



**B K BIRLA CENTRE FOR EDUCATION, PUNE**  
(SENIOR SECONDARY CO-ED DAY CUM BOYS' RESIDENTIAL SCHOOL, AFFILIATED TO CBSE NEW DELHI)  
**PERIODIC TEST - II (2024-25)**  
**SUBJECT - ECONOMICS**



CLASS: XI

DATE: 02/12/2024

Admission no.:

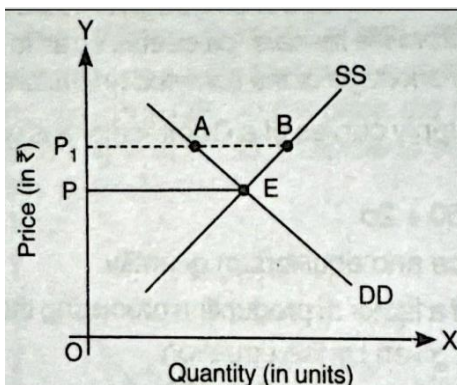
TIME: 3 Hours

MAX. MARKS: 25

Roll No.:

**Instructions: All questions have to be attempted.**

1. When AR is constant AR is equal to \_\_\_\_\_ 1)  
(a) MR (b) TR  
(c) AC (d) MC
2. Under perfect competition, a firm can earn: 1)  
a) normal profits in the long run b) super normal profits in the long run  
c) sub normal profits in the long run d) all of these
3. Since all consumers will not be satisfied by the quantity of the goods that they get from the fair price shop, some of them will be willing to pay higher price for it. 1)  
This may result in the creation of.....  
a) Price Ceiling b) Floor Price  
c) Black market d) None of these
4. If at equilibrium price, market supply is greater than market demand, we say that there is an 1)  
a) excess supply b) Deficient Demand  
c) excess demand c) Deficient supply
5. Alternatives: 1)  
a) Both statements are true  
b) Both statements are false  
c) Statement 1 is true and statement 2 is false  
d) Statement 2 is true and statement 1 is false  
**Statement I:** Due to a decrease in input price, equilibrium quantity falls. 1)  
**Statement II:** A decrease in price of complementary good causes a fall in equilibrium price of the concerned commodity.
6. Why is a perfectly competitive firm a price taker and not a maker. 2)
4. What is the implication of 'Freedom of entry and exit' under perfect competition. 2)
5. What is the nature of Revenue curves under a perfectly competitive firm. 2)
6. Where are how are prices determined under perfect competition? 4)
7. In the diagram, OP is the market determined price and  $OP_1$  is the price fixed by the government.



- (a) Identify if the diagram represents, price ceiling or price floor? 1)  
(b) Discuss the likely behaviour of the market in the given condition. 3)

8. (A)

Show and explain with the help of diagrams when demand and supply both increase simultaneously and; 4)

- i) Equilibrium price decreases  
ii) Equilibrium price increases

(B) Write true or false with a reason:

In a state of increasing cost of production leading to a substantial cut in production, equilibrium price will fall. 2)

