

## Introduction to Micro Economics

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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

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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

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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)

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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)

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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

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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

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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)

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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

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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](#)

Answer: (d) All of these

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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

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Question 11.

Economy may be classified as:

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

▼ [Answer](#)

Answer: (d) All of these

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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

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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

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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](#)

Answer: (b) Capitalist

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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

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Question 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

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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

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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

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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

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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

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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

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Question 22.

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

- (a) Hicks
- (b) Keynes
- (c) Robbins
- (d) Marshall

▼ [Answer](#)

Answer: (c) Robbins

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Question 23.

Micro Economics includes:

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



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

▼ [Answer](#)

Answer: (d) All of these

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Question 24.

Who was the father of Economics ?

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

▼ [Answer](#)

Answer: (c) Adam Smith

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Question 25.

Who gave the definition of Economics related to welfare ?

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

▼ [Answer](#)

Answer: (b) Marshall

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Question 26.

The word 'micro' was firstly used by:

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

▼ [Answer](#)

Answer: (d) Ragnar Frish

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Question 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

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Question 28.

Which of the following is not a factor of production ?

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

▼ [Answer](#)

Answer: (c) Money

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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

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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

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Question 31.

Indian economy is:

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

▼ [Answer](#)

Answer: (c) Mixed economy

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Question 32.

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

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



▼ [Answer](#)

Answer: (d) Ragnar Frisch

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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

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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

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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

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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

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[Fill in the blanks:](#)





1. Every person has ..... quantity of goods.

▼ [Answer](#)

Answer: Few

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2. ....economics is the study of individual economic units.

▼ [Answer](#)

Answer: Micro-economics

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3. Opportunity cost ..... in production list.

▼ [Answer](#)

Answer: Changes

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4. Micro and Macro-economics are ..... to each other.

▼ [Answer](#)

Answer: Complement

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5. Economic growth is related to ..... economics.

▼ [Answer](#)

Answer: Macro

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6. Economy is a group of ..... units.

▼ [Answer](#)

Answer: Production

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7. Mixed economy is composed of ..... and .....

▼ [Answer](#)

Answer: Socialism, Capitalism

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8. The goods and services which help in the production of other goods and services are ..... goods.

▼ [Answer](#)

Answer: Intermediate

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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