

FBQ1: _____ capital refers to investment in the education and technical training of an individual

Answer: *Human*

FBQ2: When total product reaches its maximum level, then marginal product is _____

Answer: *Zero*

FBQ3: _____ described Economics as political economy that has strangled itself with definition.

Answer: *J.N. Keynes*

FBQ4: _____ refers to productive wealth jointly owned by the members of the community.

Answer: *Social capital*

FBQ5: In the short-run period, a firm can alter only its _____ inputs in order to increase its output

Answer: *Variable*

FBQ6: This is a rate at which a nation's exports is exchanged with its imports is known as _____

Answer: *Terms of trade*

FBQ7: Isusu cooperative society is also known as _____ cooperative

Answer: *Credit and thrift*

FBQ8: _____ tells us about average changes over time in the prices of a fixed group of goods and services that are bought by consumers

Answer: *Consumer Price Index*

FBQ9: _____ reveals average change over time in the selling prices that domestic producers receive for their goods and services

Answer: *Producer Price Index*

FBQ10: The term "Agriculture" was derived from the Latin word _____

Answer: *Ager*

FBQ11: Risk shows how possible outcomes associated with management decisions are known. True or False?

Answer: *True*

FBQ12: _____ is a branch of agricultural economics which deals with wealth earning and spending activities of a farmer in relation to the organization and operation of the individual farm unit for securing the maximum possible net income

Answer: *Farm management*

FBQ13: _____ is a sub-division of economics which considers the allocation of limited resources within the individual farm.

Answer: *Farm management*

FBQ14: _____ is the most widely used measure of inflation which is estimated based on prices of food items, clothing, shelter, fuel, Medicare, transportation and other commodities purchased for day-to-day living.

Answer: *Consumer Price Index*

FBQ15: In cobweb cycle, if price elasticity of demand is less than that of supply, we get the _____ type of cobweb cycle.

Answer: *Divergent*

FBQ16: A _____ gives the total quantity of output of a given commodity that can be produced from a specified combination of factor inputs

Answer: *production function*

FBQ17: In the process of production, some factors of production are held constant in the _____

Answer: *short-run*

FBQ18: _____ shows the quantity of output that can be produced using different levels of inputs.

Answer: *Production Function*

FBQ19: At early stage of production, a firm's total cost was ₦200 at output level of 50 units. At a later stage, total cost was ₦350 at output level of 80 units. Calculate the firm's marginal cost.

Answer: *₦5*

FBQ20: The _____ of a factor is the total output divided by the number of units of that factor used in producing the output

Answer: *Average product*

FBQ21: The _____ tells us how total output changes as additional units of the variable input are applied to a specified quantity of the fixed input

Answer: *Law of diminishing returns*

FBQ22: _____ is the extra-cost of production one additional unit of the production

Answer: *Marginal Cost*

FBQ23: The AVC curve reaches a minimum and rises thereafter because of the _____

Answer: *Law of diminishing returns*

FBQ24: Marginal cost is the same as price multiplied by the reciprocal of the marginal product. True or False?

Answer: *True*

FBQ25: Average cost and marginal cost are equal when average cost is at a minimum. True or False?

Answer: *True*

FBQ26: The long-run average cost curve (LAC) is composed of a series of short-run "U" shaped average cost curves from which the firm selects the plant size that yields the lowest costs. True or False?

Answer: *True*

FBQ27: A variable input is one which quantity is use in the process of production does not change as the output level is changed. True or False?

Answer: *False*

FBQ28: _____ is the power of every commodity to satisfy the demand of an individual.

Answer: *Utility*

FBQ29: _____ Law states that as the quantity of a commodity consumed by an individual increases, the total utility yielded by that commodity increases but at a decreasing rate until a point is reached where total utility begins to decrease.

Answer: *Jevon's First*

FBQ30: At early stage of production, a firm's total cost was ₦200 at output level of 50 units. At a later stage, total cost was ₦350 at output level of 80 units. Calculate the firm's average cost at the early stage.

Answer: *₦4*

FBQ31: Utility is measured in _____

Answer: *Utils*

FBQ32: Indifference curve is derived from _____ approach

Answer: *Ordinal*

FBQ33: In cobweb cycle, if price elasticity of demand is equal that of supply, we get the uniform type of cobweb cycle. True or False?

Answer: *True*

FBQ34: Invisible Hand theory was described by

Answer: *Adam Smith*

FBQ35: "Economics is the science, which studies human behaviours as a relationship between ends and scarce means which have alternative uses." This definition of Economics is given by _____

Answer: *Lord Lionel Robbins*

FBQ36: In economics the central problem is _____

Answer: *Scarcity*

FBQ37: The prices of agricultural products follow the pattern of cycles indicated in the _____ theory

Answer: *Cobweb*

FBQ38: In cobweb cycle, if price elasticity of demand is greater than that of supply, we get the _____ type of cobweb cycle.

Answer: *Convergent*

FBQ39: _____ Risks are associated with the level of borrowing to fund the farm business

Answer: *Financial*

FBQ40: _____ can be measured through probability concepts

Answer: *Risk*

FBQ41: _____ takes place when the possible outcomes are unknown

Answer: *Uncertainty*

FBQ42: The _____ states that additional consumptions of units of a commodity give the individual less and less utility.

Answer: *law of diminishing marginal Utility*

FBQ43: _____ is an economic process by which goods and services are exchanged between the producers and the consumers and their values determined in terms of money prices

Answer: *Marketing*

FBQ44: _____ can be identified as a single activity which facilitates the movement of the product from the point of its production till it gets to the final consumer.

Answer: *Marketing function*

FBQ45: _____ is the actual quantity of a commodity that is available with the farmer after meeting up with his marketing desires

Answer: *Marketable surplus*

FBQ46: _____ is the knowledge applied by man to improve production or marketing process

Answer: *Technology*

FBQ47: _____ can be defined as a way of protecting our intentions, i.e. a method of deciding what we want to accomplish.

Answer: *Planning and projection*

FBQ48: _____ is a method of examining the profitability of alternative farm plans

Answer: *Farm budget*

FBQ49: _____ is a holistic budgeting

Answer: *Complete farm budget*

FBQ50: In cobweb cycle, if price elasticity of demand is less than that of supply, we get the _____ type of cobweb cycle.

Answer: *Explosive*

Multiple Choice Questions (MCQs):

MCQ1: An example of fixed cost is _____

Answer: Rent

MCQ2: _____ means distribution starts at the wholesale level where the processed products are channelled to ultimate consumer

Answer: Transportation

MCQ3: The partial derivative of the total cost function with respect to change in output is _____

Answer: Average cost

MCQ4: _____ factors are the long-term rise and fall of macro-economic indices or variables.

Answer: Trend

MCQ5: At early stage of production, a firm's total cost was ₦200 at output level of 50 units. At a later stage, total cost was ₦350 at output level of 80 units. Calculate the firm's average cost at the early stage.

Answer: ₦4

MCQ6: The supply of a good refers to _____

Answer: Stock available for sale

MCQ7: The cost of one thing in terms of the alternative given up is called _____

Answer: Production cost

MCQ8: Demand for factors of production is a _____

Answer: Joint demand

MCQ9: _____ is the excess of total expenditure over total receipt

Answer: Budget deficit

MCQ10: Cost push inflation occurs because of _____

Answer: wage push

MCQ11: The law of demand states that _____

Answer: as the quantity demanded rises, the price rises

MCQ12: The law of diminishing (marginal) returns states that as more of a variable factor is added to a certain amount of a fixed factor, beyond some point _____

Answer: Total physical product begins to fall

MCQ13: The demand for labour slopes downwards from left to right because of _____

Answer: The law of demand

MCQ14: The horizontal demand curve implies that the elasticity of demand is _____

Answer: Zero

MCQ15: In the short run, when the output of a firm increases, its average fixed

cost _____

Answer: Remains constant

MCQ16: Which among the following is a cause of inflation?

Answer: Deficit financing

MCQ17: The management of the _____ form of business organization is totalitarian in nature.

Answer: Individual proprietorship

MCQ18: Given the price, if the cost of production increases, the supply _____

Answer: Increase

MCQ19: At early stage of production, a firm's total cost was ₦200 at output level of 50 units. At a later stage, total cost was ₦350 at output level of 80 units. Calculate the firm's marginal cost.

Answer: ₦7

MCQ20: Demand is determined by _____

Answer: Price of the product

MCQ21: When a firm's average revenue is equal to its average cost, it gets _____

Answer: Super profit

MCQ22: The cost recorded in the books of accounts are considered as _____

Answer: Implicit cost

MCQ23: The demand curve has a _____ slope

Answer: Positive

MCQ24: The short run average cost curve is _____ shaped

Answer: U

MCQ25: Under perfect competition, price is determined by the interaction of _____ and total supply

Answer: Total cost

MCQ26: Economics is a _____ science which deals with human wants and satisfaction

Answer: Social

MCQ27: _____ defined economics as a study of mankind in the ordinary business of life

Answer: Adam Smith

MCQ28: In free market economy, the organization and interaction of producers and consumers is accomplished through the _____ system.

Answer: Price

MCQ29: In economics the central problem is _____

Answer: Allocation

MCQ30: Which of the following is an economic activity?

Answer: Production

MCQ31: Which of the following is a productive resource?

Answer: Land

MCQ32: Macroeconomics deals with _____

Answer: The behaviour of firms

MCQ33: Microeconomics is not concerned with the behaviour of _____

Answer: Consumers

MCQ34: The value of an entrepreneur's owned resources that she uses in production are known as _____
Answer: Explicit cost

MCQ35: Principal Agent Problem is related to _____
Answer: Managers and Owners

MCQ36: Invisible Hand theory was described by _____
Answer: Alfred Marshall

MCQ37: "Economics is the science, which studies human behaviours as a relationship between ends and scarce means which have alternative uses." This definition of Economics is given by _____
Answer: Alfred Marshall

MCQ38: In economics the central problem is _____
Answer: Money

MCQ39: The prices of agricultural products follow the pattern of cycles indicated in the _____ theory
Answer: Demand

MCQ40: _____ Risks are also called price risks
Answer: Production

MCQ41: In cobweb cycle, if price elasticity of demand is equal that of supply, we get the _____ type of cobweb cycle.
Answer: Divergent

MCQ42: Marshall showed systematically that utility is quantifiable/measurable; this gave birth to the _____ approach
Answer: Ordinal

MCQ43: _____ budget is the estimation of expected income, costs and profits for an enterprise
Answer: Partial

MCQ44: _____ occurs when an economy's output, that is, Real Gross Domestic Product (RGDP) decreases while its price level rises
Answer: Stagflation

MCQ45: In cobweb cycle, if price elasticity of demand is greater than that of supply, we get the _____ type of cobweb cycle.
Answer: Divergent

MCQ46: _____ budgets are arranged in units i.e. acre, hectare, a head of livestock, a crop etc.
Answer: Partial

MCQ47: In cobweb cycle, if price elasticity of demand is less than that of supply, we get the _____ type of cobweb cycle.
Answer: Divergent

MCQ48: Which of the following is also known as International Bank for Reconstruction and Development?
Answer: International Monetary Fund

MCQ49: The capital that is consumed by an economy or a firm in the production process is known as _____
Answer: Capital loss

MCQ50: Balance of Payment on capital account includes _____
Answer: Balances of private direct investments