

Week 1 MCQs

1. Who is the instructor of the Conservation Economics course?
 - A. An unknown professor
 - B. Dr. Ankur Awadhiya, IFS (Correct)**
 - C. A student of IIT Kanpur
 - D. A member of the Department of Biotechnology

2. What is the primary goal of the Conservation Economics course?
 - A. To teach only economics principles
 - B. To solely focus on conservation techniques
 - C. To understand the interlink between conservation and economics (Correct)**
 - D. To explore only funding for conservation

3. What is the course structure?
 - A. A single lecture
 - B. One module with a single lecture
 - C. Several modules, each with 3-4 lectures (Correct)**
 - D. A continuous stream of lectures

4. What does the word 'conservation' mean etymologically?
 - A. To protect wildlife only
 - B. To manage scarce resources
 - C. To keep together (Correct)**
 - D. To destroy the environment

5. Why are tigers important for forest conservation?
 - A. Because of human affection for tigers
 - B. Because tigers are ferocious animals
 - C. Because tigers protect forests by controlling herbivore populations (Correct)**
 - D. Because tigers are loved by humans throughout history

6. What is the role of herbivores in forest ecosystems?
 - A. They only deplete young plants
 - B. They have no significant role
 - C. They aid in seed dispersal and germination (Correct)**
 - D. They cause forest fires and diseases

7. What is a potential drawback of human intervention to control herbivore populations?

- A. It promotes forest growth
 - B. It always leads to sustainable outcomes
 - C. It often leads to the killing of the healthiest animals (Correct)**
 - D. It is always a cost-effective solution
8. Where are many new disease cures often found?
- A. In agricultural monocultures
 - B. From synthetic chemicals only
 - C. From different plants found in forests (Correct)**
 - D. Exclusively from tiger parts
9. What is the etymological meaning of 'Economics'?
- A. The study of money
 - B. The study of markets
 - C. The study of how to manage a household (Correct)**
 - D. The study of government policies
10. What is a key element that creates the need for economic decisions?
- A. Unlimited resources
 - B. Abundant resources
 - C. Scarcity of resources (Correct)**
 - D. Lack of wants
11. What are externalities in economics?
- A. Benefits to factory owners only
 - B. Costs incurred by the factory owners
 - C. Impacts of one person's actions on others' welfare (Correct)**
 - D. Benefits solely to the environment
12. What is an example of a negative externality mentioned in the text?
- A. Factory providing jobs
 - B. Clean air and water
 - C. Noise and pollution from a factory (Correct)**
 - D. Increased tiger population
13. What is the Coase theorem related to?
- A. Promoting pollution
 - B. Ignoring externalities
 - C. Solving the problem of externalities (Correct)**

D. Increasing factory profits

14. What is an example of an economic decision leading to ecosystem collapse?

A. Sustainable fishing practices

B. Protecting forests

C. Overharvesting of whales (Correct)

D. Planting trees

15. Why is conservation important for economic well-being?

A. It solely benefits wildlife

B. It doesn't impact economic well-being

C. It provides essential resources and services at a cheaper cost (Correct)

D. It increases the cost of amenities

16. What is the anthropocene?

A. The age of dinosaurs

B. The age of human beings (Correct)

C. The ice age

D. The age of tigers

17. What is sustainable development?

A. Using resources for short-term benefits only

B. Exploiting all resources immediately

C. Meeting present needs without compromising future needs (Correct)

D. Ignoring the needs of future generations

18. What is an example of unsustainable development?

A. Planting trees

B. Conserving water

C. Killing a goose that lays golden eggs for all its eggs (Correct)

D. Investing in renewable energy

19. What are some modern impacts necessitating conservation?

A. Increased tiger population

B. Abundant rainfall

C. Climate change, plastics, and oil spills (Correct)

D. Decreased human population

20. What are push and pull factors in relation to wildlife?

- A. Factors unrelated to conservation
- B. Factors determining species extinction
- C. Factors determining species migration and survival (Correct)**
- D. Factors promoting species growth

21. What is ecotoxicology concerned with?

- A. The benefits of toxins
- B. The positive impacts of development
- C. The negative impacts of toxins on ecosystems (Correct)**
- D. The growth of plants

22. What is a key aspect of understanding Economics for effective conservation?

- A. Ignoring economic decisions
- B. Understanding only conservation methods
- C. Understanding how economic decisions are made (Correct)**
- D. Focusing on only profits

23. What is a factor influencing market outcomes?

- A. Only consumer preferences
- B. Only producer decisions
- C. Government policies (Correct)**
- D. Lack of regulation

24. What are externalities related to?

- A. Only individual well-being
- B. Only environmental impact
- C. Impacts on the welfare of bystanders (Correct)**
- D. Only economic profits

25. What is a key consideration in industrial organization and conservation?

- A. Ignoring cost-cutting measures
- B. Promoting only profits
- C. Understanding cost-cutting measures and their impact (Correct)**
- D. Ignoring competition

26. What is a factor that can lead to environmental pressure?

- A. High productivity of people
- B. High income levels
- C. Poverty and low productivity (Correct)**
- D. Abundant resources

27. What is behavioural economics concerned with?
- A. Only rational decision making
 - B. Only market dynamics
 - C. The role of psychology in economic decisions (Correct)**
 - D. Ignoring human behaviour
28. What is opportunity cost?
- A. The explicit cost of a good
 - B. The cost of producing something
 - C. The next best alternative forgone (Correct)**
 - D. The profit from a decision
29. What is a trade-off?
- A. Getting everything you want
 - B. Unlimited resources
 - C. Giving up something to get something else (Correct)**
 - D. Having no limitations
30. What is an example of a trade-off at the societal level?
- A. Choosing between ice cream and chocolates
 - B. Deciding between guns and butter (Correct)**
 - C. Deciding what to eat for dinner
 - D. Choosing what clothes to wear
31. What is a production possibility frontier?
- A. A line showing unlimited production possibilities
 - B. A line showing the maximum possible output (Correct)**
 - C. A map of a country
 - D. A graph of consumer preferences
32. What is the difference between efficiency and equality?
- A. They are always equal
 - B. They are unrelated concepts
 - C. Efficiency is maximizing output, equality is uniform distribution of wealth (Correct)**
 - D. Efficiency is always prioritized over equality
33. What is explicit cost?
- A. A cost that requires an outlay of money (Correct)**

- B. A cost that does not require an outlay of money
- C. An opportunity cost
- D. A hidden cost

34. What is implicit cost?

- A. A cost that requires an outlay of money
- B. A cost that does not require an outlay of money (Correct)**
- C. An opportunity cost
- D. An explicit cost

35. What does it mean to think at the margin?

- A. Thinking about long-term effects only
- B. Considering only large changes
- C. Considering small incremental adjustments (Correct)**
- D. Ignoring trade-offs

36. What is an example of thinking at the margin for an airline?

- A. Refusing to sell a seat below average price
- B. Considering the marginal cost of adding one more passenger (Correct)**
- C. Ignoring the cost of additional fuel
- D. Selling tickets at a fixed price

37. Why do people face tradeoffs?

- A. Unlimited resources
- B. Abundant resources
- C. Scarcity of resources (Correct)**
- D. Lack of wants

38. What is the definition of cost?

- A. Something you gain
- B. Something you give up to get something else (Correct)**
- C. The profit you make
- D. Something that is free

39. What are incentives?

- A. Things that do not influence behavior
- B. Things that influence people to act (Correct)**
- C. Things that have no impact
- D. Things that are not rewards or punishments

40. What is a type of incentive mentioned in the text?

- A. Ignoring market prices
- B. Subsidies (Correct)**
- C. Not responding to market signals
- D. Ignoring government regulations

41. How do prices act as incentives?

- A. They have no impact on behavior
- B. They influence both consumer and producer behavior (Correct)**
- C. They only affect consumers
- D. They only affect producers

42. What is one way trade can benefit everyone?

- A. It limits specialization
- B. It reduces overall production
- C. It allows specialization and increased efficiency (Correct)**
- D. It only benefits producers

43. What is comparative advantage?

- A. Producing at a higher cost
- B. Producing at the same cost
- C. Producing at a lower opportunity cost (Correct)**
- D. Not being able to produce

44. How does specialization increase efficiency?

- A. It reduces overall output
- B. It uses resources more effectively (Correct)**
- C. It does not affect efficiency
- D. It increases opportunity cost

45. What is a market economy?

- A. An economy with a central planner
- B. An economy that allocates resources through decentralized decisions (Correct)**
- C. An economy with no interaction
- D. An economy with only one producer

46. What guides decisions in a market economy?

- A. Benevolence only

- B. Government control
- C. Prices and self-interest (Correct)**
- D. Random chance

47. What does the 'invisible hand' refer to in a market economy?

- A. Government intervention
- B. Central planning
- C. Self-regulating market forces (Correct)**
- D. Lack of regulation

48. What does the first principle of economics state?

- A. People always get what they want
- B. People have unlimited resources
- C. People face trade-offs (Correct)**
- D. People ignore costs

49. What is the definition of cost in economics?

- A. What you gain
- B. What you give up to get something (Correct)**
- C. The profit from a deal
- D. A monetary expense only

50. What does it mean to think at the margin?

- A. Making large decisions only
- B. Ignoring small changes
- C. Considering small incremental changes (Correct)**
- D. Not making decisions

51. What is an incentive?

- A. Something that has no impact
- B. Something that encourages or discourages action (Correct)**
- C. A random event
- D. Something that is always positive

52. What is an example of an incentive used by governments?

- A. Ignoring taxes
- B. Taxation on cigarettes (Correct)**
- C. Not regulating markets
- D. Not providing subsidies

53. How does trade generally affect economic well-being?

- A. It always harms everyone
- B. It only helps producers
- C. It makes everyone better off (Correct)**
- D. It has no significant impact

54. What is comparative advantage based on?

- A. Highest production cost
- B. Equal opportunity cost
- C. Lower opportunity cost (Correct)**
- D. Ignoring opportunity cost

55. How does specialization affect efficiency?

- A. It reduces efficiency
- B. It has no impact on efficiency
- C. It increases efficiency (Correct)**
- D. It is not related to efficiency

56. What characterizes a market economy?

- A. Centralized planning
- B. Decentralized decision-making (Correct)**
- C. No interaction between firms
- D. Only one producer

57. What guides decisions in a market economy?

- A. Only altruism
- B. Government mandates
- C. Prices and self-interest (Correct)**
- D. Random factors

58. What is the 'invisible hand' in economics?

- A. Government regulation
- B. Central planning
- C. Self-regulating market forces (Correct)**
- D. Unforeseen consequences

59. What is the main idea behind the first principle of economics?

- A. Unlimited resources

- B. Lack of choices
- C. Trade-offs due to limited resources (Correct)**
- D. No need for decisions

60. What does 'cost' represent in economics?

- A. Only monetary expenses
- B. What is gained
- C. What is given up to obtain something (Correct)**
- D. Something that is free

61. What does 'thinking at the margin' involve?

- A. Ignoring small changes
- B. Considering only large-scale impacts
- C. Analyzing small incremental changes (Correct)**
- D. Making irrational decisions

62. What are incentives in economics?

- A. Factors with no impact on behavior
- B. Factors that influence people's actions (Correct)**
- C. Random events
- D. Only positive rewards

63. Give an example of a government-implemented incentive.

- A. Ignoring market signals
- B. Subsidizing education (Correct)**
- C. Not regulating pollution
- D. Ignoring consumer needs

64. How does trade typically impact economic well-being?

- A. It always harms consumers
- B. It only benefits producers
- C. It improves overall economic well-being (Correct)**
- D. It has no effect

65. What is the basis of comparative advantage?

- A. High production costs
- B. Equal opportunity costs
- C. Lower opportunity costs (Correct)**
- D. Ignoring opportunity costs

66. How does specialization relate to efficiency?

- A. It decreases efficiency
- B. It has no impact on efficiency
- C. It increases efficiency (Correct)**
- D. It is unrelated to efficiency

67. What characterizes a market economy?

- A. Centralized control
- B. Decentralized decision-making (Correct)**
- C. Absence of interaction
- D. Only one producer

68. What guides economic decisions in a market economy?

- A. Altruism only
- B. Government regulations only
- C. Prices and self-interest (Correct)**
- D. Random factors only

69. What is the 'invisible hand'?

- A. Government intervention
- B. Central planning
- C. Self-regulating market forces (Correct)**
- D. Unpredictable outcomes

70. What is the core concept of the first principle of economics?

- A. Unlimited resources
- B. Lack of choices
- C. Trade-offs due to resource scarcity (Correct)**
- D. No need for decisions

71. What is the meaning of 'cost' in economics?

- A. Only monetary costs
- B. What you gain
- C. What you give up to get something (Correct)**
- D. Something always free

72. What is 'thinking at the margin'?

- A. Ignoring minor changes

- B. Focusing only on large-scale effects
- C. Considering incremental changes (Correct)**
- D. Making illogical choices

73. What are 'incentives'?

- A. Factors that don't affect behavior
- B. Factors that influence behavior (Correct)**
- C. Random happenings
- D. Only positive reinforcements

74. Provide an example of a government incentive.

- A. Ignoring market signals
- B. Providing education subsidies (Correct)**
- C. Deregulating industries
- D. Ignoring consumer demands

75. Generally, how does trade impact economic well-being?

- A. It harms consumers
- B. It only benefits producers
- C. It improves overall welfare (Correct)**
- D. It has no effect

76. What is 'comparative advantage' based on?

- A. Highest production costs
- B. Identical opportunity costs
- C. Lower opportunity costs (Correct)**
- D. Ignoring opportunity costs

77. How does specialization affect efficiency?

- A. It reduces efficiency
- B. It has no effect on efficiency
- C. It enhances efficiency (Correct)**
- D. It's unrelated to efficiency

78. What is a characteristic of a market economy?

- A. Centralized planning
- B. Decentralized decision-making (Correct)**
- C. No interaction
- D. One producer

79. What guides decisions in a market economy?

- A. Solely altruism
- B. Only government mandates
- C. Prices and self-interest (Correct)**
- D. Completely random factors

80. What is the 'invisible hand'?

- A. Government intervention
- B. Central planning
- C. Self-regulating market forces (Correct)**
- D. Uncertain outcomes

81. What is the central idea of the first principle of economics?

- A. Unlimited resources
- B. Absence of choices
- C. Resource scarcity leading to trade-offs (Correct)**
- D. No need for decisions

82. What is the meaning of 'cost' in economics?

- A. Monetary expenses only
- B. What you gain
- C. What is sacrificed to get something (Correct)**
- D. Something always free

83. What does 'thinking at the margin' entail?

- A. Ignoring minor adjustments
- B. Focusing only on large-scale changes
- C. Considering incremental adjustments (Correct)**
- D. Making irrational decisions

84. What are 'incentives'?

- A. Factors having no impact
- B. Factors influencing behavior (Correct)**
- C. Random occurrences
- D. Only positive rewards

85. Give an example of a government-used incentive.

- A. Ignoring market trends

B. Providing tax breaks (Correct)

C. Deregulating markets

D. Ignoring consumer needs

86. How does trade generally affect economic well-being?

A. It always harms everyone

B. It benefits only producers

C. It improves overall welfare (Correct)

D. It is neutral

87. On what is 'comparative advantage' based?

A. High production costs

B. Equal opportunity costs

C. Lower opportunity costs (Correct)

D. Disregarding opportunity costs

88. How does specialization influence efficiency?

A. Decreased efficiency

B. No change in efficiency

C. Increased efficiency (Correct)

D. Irrelevant to efficiency

89. What characterizes a market economy?

A. Centralized control

B. Decentralized decision-making (Correct)

C. No economic interaction

D. Single producer

90. What guides decisions in a market economy?

A. Pure altruism

B. Government commands

C. Prices and self-interest (Correct)

D. Pure chance

91. What is the 'invisible hand' in economics?

A. Government control

B. Central planning

C. Self-regulating market mechanisms (Correct)

D. Uncertain results

92. What is the main point of the first principle of economics?

- A. Unlimited resources
- B. Limited choices
- C. Trade-offs due to resource scarcity (Correct)**
- D. Decisions are unnecessary

93. What does 'cost' represent in economics?

- A. Only monetary costs
- B. What you acquire
- C. What you give up to get something (Correct)**
- D. Something that is always free

94. What is 'marginal thinking'?

- A. Ignoring small details
- B. Focusing solely on major changes
- C. Considering incremental adjustments (Correct)**
- D. Making illogical choices

95. What are 'incentives'?

- A. Factors with no behavioral influence
- B. Factors that influence behavior (Correct)**
- C. Random events
- D. Only positive motivations

96. What is an example of a government incentive?

- A. Ignoring market cues
- B. Offering tax incentives (Correct)**
- C. Deregulating industries
- D. Ignoring consumer desires

97. How does trade generally impact economic well-being?

- A. It always results in losses
- B. It benefits only producers
- C. It usually increases overall welfare (Correct)**
- D. It has a neutral impact

98. What is 'comparative advantage' based on?

- A. High production costs

- B. Similar opportunity costs
- C. Lower opportunity costs (Correct)**
- D. Ignoring opportunity costs

99. How does specialization affect efficiency?

- A. Decreases efficiency
- B. Has no effect on efficiency
- C. Increases efficiency (Correct)**
- D. Is irrelevant to efficiency

100. What characterizes a market economy?

- A. Centralized decision-making
- B. Decentralized decision-making (Correct)**
- C. Lack of interaction
- D. Single producer