	INDIAN SCHOOL NIZWA **Class:XI Eco Ch1 – INTRODUCTION**

	Answer these questions
1	1. If 100 kgs of wheat is sacrificed in order to produce rice, this sacrifice is called ____________ a) Average cost b) Marginal cost c) Opportunity cost d) Total fixed cost.
2	2. Rightward shift of the Production Possibility Curve means ________________. a) Under utilisation of resources b)Economic growth c)Production of capital goods only.
3	Scarcity problem arises because our resources are __________________. a) unlimited b) sufficient c) vast d) limited
4	A point below PP indicates ________________ a) underutilization of resources b) growth of resources c) Full employment of resources.
5	Read the following statements - **Assertion (A) and Reason (R):** **Assertion:** Production Possibility Frontier (PPF) is a concave shaped curve. **Reason:** PPF shows all the maximum possible combinations of two goods, which can be produced with the available resources and technology. From the given alternatives choose the correct one: **Alternatives:** 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) is true
6	**Assertion:** Human wants differ in priorities. **Reason:** For every individual, some wants are more important and urgent as compared to others.
7	**Assertion:** Scarcity is the mother of all economic problems. **Reason:** Scarcity and choice go hand in hand.
8	**Assertion:** The problem of how to produce involves choice between capital goods and consumer goods. **Reason:** The problem of how to produce deals with the choice of technique to be used for production of goods and services.
9	**Assertion:** Central problems are faced by only developing countries. **Reason:** Poverty percentage in rich nations is very low.

10	Define Production possibility curve (PPC).What does the slope of PPC show? Explain with diagram.
11	State 2 characteristics of PP Curve.
12	Distinguish between microeconomics and macroeconomics.
13	State factors which cause rightward shift of PP curve.
14	Discuss the central problems of an economy.
15	Distinguish between a centrally planned economy and a market economy.
16	What do you understand by positive economic analysis?
17	What do you understand by normative economic analysis?
18	What is a production possibility frontier?
19	Discuss the impact of Sarva Siksha Abhyan (Operation Blackboard) on PPC.
20	Discuss the impacts of floods in Chennai on PPC.