ASSIGNMENT NO. 1

SUBJECT: ECONOMICS   **CLASS-XI**   **APRIL,2025**

MICROECONOMICS

CH 1: INTRODUCTION

Q1. Distinguish between microeconomics and macroeconomics. Give example.

Q2. Why does an economic problem arise? Explain the problem of 'How to Produce'?

Q3. Explain the problem of 'What to Produce' with the help of an example.

Q4. 'For whom to produce' is a central problem of an economy. Explain.

Q5. State three differences between normative economic analysis and positive economic

analysis.

Q6. Write any three differences between Market Economy and Centrally Planned Economy.

Q7. What is PP Frontier? Explain it with the help of an imaginary schedule and diagram.

Q8. Show the following situation with PPF

(a) Fuller utilization of resources
(b) Growth of resources.
(c) Under utilization of resources.

Q9. Why is PPC called opportunity cost curve?

Q10. Define opportunity cost and explain it with the help of an example.

Q11. Explain PPF is (a) down ward sloping. (b) concave to the point of origin.

CH 2: CONSUMER'S BEHAVIOUR & THEORY OF DEMAND

Q1. Why does total utility increases at diminishing rate due to continuous increase in units of a

good Consumed?

Q2. When does budget line shift leftwards?

Q3. Under what situation does the slope of changed budget line be flatter?

Q4. What change should take place in price of the combination of two goods so that the slope of budget line becomes steeper?

Q5. What will be the behavior of total utility when marginal utility curve lies below X-axis?

Q6. Explain the law of diminishing marginal utility with the help of a utility schedule.

Q7. Explain consumers equilibrium with utility approach when consumer is consuming one good.

Q8. What do you mean by budget line? What are the reasons of change in budget line?

Q9. Explain the relationship between total utility and marginal utility with the help of schedule.

Q10. What changes will take place in total utility when –

(a) Marginal utility curve has above X–axis.

(b) Marginal utility curve touches X–axis

(c) Marginal utility curve lies below X–axis.

Q11. State two features of indifference curve.

Q12. Why does two indifference curves do not touch each other?

Q13. Under what situations there will be parallel shift in budget line?

Q14. "If a product price increases, a family's spreading on the product has to increase". Defend or refute.

Q15. What do you mean by marginal rate of substitutions? Explain with the help of a numerical example.