***Department of Economics***

***Srikrishna College***

UG 1st semester Internal Assessment 2023-2024

Subject Code:ECO-MDC-T-1

Subject name: Basic Economics

Full marks: 10

Answer any ten of the following MCQ questions.Put a tick mark (✓) against the correct alternative in the following questions.

1x10=10

1.Disguised unemployment means

* a)APL is low.
* b) MPLis zero.
* c) APL is zero.
* d) TPL is zero.

2. Supply curve is

* a) Downward sloping.
* b) Converx to the origin
* c) Concave to the origin
* d) Upward sloping.

3. Law of demand shows a relation between

* a) Quantity demanded and quantity supply of a commodity.
* b) Income and quantity demand of a commodity
* c) Price and quantity of a commodity.
* d) Income and price of a commodity.

4.Which of the following is the true meaning of opportunity cost?

* a) It is the next best alternative that is available in a given situation.
* b) It is the next best alternative that is sacrificed in a given situation.
* c) Both (a) and (b) are correct.
* d) Both (a) and (b) are incorrect.

5.Which of the following is a method to measure the National Income ?

* a) Expenditure method.
* b) Income method.
* c) Product method.
* d) All of the above.

6.Which of the following is another term for the Net National Product at factor cost?

* a) Personal income
* b) National Income
* c) Gross National Product
* d) Net Domestic Product

7.Which of the following statement is true about demand deposits?

* a) It includes both fixed deposits and current account deposits
* b) It includes both savings account deposits and fixed deposits.
* c) It includes both current and savings account deposits.
* d) It includes fixed deposits,current account deposits and savings account deposits.

8.When the RBI makes open market operations by sale of securities ,the money supply in the banking system

* a) reduces
* b) increases
* c) is not affected at all.
* d) difficult to say anything.

9.Utility may be defined as

* a) willingness to pay for a commodity
* b) the desire for a commodity
* c) availability of a commodity
* d) want satisfying power of a commodity

10.Sustained increase in the average price level is called

* a) inflation
* b) stagflation
* c) deflation
* d) none of the above.

11.Real GDP is obtained by

* a) nominal GDP x price level
* b) nominal GDP/ GDP deflator
* c) nominal GDP - GDP deflator
* d) nominal GDP / price level

12.Elasticity of demand for a pair of substitute goods is

* a) 0
* b) infinite
* c) greater than one
* d) less than one

13.Total Revenue ÷ Number of units sold =

* a) Average Revenue
* b) Marginal Cost
* c) Total Cost
* d) Average cost

14. The term ‘macro’ has its origin in the Greek word which means

* (a) constant or equal
* (b) mikros or small
* (c) makros or large
* (d) None of the above