

Economics MCQs- Chapter 1 – Introduction To Micro Economics MCQ

Introduction to Micro Economics MCQ, which are covered in this chapter, relate to the topic, Introduction to Micro Economics. Introduction to Micro Economics MCQ Test contains 10 questions. Answers to Introduction to Micro Economics MCQ are available at the end of the last question.

1. 'Economics is the study of mankind in the ordinary business of life' . This definition was given by : –

- (a) Adam Smith
- (b) Lord Robbins
- (c) Alfred Marshall
- (d) Samuelson

2. The branch of economic theory, that deals with the problem of allocation of resources is :

- (a) Micro Economics
- (b) Macro Economics
- (c) Econometrics
- (d) None of these

3. A study of how increase in the corporate income tax rate , will affect the natural unemployment rate is an example of :

- (a) Macro Economics
- (b) Descriptive Economics
- (c) Micro Economics
- (d) Normative Economics

4. If a point falls inside the production possibility curve, what does it indicate ?

- (a) Resources are over utilized
- (b) Resources are under utilized
- (c) There is employment in the economy
- (d) Both (b) and (c)

5. In which type of economy do consumers and producers make their choices based on the market forces of demand and supply?

- (a) Open Economy
- (b) Controlled Economy
- (c) Command Economy
- (d) Market Economy

6. Under a free economy, prices are :

- (a) Regulated
- (b) Determined through free interplay of demand and supply
- (c) Partly regulated.
- (d) None of these

7. Which of the following falls under micro economics ?

- (a) National income
- (b) General price level
- (c) Factor pricing
- (d) National saving and investment

8. 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, Supply
- (b) Supply, Demand
- (c) Prices, Demand
- (d) Profits, Supply

9. Under Inductive method, the logic proceeds from :

- (a) General to particulars
- (b) Particular to general

(c) Both (a) and (b)

(d) None

10. According to Robbins, 'means' are:

(a) Scarce

(b) Unlimited

(c) Undefined

(d) All of these

ANSWERS

1. (c) Alfred Marshall

2. (a) Micro Economics

3. (a) Macro Economics

4. (b) Resources are under utilized

5. (d) Market Economy

6. (b) Determined through free interplay of demand and supply

7. (c) Factor pricing

8. (a) Demand, Supply

9. (b) Particular to general

10 (a) Scarce