

Multiple Choice Questions (Sample)

Topic-1

1. Which topic is microeconomic in nature?

- a. Unemployment rate
- b. Inflation rate
- c. **The price of Mango**
- d. None of the above

2. “An increase in the minimum wage will cause a decrease in employment among the least-skilled”-Which type of statement is this?

- a. **Positive**
- b. Normative
- c. Both
- d. None

3. Any point inside the PPF is called?

- a. Unattainable point
- b. **Inefficient point**
- c. Efficient point
- d. None of the above

4. Any point on the PPF is called?

- a. Unattainable point
- b. Inefficient point
- c. **Efficient point**
- d. None of the above

5. Unattainable point means any point:

- a. On the PPF
- b. Inside the PPF
- c. **Outside the PPF**
- d. None of the above

Topic-2: Demand, Supply and Equilibrium

1. Which of the following is determinant of Demand—

- a. Technology
- b. **Income**
- c. Input prices
- d. None of the above

2. In the market equilibrium diagram, price is in—

- a. Horizontal axis
- b. **Vertical axis**
- c. Both axis
- d. None of the above

3. Demand curve is—

- a. Positively sloped
- b. **Negatively sloped**
- c. Upward sloping
- d. Both (a) and (c)

4. Supply Curve is--

- a. Positively sloped
- b. Negatively sloped
- c. Upward sloping
- d. **Both (a) and (c)**

5. The term Ceteris Paribus means?

- a. **Other things being equal**
- b. Other things being unequal
- c. Other things being destroyed
- d. Other things being dynamic

6. Which one is not a determinants of Demand?

- a. Consumer Income
- b. **Input prices**
- c. Preferences
- d. Tastes

7. Which factor can lead to movement in the supply curve?

- a. **Product's Own Price**
- b. Input prices
- c. Technology
- d. Number of sellers

8. Which factor can lead to shift in the supply curve?

- a. Product's Own Price
- b. Income
- c. Taste
- d. **Number of sellers**

9. Suppose that consumers' income rise causes demand for a good to decrease. What kind of good is that?

- a. Normal
- b. **Inferior**
- c. Substitute
- d. Complementary

Multiple Choice Questions (Sample)

10. Suppose that consumers' income rise causes demand for a good to increase. What kind of good is that?

- a. Normal
- b. Inferior
- c. Substitute
- d. Complementary

11. If good B is a substitute for good A, and the price of good B increases:

- a. The quantity demanded for good A will increase
- b. The demand for good A will decrease
- c. The price of good A will decrease
- d. The quantity demanded of good B will increase

12. If good B is a complements for good A, and the price of good B increases:

- a. The quantity demanded for good A will increase
- b. The quantity demanded for good A will decrease
- c. The price of good A will decrease
- d. The quantity demanded of good B will increase

13. When a fall in the price of one good reduces the demand for another good, the two goods are called---

- a. Normal
- b. Inferior
- c. Substitute
- d. Complementary

14. When a fall in the price of one good increases the demand for another good, the two goods are called---

- a. Normal
- b. Inferior
- c. Substitute
- d. Complementary

15. Equilibrium price is set at point when---

- a. quantity demand < quantity supply
- b. quantity demand > quantity supply
- c. quantity demand = quantity supply
- d. None of the above

16. Shortage in the market occurs at point when---

- a. quantity demand < quantity supply
- b. quantity demand > quantity supply
- c. quantity demand = quantity supply
- d. None of the above

17. Surplus in the market occurs at point when-

- a. quantity demand < quantity supply
- b. quantity demand > quantity supply
- c. quantity demand = quantity supply
- d. None of the above