Introduction to Micro Economics

Question 1.

Which Economist divided Economics in two branches of micro and macro on the basis of economic activity?

- (a) Marshall
- (b) Ricardo
- (c) Ragnar Frish
- (d) None of these

▼ Answer

Answer: (d) None of these

Question 2.

Which of the following is studied under Micro Economics?

- (a) Individual unit
- (b) Economic Aggregate
- (c) National Income
- (d) None of these

▼ Answer

Answer: (d) None of these

Question 3.

Which of the following economic activities are included in the subject-matter of Economics?

- (a) Economic Activities related to Unlimited Wants
- (b) Economic Activities related to Limited Resources
- (c) Both (a) and (b)
- (d) None of these

▼ Answer

Answer: (c) Both (a) and (b)

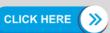
Question 4.

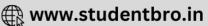
On which base structure of economic problems has been installed?

- (a) Unlimited Wants
- (b) Limited Resources
- (c) Both (a) and (b)
- (d) None of the above

▼ Answer

Answer: (c) Both (a) and (b)





Question 5.

'Micros', which means 'Small' belongs to:

- (a) Arabian word
- (b) Greek word
- (c) German word
- (d) English word

▼ Answer

Answer: (b) Greek word

Question 6.

Which of the following statement is true?

- (a) Human wants are infinite
- (b) Resources are limited
- (c) Scarcity problem gives birth to choice .
- (d) All of these

▼ Answer

Answer: (c) Scarcity problem gives birth to choice

Question 7.

Which of the following is the salient feature of factors (or resources)?

- (a) These are limited as compared to wants
- (b) These have alternative uses
- (c) Both (a) and (b)
- (d) None of the above

▼ Answer

Answer: (c) Both (a) and (b)

Question 8.

Which is a central problem of an economy?

- (a) Allocation of Resources
- (b) Optimum Utilisation of Resources
- (c) Economic Development
- (d) All of these

▼ Answer

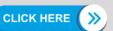
Answer: (d) All of these

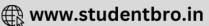
Question 9.

Which of the following Is a type of economic activities?

- (a) Production
- (b) Consumption
- (c) Exchange and Investment
- (d) All of these







Answer: (d) All of these

Question 10.

To which factor, economic problem is basically related to:

- (a) Choice
- (b) Consumer's Selection
- (c) Firm Selection
- (d) None of these

▼ Answer

Answer: (a) Choice

Question 11.

Economy may be classified as:

- (a) Capitalist
- (b) Socialist
- (c) Mixed
- (d) All of these

▼ Answer

Answer: (d) All of these

Question 12.

Which economy has a co-existence of private and public sectors?

- (a) Capitalist
- (b) Socialist
- (c) Mixed
- (d) None of these

▼ Answer

Answer: (c) Mixed

Question 13.

The main objective of a socialist economy is......

- (a) Maximum production
- (b) Economic freedom
- (c) Earning profit
- (d) Maximum public welfare

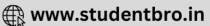
▼ Answer

Answer: (d) Maximum public welfare

Question 14.

In which economy decisions are taken on the basis of price mechanism?





- (a) Socialist
- (b) Capitalist
- (c) Mixed
- (d) All of these

Answer: (b) Capitalist

Question 15.

The slope of a production possibility curve falls:

- (a) From left to right
- (b) From right to left
- (c) From top to bottom
- (d) From bottom to top

▼ Answer

Answer: (c) From top to bottom

Ouestion 16.

Production Possibility Curve is:

- (a) Concave to the axis
- (b) Convex to the axis
- (c) Parallel to the axis
- (d) Vertical to the axis

▼ Answer

Answer: (a) Concave to the axis

Question 17.

Mention the name of the curve which shows economic problem:

- (a) Production Curve
- (b) Demand Curve
- (c) Indifference Curve
- (d) Production Possibility Curve

▼ Answer

Answer: (d) Production Possibility Curve

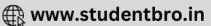
Question 18.

Which of the following is studied under Macro Economics?

- (a) National Income
- (b) Full. Employment
- (c) Total Production
- (d) All of these
- **▼** Answer







Answer: (d) All of these

Question 19.

Which of the following Is a branch of Micro Economics?

- (a) Product Price Determination
- (b) Factor Price Determination
- (c) Economic Welfare
- (d) All of these

▼ Answer

Answer: (d) All of these

Question 20.

Which of the following is a source of production?

- (a) Land
- (b) Labour
- (c) Capital
- (d) All of these

▼ Answer

Answer: (d) All of these

Question 21.

Who said, "Economics is a science of wealth."

- (a) Marshall
- (b) Robbins
- (c) Adam Smith
- (d) J.K. Mehta

▼ Answer

Answer: (c) Adam Smith

Question 22.

"Economics is a science of logic." Who said it?

- (a) Hicks
- (b) Keynes
- (c) Robbins
- (d) Marshall
- **▼** Answer

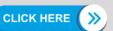
Answer: (c) Robbins

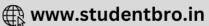
Question 23.

Micro Economics includes:

- (a) Individual unit
- (b) Small units







- (c) Individual price determination
- (d) All of these

Answer: (d) All of these

Ouestion 24.

Who was the father of Economics?

- (a) I. B. Say
- (b) Malthus
- (c) Adam Smith
- (d) Joan Robinson
- **▼** Answer

Answer: (c) Adam Smith

Question 25.

Who gave the definition of Economics related to welfare?

- (a) Adam Smith
- (b) Marshall
- (c) Robbins
- (d) Samuelson
- **▼** Answer

Answer: (b) Marshall

Question 26.

The word 'micro' was firstly used by:

- (a) Marshall
- (b) Boulding
- (c) Keynes
- (d) Ragnar Frish
- **▼** Answer

Answer: (d) Ragnar Frish

Ouestion 27.

According to whom, Economics is a science of human welfare?

- (a) A Marshall
- (b) Paul Samuelson
- (c) J. S. Mill
- (d) Adam Smith
- **▼** Answer

Answer: (a) A Marshall





Question 28.

Which of the following is not a factor of production?

- (a) Land
- (b) Labour
- (c) Money
- (d) Capital

▼ Answer

Answer: (c) Money

Question 29.

The central problem of an economy is:

- (a) What to produce?
- (b) How to produce?
- (c) How to distribute produced goods?
- (d) All of these

▼ Answer

Answer: (d) All of these

Question 30.

Consumer behaviour is studied in:

- (a) Micro Economics
- (b) Income Theory
- (c) Mac o Economics
- (d) None of these

▼ Answer

Answer: (a) Micro Economics

Question 31.

Indian economy is:

- (a) Centrally planned economy
- (b) Market economy
- (c) Mixed economy
- (d) None of these.

▼ Answer

Answer: (c) Mixed economy

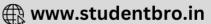
Question 32.

Who used the word 'micro' for the first time:

- (a) Marshall
- (b) Boulding
- (c) Keynes
- (d) Ragnar Frisch







Answer: (d) Ragnar Frisch

Question 33.

Who said economics is the 'Science of wealth:

- (a) Prof. Robbins
- (b) Prof. J.K. Mehta
- (c) Prof. Marshall
- (d) Prof. Adam Smith

▼ Answer

Answer: (d) Prof. Adam Smith

Question 34.

What is the shape of production possibility curve:

- (a) Concave to the origin
- (b) Concave
- (c) Straight line
- (d) None of the above.

▼ Answer

Answer: (a) Concave to the origin

Question 35.

The reason for downward shape of production possibility curve is:

- (a) Increasing opportunity cost
- (b) Decreasing opportunity cost
- (c) Same opportunity cost
- (d) Negative opportunity cost

▼ Answer

Answer: (b) Decreasing opportunity cost

Question 36.

The point of optimum utilization of resources lies on which side of PPC curve:

- (a) Towards left
- (b) Towards right
- (c) Inside
- (d) Upwards

▼ Answer

Answer: (d) Upwards

Fill in the blanks:







1. Every person has quantity of goods.
▼ Answer
Answer: Few
2economics is the study of individual economic units.
▼ Answer
Answer: Micro-economics
3. Opportunity cost in production list.
▼ Answer
Answer: Changes
4. Micro and Macro-economics are to each other.
▼ Answer
Answer: Complement
5. Economic growth is related to economics.
▼ Answer
Answer: Macro
6. Economy is a group of units.
▼ Answer
Answer: Production
7. Mixed economy is composed of and
▼ Answer
Answer: Socialism, Capitalism
8. The goods and services which help in the production of other goods and services are goods.
▼ Answer
Answer: Intermediate





State true or false:

1. Production possibility curve is convex towards main point.

▼ Answer

Answer: False

2. Central problem in the capitalist economy is solved by price mechanism.

▼ Answer

Answer: True

3. An economy can be capitalist, socialist or opportunist.

▼ Answer

Answer: False

4. Today all economics of the world are almost mixed economics.

▼ Answer

Answer: True

5. Macro-economics is the study of the problems of unemployment, price inflation etc.

▼ Answer

Answer: True

6. In socialism, the feeling of personal profit is prominent.

▼ Answer

Answer: False

Match the following:

`A′	`B'
1. The mechanism of micro-economics	(a) Capitalist economy
2. Basic financial problem	(b) All resources are efficiently used
3. No state inteference	(c) Price analysis
4. No restrictions on trade	(d) Limitation and election
5. Main assumptions of production possibility curve	(e) Open economy.

▼ Answer



Answer:

`A′	`B'
1. The mechanism of micro-economics	(c) Price analysis
2. Basic financial problem	(d) Limitation and election
3. No state inteference	(a) Capitalist economy
4. No restrictions on trade	(e) Open economy.
5. Main assumptions of production possibility curve	(b) All resources are efficiently used

