



ECONOMICS

CH:1- INTRODUCTORY MICRO ECONOMICS

Name: _____

Date: _____

Class: XII Sec: ____

I Multiple choice questions

1. Economics is all about

- a) How to manage unlimited resources b) How to reduce limited wants
c) How to make choices in presence of scarcity d) How to maximise profits.

2. Which of the following is not concerned with the problem of choice

- a) Excessive income b) Alternative use of resources
c) Unlimited wants d) Limited (scarce) resources

3. Principal characteristics of resources are:

- a) they are scarce in relation to our needs b) they have alternative uses
c) both (a) and (b) d) none of these

4. In which of the following situations, does the scarcity arise?

- a) Supply of resources > Demand for resources b) Supply of resources < Demand for resources
c) Supply of resources = Demand for resources d) none of these

5. Economic problem arises due to the fact that:

- a) resources are scarce b) human wants are unlimited
c) resources have alternative uses d) All of these

6. Positive Economics involves statements which are:

- a) Verifiable b) not verifiable c) may or may not be verifiable d) none of these

7. Normative economics deals with:

- a) facts b) opinions c) both (a) and (b) d) none of these

8. Which of the following is an example of economic activity?

- a) production b) Consumption c) Exchange d) All of these

9. Who controls economic activities under centrally planned economies?

- a) Industrialists b) private firms c) Government d) Consumers

10. Greater scarcity implies:

- a) zero price b) lower price c) higher price d) none of these

II. Very short answer type.

1. What is meant by an economy?



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2. Who are economic agents?
3. Define capitalist economy.
4. Define centrally planned economy.
5. Define mixed economy.
6. State two characteristics of a centrally planned economy.
7. Write two assumptions of Production Possibility Curve.
8. What does concavity implies in the context of PPC?
9. What is opportunity cost?
10. Define Marginal opportunity cost.