

Test / Exam Name: Economics - Introduction To Micro Economic Standard: 11th Commerce Subject: Economics

Student Name: Section: Roll No.: Questions: 27 Time: 01:45 hr:mm Marks: 50

Instructions

1. Make sure to write in the point formation. You handwriting should be neat and clean
2. New section on new page
3. Honesty is the best policy.

SECTION-A

Q1. Consuming two goods, consumer attains equilibrium when:
 1. $MU_1 > MU_2$ 1 Mark

2. $MU_2 > MU_1$
3. $MU_1 = MU_2$
4. $TU_1 = TU_2$

A $MU_1 > MU_2$ B $MU_2 > MU_1$
 C $MU_1 = MU_2$ D $TU_1 = TU_2$

Q2. Which of these is a positive economic statement.
 A Farming sector should be brought within the ambit of taxation. 1 Mark

B Public outlay on infrastructure should be increased to pace with developed economies.

C Government oil subsidy burden is mounting day by day.

D CRR should be hardened to check inflation.

Q3. Which of the following is not concerned with the problem of choice?

1. Excessive income.
2. Alternative use of resources.
3. Unlimited wants.
4. Limited (scarce) resources.

A Excessive income. 1 Mark

B Alternative use of resources.

C Unlimited wants.

D Alternative use of resources.

Q4. Any point beyond PPF is _____.

- A Attainable
- B Unattainable
- C Attainable with increase in production facilities.
- D None of the above

Q5. When the rate of money inflation increases then the prices of commodities _____.

- A Increase
- B Decrease
- C Remain constant
- D Do not change

Q6. An economy is broadly classified as:

- A Market economy.
- B Centrally planned economy.
- C Mixed economy.
- D All of the above.

Q7. Which of the following is an assumption of Production Possibility Frontier?

- A Resources are not fully employed.
- B Resources are not equally efficient for production of the two goods.
- C Resources are not efficiently employed.
- D Resources available are not fixed.

Q8. Direction: In the following question, a statement of Assertion is given followed by a corresponding statement of Reason. Of the statements, mark the correct answer as:

Assertion (A): Positive economics is concerned with what ought to be

Reason (R): Normative economics deals with descriptive statements and facts.

- A Both Assertion (A) and Reason (R) are true and Reason (R) is correct
- B Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
- C Assertion (A) is true but Reason (R) is false.
- D Assertion (A) is false but Reason (R) is true.

Q9. State the fundamental problem of an economy that resulted in the emergence of central economic problems. 1 Mark

Q10. What does the movement from one point to another along a PPC show? 1 Mark

OR

What does a movement along the production possibility curve indicate?

Q11. A doctor has a private clinic in New Delhi and his annual earnings are ₹ 10 lakh. If he works in a government hospital in New Delhi, his annual earning will be ₹ 8 lakh. What is the opportunity cost of having a clinic in New Delhi? 1 Mark

Q12. Is the study of cotton textile industry, a microeconomic study or a macroeconomic study? 1 Mark

Q13. Which of the following statements are true or false? Give reason. 1 Mark

An economy cannot operate on any point outside the curve.

Q14. Give one/ two examples of microeconomics study. 1 Mark

OR

Name any three variables of microeconomics.

Q15. Giving reasons, state whether the following statements are true or false. 2 Marks

A job guarantee scheme will lead to a rightward shift of PPF.

Q16. Giving reasons, state whether the following statements are true or false. 2 Marks

PPC is concave shaped as production of one good can be increased only by reducing quantity of another good.

Q17. State the central problems of an economy. 2 Marks

Q18. What do you understand by positive economic analysis? 2 Marks

Q19. Is market demand the part of microeconomic theory? 2 Marks

Q20. What do you mean by the production possibilities of an economy? 2 Marks

SECTION-B

Q21. In what circumstances may the production possibilities frontier shift away from the origin? Explain. 3 Marks

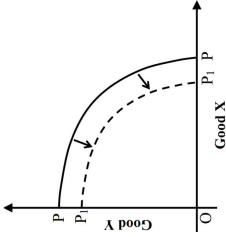
Q22. What is the slope of Production Possibility Curve? What does it show? 3 Marks

Q23. Explain the meaning of opportunity cost with the help of production possibility schedule. 3 Marks

Q24. What is opportunity cost? Explain with the help of a numerical example. 3 Marks

SECTION-C

Q25. What will likely be the impact of large scale outflow of foreign capital on Production Possibility Curve of the economy and why? 4 Marks



Q26. Explain the problem of 'what to produce'. Explain the central problem of "What is produced and in what quantities". 4 Marks

Q27. Assuming that no resource is equally efficient in production of all goods, name the curve which shows production potential of the economy. Explain, giving reasons, its properties. 4 Marks