1. “Human wants have unlimited wants” & “The means are relatively scarce” form  
   a) Definition of Economics  
   b) Meaning of Economics  
   c) Subject matter of Economics  
   d) None

2. Economics not just deals with how a nation allocates its scarce resources but deals with ________ by which productive capacity of resources can be in-creased:  
   a) Principles  
   b) laws  
   c) decisions  
   d) Processes

3. The term “Economics’ owes its origin to the Greek word  
   (a) Aikonomia  
   (b) Wikonomia  
   (c) Oikonomia  
   (d) None of the above

4. Oikonomia means  
   (a) Industry  
   (b) Household  
   (c) Services  
   (d) None of the above

5. “Economics is a study of.....in the ordinary business of life.” Alfred Marshall  
   (a) Human  
   (b) Wealth  
   (c) Mankind  
   (d) Agriculture

6. The meaning of Greek words “OIKOU & NOMOS”  
   (a) Micro and macro economics  
   (b) The rule of economics  
   (c) House Hold Management  
   (d) The Law of Management

7. Economics is called ... of social sciences  
   (a) Branch  
   (b) Queen  
   (c) King  
   (d) None

8. Who is the father of Economics?  
   (a) Lionel Robbins  
   (b) Alfred Marshall  
   (c) Adam Smith  
   (d) Paul Samuelson

9. Economics is the study of –  
   (a) How society manages its unlimited resources  
   (b) How to reduce our wants until we are satisfied  
   (c) How society manages its scarce resources  
   (d) How to fully satisfy our unlimited wants

10. Operation Research, Statistics, Mathematics & Theory of Decision - Making has close connection with__________  
    (a) Pure Economics  
    (b) Business Economics  
    (c) Econometrics  
    (d) None

11. Economics provides certain….. which can be used for solving various business problems?  
    (a) Tools  
    (b) Methods  
    (c) Principles  
    (d) Laws
12. Professor _________ has defined the concept of Business Economics:
   (a) Alfred Marshall   (b) Samuelson
   (c) Hicks           (d) Joel Dean

13. Application of quantitative technique like, linear programming, Capital budgeting, Break-even analysis are the components of __________ Economics
   (a) Pure         (b) Business
   (c) Micro        (d) Neither (a) or (b)

14. Business Economics implies:
   a) Combination of manufacturing activity & applied economics;
   b) Combination of business & trading;
   c) Combination of business & profit;
   d) All of the above

15. Business Economics is:
   a) Abstract & applies the tools of Micro economics;
   b) Practical application of economic theory in business decision making;
   c) Incorporates tools from multiple decisions
   d) Both b & c

16. Which one is not within the scope of Business Economics?
   (a) Capital budgeting        (b) Risk analysis
   (c) Business Cycle          (d) Accounting Standards

17. Business Economics is __________ as it deals both quantitative tools & practical application for attainment of set objectives:
   (a) Science & Art           (b) Only science
   (c) Only art                (d) None

18. Business Economics is:
   (a) Branch of general economics
   (b) Comprising pure economics
   (c) Combination of “consumption & production units
   (d) Both b & c

19. Business Economics comprises of:
   (a) Micro economic in nature (b) Pragmatic in nature
   (c) Quantitative analysis   (d) All of the above

20. Scarcity of resources means?
   (a) Non –existence of resources (b) Limited resources
   (c) Both a& b               (d) None

21. The Law of scarcity-
   (a) Does not apply to rich/developed countries
   (b) Applies only to the less developed countries
   (c) Implies that Consumer’s wants will be satisfied in a socialistic system
   (d) Implies that consumer; wants will never be completely satisfied
22. Business Economics is “________ in approach” as it not only deals with theory but tackles practical problems of firms:
   (a) Positive    (b) Inductive    (c) Realistic    (d) Pragmatic

23. Business Economics is “________ in nature” as it incorporates tools from other disciplines such as Mathematics, Management theory, Accounting, Finance etc.:
   (a) Positive    (b) Inductive
   (c) Interdisciplinary    (d) Pragmatic

24. Demand analysis, forecasting, production & cost analysis, inventory management are _______ Economics applied to operational or internal issues
   (a) Micro    (b) Macro    (c) Pure    (d) Pragmatic

25. “Work in process”, ‘Raw materials’, ‘Finished goods’ are the forms of ________
   (a) Demand forecasting    (b) Inventory management
   (c) Market research    (d) None

26. Environmental factors are part of ___ Economics:
   (a) Pure    (b) Macro    (c) Micro    (d) None

27. The Central Economic problem is –
   (a) What to produce?    (b) How to produce?
   (c) For whom to produce?    (d) All of above

28. Theory of capital & investment decisions, risk & uncertainty are the parts of ________
    Economics applied to operational issues:
   (a) Pure    (b) Macro    (c) Micro    (d) None

29. The central problem in economics is that of –
   (a) Comparing the success of command versus market economies
   (b) Guaranteeing that production occurs in the most efficient manner
   (c) Guaranteeing a minimum level of income for every citizen
   (d) Allocating scarce resources in such a manner that a society’s unlimited needs or wants are satisfied as well possible.

30. Micro Economics is connected with......
   (a) Consumer’s Behavior    (b) Product Pricing
   (c) Factor Pricing    (d) All of these

31. When we are studying how a producer fixes prices of products we deal with:
   (a) Macro Economics    (b) Micro Economics
   (c) Both a & b    (d) None

32. Right of private property is found in –
   (a) Socialism    (b) capitalism
   (c) mixed economy    (d) none of these
33. Which of the following is a study of particular units rather than all the units combined?
   (a) Macro Economics    (b) Micro Economics
   (c) Welfare Economics   (d) None

34. Which of the following refer to the micro economic aspects from a national angle:
   (a) Per capita income of the country    (b) Capital-output ratio in steel industry
   (c) Income from the railways           (d) Both (b) & (c)

35. State which refers to micro economic approaches from a national angle:
   (a) Unemployment among the educated people
   (b) Inflation in the Economy
   (c) Lockout in Indian Airlines
   (d) Distribution of coal in the country

36. Which of the following falls under Micro Economics?
   (a) National Income    (b) General Price level
   (c) Factor Pricing     (d) National Saving and investment

37. Price theory is also known as
   (a) Positive Economics  (b) Normative Economics
   (c) Micro Economics     (d) Macro Economics

38. Macro Economics is the study of.....
   (a) All aspects of scarcity
   (b) The national Economics and the global Economy as a whole
   (c) Big businesses
   (d) The decisions of individual businesses and people

39. When we study why saving rates are high or low, we are studying
   (a) Macro Economics    (b) Micro Economics
   (c) Econometrics       (d) Both (a) & (b)

40. Identify the correct statement –
   (a) In the deductive method logic proceeds from the particular to the general
   (b) Micro and macro Economics are interdependent
   (c) In a capitalist Economy economic problem are solved by Planning Commission
   (d) Higher the prices, lower is the quantity of a product is a normative statement

41. Economics considered with welfare propositions are called...... economics:
   (a) Socialist          (b) Capitalist       (c) Positive       (d) Normative

42. An example of positive Economic analysis would be-
   (a) An analysis of the relationship between the price of food and the quantity.
   (b) Determining how much income each person should be guaranteed
   (c) Determining the fair price for food
   (d) Deciding how to distribute the output of the Economy
43. Economics as a positive science should be between ends.
   (a) Unique (b) socially responsible
   (c) Neutral (d) Inspiring

44. Normative aspect of Economics is given by:
   (a) Marshall (b) Robbins (c) Adam Smith (d) Samuelson

45. Which of the following is an example of normative science?
   (a) Rich people should be taxed more
   (b) Free education should be given to the poor
   (c) India should spend more money on defence
   (d) All of the above

46. Normative aspect of Economics is given by:
   (a) Marshall (b) Robbins (c) Adam Smith (d) Samuelson

47. Social insurance, sickness benefits, old age pension, etc are some social benefits provided by 
   (a) State in capitalist economy (b) State in socialist economy
   (c) State in mixed economy (d) Both b and c

48. Which of the following statements is normative?
   (a) Large government deficits cause an Economy to grow more slowly
   (b) People work harder if the wage is higher
   (c) The unemployment rate should be lower
   (d) Printing too much money cause inflation

49. The difference between positive & normative economics is:
   (a) Positive economics explains the performance of the economy while normative economics finds out the reasons for poor performance
   (b) 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
   (c) 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
   (d) Positive economics prescribes while normative economics describes

50. Exploitation & inequality are minimal under:
   (a) Socialism (b) Capitalism (c) Mixed economy (d) None

51. Who gave the positive aspect of science:
   (a) Marshall (b) Robbins (c) Adam Smith (d) Samuelson

52. Inequality of income does not perpetuate in:
   (a) Socialism (b) Capitalism (c) Mixed economy (d) None
53. In which economic system all the means of production are owned and controlled by private individuals for profit:
(a) Socialism  (b) Capitalism  
(c) Mixed economy  (d) Communism

54. Freedom of choice is the advantage of
(a) Socialism  (b) Capitalism  
(c) Mixed economy  (d) Communism

55. In which type of economy do consumers and producers make their choices based on the market forces of demand and supply?
(a) Open  (b) Controlled  (c) Command  (d) Market Economy

56. In a free market economy, when consumers increase their purchase of a goods and the level of ______ exceeds ______ then prices tend to rise:
(a) Demand  (b) Supply, Demand  
(c) Prices, Demand  (d) Profit, Supply

57. A Free Market economy solves its central problems through
(a) Planning authority  (b) Market mechanism  
(c) Both  (d) None

58. Find out the correct statement:
(a) Higher the prices the lower the quantity demanded is “Normative statement’
(b) Micro & Macroeconomics are independent to each other
(c) In capitalist economy economic problems are solved by Planning Commission
(d) In deductive method logic proceeds from particular to general

59. Under a controlled economy____.
(a) State plays a major role  
(b) Central authority decides how much will be produced  
(c) Both (a) & (b)  
(d) Neither (a) nor (b)

60. Mixed economy.
(a) All economic decisions are taken by the central authority  
(b) All economic are taken by private entrepreneurs  
(c) Economic decisions are partly taken by the state and partly by the private entrepreneurs  
(d) None