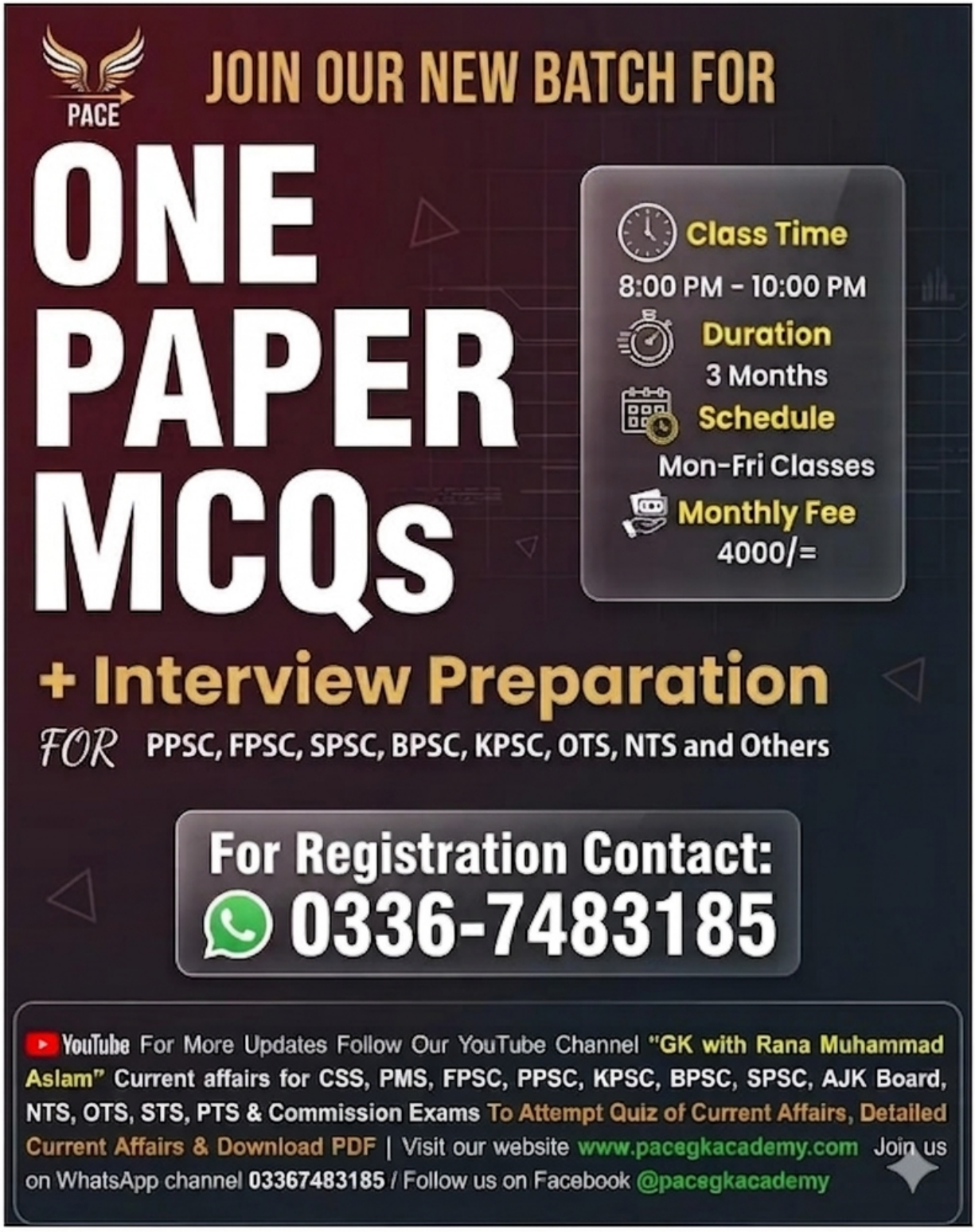
Agri. Economics



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Q.1: A simplified picture of economic reality, an abstract generalization.
A. Economic theory
B. **Economic model**
C. Economic principle
D. None

Q.2: Obtaining the socially optimal amounts of goods and services using minimum necessary resources.
A. **Economic efficiency**
B. Economic efficiency
C. Allocative efficiency
D. All

Q.3: Cooperation among or unification of the economies of different nations is termed:
A. Economic bloc
B. **Economic integration**
C. Economic union
D. None

Q.4: A course of action intended to correct or avoid a problem.
A. Economic principle
B. **Economic policy**
C. Economic phenomena
D. Economic rationale

Q.5: An industry in which expansion through the entry of firms decreases prices, firms in the industry must pay for resources, and therefore decreases their production costs.
A. Declining industry
B. **Decreasing cost industry**
C. Both
D. None

Q.6: An industry in which economic profits are negative and which will, therefore, decrease its output as firms leave it.
A. Increasing cost industry
B. Decreasing cost industry
C. **Declining industry**
D. None

Q.7: A decrease in the governmentally defined value of currency.
A. Inflation
B. **Devaluation**
C. Cheapness
D. All

Q.8: Building of new factories in a particular nation by corporations of other nations.
A. Discrimination
B. **Direct foreign investment**
C. Profit maximizing rule
D. Economies of scale

Q.9: Increases in the price level resulting from an excess of demand over output at the existing price level, caused by an increase in aggregate demand.
A. **Demand-pull inflation**
B. Stagflation
C. Both
D. None

Q.10: A decline in economy's price level
A. **Deflation**
B. Inflation
C. Unanticipated inflation
D. None

Q.11: Increases in the price level at a rate greater than expected is called:
A. Dearness
B. Deflation
C. Stagflation
D. **Unexpected inflation**

Q.12: Failure to achieve full production is called:
A. Unemployment
B. **Underemployment**
C. Unplanned
D. None

Q.13: To obtain the greatest utility, the consumer should allocate money income so that the last dollar spent on each good or service yields the same marginal utility. This is called:
A. Law of diminishing return
B. Say's law
C. Law of diminishing marginal utility
D. **Law of equi-marginal utility**

Q.14: The sacrifice of some or all of one economic goal, good, or service to achieve some other goal, good, or service is called:
A. Trade bloc
B. Trade union
C. **Trade-offs**
D. All

Q.15: A group of nations which lowers or abolishes trade barriers among members is called:
A. **Trade bloc**
B. Trade-offs
C. Trading company
D. None

Q.16: The total amount buyers of goods and services spend or plan to spend is called:
A. Total spending
B. **Aggregate spending**
C. Both
D. None

Q.17: The total number of monetary units received by a firm from the sale of a product is called:
A. **Total revenue**
B. Nominal profit
C. Both
D. None

Q.18: The demand schedule or demand curve of all buyers of a good or service is called:
A. **Market demand**
B. Total demand
C. Both
D. None

Q.19: A payment of funds by a government to a firm or householder for which it receives no goods or services in return is called:
A. **Subsidy**
B. Tax
C. Lump-sum tax
D. None

Q.20: An asset set aside for future use is termed as:
A. Future planning
B. **Store of value**
C. Speculation
D. None

Q.21: An ownership share in a corporation is called:
A. **Stock**
B. Corporate
C. Both
D. None

Q.22: A commercial bank authorized by the state government to engage in the business of banking is called:
A. National Bank
B. State Bank
C. Business authorized bank
D. **None**

Q.23: The use of the resources of an individual or firm, a region, or a nation to produce one or a few goods and services is called:
A. **Specialization**
B. Speculation
C. Fly over
D. Capital flight

Q.24: A benefit or cost from production or consumption accruing without compensation to non-buyers and non-sellers of the product is called:
A. Speculation
B. Specialization
C. **Spillover**
D. Anti-dumping

Q.25: An interest-bearing deposit which normally can be withdrawn by the depositor at any time is called:
A. **Saving deposit**
B. Fixed deposit
C. Capital deposit
D. None

Q.26: A tax levied on the cost of a broad group of products is called:
A. Income tax
B. **Sales tax**
C. Consumer surcharge
D. None

Q.27: An essentially risk-free, long-term interest rate which is free from the influence of market imperfections is called:
A. **Pure rate of interest**
B. Economic rate of interest
C. Nominal rate of interest
D. None

Q.28: The part of the economy which contains all government entities is called:
A. **Public sector**
B. Private sector
C. Public utility
D. None

Q.29: A good or service that is indivisible and to which the exclusion principle does not apply is called:
A. Public service
B. **Public good**
C. Public finance
D. Public debt

Q.30: The total amount owed by the Federal Government to the owners of government securities is called:
A. **Public debt**
B. Public finance
C. Public good
D. None

Q.31: The coordinating mechanism of capitalism is a system of:
A. Capital and laborers
B. Competition
C. **Market and prices**
D. All of these

Q.32: The ability of market forces to synchronize selling and buying decisions to eliminate potential surpluses and shortages is known as:
A. Generalization
B. Specification
C. **Rationing function of the price**
D. None

Q.33: The intersection of the supply curve and demand curve indicates:
A. **Market equilibrium**
B. Market demand
C. Market condition
D. None

Q.34: A supply curve shifts because of a change in:
A. The price of related products
B. Technology
C. **Both**
D. None

Q.35: A determinant of supply is:
A. Resource price
B. Technique of production
C. Taxes and subsidies
D. **All**

Q.36: Other things remaining the same, as price rises, the quantity supplied rises; as price falls, the quantity supplied falls. This is:
A. Say's law
B. Keynes theory of supply
C. **Law of supply**
D. None

Q.37: Change in quantity demanded is:
A. Upward movement or shift of the entire curve
B. Shift of the demand curve to the left side
C. **Movement from one point to the other on the same demand curve**
D. None

Q.38: A demand curve shifts because of a change in:
A. Consumer tastes
B. Number of buyers in the market
C. Incomes
D. **ALL**

Q.39: When the price of one and demand for the other move in the same direction, we say they are:
A. Complementary
B. **Substitutes**
C. Supplementary
D. None

Q.40: A good used together with another good is called:
A. Superior good
B. Normal good
C. **Complementary good**
D. None

Q.41: Commodities whose demand varies directly with money income are called:
A. **Superior or normal goods**
B. Complementary goods
C. Substitutes
D. None

Q.42: Upward shift of the demand curve is due to:
A. Change in quantity demanded
B. **increase in demand**
C. Decrease in quantity demanded
D. None

Q.43: Determinants of demand are sometimes referred to as:
A. Demand affecters
B. Demand determinant
C. **Demand shifters**
D. None

Q.44: An individual's demand curve is downward sloping because:
A. **Price and quantity demanded are inversely related.**
B. P & D are directly related.
C. Both A & B
D. None

Q.45: _____ provides an overview of the operation of the capitalist system.
A. Indifference curve
B. Income budget line
C. **Circular Flow model**
D. Say's law

Q.46: Allocative efficiency is:
A. Producing all output combinations in least costly way.
B. **Producing the specific output mix most desired by society.**
C. Producing the most desired things.
D. None

Q.47: Productive efficiency means:
A. **Producing all output combinations in the least costly way.**
B. Producing the specific output mix most desired by society.
C. Producing the desired ones only.
D. None

Q.48: Hitler introduced:
A. Command economy
B. Traditional economy
C. Mixed economy
D. **Authoritarian economy**

Q.49: The private ownership of resources and use of a system of markets and prices to coordinate and direct economic activity:
A. Pure capitalism
B. Laissez-faire capitalism
C. **Both**
D. None

Q.50: Directing domestic resources to output which a nation is highly efficient at producing is called:
A. International Trade
B. Speculation
C. **International specialization**
D. None

Q.51: Any point inside the production possibility curve represents:
A. Unemployment
B. Failure to achieve productive efficiency
C. **Both**
D. None

Q.52: Opportunity cost is illustrated by the:
A. Steep slope
B. **Downward slope**
C. Positive slope
D. None

Q.53: All points on the production possibility curve explain:
A. Allocative efficiency
B. **Productive efficiency**
C. Less than full use of resources
D. Unattainable levels of output

Q.54: Production possibility curve is always concave because:
A. The curve gets steeper as we move downward
B. The marginal benefit decreases as more of a good is consumed
C. **It reflects the law of increasing opportunity cost**
D. Resources are scarce

Q.55: In _____ economics we look at the desirability of certain aspects of the economy.
A. Theoretical
B. Positive
C. **Normative**
D. None

Q.56: In _____ economics we avoid value judgments and focus on facts.
A. **Positive economics**
B. Normative economics
C. Theoretical economics
D. Factual economics

Q.57: A field of economics in which economists study and observe the details of an economic unit or a very small segment of the economy is:
A. Macroeconomics
B. **Microeconomics**
C. Positive economics
D. Normative economics

Q.58: Meaningful statements about the economic behavior or the economy are called:
A. Economic Principles
B. Economic theories
C. **Both**
D. None

Q.59: An analytic approach in which we move from general to particular, from theory to fact is:
A. Induction
B. **Deduction**
C. Specification
D. None

Q.60: An analytic approach in which we move from facts to theory, from particular to general is called:
A. **Induction**
B. Deduction
C. Generalization
D. Randomization

Q.61: The process of deriving principles is called:
A. Theoretical economics
B. Economic analysis
C. **Both**
D. None

Q.62: A compensation device through which workers receive part of their pay in the form of a share of their employer's profit.
A. Labour laws
B. Labour saving scheme
C. **Profit sharing plan**
D. Profit maximizing pla

Q.63: The households and the business firms of the economy are called:
A. Public Sector
B. **Private sector**
C. Govt. Sector
D. All of these

Q.64: A minimum price which government allows sellers to receive for a good or service.
A. Ceiling Price
B. **Floor Price**
C. Support Price
D. All of these

Q.65: A measure of average output or real output per unit of input is called:
A. Efficiency
B. Production
C. **Productivity**
D. None

Q.66: A market in which products are sold by firms and bought by households is:
A. Resource market
B. **Product market**
C. Consumer market
D. None

Q.67: A market in which households sell and firms buy resources or the services of resources is:
A. **Resource market**
B. Product market
C. Consumer market
D. Producer market

Q.68: An institution or mechanism which brings together buyers and sellers is called:
A. **Market**
B. Resource Market
C. Product Market
D. None

Q.69: The price paid for the use of services of labour per unit of time is called:
A. Salary
B. Income
C. **Wage**
D. All of these

Q.70: The value of a product sold by a firm less the value of the products purchased and used by the firm to produce the product.
A. **Value added**
B. Value of money
C. Vertical range
D. None

Q.71: The percentage of labour force unemployed at any time is called:
A. **Unemployment rate**
B. Inflation rate
C. Deflation rate
D. None

Q.72: Failure to use all available economic resources to produce goods and services is called:
A. Unemployment
B. **Underemployment**
C. Inflation
D. Deflation

Q.73: A payment of money or goods and services by a government to a household or firm for which the payer receives no good or service directly in return.
A. **Transfer Payment**
B. Tax
C. Tariff
D. Subsidy

Q.74: An economic system in which traditions and customs determine how the economy would use its scarce resources.
A. **Traditional Economy**
B. Mixed economy
C. Capitalistic economy
D. Command economy

Q.75: The export of goods (or goods and services) of a nation less its imports of goods (or goods and services).
A. **Trade Balance**
B. Trade deficit
C. Trade surplus
D. None

Q.76: The amount by which a nation's imports of goods (or goods and services) exceed its exports of goods (or goods and services) is:
A. Trade surplus
B. **Trade deficit**
C. Trade bloc
D. None

Q.77: The amount by which a nation's export of goods (or goods and services) exceeds its import of goods (or goods and services) is called:
A. **Trade surplus**
B. Trade deficit
C. Trade off
D. None

Q.78: The body of knowledge and techniques which can be used to produce goods and services from economic resources is:
A. **Technology**
B. Advance knowledge
C. Both
D. None

Q.79: An involuntary payment of money to government by a household or firm for which the household or firm receives no good or services directly in return.
A. Tariff
B. **Tax**
C. Tacit collusion
D. Subsidy

Q.80: A tax imposed by a nation on an imported good is called:
A. **Tariff**
B. Foreign Exchange
C. Net profit
D. GNP

Q.81: The activity of buying or selling with the motive of later reselling or re-buying for profit is called:
A. Spillover
B. **Speculation**
C. Specialization
D. All of these

Q.82: Nominal income adjusted for inflation is:
A. **Real Income**
B. Net income
C. Total Income
D. None

Q.83: An economic system in which property resources are privately owned and markets and prices are used to direct and coordinate economic activities:
A. **Pure capitalism**
B. Command Economy
C. closed economy
D. open economy

Q.84: The branch of economics which analyzes government revenues and expenditures is:
A. Public revenue
B. **Public finance**
C. Public good
D. None

Q.85: A physical establishment which performs one or more functions in production, fabrication and distribution of goods and services:
A. **Plant**
B. Firm
C. Factory
D. None

Q.86: A legally determined price above the equilibrium price is:
A. **Floor price**
B. Ceiling price
C. Equilibrium price
D. None

Q.87: Legally established maximum price of a good or service:
A. **Ceiling price**
B. Floor Price
C. Max price
D. None

Q.88: The transfer of savings from developing countries to industrially advanced countries to avoid government expropriation, taxation and high rates of inflation is:
A. **Capital flight**
B. Capital account
C. Capital deficit
D. All of these

Q.89: A market in which money of one nation can be used to purchase the money of another nation is called:
A. Money market
B. International market
C. **Foreign exchange market**
D. All of these

Q.90: Changes in government spending and tax collections designed to achieve full employment and non-inflationary domestic output is called:
A. **Fiscal Policy**
B. Economic Planning
C. Economizing problem
D. None

Q.91: An organization which employs resources to produce a good or service for profit and owns and operates one or more plants is called:
A. Company
B. Factory
C. **Firm**
D. None

Q.92: A condition when there is excessive product in the market which lowers down the price is called:
A. **Market glut**
B. Market surplus
C. Imperfect market
D. All of these

Q.93: The monetary payment a firm must make to an outsider to obtain a resource:
A. Implicit cost
B. **Explicit cost**
C. Net cost
D. Total cost

Q.94: Reduction in the average total cost of producing a product as the firm expands the size of plants (its output) in the long run:
A. Economies of scale
B. Economies of mass production
C. **Both of these**
D. None of these

Q.95: The land, labour, capital and entrepreneurial ability which are used in the production of goods and services are called:
A. Economic resources
B. Productive agents
C. Factors of production
D. **All of these**

Q.96: To charge different prices for the goods of the same standard is called:
A. **Price discrimination**
B. Price differentiation
C. Oligopoly
D. Price elasticity

Q.97: An increase either in real output (GDP) or in real output per capita is called:
A. Economic development
B. **Economic growth**
C. Growth rate
D. Economic efficiency

Q.98: The total revenue of a firm less all its economic costs is called:
A. Economic Profit
B. Pure Profit
C. Above Normal Profit
D. **All these**

Q.99: The sale of products below cost of production in a foreign country or below the prices charged at home is called:
A. **Dumping**
B. Subsidy
C. Inflation
D. Monopoly

Q.100: An economic system in which property resources are publicly owned and government uses central economic planning to direct & coordinate economic activities.
A. **Command economy**
B. Closed economy
C. Open economy
D. None

Q.101: Power of a good/service to satisfy human desire/want is called its:
A. **Utility**
B. Worth
C. The point of Satiety
D. All of these

Q.102: Total consumption deducted from total income is called:
A. Net income
B. Gross income
C. **Saving**
D. None of these

Q.103: Using part of income/saving for more income is called:
A. **Investment**
B. Business
C. Consumption
D. Entrepreneurship

Q.104: All the goods and services produced in a country in a year plus other sources of income, for example foreign exchange earnings, foreign aid, foreign remittances, loans etc. are called:
A. GDP
B. NNP
C. NDP
D. **GNP**

Q.105: All goods and services produced in a country in one year are called its:
A. GNP
B. **GDP**
C. NDP
D. None of these

Q.106: Total money income received by the individual or recipients of income is called:
A. Gross income
B. Net Income
C. **Personal Income**
D. None of these

Q.107: “Wealth of Nations” was written by:
A. Lewis
B. Rostow
C. Keynes
D. **Adam Smith**

Q.108: “Economics is the study of causes of material welfare” was defined by:
A. Adam Smith
B. **Marshall**
C. Robins
D. Marks

Agri. Economics (Answer Key)

1. **B**	2. **A**	3. **B**	4. **B**	5. **B**	6. **C**	7. **B**	8. **B**	9. **A**	10. **A**
11. **D**	12. **B**	13. **D**	14. **C**	15. **A**	16. **B**	17. **A**	18. **A**	19. **A**	20. **B**
21. **A**	22. **D**	23. **A**	24. **C**	25. **A**	26. **B**	27. **A**	28. **A**	29. **B**	30. **A**
31. **C**	32. **C**	33. **A**	34. **C**	35. **D**	36. **C**	37. **C**	38. **D**	39. **B**	40. **C**
41. **A**	42. **B**	43. **C**	44. **A**	45. **C**	46. **B**	47. **A**	48. **D**	49. **C**	50. **C**
51. **C**	52. **B**	53. **B**	54. **C**	55. **C**	56. **A**	57. **B**	58. **C**	59. **B**	60. **A**
61. **C**	62. **C**	63. **B**	64. **B**	65. **C**	66. **B**	67. **A**	68. **A**	69. **C**	70. **A**
71. **A**	72. **B**	73. **A**	74. **A**	75. **A**	76. **B**	77. **A**	78. **A**	79. **B**	80. **A**
81. **B**	82. **A**	83. **A**	84. **B**	85. **A**	86. **A**	87. **A**	88. **A**	89. **C**	90. **A**
91. **C**	92. **A**	93. **B**	94. **C**	95. **D**	96. **A**	97. **B**	98. **D**	99. **A**	100. **A**
101. **A**	102. **C**	103. **A**	104. **D**	105. **B**	106. **C**	107. **D**	108. **B**		