HIGHER SECONDARY FIRST YEAR

ECONOMICS

Unit-1

Introduction to Micro Economics

Choose the correct answer

1. 'Economics is a study of mankind in the ordinary business of life' -It is the statement of

a. Adam Smith   **b.** Lionel Robbins

c. Alfred Marshall   **d.** Samuelson

2. The basic problem studied in Economics is

a. Unlimited wants   **b.** Unlimited means

c. Scarcity   **d.** Strategy to meet all our wants

3. Microeconomics is concerned with

a. The economy as a whole

b. Different sectors of an economy

c. The study of individual economicunits behaviour

d. The interactions within the entire economy

4. Which of the following is a microeconomics statement?

a. The real domestic output increased by 2.5 percent last year.

b. Unemployment was 9.8 percent of the labour force last year.

c. The price of wheat determines its demand

d. The general price level increased by 4 percent last year.

5. Find the odd one out:

a. "An inquiry into the nature and the causes of the Wealth of Nations"

b. "Principles of Economics"

c. "Nature and Significance of Economic Science"

d. "Ceteris paribus"

6. The equilibrium price is the price at which

a. Everything is sold   **b.** Buyers spend their money

c. Quantity demanded equals quantity supplied

d. Excess demand is zero

7. Author of "An Inquiry into the Nature and Causes of Wealth of Nations"

a. Alfred Marshall   **b.** Adam Smith

c. Lionel Robbins   **d.** Paul A Samuelson

8. "Economics studies human behaviour as a relationship between ends and scarce means which have alternative uses" is the definition of economics of

a. Lionel Robbins   **b.** Adam Smith

c. Alfred Marshall   **d.** Paul A Samuelson

9. Who is the Father of Economics?

a. Max Muller   **b.** Adam Smith

c. Karl Marx   **d.** Paul A Samuelson

10. "Economics is a science" The basis of this statement is—

a. Relation between cause and effect

b. Use of deductive method and inductive method for the formations of laws

c. Experiments   **d.** All of the above

11. Utility means

a. Equilibrium point at which demand and supply are equal

b. Want-satisfying capacity of goods and services

c. Total value of commodity   **d.** Desire for goods and services

12. A market is

a. Only a place to buy things   **b.** Only a place to sell things

c. Only a place where prices adjust

d. A system where persons buy and sell goods directly or indirectly

13. Which one of the following is **not** a point in the Welfare Definition of Economics?

a. Study of an ordinary man

b. Economics does not focus on wealth alone

c. Economics is the study of material welfare

d. Economics deals with unlimited wants and limited means

14. Growth definition takes into account

a. The problem of choice in the dynamic framework of Economics

b. The problem of unlimited means in relation to wants

c. The production and distribution of wealth

d. The material welfare of human beings

15. Which theory is generally included under micro economics ?

a. Price Theory   **b.** Income Theory

c. Employment Theory   **d.** Trade Theory

16. .... have exchange value and their ownership rights can be established and exchanged

a. Goods   **b.** Services   **c.** Markets   **d.** Revenue

17. Identify the correct characteristics of utility

a. It is equivalent to 'usefulness'   **b.** It has moral significance

c. It is same as pleasure

d. It depends upon consumer's mental attitude

18. Who has given scarcity definition of economics?

a. Adam Smith   **b.** Marshall   **c.** Robbins   **d.** Robertson

19. The process of reasoning from particular to general is

a. Deductive method   **b.** Inductive method

c. Positive economics   **d.** Normative economics

20. Total revenue is equal to total output

Sold multiplied by

a. Price   **b.** Total cost

c. Marginal revenue   **d.** Marginal cost

UNIT – 2   Consumption Analysis

Choose the correct answer

1. Pick the odd one out

a. Luxuries   **b.** Comforts

c. Necessaries   **d.** Agricultural goods

2. Choice is always constrained or limited by the _____ of our resources.

a. Scarcity   **b.** Supply   **c.** Demand   **d.** Abundance

3. The chief exponent of the Cardinal utility approach was

a. J.R.Hicks   **b.** R.G.D.Allen   **c.** Marshall   **d.** Stigler

4. Marginal Utility is measured by using the formula of

a. $TU_n - TU_{n-1}$ **b.** $TU_n - TU_{n+1}$

c. $TU_n + TU_{n+1}$ **d.** $TU_n - TU_{n+1}$

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5. When marginal utility reaches zero, the total utility will be

a. Minimum   **b.** Maximum   **c.** Zero   **d.** Negative

6. Gossen's first law is known as.

a. Law of equi-marginal utility.

b. Law of diminishing marginal utility

c. Law of demand.   **d.** Law of Diminishing returns.

7. The basis for the law of demand is related to

a. Law of diminishing marginal utility   **b.** Law of supply

c. Law of equi-marginal utility.   **d.** Gossen's Law.

8. The concept of consumer's surplus is associated with

a. Adam Smith   **b.** Marshall   **c.** Robbins   **d.** Ricardo

9. Given potential price is Rs.250 and the actual price is Rs.200. Find the consumer surplus.

a. 375   **b.** 175   **c.** 200   **d.** 50

10. Indifference curve approach is based on

a. Ordinal approach   **b.** Cardinal approach

c. Subjective approach   **d.** Psychological approach

11. The concept of elasticity of demand was introduced by

a. Ferguson   **b.** Keynes   **c.** Adam Smith   **d.** Marshall

12. Increase in demand is caused by

a. Increase in tax   **b.** Higher subsidy

c. Increase in interest rate   **d.** decline in population

13. The movement on or along the given demand curve is known as____

a. Extension and contraction of demand.

b. shifts in the demand.

c. increase and decrease in demand.   **d.** all the above

14. In case of relatively more elastic demand the shape of the curve is

a. Horizontal   **b.** Vertical   **c.** Steeper   **d.** Flatter

15. A consumer is in equilibrium when marginal utilities from two goods are

a. Minimum   **b.** Inverse   **c.** Equal   **d.** Increasing

16. Indifference curve was first introduced by

a. Hicks   **b.** Allen   **c.** Keynes   **d.** Edgeworth

17. Elasticity of demand is equal to one indicates

a. Unitary Elastic Demand   **b.** Perfectly Elastic Demand

c. Perfectly Inelastic Demand   **d.** Relatively Elastic Demand

18. The locus of the points which gives same level of satisfaction is associated with

a. Indifference Curves   **b.** Cardinal Analysis

c. Law of Demand   **d.** Law of Supply

19. Ordinal Utility can be measured by

a. Ranking   **b.** Numbering   **c.** Wording   **d.** None of these

20. The indifference curves are

a. vertical   **b.** horizontal

c. positive sloped   **d.** Negatively sloped

UNIT – 3 Production Analysis

Choose the correct answer

1. The primary factors of production are:

a. Labour and Organisation   **b.** Labour and Capital

c. Land and Capital   **d.** Land and Labour.

2. The man-made physical goods used to produce other goods and services are referred to as.

a. Land   **b.** Labour   **c.** Capital   **d.** Organization.

3. Formula for calculating AP is

a. $\Delta TP/N$ **b.** $\Delta TP/\Delta N$ **c.** TP/MP   **d.** TP/N

4. Which factor is called the changing agent of the Society

a. Labourer   **b.** Land   **c.** Organizer   **d.** Capital

5. Who said, that one of the key of an entrepreneur is "uncertaintybearing".

a. J.B.Clark   **b.** Schumpeter   **c.** Knight   **d.** Adam Smith

6. The functional relationship between "inputs" and "outputs" is called as

a. Consumption Function   **b.** Production Function

c. Savings Function   **d.** Investment Function

7. In a firm 5 units of factors produce 24units of the product. When the number of factor increases by one, the production increases to 30 units. Calculate the Avarage Product.

a. 30   **b.** 6   **c.** 5   **d.** 24

8. The short-run production is studied through

a. The Laws of Returns to Scale

b. The Law of Variable Proportions

c. Iso-quants   **d.** Law of Demand

9. The long-run production function is explained by

a. Law of Demand   **b.** Law of Supply

c. Returns to Scale   **d.** Law of Variable Proportions

10. An Iso-quant curve is also known as

a. Inelastic Supply Curve   **b.** Inelastic Demand Curve

c. Equi-marginal Utility   **d.** Equal Product Curve

11. Mention the economies reaped from inside the firm

a. financial   **b.** technical   **c.** managerial   **d.** all of the above

12. Cobb-Douglas production function assumes

a. Increasing returns to scale   **b.** Diminishing returns to scale

c. Constant returns to scale   **d.** All of the above

13. Name the returns to scale when the output increases by more than 5%, for a 5% increase in the inputs,

a. Increasing returns to scale   **b.** decreasing returns to scale

c. Constant returns to scale   **d.** All of the above

14. Which of the following is not a characteristic of land?

a. Its limited supply   **b.** It is mobile

c. Heterogeneous   **d.** Gift of Nature

15. Product obtained from additional factors of production is termed as

a. Marginal product   **b.** Total product

c. Average product   **d.** Annual product

16. Modern economists have propounded the law of

a. Increasing returns   **b.** decreasing returns

c. Constant returns   **d.** variable proportions.

17. Producer's equilibrium is achieved at the point where:

a. Marginal rate of technical substitution (MRTS) is greater than the price ratio

b. MRTS is lesser than the price ratio

c. MRTS and price ratio are equal to each other

d. The slopes of isoquant and isocost lines are different.

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18. The relationship between the price of a commodity and the supply of commodity is

a. Negative **b.** Positive **c.** Zero **d.** Increase

19. If average product is decreasing, then marginal product

a. must be greater than average product

b. must be less than average product

c. must be increasing **d.** both a and c

20. A production function measures the relation between

a. input prices and output prices

b. input prices and the quantity of output

c. the quantity of inputs and the quantity of output.

d. the quantity of inputs and input prices.

UNIT – 4   Cost and Revenue Analysis

Choose the correct answer

1. Cost refers to _____

a. price **b.** value **c.** fixed cost **d.** production

2. Cost functions are also known as _____ function.

a. production **b.** investment **c.** demand **d.** consumption

3. Money cost is also known as _____ cost.

a. explicit **b.** implicit **c.** social **d.** real

4. Explicit cost plus implicit cost denote _____ cost.

a. social **b.** economic **c.** money **d.** fixed

5. Explicit costs are termed as

a. out of pocket expenses **b.** real cost

c. social cost **d.** sunk cost

6. The costs of self–owned resources are termed as _____ cost.

a. real **b.** explicit **c.** money **d.** implicit

7. The cost that remains constant at all levels of output is _____ cost.

a. fixed **b.** variable **c.** real **d.** social

8. Identify the formula of estimating average variable cost.

a. TC/Q **b.** TVC/Q **c.** TFC/Q **d.** TAC/Q

9. The cost incurred by producing one more unit of output is_____cost.

a. variable **b.** fixed **c.** marginal **d.** total

10. The cost that varies with the level of output is termed as _____ cost.

a. money **b.** variable cost **c.** total cost **d.** fixed cost

11. Wage is an example for _____ cost of the production.

a. fixed **b.** variable **c.** marginal **d.** opportunity

12. The cost per unit of output is denoted by _____ cost.

a. average **b.** marginal **c.** variable **d.** total

13. Identify the formula of estimating average cost.

a. AVC/Q **b.** TC/Q **c.** TVC/Q **d.** AFC/Q

14. Find total cost where TFC=I00 and TVC = 125.

a. 125 **b.** 175 **c.** 225 **d.** 325

15. Long-run average cost curve is also called as ____curve.

a. demand **b.** planning **c.** production **d.** sales

16. Revenue received from the sale of products is known as _____ revenue.

a. profit **b.** total **c.** average **d.** marginal

17. Revenue received from the sale of additional unit is termed as _____revenue.

a. profit **b.** average **c.** marginal **d.** total

18. Marginal revenue is the addition madecto the

a. total sales **b.** total revenue **c.** total production **d.** total cost

19. When price remains constant, AR will be _____ MR.

a. equal to **b.** greater than **c.** less than **d.** not related to

20. A book seller sold 40 books with the price of ₹10 each. The total revenue of the seller is ₹_____.

a. 100 **b.** 200 **c.** 300 **d.** 400

UNIT – 5

MARKET STRUCTURE AND PRICING

Choose the correct answer

1. Which of the following is a market structure where the Price is expected to be lower?

a. Perfect competition **b.** Monopoly **c.** Duopoly **d.** Oligopoly

2. Equilibrium condition of a firm is......

a. MC = MR **b.** MC > MR **c.** MC < MR **d.** MR = Price

3. Which of the following is a feature of monopolistic competition?

a. One seller **b.** Few sellers

c. Product differentiation **d.** No entry

4. A firm under monopoly can earn ……… in the short run.

a. Normal profit **b.** Loss

c. Super normal profit **d.** More loss

5. There is no excess capacity under _____

a. Monopoly **b.** Monopolistic competition

c. Oligopoly **d.** Perfect competition

6. Profit of a firm is obtained when ………

a. TR < TC **b.** TR – MC **c.** TR > TC **d.** TR = TC

7. Another name of price is……………..

a. Average Revenue **b.** Marginal Revenue

c. Total Revenue **d.** Average Cost

8. In which type of market, AR and MR are equal …..

a. Duopoly **b.** Perfect competition

c. Monopolistic competition **d.** Oligopoly

9. In monopoly, MR curve lies below ____

a. TR **b.** MC **c.** AR **d.** AC

10. Perfect competition assumes …………

a. Luxury goods **b.** Producer goods

c. Differentiated goods **d.** Homogeneous goods

11. Group equilibrium is analysed in …….

a. Monopolistic competition **b.** Monopoly

c. Duopoly **d.** Pure competition

12. In monopolistic competition, the essential feature is .....

a. Same product **b.** selling cost

c. Single seller **d.** Single buyer

13. Monopolistic competition is a form of

a. Oligopoly **b.** Duopoly

c. Imperfect competition **d.** Monopoly

14. Price leadership is the attribute of

a. Perfect competition **b.** Monopoly

c. Oligopoly **d.** Monopolistic competition

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15. Price discrimination will always lead to

a. Increase in output **b.** Increase in profit

c. Different prices **d.** b and c

16. The average revenue curve under monopolistic competition will be……

a. Perfectly inelastic **b.** Perfectly elastic

c. Relatively elastic **d.** Unitary elastic

17. Under perfect competition, the shape of demand curve of a firm is...............

a. Vertical **b.** Horizontal

c. Negatively sloped **d.** Positively sloped

18. In which market form, does absence of competition prevail?

a. Perfect competition **b.** Monopoly

c. Duopoly **d.** Oligopoly

19. Which of the following involves maximum exploitation of consumers?

a. Perfect competition **b.** Monopoly

c. Monopolistic competition **d.** Oligopoly

20. An example of selling cost is …

a. Raw material cost **b.** Transport cost

c. Advertisement cost **d.** Purchasing cost

UNIT – 6 Distribution Analysis

Choose the correct answer

1. In Economics, distribution of income is among the

a. factors of production **b.** individual

c. firms **d.** traders

2. Theory of distribution is popularlyknown as,

a. Theory of product-pricing **b.** Theory of factor-pricing

c. Theory of wages **d.** Theory of Interest

3. Rent is the reward for the use of

a. capital **b.** labour **c.** land **d.** organization

4. The concept of 'Quasi-Rent' is associated with

a. Ricardo **b.** Keynes **c.** Walker **d.** Marshall

5. The Classical Theory of Rent was propounded by

a. Ricardo **b.** Keynes **c.** Marshall **d.** Walker

6. 'Original and indestructible powers of the soil' is the term used by

a. J.S.Mill **b.** Walker **c.** Clark **d.** Ricardo

7. The reward for labour is

a. rent **b.** wage **c.** profit **d.** interest

8. Money wages are also known as

a. real wages **b.** nominal wages

c. original wages **d.** transfer wages

9. Residual Claimant Theory is propounded by

a. Keynes **b.** Walker **c.** Hawley **d.** Knight

10. The reward given for the use of capital

a. rent **b.** wage **c.** interest **d.** profit

11. Keynesian Theory of interest is popularly known as

a. Abstinence Theory **b.** Liquidity Preference Theory

c. Loanable Funds Theory **d.** Agio Theory

12. According to the Loanable Funds Theory, supply of loanable funds is equal to

a. S + BC + DH + DI **b.** I + DS + DH + BM

c. S + DS + BM + DI **d.** S + BM + DH + DS

13. The concept of meeting unexpected expenditure according to Keynes is

a. Transaction motive **b.** Precautionary motive

c. Speculative motive **d.** Personal motive

14. The distribution of income or wealth of a country among the individuals are

a. functional distribution **b.** personal distribution

c. goods distribution **d.** services distribution

15. Profit is the reward for

a. land **b.** organization **c.** capital **d.** labour

16. Innovation Theory of profit was given by

a. Hawley **b.** Schumpeter **c.** Keynes **d.** Knight

17. Quasi-rent arises in

a. Man-made appliances **b.** Homemade items

c. Imported items **d.** None of these

18. "Wages as a sum of money are paid under contract by an employer to a worker for services rendered" –Who said this?

a. Benham **b.** Marshall **c.** Walker **d.** J.S.Mill

19. Abstinence Theory of Interest was propounded by

a. Alfred Marshall **b.** N.W Senior

c. Bohm-Bawerk **d.** Knut Wicksell

20. Loanable Funds Theory of Interest is called

a. Classical Theory **b.** Modern Theory

c. Traditional Theory **d.** Neo-Classical Theory

UNIT – 7 Indian Economy

Choose the correct answer

1. The main gold mine region in Karnataka is ………..

a. Kolar **b.** Ramgiri **c.** Anantpur **d.** Cochin

2. The measure of economic growth of a country is indicated by …..

a. GNP **b.** GDP **c.** NNP **d.** Per capita income

3. Which one of the following is a developed nations ?

a. Mexico **b.** Ghana **c.** France **d.** Sri Lanka

4. The position of Indian Economy among the other strongest economies in the world is ..

a. Fourth **b.** Seventh **c.** Fifth **d.** Tenth

5. Mixed economy means ……

a. Private sectors and banks

b. Co-existence of Public and Private sectors

c. Public sectors and banks **d.** Public sectors only

6. The weakness of Indian Economy is

a. Economic disparities **b.** Mixed economy

c. Urbanisation **d.** Adequate employment opportunities

7. A scientific study of the characteristics of population is ….

a. Topography **b.** Demography **c.** Geography **d.** Philosophy

8. The year 1961is known as …..

a. Year of small divide **b.** Year of Population Explosion

c. Year of Urbanisation **d.** Year of Great Divide

9. In which year the population of India crossed one billion mark ?

a. 2000 **b.** 2001 **c.** 2005 **d.** 1991

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10. The number of deaths per thousand population is called as …

a. Crude Death Rate   b. Crude Birth Rate

c. Crude Infant Rate   d. Maternal Mortality Rate

11. The number of births per thousand population is called as

a. Crude death rate   b. Mortality rate

c. Morbidity rate   d. Crude Birth Rate

12. Density of population =

a. Land area / Total Population   b. Land area / Employment

c. Total Population / Land area of the region

d. Total Population / Employment

13. Who introduced the National Development Council in India?

a. Ambedkar   b. Jawaharlal Nehru

c. Radhakrishanan   d. V.K.R.V. Rao

14. Who among the following propagated Gandhian Ecomomic thinkings.

a. Jawaharlar Nehru   b. VKRV Rao

c. JC Kumarappa   d. A.K.Sen

15. The advocate of democratic socialism was

a. Jawaharlal Nehru   b. P.C. Mahalanobis

c. Dr. Rajendra Prasad   d. Indira Gandhi

16. The problem studied by Ambedkar in the context of Indian Economy is …….

a. Small land holdings and their remedies

b. Problem of Indian Currency

c. Economics of socialism   d. All of them

17. Gandhian Economics is based on the Principle

a. Socialistic idea   b. Ethical foundation

c. Gopala Krishna Gokhale   d. Dadabhai Naoroji

18. V.K.R.V Rao was a student of

a. J.M. Keynes   b. Colin Clark   c. Adam smith   d. Marshal

19. Amartya Kumara Sen received the Nobel prize in Economics in the year

a. 1998   b. 2000   c. 2008   d. 2010

20. Thiruvalluvar's economic ideas mainly dealt with

a. Wealth   b. Poverty is the curse in the society

c. Agriculture   d. All of them

UNIT – 8

Indian Economy Before and After Independence

Choose the correct answer

1. The arrival of Vasco da Gama in Calicut, India

a. 1498   b. 1948   c. 1689   d. 1849

2. In 1614 Sir Thomas Roe was successful in getting permission from

a. Akbar   b. Shajakan   c. Jahangir   d. Noorjakhan

3. The power for governance of India was transferred from the East India Company (EIC) to the British crown in

a. 1855   b. 1858   c. 1868   d. 1878

4. Ryotwari system was initially introduced in

a. Kerala   b. Bengal   c. Tamil Nadu   d. Maharastra

5. First World War started in the year

a. 1914   b. 1814   c. 1941   d. 1841

6. When did the Government of India declare its first Industrial Policy?

a. 1956   b. 1991   c. 1948   d. 2000

7. The objective of the Industrial Policy 1956 was ……..

a. Develop heavy industries

b. Develop agricultural sector only

c. Develop private sector only

d. Develop cottage industries only

8. The industry which was de-reserved in 1993

a. Railways   b. Mining of copper and zinc

c. Atomic energy   d. Atomic minerals

9. The father of Green Revolution in India was …………

a. M.S. Swaminathan   b. Gandhi

c. Visweswaraiah   d. N.R. Viswanathan

10. How many commercial banks were nationalised in 1969 ?

a. 10   b. 12   c. 14   d. 16

11. The main objective of nationalisation of banks was …….

a. Private social welfare   b. Social welfare

c. To earn   d. Industries monopoly

12. The Planning Commission was setup in the year …..

a. 1950   b. 1955   c. 1960   d. 1952

13. In the first five year plan, The top priority was given to ……. Sector.

a. Service   b. Industrial   c. Agriculture   d. Bank

14. Tenth Five year plan period was…….

a. 1992-1997   b. 2002-2007   c. 2007-2012   d. 1997-2002

15. According to HDR (2016), India ranked …… out of 188 countries.

a. 130   b. 131   c. 135   d. 145

16. Annual Plans formed in the year

a. 1989-1991   b. 1990-1992   c. 2000-2001   d. 1981-1983

17. The Oldest large scale industry in India

a. cotton   b. jute   c. steel   d. cement

18. Human development index (HDI) was developed by

a. Jawaharlal Nehru   b. M.K. Gandhi

c. Mahbub ul Haq and Amartiya Sen   d. Tagore

19. The main theme of the Twelth Five Year Plan

a. faster and more inclusive growth

b. growth with social Justice   c. socialistic pattern of society

d. faster, more inclusive andsustainable growth

20. The PQLI was developed by

a. Planning Commission   b. Nehru

c. Morris   d. Biswajeet

UNIT – 9

Development Experiences in India

Choose the correct answer

1. Which of the following is the way of Privatisation?

a. Disinvestment   b. Denationalization

c. Franchising   d. All the above

2. Countries today are to be _____ for their growth.

a. Dependent   b. Interdependent

c. Free trade   d. Capitalist

3. The Arguments against LPG relate to _____

a. Economic growth   b. More investment

c. Disparities among people and regions

d. Modernization

4. Expansion of FDI _____

a. Foreign Private Investment   **b.** Foreign Portfolio

c. Foreign Direct Investment   **d.** Forex Private Investment

5. India is the largest producer of _____ in the world.

a. fruits   **b.** gold   **c.** petrol   **d.** diesel

6. Foreign investment includes_____

a. FDI only   **b.** FPI and FFI

c. FDI and FPI   **d.** FDI and FFI

7. The Special Economic Zones policy was announced in __

a. April 2000   **b.** July 1990   **c.** April 1980   **d.** July 1970

8. Agricultural Produce Market Committee is a

a. Advisory body   **b.** Statutory body

c. Both a and b   **d.** non of these above

9. Goods and Services Tax is

a. a multi point tax   **b.** having cascading effects

c. like Value Added Tax

d. a single point tax with no cascading effects.

10. The New Foreign Trade Policy was announced in the year_____

a. 2000   **b.** 2002   **c.** 2010   **d.** 2015

11. Financial Sector reforms mainly related to _____

a. Insurance Sector   **b.** Banking Sector

c. Both a and b   **d.** Transport Sector

12. The Goods and Services Tax Act came in to effect on ___

a. 1st July 2017   **b.** 1st July 2016

c. 1st January 2017   **d.** 1st January 2016

13. The new economic policy is concerned with the following

a. foreign investment   **b.** foreign technology

c. foreign trade   **d.** all the above

14. The recommendation of Narashimham Committee Report was submitted in the year

a. 1990   **b.** 1991   **c.** 1995   **d.** 2000

15. The farmers have access to credit under Kisan credit card scheme through the following

a. Co-operative banks   **b.** RRBs

c. Public sector banks   **d.** All the above

16. The Raja Chelliah Committee on Trade Policy Reforms suggested the peak rate on import duties at

a. 25%   **b.** 50%   **c.** 60%   **d.** 100%

17. The first ever SEZ in India was set up at

a. Mumbai   **b.** Chennai   **c.** Kandla   **d.** Cochin

18. 'The Hindu Rate of Growth' coined by Raj Krishna refers to

a. low rate of economic growth

b. high proportion of Hindu population

c. Stable GDP   **d.** none

19. The highest rate of tax under GST is _____ (as on July1, 2017)

a. 18%   **b.** 24%   **c.** 28%   **d.** 32%

20. The transfer of ownership from public sector to private sector is known as _____

a. Globalization   **b.** Liberalization

c. Privatization   **d.** Nationalization

UNIT – 10   Rural Economy

Choose the correct answer

1. Which is considered as the basic unit for rural areas?

a. Panchayat   **b.** Village   **c.** Town   **d.** Municipality

2. Which feature is identified with rural areas?

a. Low population density   **b.** High population density

c. Low natural resources   **d.** Low human resources

3. Identify the feature of rural economy.

a. Dependence on agriculture   **b.** High population density

c. Low level of population   **d.** Low level of inequality

4. What percentage of the total population live in rural area, as per 2011 censes?

a. 40   **b.** 50   **c.** 60   **d.** 70

5. How do you term people employed in excess of the requirements?

a. Unemployment

b. Underemployment or Disguised Unemployment

c. Full employment   **d.** Self-employment

6. What is the term used to denote the coexistence of two different features in an economy?

a. Technology   **b.** Dependency   **c.** Dualism   **d.** Inequality

7. The process of improving the rural areas, rural people and rural living is defined as

a. Rural economy   **b.** Rural economics

c. Rural employment   **d.** Rural development

8. Identify the agriculture related problem of rural economy.

a. Poor communication   **b.** Small size of landholding

c. Rural poverty   **d.** Poor banking network

9. The recommended nutritional intake per person in rural areas.

a. 2100 calories   **b.** 2100 calories

c. 2300 calories   **d.** 2400 calories

10. Indicate the cause for rural poverty.

a. Lack of non-farm employment   **b.** High employment

c. Low inflation rate   **d.** High investment.

11. What is the other name for concealed unemployment?

a. Open   **b.** Disguised   **c.** Seasonal   **d.** Rural

12. How do you term the employment occurring only on a particular season?

a. Open   **b.** Disguised   **c.** Seasonal   **d.** Rural

13. Identify an example for rural industries?

a. Sugar factory   **b.** Mat making industry

c. Cement industry   **d.** Paper industry

14. How much share of rural families in India is in debt?

a. Half   **b.** One fourth

c. Two third   **d.** Three fourth

15. Identify the cause for rural indebtedness in India.

a. Poverty   **b.** High population

c. High productivity   **d.** Full employment

16. In which year, Regional Rural Bankscame into existence?

a. 1965   **b.** 1970   **c.** 1975   **d.** 1980

17. Identify the year of launch of MUDRA Bank?

a. 1995   **b.** 2000   **c.** 2010   **d.** 2015

18. Identify the year in which National Rural Health Mission was launched.

a. 2000   **b.** 2005   **c.** 2010   **d.** 2015

19. Identify the advantages of rural roads.

a. Rural marketing   **b.** Rural employment

c. Rural development   **d.** All the above

20. " An Indian farmer is born in debt, lives in debt, dies in debt and bequeaths debt"-who said this?

a. Adam Smith   **b.** Gandhi

c. Amartya Sen   **d.** Sir Malcolm Darling

UNIT – 11   Tamil Nadu Economy

Choose the correct answer

1. In health index, Tamil Nadu is ahead of

a) Kerala   b) Punjab   c) Gujarat   d) all the above

2. In sex ratio, Tamil Nadu ranks

a) first   b) second   c) third   d) fourth

3. Tamil Nadu is rich in

a) Forest resource   b) human resource

c) mineral resource   d) all the above

4. The main source of irrigation in TamilNadu is

a) river   b) tank   c) well   d) canals

5. Knitted garment production is concentrated in

a) Coimbatore   b) Tiruppur   c) Erode   d) Karur

6. Which of the following is wrongly matched?

a) Gateway of Tamil Nadu –   Thoothukudi

b) Home textile city   -   Erode

c) Steel city   -   Salem

d) Pump city   –   Coimbatore

7. Which one of the following cities does not have international airport?

a) Madurai   b) Tiruchirappalli

c) Paramakudi   d) Coimbatore

8. TN tops in the production of the following crops except

a) Banana   b) Coconut

c) plantation crops   d) cardamom

9. Largest area of land is used in the cultivation of

a) Paddy   b) sugarcane   c) Groundnut   d) Coconut

10. In literacy rate, TN ranks

a) second   b) fourth   c) sixth   d) eighth

11. In investment proposals filed by MSMEs, TN ranks

a) I   b) II   c) III   d) IV

12. Which district in TN has the highest sex ratio?

a) Nagapattinam   b) Nilgiris

c) Tiruchirappalli   d) Thanjavur

13. Which district has the lowest child sex ratio?

a) Madurai   b) Theni   c) Ariyalur   d) Cuddalore

14. Which Union Territory has the highest sex ratio?

a) Chandigarh   b) Pondicherry

c) Lakshadeep   d) Andaman Nicobar

15. The largest contribution to GSDP in Tamil Nadu comes from

a) agriculture   b) industry   c) mining   d) services

16. In human development index, TN is ranked

a) second   b) fourth   c) sixth   d) third

17. SPIC is located in

a) Chennai   b) Madurai   c) Tuticorin   d) Pudukkottai

18. The TICEL park is

a) Rubber Park   b) Textile park   c) Food park   d) Bio park

19. In India's total cement production, Tamil Nadu ranks

a) third   b) fourth   c) first   d) second

20. The Headquarters of Southern Railway is at

a) Tiruchirappalli   b) Chennai   c) Madurai   d) Coimbatore.

UNIT – 12

Mathematical Methods for Economics

Choose the correct answer

1. Mathematical Economics is theintegration of

a. Mathematics and Economics   **b.** Economics and Statistics

c. Economics and Equations   **d.** Graphs and Economics

2. The construction of demand line or supply line is the result of using

a. Matrices   **b.** Calculus

c. Algebra   **d.** Analytical Geometry

3. The first person who used mathematics in Economics is

a. Sir William Petty   **b.** Giovanni Ceva

c. Adam Smith   **d.** Irving Fisher

4. Function with single independent variable is known as

a. Multivariate Function   **b.** Bivariate Function

c Univariate Function   **d.** Polynomial Function

5. A statement of equality between two quantities is called

a. Inequality   **b.** Equality   **c.** Equations   **d.** Functions

6. An incremental change in dependent variable with respect to change in independent variable is known as

a. Slope   **b.** Intercept   **c.** Variant   **d.** Constant

7. $(y - y_1) = m(x - x_1)$ gives the

a. Slope   **b.** Straight line   **c.** Constant   **d.** Curve

8. Suppose $D = 50 - 5P$. When D is zero then

a. P is 10   **b.** P is 20   **c.** P is 5   **d.** P is -10

9. Suppose $D = 150 - 50P$. Then, theslope is

a. -5   **b.** 50   **c.** 5   **d.** -50

10. Suppose determinant of a matrix 0, then the solution

a. Exists   **b.** Does not exist   **c.** is infinity   **d.** is zero

11. State of rest is a point termed as

a. Equilibrium   **b.** Non-Equilibrium

c. Minimum Point   **d.** Maximum Point

12. Differentiation of constant term gives

a. one   **b.** zero   **c.** infinity   **d.** non-infinity

13. Differentiation of x^n is

a. $nx^{(n-1)}$ **b.** $n \times (n+1)$ **c.** zero   **d.** one

14. Fixed Cost is the -----------term in cost function represented in mathematical form.

a. Middle   **b.** Price   **c.** Quantity   **d.** Constant

15. The first differentiation of Total Revenue function gives

a. Average Revenue   **b.** Profit

c. Marginal Revenue   **d.** Zero

16. The elasticity of demand is the ratio of

a. Marginal demand function and Revenue function

b. Marginal demand function to Average demand function

c. Fixed and variable revenues

d. Marginal Demand function and Total demand function

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17. If x+y = 5 and x-y= 3 then, Value of x

a. 4   **b.** 3   **c.** 16   **d.** 8

18. Integration is the reverse process of

a. Difference   **b.** Mixing

c. Amalgamation   **d.** Differentiation

19. Data processing is done by

a. PC alone   **b.** Calculator alone

c. Both PC and Calculator   **d.** Pen drive

20. The command **Ctrl** + **M** is applied for

a. Saving   **b.** Copying

c. getting new slide   **d.** deleting a slide

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