

EKATVAM ACADEMY
TEST PAPER 3 (CHP-1 UNIT 1)
ECONOMICS

Marks-30

1. Business economics is pragmatic in its approach because?
 - (a) It tackles practical problem which the firm faces in real world.
 - (b) It tackles practical problem which the firm faces due to WTO policies
 - (c) It tackles practical problem which the firm faces due to lack of directors.
 - (d) Business economics is abstracts and purely theoretical.
2. An economy exists because of two basic Facts i.e.....
 - (a) Human wants are limited and resources are unlimited
 - (b) Human wants are unlimited and resources are unlimited
 - (c) Human wants are unlimited and resources are scare
 - (d) Human wants are limited and resources are abundant
3. A study of how increase in the corporate income tax rate will affect the natural unemployment rate is an example of:
 - (a) Micro Economics
 - (b) Descriptive Economics
 - (c) Micro Economics
 - (d) Normative Economics
4. In which of the following methods conclusions are drawn on the basis of collection and analysis of facts?
 - (a) Deductive method
 - (b) Scientific method
 - (c) Inductive method
 - (d) Experimental method
5. Which of the following falls under micro economics?
 - (a) National Income
 - (b) General price level
 - (c) Factor pricing
 - (d) National saving and Investment
6. Which book of economics is known as first book of modern economics?
 - (a) An Inquiry into nation
 - (b) An inquiry into wealth of nation
 - (c) An inquiry into wealth
 - (d) Wealth of nation
7. Micro economics does not study:
 - (a) Consumer behaviour
 - (b) factor pricing
 - (c) General price level
 - (d) Firms equilibrium
8. Which one of the following is not the scope of business economics?
 - (a) Cost standards
 - (b) Cost analysis
 - (c) Demand analysis
 - (d) Inventory management
9. Business Economists use method(s) _____ to maintain optimum stock of inventories.
 - (a) ABC Analysis
 - (b) Simple simulation exercises
 - (c) Mathematical models
 - (d) All of the above

10. Positive science only explains
- What is ?
 - What ought to be?
 - What is right or wrong
 - None of the above
11. The management of a business unit generally needs to make _____.
- Strategic Decision
 - Tactical Decision
 - Operational Decision
 - All of the above.
12. Scarcity definition of Economics is given by.
- Alfred Marshall
 - Samuelson
 - Robinson
 - Adam Smith
13. Business Economic is pragmatic in approach because of which of the following cause?
- Based on assumptions
 - Tackles practical problems
 - Considers profit only
 - Considers internal value
14. Mrs. Reshma, a CEO of a company had decided to expand the business by introducing a new product into market. She hires a consultant to guide her for deciding the pricing of the new product, study the consumer behaviour and the staff requirements. Approach of consultant will be towards_____
- Applied Economics
 - Econometrics
 - Macro Economics
 - Micro Economics
15. The book “Wealth of Nations” was written by
- Alfred Marshall
 - Join Robinson
 - Adam Smith
 - Robert Malthus
16. The meaning of time element in Economics is:
- Calendar time
 - Clock time
 - Operational time in which supply adjusts with the market demand
 - None of the above
17. Business Economics is _____ in its approach as it tackles practical problems which the firm faces in the real world.
- Scientific
 - Programmatic
 - Theoretical
 - Mathematical
18. _____ explains the relationship between inputs and output.
- Production Theory
 - Demand Analysis
 - Inventory Management
 - None of the above
19. Analysis of impact of Covid – 19 on the Indian economy is a subject matter of _____.
- Macroeconomics
 - Microeconomics
 - Economics of slicing
 - Normative economics
20. Adam Smith published his masterpiece “An enquiry into the nature and causes of wealth of nations” in the year
- 1776
 - 1786
 - 1789
 - 1790
21. Which of the following is not included in Economics?
- Family Structure

- (b) Managerial Economics
 - (c) Micro Economics
 - (d) Macro Economics
22. All wants of an individual are not of:
- (a) Equal importance
 - (b) Immediate importance
 - (c) Fixed importance
 - (d) All of the above
23. Adam Smith defined Economics in terms of:
- (a) The Science of welfare
 - (b) The Science of scarcity
 - (c) The Science of wealth
 - (d) The Science of wealth and Welfare
24. Business Economics relies heavily on the techniques of _____.
- (a) Micro Economics
 - (b) Macro Economics
 - (c) Normative Science only'
 - (d) Economics discipline only
25. Business Economics with the help of advanced tools like _____ enables the firm to arrive at the best course of action for optimum utilization of available resources.
- (a) Accounting (b) Finance
 - (c) Linear Programming
 - (d) Marketing Mix.
26. Business Economics is
- (a) Normative in nature
 - (b) Interdisciplinary in nature
 - (c) Both
 - (d) None
27. The benefit of economic study is-
- (a) It ensure that all problems will be appropriately tackled
 - (b) It helps in identifying problems
 - (c) It enable to examine a problem in its right perspective
 - (d) It gives exact solutions to every problem.
28. Study of the behaviour of different individuals and organizations within an economic system is called?
- (a) Industrial Economics
 - (b) Macro Economics
 - (c) Micro Economics
 - (d) Welfare Economics
29. Who gave the positive aspect of science ?
- (a) Alfred Marshall (b) A. C. Pigou
 - (c) Adam Smith (d) Robbins
30. Economic goods are considered scarce resources because they:
- (a) Cannot be increased in quantity.
 - (b) Do not exist in adequate quantity to satisfy the requirements of the society.
 - (c) Are of primary importance in satisfying social requirements
 - (d) Are limited to man made goods.