ECONOMIC ANALYSIS

K1 LEVELS

1. If Mux>Px the consumer

A) Has reached the equilibrium B) has started incurring losses

C) Can consume more of X D) Must stop consuming

2. The problem of ‘what to produce’ relates to:

A) The choice of technique B) Distribution of income

C) Market value of goods **D)The choice of goods**

3. Which of the following is not the central problem of economy?

A) What to produce? **B) Where to produce**

C) For whom to produce? D) None of these

4. Which of the following is related to the problem ‘How to produce’?

A) Factorial distribution of Income **B) The choice of technique**

C) The choice of product D) None of these

5. The author of wealth definition is

A) Alfred marshal B) Lionel robin

C) Adam smith D) Samuelson

6. Traditional economy is a

A) Subsistence economy B) Market economy

B) Command economy C) monetary economy

7. The basis force that drives the capitalist economy is

A) Planning B) Technology

C) Government **D) Profit-motive**

8. Single commodity consumption mode is

A) Production possibility curve B) Law of equi marginal utility

C) Law of supply **D) Law of diminishing marginal utility**

9. Consumer surplus is potential price actual price

A) Potential price -actual price B) MUn=TUn-TUN-1

C) Demand =supply D) None

10. Utility is a

A) Social concept B) Subjective /psychological concept

C) Political concept C) scientific concept

11. Father of political economy?

A) Adam smith. B) Malthus

C) Marshall. D) Samuelson

12. In economics assumptions?

A).Make economics theory useless B).Mean other things equal

C).enable economistic to simplify reality. D).Used in micro and not in macroeconomist

13.Which of the following utility approach is based on the theory of Alfred Marshall?

A).Ordinal utility approach **B).cardinal utility approach**

C).None of D).Independent variable approach

14.Is the addition utility to total utility by the consumption of one additional unit of the commodity?

A).Total utility B).Ordinal utility

C).Average utility **D).Marginal utility**

15).production refers to?

A).Destruction of utility **B).Creation of utilities**

C).Exchange value D).None

16.A successful entrepreneur is one who ready to accept

A).Innovations **B).Risks**

C).Deciding the location of the production unit D).None

17.The firm and industry are one and the same under

A).Perfect competition. B).duopoly

C).oligopoly**D).monopoly**

18.Most important form of selling cost is

A).Advertisement B).Sales

C).Homogeneous product D). None

19).The author of the concept of quasi-rent is

A).Adam smith **B).Marshall**

C).Ricardo D).Samuelson

20. .the demand for labour is

A).Effective demand B).Direct demand C).Derived demand D). Elastic demand

21. Marshall wrote the book

A) Introduction to economics **B) principles of economics**

C) Classical economics D) micro economic theory

22. When MU is zero, TU is

A) Zero B) negative

C) Increases **D) maximum**

23. The demand for necessaries is

A) Elastic **B) inelastic**

C) Unitary elastic D) perfectly elastic

24. …………utility is a utility derived from the last unit of the commodity consumed

A) Total B) marginal

C) Both D) None of these

25. Market systems means

A) Socialism **B) capitalism.**

C) A place where goods are traded D) All the above

26. Marshall in his definition of economic

A) Uses the concept of material welfare

B) Dislikes wealth.C) Accuses Adam D) Praises Robbins

27. The law of equi marginal utility is otherwise called as

A) Law of substitution B) Law of DMU

C) Law of negative returns D) none of these

28.Changes in demand occurs due to the changes in

A) Income B) Price of related goods.

C) Taste and preference **D) All the abov**

29.The idea of equi - marginal principle was first mentioned by

A) Marshall **B) H. H. Gossen**

C) Adam smith D) None of these

30.Desire to have a commodity or service is called as

A) Want B) Utility.

C) Goods D) None of these

31.If MU is decreasing then:

A) Total utility must be decreasing B) total utility must be below zero

C) Neither A nor B is true

32. When marginal utility diminishes, total utility:

A) Diminishes B) increases

C) Remains **constant** **D) increase at a diminishes rate**

33. The law of equi-marginal utility is otherwise called as:

A) Law of substitution B) Law of diminishes MU

C) Law of negative returns D) None of these

34. The marginal utility curve is :

A) Downward sloping B) Upward sloping

C) Vertical D) Horizontal

35. When MU is zero, TU is:

A) Zero B) negative

C) Increases **D) maximum**

36. The desire to have a commodity or service is called:

A) Want B) utility

C) Goods D) none of these

37. The demand for comforts is :

A) Elastic B) inelastic

C) Unitary elastic D) perfectly elastic

38. Welfare definition of economics was given by :

A) Adam Smith **B) Alfred Marshall**

C) Lionel Robins D) Samuelson

39. By making a table, a carpenter creates:

A) Form utility B) place utility

C) Service utility D) none of these

40."Change in demand" occurs due to the change in:

A) Income B) prices of related goods

C) Taste and preference **D) All of these**

41."Economics is the science of wealth" who gave this definition

A) J. k .Mehta B) Marshall

C) Adam smith D) Robbins

42. Who has given scarcity definition of economics?

A. Adam smith B) Marshall

C) Robbins D).Robertson

43. Passive factor of production is __________

A).only land B).only capital

C).Both land and capital D).Neither land or capital

44. Utility means __________

A). Power to satisfy a want B).usefulness

C). Willingness of a person D). Harm fullness

45. Characteristics of economic laws are _________

A). More statements of economic tendencies B). Less certain

C). Hypothetical **D). All the above**

46. Which theory is generally included under micro economics ?

A) Price theory B) Income theory

C). Employment theory D). None of the above

47. Marginal utility is equal to average utility at that time when Average utility is _________

A) Maximum B) Falling C) Minimum

48. Macro means ________

A) Small B) **Large** C) middle

49. According to Marshall, the basis of consumer supplies______

A) Law of diminishing marginal utility B) law of equi – marginal utility

C) Law of proportion D) all the above

50. Macro-economic output is usually measured by ________

A) Gross domestic product B) Economic policy

C) Either A or B D) None of the above

K2 Levels

1. What do you mean by Economic Analysis?

2. Define Utility based on economics?

3. What do you infer from indifference curve?

4. Define demand analysis?

5. Which are the key points to be considered for elastic demand?

6. What is mean by marginal utility?

7. Define indifference curve?

8. State the three approaches of economics?

9. What is social responsibility?

10. Define demand analysis?

11. State the meaning of demand analysis?

12. Explain law of demand?

13. What are the production factors?

14. What is demand schedule?

15. Define cost in economics?

16. Explain revenue in economics?

17. What is mean by wages?

18. Define law of supply?

19. Consumer Surpluses define?

20. What are the types of demand curve?

K3 LEVELS

1) Explain the various factors of production with relevant examples?

2) Develop specific methodologies for economic maximization?

3) Analyze the law of demand and differentiate it between price and quantity?

4) Evaluate the marginal productivity theory?

5) Explain the theory of wages with diagram?

6) Analyze the law of diminishing returns with relevant diagram?

7) Determine the functions of production?

8) Explain the functions of demand analysis with example?

9) Elaborate the law of diminishing marginal utility using diagram?

10) Construct the law of equi-marginal utility with diagram?

11) Explain the marginal productivity theory?

12) Describe the price and output determination under monopoly?

13) Explain the nature and scope of economics?

14) Analyze the difference between perfect competition and monopolistic competition?

15) Explain the theory of rent with suitable diagram?

16) Describe the law of variable proportions with diagram?

17) Explain the types of return to scale briefly with diagram?

18) Describe the types of cost with suitable example?

19) Explain the theory of interest with diagram?

20) Explain the approaches of economic analysis?

K4 LEVELS

1) Discuss the nature and economics of economics law.

2) Outline the indifference curve map. And explain the properties of indifference curve with diagram.

3) Discuss the law of demand?.

4) Distinguish between total and marginal utility?

5) Bring out the importance of law of diminishing marginal utility?

6) Mention the limitations of law of equi marginal utility?

7) How is the equilibrium price determined in the market period?

8) Analyse the determination of equilibrium price with a diagram.

9) Explain the merits and demerits of division of labor.

10) Describe the kinds of economies of scale.

11) Explain the marginal cost with suitable illustration?

12) Explain the features of perfect competition?

13) Contrast the price and output determined in the short run under perfect competition?.

14) Discuss Marginal productivity theory of distribution?

15) Describe the simple theory of income determination with a suitable diagram?.

16) Distinguish between micro economics and macroeconomics.

17) Is economics a positive science or a normative science?

18) Discuss the methods of economic analysis?

19) Explain consumer's surplus with the help of a diagram. And bring out its importance and it's criticism?

20) Explain the types of elasticity of demand?

K5 LEVELS

1) Examine the Nature and scope of economic analysis?

2) Differentiate the Measurement Utility and Marginal Utility with appropriate instances?

3) Classify the various approaches of economic analysis?

4) Conclude all the indifference curves with respective diagrams?

5) Compare the total cost method with the total revenue method?

6) Categorize the economic social responsibility with instances

7) Discover the Elastic demand curve - vividly?

8) Conclude the concept of consumer surplus with respective diagram?

9) Categorize the demand analysis schedule with the calculation of market demand?

10) Examine all the factors of production vividly?

11) Discuss about nature and scope of economics?.

12) Conclude the social responsibilities with the relevant examples in economics

13) Describe the approaches of economic analysis

14) Conclude the consumer surpluswith the suitable diagram in modern economics?

15) Compute the demand schedule with the suitable diagram?

16) Discus about demand curve with suitable diagram?

17) Explain about the scale of production with suitable diagram.

18) Describe the equilibrium of the industry under perfect competition.

19) Examine the equilibrium of the firm under perfect competition.

20) Explain about pricing with their advantages in economics?

21) Discus about the assumption of marginal productivity theory?