

XI ECONOMICS – WORKSHEETS – CHAPTERS 3,4,5 (ONE AND TWO MARKS)**MULTIPLE CHOICE QUESTIONS – CH -III**

- The primary factors of production are:
 - Labour and Organisation
 - Labour and Capital
 - Land and Capital
 - Land and Labour.
- The man-made physical goods used to produce other goods and services are referred to as.
 - Land
 - Labour
 - Capital
 - Organization.
- Formula for calculating AP is a. $\Delta TP/N$ b. $\Delta TP/\Delta N$ c. TP/MP d. TP/N
- Which factor is called the changing agent of the Society
 - Labourer
 - Land
 - Organizer
 - Capital
- Who said, that one of the key of an entrepreneur is “uncertaintybearing”.
 - J.B.Clark
 - Schumpeter
 - Knight
 - Adam Smith
- The functional relationship between “inputs” and “outputs” is called as
 - Consumption Function
 - Production Function
 - Savings Function
 - Investment Function
- In a firm 5 units of factors produce 24 units of the product. When the number of factor increases by one, the production increases to 30 units. Calculate the Average Product.
 - 30
 - 6
 - 5
 - 24
- The short-run production is studied through
 - The Laws of Returns to Scale
 - The Law of Variable Proportions
 - Iso-quants
 - Law of Demand
- The long-run production function is explained by
 - Law of Demand
 - Law of Supply
 - Returns to Scale
 - Law of Variable Proportions
- An Iso-quant curve is also known as
 - Inelastic Supply Curve
 - Inelastic Demand Curve
 - Equi-marginal Utility
 - Equal Product Curve
- Mention the economies reaped from inside the firm
 - financial
 - technical
 - managerial
 - all of the above
- Cobb-Douglas production function assumes
 - Increasing returns to scale
 - Diminishing returns to scale
 - Constant returns to scale
 - All of the above
- Name the returns to scale when the output increases by more than 5%, for a 5% increase in the inputs,
 - Increasing returns to scale
 - decreasing returns to scale
 - Constant returns to scale
 - All of the above
- Which of the following is not a characteristic of land?
 - Its limited supply.
 - It is mobile
 - Heterogeneous
 - Gift of Nature
- Product obtained from additional factors of production is termed as
 - Marginal product
 - Total product
 - Average product
 - Annual product
- Modern economists have propounded the law of

- Increasing returns
 - decreasing returns
 - Constant returns
 - variable proportions.
- Producer's equilibrium is achieved at the point where:
 - Marginal rate of technical substitution(MRTS) is greater than the price ratio
 - MRTS is lesser than the price ratio
 - MRTS and price ratio are equal to each other
 - The slopes of isoquant and iso-cost lines are different.
 - The relationship between the price of a commodity and the supply of commodity is
 - Negative
 - Positive
 - Zero
 - Increase
 - 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
 - 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.

MULTIPLE CHOICE QUESTIONS – CH-IV

- Cost refers to _____
 - price
 - value
 - fixed cost
 - cost of production
- Cost functions are also known as _____ function.
 - production
 - investment
 - demand
 - consumption
- Money cost is also known as _____ cost.
 - explicit
 - implicit
 - social
 - real
- Explicit cost plus implicit cost denote _____ cost.
 - social
 - economic
 - money
 - fixed
- Explicit costs are termed as
 - out of pocket expenses
 - real cost
 - social cost
 - sunk cost
- The costs of self-owned resources are termed as _____ cost.
 - real
 - explicit
 - money
 - implicit
- The cost that remains constant at all levels of output is _____ cost.
 - fixed
 - variable
 - real
 - social
- Identify the formula of estimating average variable cost.
 - TC/Q
 - TVC/Q
 - TFC/Q
 - TAC/Q
- The cost incurred by producing one more unit of output is _____ cost.
 - variable
 - fixed
 - marginal
 - total
- The cost that varies with the level of output is termed as _____ cost.
 - money
 - variable cost
 - total cost
 - fixed cost
- Wage is an example for _____ cost of the production.
 - fixed
 - variable
 - marginal
 - opportunity
- The cost per unit of output is denoted by _____ cost.
 - average
 - marginal
 - variable
 - total
- Identify the formula of estimating average cost.
 - AVC/Q
 - TC/Q
 - TVC/Q
 - AFC/Q

14. Find total cost where $TFC=100$ 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 revenue 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 made to 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

MULTIPLE CHOICE QUESTIONS – CH-V

1. In which of the following is not a type of market structure Price will be very high?

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

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

1. Two Marks Mock Test:

2. Define "Excess capacity".

3. Draw demand curve of a firm for the following:

a) Perfect Competition b) Monopoly

4. State the production function, with suitable equation.

5. What is selling cost? Mention any two examples.

6. Define cost function. Give a model cost function equation.

7. Define Market.

8. Define cost.

9. What do you mean by fixed cost?

10. Define Labour.

11. Mention any two types of price discrimination

12. What is meant by Sunk cost?

13. Give the definition for 'Real Cost'

14. What are the reasons for upward sloping supply curve?

15. Define Revenue.

16. Point out the essential features of pure competition.

17. What is Iso-cost line?

18. What are the conditions for producer's equilibrium?

19. Define Marginal Product of a factor.

20. Who is price-taker?