.

(C) Information is collected first-hand for a specific enquiry.

(D) Planned quantity demanded and supplied are equal at the equilibrium price.

18. Which statement correctly describes Marginal utility? 1

(A) Additional satisfaction is associated with consuming one more unit.

(B) Additional output results from one extra unit of a variable input.

(C) Many buyers and sellers trade a homogeneous product under the model's conditions.

(D) A non-price determinant changes demand at each relevant price.

19. Which concept is illustrated in this example? Land used for one crop cannot simultaneously produce the alternative crop. 1

(A) Marginal cost

(B) Opportunity cost

(C) Demand shift

(D) Primary data

20. Which statement correctly describes Correlation? 1

(A) Combinations on the line exactly exhaust given income at specified prices.

(B) Additional output results from one extra unit of a variable input.

(C) A statistical association describes the direction and degree of co-variation.

(D) A choice sacrifices the benefit of the next-best alternative.

Section B - Short responses

21. Price rises by 10 percent and quantity demanded falls by 45 percent. Calculate the magnitude of price elasticity using these given percentage changes. 3

22. Compare Price elasticity of demand and Demand shift. Give the meaning and an appropriate application of each. 3

23. Calculate the arithmetic mean of 50, 60 and 70. 3

24. Compare Perfect competition and Market equilibrium. Give the meaning and an appropriate application of each. 3

Section C - Short responses

25. Calculate the arithmetic mean of 46, 56 and 66. 4

26. Use this situation to explain Fixed cost, connecting the definition to the details: A firm pays the agreed rent even when it produces nothing for a short period. 4

27. Price rises by 10 percent and quantity demanded falls by 41 percent. Calculate the magnitude of price elasticity using these given percentage changes. 4

28. Compare Sampling error and Primary data. Give the meaning and an appropriate application of each. 4

29. Calculate the arithmetic mean of 47, 57 and 67. 4

30. Compare Primary data and Sampling error. Give the meaning and an appropriate application of each. 4

Section D - Extended responses

31. (a) Explain Marginal utility and analyse this application: The next glass of water adds less satisfaction after several glasses have been consumed.
(b) Explain Budget line and show how this second application fits it: A consumer divides a fixed amount between two goods. 6

32. (a) Explain Demand shift and analyse this application: Higher income increases demand for a normal good while its own price stays unchanged. (b) Explain Price elasticity of demand and show how this second application fits it: A small price change leads to a relatively large change in purchases. **6**

33. (a) Explain Arithmetic mean and analyse this application: A teacher averages the scores of all learners in a group. (b) Explain Median and show how this second application fits it: A researcher uses the middle household income to reduce the influence of extreme values. **6**

34. (a) Explain Median and analyse this application: A researcher uses the middle household income to reduce the influence of extreme values. (b) Explain Arithmetic mean and show how this second application fits it: A teacher averages the scores of all learners in a group. **6**

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