

## Economics

### Ch 1 & 5 Class Room Discussion

Sl. No.	Particulars	Option A	Option B	Option C	Option D
1	The word 'economics' is derived from _____ language, it means _____ and _____ .	Latin, oikos and nomia	Greek, oikos and nomia	French, oikos and nomia	English, oikos and nomia
2	Who is known as the father of economics?	Alfred Marshall	Lionel Robbins	Adam Smith	Samuelson
3	Unlimited ends lead to:	Resource allocation	Alternative uses	Use on priority basis	All of these
4	Adam Smith considered economics as:	Science of wealth	Science of material well-being	Science of choice-making	Science of growth and development
5	In micro economics we study about:	Aggregates	National Income	Demand & Supply of a commodity	All of these
6	_____ deals with the problem of allocation of resources.	Statistics	Macro economic theory	Econometrics	Micro economic theory
7	Macro economics is also called as:	Price theory	Income theory	Irrelevant theory	Development theory
8	Economics is:	A science	An art	Both (a) and (b)	Neither (a) nor (b)
9	When we specify that economists should not be concerned with whether an individual should use his income towards purchasing cigarettes or rice, we consider economics as a _____ science	positive	normative	Both (a) and (b)	Neither (a) nor (b)
10	While laying down theories (like law of demand, law of supply), the _____ aspect of economics is projected and brought out.	positive	normative	Both (a) and (b)	Neither (a) nor (b)
11	_____ economics explains economic phenomena according to their causes and effects.	Positive	Normative	Empirical	Applied

12	The practical application of economics theory to business is	Normative Economics	Positive economics	Business economics	All the above
13	A _____ science is prescriptive in nature.	positive	normative	Both (a) and (b)	Neither (a) nor (b)
14	Which of the following statements would you consider to be a <b>normative</b> one?	Faster economic growth should result if an economy has a higher level of investment	Changing the level of interest rates is a better way of managing the economy than using taxation and government expenditure	Higher levels of unemployment will lead to higher levels of inflation	The average level of growth in the economy was faster in the 1990's than the 1980's
15	A capitalist economy is characterized by:	Private ownership of resources	Freedom of enterprise	Consumer sovereignty	All of these
16	A socialist economy is characterized by:	Collective ownership of means of production	Socio-economic objectives	Central planning authority	All of these
17	In a socialist economy, the concept of consumer sovereignty is:	Restricted	Unrestricted	Recognised	None of these
18	In a mixed economy:	All economic decisions are taken by the central authority	All economic decisions are taken by private entrepreneurs	Economic decisions are partly taken by the state and partly by the private entrepreneurs	None of these
19	Indian economy is an example of:	Capitalist economy	Socialist economy	Mixed economy	None of these
20	In which type of economic system is cost-benefit analysis used to answer the fundamental questions-what, how, and for whom to produce?	Market economy	Command Economy	Mixed economy	Regulated economy

21	Indian economy is a mixed economy because:	Agriculture and industry have both simultaneously developed in India	Agriculture and industry have both developed in the public sector	Private ownership and public ownership over means of production co-exist	None of these
22	Economic laws are essentially _____ and _____ .	hypothetical, conditional	hypothetical, unconditional	neutral, rigid	neutral, flexible
23	Which of the following is the best general definition of the study of economics?	Inflation and unemployment in a growing economy	Business decision making under foreign competition	Individual and social choice in the face of scarcity	The best way to invest in the stock market
24	Who expressed the view that "economics is neutral between ends"?	Robbins	Marshall	Pigou	Adam Smith
25	Alfred Marshall considered economics as:	Science of wealth	Science of material well-being	Science of choice-making	Science of growth and development
26	Micro economics is also called:	Price theory	Income theory	Irrelevant theory	Development theory
27	Science is theoretical, while art is:	Anti theoretical	Practically applicable	Irrelevant	All of these
28	An example of 'positive' economic analysis would be:	An analysis of the relationship between the price of food and the quantity purchased	Determining how much income each person should be guaranteed	Determining the fair price for food grains	Deciding how to distribute the output of the economy
29	In a mixed economy, the private sector:	Is absolute free to make any type of decisions	Works only for social objectives	Is regulated directly and/or indirectly by Government	Does not exist at all
30	Which economy is now a myth only, there is no practical example of it today?	Capitalist	Mixed	Socialist	Free Market
31	Right of private property is found in:	Socialism	Capitalism	Mixed economy	None of these
32	One would witness ----- economy in USA	Socialism	Capitalism	Mixed economy	None of these
33	Basic Problem of an economy- What to produces is a problem of ?	Choice making	Technology	Resources	All the above

34	The branch of economic theory that deals with the problem of allocation of resources is	Micro-Economic theory	Macro-economic theory	Econometrics	none of the above
35	Choice is created by the	Abundance of resources	Scarcity of resources	Urgency of needs	Non-Availability of resources
36	Which of the following is not within the scope of Business Economics	Capital Budgeting	Risk Analysis	Business Cycles	Accounting Standards
37	A study of how increases in the corporate income tax rate will affect the national unemployment rate is an example of	Macro-Economics	Descriptive Economics	Micro-economics	Normative economics
38	Administered prices refer to	Prices determined by forces of demand and supply	Prices determined by sellers in the market	Prices determined by an external authority which is usually the government	None of the above
39	The difference between Positive and Normative Economics is	Positive Economics explains the performance of the economy while Normative Economics finds out the reasons for poor performance	Positive Economics describes the facts of the economy while Normative Economics involves evaluating whether some of these are good or bad for the welfare of the people	Normative Economics describes the facts of the economy while Positive Economics involves evaluating whether some of these are good or bad for the welfare of the people.	Positive Economics prescribes while Normative Economics describes.
40	Capital intensive techniques would get chosen in a	Labour surplus economy where the relative price of capital is lower	Capital surplus economy where the relative price of capital is lower.	Developed economy where technology is better	Developing economy where technology is poor.
41	Exploitation and inequality are minimal under	Socialism	Capitalism	Mixed economy	None of these
42	Economic is _____.	Not a normative science	Not a positive science	Partly science & partly arts	Neither a normative nor a positive science

43	The meaning of the word "Economics" is most closely connected with the word:	Extravagant	Scares	Unlimited	restricted
44	'Resources" refer to	Productive resources	Unproductive resources	Money only	None of the above
45	When does an economic expansion occur in the business cycle?	At the peak of the business cycle	At the trough of the business cycle	Between the peak and trough	Between the trough and peak
46	Increasing Prosperity and High standards of living are the characteristics of	Peak	Contraction	Expansion	Trough
47	The end of expansion is termed as —	Peak	Contraction	Expansion	Trough
48	The beginning of recession is	Peak	Contraction	Expansion	Trough
49	Severe form of recession is	Contraction	Depression	Expansion	P e a k
50	Even with lower rate of interest, demand for credit declines in	Expansion Phase	Peak	Contraction Phase	Depression
51	Which of the following statements is true?	An Economy grows endlessly	An Economy Contracts endlessly	It is easy to predict turning points of Business Cycle	None of the above
52	Which of the following statement is not correct?	Business Cycles are periodical	Business Cycles are regular	Business Cycles vary in intensity	Business Cycles vary in length
53	Changes in housing interest rate is a	a leading indicator	a coincident indicator	a lagging indicator	a cyclical indicator
54	Unemployment is a	a leading indicator	a coincident indicator	a lagging indicator	a cyclical indicator
55	GDP is a	a leading indicator	a coincident indicator	a lagging indicator	a cyclical indicator