

GOVT.DEGREE COLLAGE NANDITOKUR
DEPARTMENT OF ECONOMICS
MICRO ECONOMICS ANALYSIS

Model.1

Essay questions.

1. "scarcity and choice are the fundamental problems of Economics"= Explain.
2. Define microeconomics analyse its scope importance and uses of microeconomics.
3. Discuss the nature and limitations of microeconomics laws.
4. Explain the deductive method and inductive methods of analyse used in economics.
5. Explain the uses of general equilibrium and Partial equilibrium analyse.

Model.2

1. What is consumption? Explain its importance.
2. Explain the law of diminishing marginal utility. What are its assumptions.?
3. Explain the concept of indifference curve?
4. How would you derive the demand curve of a consumer from Hicksian price consumption curve.?
5. Explain the law of demand. Why demand curve slope downwards from left to right? What are its exceptions?
6. Explain different methods of measuring elastic of demand?
7. Explain different kinds of price elasticity of demand with suitable diagrams?
8. Explain the factors determining elasticity of demand?

Model.3

1. Explain the law of variable proportions with a suitable example and diagram?
2. What are return to scale. How do they arise?
3. Explain the significance of opportunity costs in Economics analysis?
4. Explain the concept of total cost average cost and marginal cost and their importance?
5. Analyse the law of supply. what are its expectations.?

Model.4

1. Explain price and output determination under perfect competition?
2. Define Monopoly how is price determined under Monopoly?
3. What is monopolistic competition?

4. Explain group equilibrium under monopolistic competition?
5. What is oligopoly? Explain the various prices determination policies under oligopoly?
6. Price Rigidity-kinky demand curve hypothesis in oligopoly?

Model.5

1. Analyse modern theory of distribution?
2. Analyse the modern theory of rent?
3. Explain difference theory of wages?
4. Explain the difference theories of interest?
5. Explain the modern theory of interest by using IS&LM curves?
6. Explain Schumpeter's innovation theory of profit?

Short questions

Model.1

1. Who is the father of economy?
2. Opportunity cost?
3. The concept equilibrium?
4. What are the four basic economic questions?
5. Who is the micro and macro divided person?
6. What is the meaning of microeconomics?
7. Who is the principal of Economics writer?
8. Robinson has given the scarcity definition of economics in his book?

Module.2

1. Demand function?
2. What is price line?
3. Difference map?
4. Types of consumption?
5. Explain different methods of measuring elasticity of demand?
6. Types of price elasticity of demand?
7. Define marginal utility?
8. What is the total utility?

9. How is marginal utility derived from total utility?

10. State the shape of marginal utility curve?

Model.3

1. Define average product and marginal product?

2. What is meant by production function?

3. What is an isoquant?

4. Define marginal rate of technical substitution?

5. What is an ISO _cost line?

6. What do you mean by Economics of large scale production?

7. Define internal and external economies of large scale production?

8. What is meant by short run and long run in the analyse of a firm?

Model.4.

1. What is market in economics?

2. Features of perfect competition?

3. Features of imperfect competition?

4. What is product differentiation?

5. Explain the concept of monopoly power?

6. Explain the features and kinds of monopoly?

7. Features of oligopoly market?

8. Kinky demand curve and its limitations?

Model.5

1. What is distribution?

2. Different concepts rent?

3. What is Quasi _rent?

4. What is real wages?

5. What is gross interest and net interest?

Multiple choice questions

1. Who is the micro economics divided?(D)

A. Lionel Robbins. B. Alfrade Marshal. C. J.M. Keynes.

D. Ragar Frisch.

2. What is the microeconomics?(A)

A. Small B. Short C. Big D. Long.

3. Which of the following is a microeconomics?(B)

A. The reasons for a decline in average prices.

B. The reasons why Kathy buys less orange juice.

C. the cause of why total employment may decrease.

D. the effect of the government budget deifit on inflation

4. Income effect is negative about more than substitution effect in case of (B)

A. Inferior goods B. Giffen goods C. Substitution goods. D. Veblen goods.

5. Engle curve represent the relationship between which of the following (C)

A. Incom and demand for goods.

B. Income demand and supply.

C. Income and demand for food.

D. Income effect and substitution effect.

(6) Gossens first law(B)

(A) Law of equi marginal utility

(B) Low of diminishing marginal utility

(C) Law of marginal utility

(D) Law of demand

(7) The slope of ppc is the(A)

(A) increasing marginal rate of transformation

(B) decreasing marginal rate of

(C) increasing marginal rate of substitution

(D) decreasing marginal rate of substation

(8) demand for rare lurury cars is an example of (D)

(A) Veblen effect

(B) Bandwagon effect

(C) Retched effect

(D) Shob effect

(9) which statement correct regarding Samuelson related (C) preference theory

(A) Samuelson used Marshall's law of demand for R.P theory

(B) Samuelson theory is strong ordering

(C) Both A&B

(D) None of the above

(10) income of and for a necessary goods (C)

(A) income $E_d > 0$

(B) income $E_d < 1$

(C) income $E_d \leq 1$

(D) income $E_d > 1$

(11) according to modern economist shaped long run AC is (A)

(A) L shaped

(B) U shaped

(C) Saucev shaped

(D) Both A and B

(12) which cost curve also known as planning curve (C)

(A) Long run MC

(B) Short run AC

(C) Long run AC

(D) Short run MC

(13) in the contest of law of variable property what is correct at point is inflexion (D)

(A) total product is maximum

(B) average product is maximum

(C) total product increasing at increasing rate

(D) marginal product is maximum

(14) Law of diminishing returns begins to operate when (C)

(A) long run MC

(B) short run AC

(C) long run AC

(D) short run MC

(15) in the context of law of variable proportion what is correct at point of inflexion (D)

(A) total product is maximum

(B) average product is maximum

(C) total product increasing at increasing rate

(D) marginal product is maximum

(16) law of diminishing returns begins to operate when (A)

(A) marginal product begins to fall

(B) total product begins to fall

(C) marginal product begins to rise

(D) total product begins to rise

(17) which one is incorrect about cob-douglas production function(C)

(A) it is linear and homogeneous production function

(B) it was originally proposed by knut-wicksell

(C) sum of both components is equal to 2

(D) it represents share of factor income in total income

(18) in perfect competition profit is maximized where(D)

(A) $AR=AC$

(B) $MC=MR$

(C) $P=MC$

(D) Both B and C

(19) in which condition of price discrimination consumer exploitation is maximum (A)

(A) 1st Degree price discrimination

(B) 2nd Degree price discrimination

(C) 3rd Degree price discrimination

(D) same exploitation in all conditions

(20) A monopolist will wish to sell more quantity in market where demand is (B)

(A) more elastic

(B) less elastic

(C) unitary elastic

(D) all of the above

(21) the objective of discriminators monopoly is to maximize it's(C)

(A) only sale

(B) only profit

(C) both sale and profit

(S) none

(22)cartels aims to maximize(D)

(A)Shares of output of numbers

(B) individual profit

(C) Goodwill of members

(D) industry profit

(23)Bertrand duopoly model(A)

(A) price decision

(B)

Output decision

(C)Both

(D)None

(24) who is the classical theory of rent (A)

(A)David Ricardo

(B)Marshall

(C)J B say

(D)J S Mill

FILL IN THE BLANKS

1. The term microeconomics and macroeconomics were first used by _____

ANS: Ragnar Frisch

2. Microeconomics is the study of _____

ANS: individual economic unit

3. Microeconomics is concerned with the study of

ANS: individual demand

4. _____ is the important assumption of microeconomics.

ANS: Full employment

5. Microeconomics is also called _____

ANS: Price theory

6. Microeconomics assumes _____

ANS: perfect competition

7. Who gave the cardinal concept of utility?

ANS: Marshall

8. Consumer's behaviour is studied in

ANS: Micro Economics

9. Which is the First Law of Gossen?

ANS: Law of Diminishing Marginal Utility

10. How we calculate marginal utility ?

ANS: $\Delta TU/\Delta Q$

11. Who basically propounded the concept of Law of Equimarginal Utility ?

ANS: Ricardo

12. There are ___ means of production.

ANS: Land, Labour, Capital and Entrepreneurship

13. Average revenue is also called as _____ of commodity.

ANS: Price of the Product

14. Supply of a commodity is a part of its ____

ANS: Stock

15. The law of supply does not apply to ___ commodities.

ANS: Agricultural Production and Artifacts

MULTIPLE CHOICE QUESTIONS

Q1. What do you mean by the supply of goods?

- a) Stock available for sale
- b) Total stock in the warehouse
- c) The actual production of the goods
- d) Quantity of the goods offered for sale at a particular price per unit of time

Answer:- d

Q2. What do you mean by 'under conditions of a perfect competition in the product market'?

- a) $MRP = VMP$
- b) $MRP > VMP$
- c) $VMP > MRP$
- d) None of the above

Answer:- a

Q3. Which of the following is the relation that the law of demand defines?

- a) Income and price of a commodity
- b) Price and quantity of a commodity
- c) Income and quantity demanded
- d) Quantity demanded and quantity supplied

Answer:- b

Q4. What do you mean by a mixed economy?

- a) Modern and traditional industries
- b) Public and private sectors
- c) Foreign and domestic investments
- d) Commercial and subsistence farming

Answer:- b

Q5. What do you mean by the demand of a commodity?

- a) Desire for the commodity

b) Need for the commodity

c) Quantity demanded of that commodity

d) Quantity that consumers are able and willing to buy at various prices during any particular period of time

Answer:- d

Q6. Starting from the time of independence, why did India follow a planned economy?

1. India followed a five-year plan and required an outlook.

2. Directive Principles of Indian Constitution indicated the planned vision of India.

3. There was no indication whatsoever from the five year plans regarding how much of each and every good and service is to be produced.

Choose the correct statements from the given options

a) Only 2

b) 2 and 3

c) 1 and 3

d) All of the above

Answer:- b

Q7. What do you mean by Gross National Product?

a) The total value of goods and services produced in the country

b) The total value of all the transactions in the country

c) The depreciation in the total value of goods and services produced in the country

d) The total value of goods and services produced in the country and the net factor income from abroad

Answer:- d

Q8. Which of the following is the reason for the decline in the child sex ratio in India?

a) Low fertility rate.

b) Female foeticide

c) Incentives for a boy child from the government

d) None of the above

Answer: - b

Q9. What factors are taken into consideration while revising the poverty line periodically?

- a) By conducting a survey every five years
- b) Survey carried out by National Sample Survey Organisation
- c) Both a and b
- d) None of the above

Answer:- c

Q10. In India, which banks/institutions have the highest share in the disbursement of credit to agriculture and allied activities?

- a) Cooperative banks
- b) Regional Rural Banks
- c) Commercial banks
- d) Microfinance institutions

Answer: - c

Q11. Which of the following is/are linked with the financial sector of India and controlled by the Reserve Bank of India (RBI)?

- a) Commercial bank
- b) Money lenders
- c) Stock exchange operations
- d) All of the above

Answer: - c

Q12. When price floor is set above equilibrium price it will result in?

- a) Shortage
- b) Surpluses
- c) Equilibrium
- d) None of the above

Answer: - b

Q13. What is Gross Domestic Product?

- a) The total value of goods and services manufactured in the country
- b) The total value of all the transactions in the country

- c) The reduction in the total value of goods and services produced in the country
- d) The monetary value of all finished goods and services made within a country during a specific period.

Answer:- d

Q14. Why is the unemployment rate low in India statistically?

Unemployment is calculated only from the age group of 15 years to 59 years.

Unemployment survives only when an individual cannot find a job.

People are not interested in working outside the domestic area.

Choose the correct option.

- a) Only 3
- b) 2 and 3
- c) Only 2
- d) All of the above

Answer:- c

Q15. What does the bowed-out shape of the production possibilities curve illustrate?

- a) Law of increasing opportunity cost
- b) The production is inefficient
- c) The production is unattainable
- d) The demand is relatively elastic

Answer:- a

Q16. What is the main economic problem faced by the society?

- a) Unemployment
- b) Inequality
- c) Poverty
- d) Scarcity

Answer:- d

Q17. What does "Capitalism" refer to?

- a) The use of market
- b) Government ownership of capital

- c) Private ownership of capital goods
- d) Private ownership of homes and cars

Answer:- c

Q18. The goal of a pure market economy is to meet the desire of ____.

- a) Consumers
- b) Companies
- c) Workers
- d) The government

Answer:- a

Q19. What does the law of demand mean?

- a) As the quantity demanded rises, the price rises.
- b) As the price rises, the quantity demanded rises.
- c) As the price rises, the quantity demanded falls.
- d) As the supply rises, the demand rises.

Answer:- c

Q20. Which of the following is an example of an agricultural price support program?

- a) A price ceiling
- b) A price floor
- c) Equilibrium pricing
- d) None of the above

Answer:- b

DEVELOPMENT ECONOMICS 4 (SEM)

ESSAY QUESTIONS

1. Discuss about economics development as a branch of study of Economics?
2. What is economics development? Explain the determinants of economics development?
3. What are the indicators of economics development?
4. Explain the importance of economics development?

5. Difference between economics growth and development?
6. Write about the measurements of economics development?
7. Write about the relevance of herd immunity in the context of covid 19?
8. What are the three core values of economics development?
9. Explain the interaction between economy and environment?
- 10 write about sustainable development?

Model.2

1. What is economics growth? What are the determinants of Economics growth?
2. Explain the features of developing countries with special reference to India?
3. Write about the IMF classification of countries?
4. Write about the Kuznets six characteristics of modern economics growth?
5. What are the obstacles to economics growth?
6. Write about the Vicious circle of poverty?
7. Write about the factors of Economics growth?
8. Write about the role of foreign capital in Economics growth?

Model.3

1. Write about the Adam Smith theory of development in economics?
2. Explain the Ricardian theory of economic development?
3. Write about the malthus theory of economics development?
4. Write about Karl marx theory of economics development?
5. Explain about Schumpeter's theory of economics development?
6. Write about Rostow's Stages of economics development?
7. Write about Harrod Domar to sector model?
8. Write about the Robinson's golden age growth model?

Model.4

1. Write about the big push theory of economics development?
2. Write about the balanced growth theory of economics development?
3. Explain the unbalance theory of economics development?
4. Write about the Mahalanobis model of economics development?
5. Write about the difference between the role of agriculture and industry in economics development?
6. Explain the difference between capital intensive and labour intensive technology?
7. Write about the role of infrastructure in economics development?

Model.5

1. Write about the role of state in economics development?
2. Explain the role of markets in economics development?
3. Explain the difference between public sector and private sector?
4. What is the meaning of planning? What are its features?
5. What are the main objectives of planning in India?
6. Write about economic planning process?
7. Write about NITI Ayog?
8. Write about the role of IDBI in economics development?
9. Write about the role of IMF in economics development?
10. Explain the role of foreign trade in economics development?

Short questions.

Model.1

1. Economics development and structural change?
2. Role of social norms and the community in economics development?

3. obstacles to economics development?
4. Features of economics development?
- 5 scope of economics development?
- 6.Explain Rostow's five stages of economics development?

Model.2

1. World banks country classification systems?
- 2.Cumulative causation
- 3.Kuznets six characteristics?
- 4.Capital Formation?
- 5.Forms of Foreign Capital?

Model.3

1. Criticism of Adam smith theory of economics development?
2. Criticism of Ricardo theory of economics development?
- 3.Marxian philosophy?
4. Criticism of Harrod-Domar model.?
- 5.Assumption of Robinson Golden age Growth Model.?

Model.5

1. What are the difference types of plants?
- 2.Economic Federalism.?
- 3.Roles performed by Financial institution?
- 4.Role of Asian development Bank in economics development
- 5.Role of FDI and FII in Economics development