

BRAHMASTRA SERIES

Chapter : 1

NATURE AND

SCOPE OF

BUSINESS

ECONOMICS

1. The term 'Economics' owes its origin to the Greek word :
(a) Aikonomia (b) Wokonomia
(c) Oikonomia (d) None of the above

2. Economics in terms of Dynamic Growth and development defined by :
(a) Adam Smith (b) Robbins
(c) Alfred Marshall (d) Paul A Samuelson

3. Adam Smith published his masterpiece "An enquiry into the nature and causes of wealth of nations" in the year :
(a) 1776 (b) 1786 (c) 1789 (d) 1790

4. _____ wrote "An inquiry into the nature and causes of wealth of nations".
(a) Adam Smith (b) Pigou
(c) Marshall (d) Hicks

5. Which book of economics is known as first book of modern economics ?
(a) An Inquiry into nation (b) An inquiry into wealth of nation
(c) An inquiry into wealth (d) Wealth of nation

6. Oikonomia means :
(a) Industry (b) Management of household
(c) Services (d) None of these

7. The word economics owes its origin with the Greek word Oikonomia which means :
(a) Commodity (b) Household
(c) Price (d) Consumer exceptions

8. The book "Wealth of Nations" was written by _____
(a) Alfred Marshal (b) Join Robinson
(c) Adam Smith (d) Robert Malthus

9. Economics regard decision making as important because :

- (a) The resources required to satisfy our unlimited wants and needs are finite or scarce.
- (b) It is crucial to understand how we can best allocate our scarce resources to satisfy society's unlimited wants and needs.
- (c) Resources have alternative uses.
- (d) All of the above

10. _____ are responsible for all economic problem :

- (a) Alternative resources
- (b) unlimited wants
- (c) scarcity of resources
- (d) others

11. 'Economics is the science of choice making' it implies :

- (a) No choice is to be made
- (b) Choice to be made between alternative uses
- (c) Choice to be made between means and ends
- (d) None of the above

12. The famous book abbreviated as "The Wealth of nations", which is also considered as the first modern work of economics, was written by _____

- (a) Frideric Engles
- (b) Karl Marx
- (c) David Ricardo
- (d) Adam Smith

13. The concept socialist economy was propounded by Karl Marx and Frideric Engels in their work. The communist manifesto was published in the year :

- (a) 1947
- (b) 1848
- (c) 1949
- (d) 1950

14. Which one is the feature of Marshall's definition ?

- (a) Limited ends
- (b) Scarce means
- (c) Study of wealth as well as study of man
- (d) Study of allocation of resources

15. According of Robbins , 'means' are :

- (a) Scarce
- (b) Unlimited
- (c) Undefined
- (d) all of these

16. Scarcity definition of economics is given by :
- (a) Alfred Marshall (b) Samuelson
(c) Robinson (d) Adam Smith
17. The definition “Science which deals with wealth of nation” was given by :
- (a) Alfred Marshall (b) A C Pigou
(c) Adam Smith (d) J B Say
18. Economics is the study of :
- (a) How society manages its unlimited resources
(b) How to reduce our wants until we are satisfied
(c) How society manages its scarce resources
(d) How to fully satisfy our unlimited wants
19. In Economics, we use “Scarcity” the term to mean :
- (a) Absolute scarcity and lack of resources in less developed countries.
(b) Relative scarcity i.e. scarcity in relation to the wants of the society
(c) Scarcity during times of business failure and natural calamities.
(d) Scarcity caused on account of excessive consumption by the rich.
20. In economics, we use the term scarcity to mean :
- (a) Absolute scarcity and lack of resources in less developed countries.
(b) Relative scarcity i.e. scarcity in relation to the wants of the society
(c) Scarcity during times of business failure and natural calamities.
(d) Scarcity caused on account of excessive consumption by the rich.
21. An economy exists because of two basic facts i.e. _____
- (a) Human Wants are limited and resources are unlimited
(b) Human wants are unlimited and resources are unlimited
(c) Human wants are unlimited and resources are scare
(d) Human wants are limited and resources are abundant

22. What implication(s) does resource scarcity have for the satisfaction of wants ?
- (a) Not all wants can be satisfied.
 - (b) We will never be faced with the need to make choice.
 - (c) We must develop ways to decrease our individual wants
 - (d) The discovery of new natural resources is necessary to increase our ability to satisfy wants.
23. Adam Smith defined economics in terms of :
- (a) The science of welfare
 - (b) the science of scarcity
 - (c) the science of wealth
 - (d) the science of wealth and welfare
24. Who defines economics in terms of dynamic growth and development ?
- (a) Robbins
 - (b) Paul A Samuelson
 - (c) Adam Smith
 - (d) None of these
25. Which of the following is not a basic problem of an economy ?
- (a) Whether to produce more of consumer goods or capital goods
 - (b) Whether to lay emphasis on labour – intensive techniques or on capital intensive techniques
 - (c) Whether to produce for rich people or for poor people
 - (d) Whether to accept foreign direct investment in the economy
26. In every economic system, scarcity imposes limitations on :
- (a) Households, business firms, governments and the nation as a whole
 - (b) Household, and business firms, but not the governments
 - (c) Local and state governments but not business firms
 - (d) Business firms, governments , and the nation as a whole.
27. Economic goods are considered scarce resource because they :
- (a) Cannot be increased in quantity
 - (b) Do not exist in adequate quantity to satisfy the requirements of the society
 - (c) Are of primary importance in satisfying social requirements.
 - (d) Are limited to man made goods.

28. 'Economics is the study of mankind in the ordinary business of life' was given by :
- (a) Adam Smith (b) Lord Robbins
(c) Alfred Marshall (d) Samuelson
29. Consider the following and decide which , if any, economy is without scarcity :
- (a) The pre – independent Indian economy where most people were farmers.
(b) A mythical economy where everybody is a billionaire.
(c) Any economy where income is distributed equally among its people.
(d) None of the above
30. Human wants are _____ in response to satisfy their wants ?[®]
- (a) Unlimited (b) Limited
(c) Scarce (d) Multiple
-
31. There is need of economic study, because –
- (a) The Resource are limited
(b) The wants are unlimited
(c) The resource are unlimited
(d) Both (a) and (b)
32. The benefit of economic study is :
- (a) It ensure that all problems will be appropriately tackled
(b) It helps in identifying problems
(c) It enable to examine a problem in its right perspective
(d) It gives exact solutions to every problem
33. Economic goods are considered as scare resources because _____
- (a) Inadequate quantity to satisfy the needs of the society
(b) Not possible to increase in quantity
(c) Limited hands to make goods
(d) Primary importance in satisfying social requirements

34. The meaning of time element in economics is :
- (a) Calendar time
 - (b) Clock time
 - (c) Operational time in which supply adjusts with the market demand
 - (d) None of the above
35. All wants of an individual are not of :
- (a) Equal importance
 - (b) Immediate importance
 - (c) Fixed importance
 - (d) All of the above
36. _____ refers to the process of selecting an appropriate alternative selecting an appropriate alternative that will provide the most efficient means of attaining a desired end, from two or more alternative courses of action.
- (a) Decision making
 - (b) Strategy
 - (c) Problem solving
 - (d) Effectiveness
37. Which of the following is not within the scope of business economics ?
- (a) Capital budgeting
 - (b) Risk analysis
 - (c) business cycles
 - (d) Accounting standards
38. Business economics is :
- (a) Abstract and applies the tools of microeconomics.
 - (b) Involves practical application of economic theory in business decision making
 - (c) Incorporates tools from multiple disciplines.
 - (d) (b) and (c) above
39. Business economics is also known as :
- (a) Applied economics
 - (b) managerial economics
 - (c) micro economics
 - (d) all of the above

46. Business economics is essentially a component of _____ as it include application of selected quantitative techniques.

- (a) Pure economics (b) Applies Economics
(c) Statistical economics (d) none of the above

47. Which of the following is not included in economics ?

- (a) Family structure (b) managerial economics
(c) micro economics (d) macro economics

48. Which statement differentiates business economics from economics ?

- (a) It is abstract in nature.
(b) It is narrow concept than economics
(c) It is different from economics
(d) It is pragmatic in nature.

49. The heat of business economics is :

- (a) Micro economic theory of the behavior of consumers and firms in competitive markets
(b) Macro – economic theory of the national income
(c) Income economic analysis to analyze the industry
(d) All of the above

50. Which one of the following is not a subject matter of micro economics ?

- (a) Behaviour of firms (b) External value of currency
(c) factor pricing (d) location of industry

51. Micro economics does not study :

- (a) Consumer behavior (b) factor pricing
(c) general price level (d) firms equilibrium

52. Micro economics is also known as _____

- (a) public economics (b) income theory
(c) demand theory (d) price theory

53. Micro economics is the study of :

- (a) Individual parts of the economy
- (b) The economy as a whole
- (c) Choice making
- (d) Developing of the economy

54. Micro economic is also known as _____.

- (a) public economics
- (b) price theory
- (c) income theory
- (d) demand theory

55. Economics is classified into _____

- (a) Normative & positive
- (b) Micro & macro
- (c) internal & external
- (d) none of the above

56. Mrs. Reshma, a CEO of a company had decided to expand the business by introducing a new product into market. She hires a consultant to guide her for deciding the pricing of the new product, study the consumer behavior and the staff requirements.

Approach of consultant will be towards –

- (a) Applied economics
- (b) econometrics
- (c) macro economics
- (d) micro economics

57. The branch of economics theory that deals with the problem of allocation of resources is :

- (a) Micro economic theory
- (b) macro economic theory
- (c) econometrics
- (d) none of the above

58. Which of the following is not the subject matter of micro economics ?

- (a) consumer behavior
- (b) foreign exchange rate
- (c) behavior of firms
- (d) location of industry

59. Micro economics theory deal with _____

- (a) Production and cost analysis
- (b) Government policies
- (c) Total consumption
- (d) Social and political environment

60. Which of the following is used for allocation of resources ?

- (a) micro – economics
- (b) macro - economics
- (c) econometrics
- (d) descriptive economics

61. Which of the following is not the subject matter of business economics ?

- (a) Should our firm be in this business ?
- (b) How much should be produced and at price should be kept ?
- (c) How will the product be placed in the market ?
- (d) How should we decrease unemployment in the economy ?

62. The branch of economic theory that deals with the problem of allocation of resources is :

- (a) Micro economics
- (b) Macro economics
- (c) Econometrics
- (d) none of these

63. Which of the following is not a subject matter of micro economics ?

- (a) behavior of firms
- (b) location of industry
- (c) consumer behavior
- (d) foreign exchange rate

64. Micro economics covers :

- (a) national income and national output
- (b) external value of currency
- (c) overall level of savings and investment
- (d) location of industry

65. Which of the following is not an example of micro – economics ?
- (a) The effect of increase in general price on living standards
 - (b) The effect of increase in steel import of a country on steel prices
 - (c) The effect of increase in wages in automobile industry
 - (d) The effect of increase in real estate prices on the location of industry
66. The study of behavior of different individuals organizations with in an economic system is known as :
- (a) Micro economics (b) Macro economics
 - (c) Welfare economics (d) none
67. A study of how increase in the corporate income tax rate will affect the natural unemployment rate is an example of :
- (a) micro economics (b) descriptive economics
 - (c) macro economics (d) normative economics
68. Mr. X had been given a task to segregate normative and non – normative statements. Help him to identify which one of these is normative economic statements ?
- (a) Pollution level is raising day by day because of urbanization.
 - (b) The part time working hours of students should be increased to 25 hours per week.
 - (c) Due to the increased number of cars on roads, people will be struck in traffic jams.
 - (d) The government has allotted a major portion of revenue in defence.
69. _____ examines how the individual units (Consumers or firms) make decisions as to how to efficiently allocate their scare resources.
- (a) Macro economics (b) Micro economics
 - (c) mathematical economics (d) consumer economics
70. Which of the following falls under micro economics ?
- (a) National income (b) General price level
 - (c) factor pricing (d) national saving and investment

71. Which of these is a part of micro economics ?

- (a) Factor pricing
- (b) National income
- (c) Balance of payment
- (d) none of the above

72. Which of the issue is not considered by micro economics ?

- (a) Production and cost analysis
- (b) Demand analysis and forecasting
- (c) Accounting standards
- (d) Resource allocation scope of micro economics

73. Micro economics is also known as _____

- (a) Public economics
- (b) Price theory
- (c) income theory
- (d) demand theory

74. Micro economics is concerned with :

- (a) Consumer behavior
- (b) Product pricing
- (c) Factor pricing
- (d) all of the above

75. Macro economic is also called _____ economics.

- (a) Applied
- (b) Aggregate
- (c) Micro
- (d) Experimental

76. What is the nature of business economics, which is an applied branch of economics ?

- (a) It is positive in nature.
- (b) It is normative in nature
- (c) It is neutral in nature.
- (d) It is both positive as well as normative in nature.

77. Macro economics is also called _____ economics.

- (a) Applied
- (b) aggregate
- (c) experimental
- (d) none of the above

78. Study if the behavior of different individuals and organizations within an economic system is called ?
- (a) Industrial economics (b) macro economics
(c) micro economics (d) welfare economics
79. Which of the following does not suggest a macro approach for India ?
- (a) Determining the GNP of India.
(b) Finding the causes of failure of ABC Ltd.
(c) Identifying the causes of inflation in India
(d) Analyze the causes of failure of industry in providing large scale employment
80. Macro economics is the study of _____.
- (a) All aspects of scarcity
(b) The national economy and the global economy as a whole.
(c) Big business.
(d) The decision of individuals businesses and people.
81. A study of how increases in the corporate income tax rate will affect the national unemployment rate is an example is
- (a) Macro economics (b) descriptive economics
(c) micro economics (d) normative economics
82. Which of these is an example of macro economics ?
- (a) Problem of unemployment in India
(b) Rising price level in the country
(c) Increase in disparities of income
(d) All of the above
83. Analysis of impact of Covid – 19 on the Indian economy is a subject matter of _____.
- (a) Macro economics (b) micro economics
(c) Economics of slicing (d) normative economics

84. Macro economics include :

- (a) Product pricing
- (b) consumer behaviour
- (c) external value of money
- (d) location of industry

85. Which of the following is not a subject matter of Micro – economics ?

- (a) The price of mangoes.
- (b) The cost of producing a fire truck for the fire department of Delhi, India
- (c) The quantity of mangoes produced for the mangoes market.
- (d) The national economy's annual rate of growth.

86. Impact of balance of trade and balances of payments on GDP are studied as a part of _____.

- (a) Microeconomics
- (b) consumer economics
- (c) trade economics
- (d) macro economics

87. The India's employment rate has increased in March 2023 as compared to March 2022. The study of this aspect comes under _____.

- (a) microeconomics
- (b) macro economics
- (c) price theory
- (d) market economics

88. Which of the following statements is correct ?

- (a) Micro economics is important for study of a particular household and a particular firm.
- (b) Macro economics is important for study of economic conditions of a country
- (c) None of the above
- (d) Both (a) and (b)

89. Mr.Satish hired a business consultant to guide him for growth of his business. The consultant visited his factory and suggested some changes with respect to staff appointment, loan availability and so on. Which approach is that consultant using ?

- (a) Micro Economics
- (b) Macro Economics
- (c) None of the above
- (d) Both (a) and (b)

90. Which of the following would be considered a topic of study in macro economics ?
- (a) The effect if increases in wages on the profitability of cotton industry
 - (b) The effect on steel prices when more steel is imported
 - (c) The effect of an increasing inflation rate on living standards of people in India.
 - (d) The effect of an increase in the price of coffee on the quantity of tea consumed
91. Which of the following is not a study of macro – economics ?
- (a) consumer behavior
 - (b) national income
 - (c) general price level
 - (d) level of employment
92. Which of the following is a part of the subject matter of macro economics?
- (a) study of firms
 - (b) aggregate profits of a firm
 - (c) market demand for a product
 - (d) net national product
93. Which of the following is subject matter of macroeconomics ?
- (a) Behaviour of firms
 - (b) factor pricing
 - (c) overall level of savings and investments
 - (d) the economic conditions of section of people
94. A study of how increases in the corporate income tax rate will affect the national unemployment rate an example of :
- (a) Macro economics
 - (b) Descriptive economic
 - (c) micro economics
 - (d) normative economics
95. The macro economics does not cover the area of :
- (a) General price level and interest rates
 - (b) Level of employment and rate of economic growth
 - (c) Balance of trade & balance of payments
 - (d) Product pricing

96. Normative science suggests which of the following ?
- (a) what should be (b) what to produce
(c) how to produce (d) when to produce
97. Shyam : This year due to heavy rainfall my option crop was damaged
Krishna : Climates affects crop yields. Some years are bad, other are good
Hari : don't worry – price increase will compensate for the fall in quantity supplied
Radhe : The government ought to guarantee that our income will not fall.
In this conversation, the normative statement is made by :
- (a) Shyam (b) Krishna (c) Hari (d) Radhe
98. Which of the following statement is incorrect about macro economics ?
- (a) macro economics is the branch of economics that deals with the study of the behavior and performance of the economy in total.
(b) Macro economics studies the particular market segment of the economy
(c) Macro economics deals with various issued like national income, distribution, employment, general price level, money and more.
(d) It is applied to environmental and external issues.
99. Which one of the area comes under macro – economics ?
- (a) Product pricing
(b) Consumer behaviour
(c) The general price level and interest rates
(d) economics conditions of a section of people.
100. Business economics enables application of economic logic and analytical tools to :
- (a) budge the gap between theory and practice
(b) increase the implementation science.
(c) Increase the effectiveness
(d) Apply tools of macro economics

101. Business economics relies heavily on the techniques of _____
- (a) Micro economics (b) macro economics
(c) normative science only (d) economic discipline only
102. Which one of the following is not the scope of business economics ?
- (a) Cost standards (b) cost analysis
(c) demand analysis (d) inventory management
103. Business economic is pragmatic in approach because of which of the following cause ?
- (a) Based on assumptions (b) Tackles practical problems
(c) considers profit only (d) considers internal value
104. Under pragmatic approach, microeconomics is abstract and purely _____ nature and takes _____ assumptions.
- (a) Practical, unrealistic (b) practical, Realistic
(c) Theoretical, Unrealistic (d) Theoretical, Realistic
105. Which of the following is a normative statement ?
- (a) Planned economies allocate resources via government departments.
(b) Most transitional economies have experienced problems of falling output and rising prices over the past decade.
(c) There is a greater degree of consumer sovereignty in market economies than planned economies.
(d) Reducing inequality should be a major priority for mixed economies.
106. An example of 'Positive' economic analysis would be :
- (a) An analysis of the relationship between the price of food and the quantity purchased.
(b) Determining how much income each person should be guaranteed.
(c) Determining the 'fair' price for food.
(d) Deciding how to distribute the output of the economy.

107. Which of the following is not a correct statement ?

- (a) Business economics is a normative science
- (b) Business economics is an art
- (c) Business economics is based largely on micro economics
- (d) Business economics does not incorporate elements of macro economics

108. Which of the following is not a correct statement ?

- (a) Business economics is a normative science
- (b) Business economics is an art
- (c) Business economics is based largely on micro economics
- (d) Business economics does not incorporate elements of macro economics

109. Business economics is _____ in its approach as it tackles practical problems which the firm faces in the real world.

- (a) Scientific
- (b) Programmatic
- (c) Theoretical
- (d) Mathematical

110. The difference between positive and normative economic is :

- (a) Positive economics explains the performance of the economy while normative economics finds out the reasons for poor performance.
- (b) Positive economics describes the facts of the economy while evaluating whether some of these are good or bad for the welfare of the people.
- (c) Normative economics describes the facts of the economy while positive economics involves evaluating whether some of these are good or bad for the welfare of the people.
- (d) Positive economics prescribes while normative economics describes.

111. Normative aspect of economics is given by :

- (a) Marshall
- (b) Robbins
- (c) Adam Smith
- (d) Samuelson

112. Normative economics is based on :

- (a) Ethical considerations (b) Facts and generalization
(c) What is ? (d) all of the above

113. Deductive and inductive methods are complimentary to each other. It is :

- (a) Absolutely correct (b) absolutely incorrect
(c) partially incorrect (d) none of the above

114. In inductive method, logic proceeds from :

- (a) General to particular (b) Particular to General
(c) both (a) and (b) (d) none of these

115. Which of the following is a normative economic statement ?

- (a) Unemployment rate decreases with industrialization
(b) Economics is a social science that studies human behaviour.
(c) The minimum wage should be raised to Rs.200 per day.
(d) India spends a huge amount of money on national defense.

116. Ram : My corn harvest this year is poor.

Krishan : don't worry. Price increases will compensate for the fall in quantity supplied.

Vinod : Climate affects crop yields. Some years are bad, others are good.

Madhu : the government ought to guarantee that our income will not fall.

In this conversation, the normative statement is made by :

- (a) Ram (b) Krishan (c) Vinod (d) Madhu

117. Positive science only explains

- (a) What is ?
(b) What ought to be ?
(c) What is right or wrong ?
(d) None of the above

118. Positive science only explains :

- (a) What is ?
- (b) What ought to be ?
- (c) What is right or wrong ?
- (d) None of the above

119. Under inductive method logic proceeds from :

- (a) General to particular
- (b) Positive to normative
- (c) Normative to positive
- (d) Particular to general

120. _____ economics explain economics phenomenon according to their causes and effects.

- (a) positive
- (b) normative
- (c) empirical
- (d) applied

121. _____ analyses causes and effect relationship between variables in an objective and scientific manner.

- (a) Positive science
- (b) Normative science
- (c) Negative Science
- (d) Analytical science

122. Business economics is generally _____ in nature.

- (a) Normative
- (b) Prescriptive
- (c) normative or Prescriptive
- (d) Theoretical

123. Which of the following statements is incorrect ?

- (a) Business economics is normative in nature.
- (b) Business economics has a close connection with statistics.
- (c) Business economist need not worry about macro variables.
- (d) Business economics is also called managerial economics.

124. Under inductive method, the logic proceeds from :

- (a) General to particulars
- (b) Particular to general
- (c) both (a) and (b)
- (d) None

125. Rama : My corn harvest this year is poor.

Manoj : don't worry. Price increase will compensate for this fall in quantity supplied.

Meera : climate affects crop yield. Some years are bad, other are good.

Bharti : The govt. ought to guarantee that our income will not fall.

In this conversation, the normative statement is made up :

- (a) Rama (b) Manoj (c) Meera (d) Bharti

126. Who gave the positive aspect of science ?

(a) Alfred Marshall (b) A. C. Pigou

(c) Adam Smith (d) Robbins

127. Although business economics combines the essentials of normative and positive economic theory but the emphasis is on :

(a) Positive (b) Normative

(c) both positive and normative (d) Neither positive nor normative

128. Business economics is :

(a) Normative in nature (b) interdisciplinary in nature

(c) Both (d) None

129. Find out the correct statement :

(a) Higher the prices, lower the quantity demanded of a product are a normative statement

(b) Micro and macro economics are interdependent

(c) In a capitalist economy, the economic problems are solved by planning commission

(d) In deductive method logic proceeds from particular to the general

130. "Economics is neutral between ends." The statement is given by :

(a) L. Robbins (b) Mrs. Joan

(c) Alfred Marshall (d) A.C. Pigou

131. Economics which is concerned with welfare propositions is called :
- (a) Socialistic economics (b) Capitalistic economics
(c) Positive economics (d) Normative economics
132. The business economics incorporates tools from other disciplines such as mathematics, operations research , management theory , accounting, etc. Therefore, business economics is _____
- (a) intra – disciplinary (b) inter – disciplinary
(c) multi – disciplinary (d) flexi – disciplinary
133. Under inductive method logic proceeds from :
- (a) General to particular (b) positive to narrative
(c) normative to positive (d) particular to general
134. Business economics involves the elements of :
- (a) Micro environment (b) Macro environment
(c) both (a) and (b) (d) none of the above
135. In which of the following methods conclusions are drawn on the basis of collection and analysis of facts ?
- (a) deductive method (b) scientific method
(c) inductive method (d) experimental method
136. Business economy involves theory of business economics with _____.
- (a) normative economics (b) business practices
(c) micro economics (d) macro economics
137. The operational or interval issues to which economic theories can be directly applied are related with :
- (a) Micro economics (b) Macro economics
(c) Business economics (d) Environmental economics

138. The scope of business economics encompasses all of the following except _____.
- (a) Accounting standards (b) Resource allocation
(c) inventory management (d) profit analysis
139. Business economics is essentially a component of applied economics as it includes application of selected quantitative techniques. Which technique is not included in it ?
- (a) Regression analysis (b) capital budgeting
(c) economic analysis (d) linear programming
140. Which factor is included in business economics ?
- (a) Business economics is an art
(b) Inter – disciplinary in nature
(c) Normative in nature
(d) All of the above
141. Business economics is pragmatic in its approach because ?
- (a) It tackles practical problem which the firm faces in real world.
(b) It tackles practical problem which the firm faces due to WTO policies
(c) It tackles practical problem which the firm faces due to lack of directors.
(d) Business economics is abstracts and purely theoretical.
142. Which of the below enables application of economic logic and analytical tools to bridge the gap between theory and practice ?
- (a) Macro economics (b) Micro economics
(c) Business economics (d) Traditional economics
143. Applied economics includes :
- (a) Regression analysis and mathematical linear programming
(b) Capital budgeting
(c) Both (a) and (b)
(d) None

144. Which of the following is not within the scope of business economics ?
- (a) Capital budgeting (b) Risk analysis
(c) Business cycles (d) Accounting standards
145. _____ explains the relationship between inputs and output.
- (a) Production theory (b) demand analysis
(c) inventory management (d) none of the above
146. Which one of the following is not a business economics ?
- (a) Demand forecasting & analysis
(b) Cost and production analysis
(c) Profit analysis
(d) Capital budgeting
147. Business economics with the help of advanced tools like _____ enables the firm to arrive at the best course of action for optimum utilization of available resources.
- (a) Accounting (b) Finance
(c) Linear programming (d) marketing mix
148. The nature of business economics is :
- (a) Positive in nature (b) Pure science
(c) Pragmatic (d) independent
149. Business economists use method(s) _____ to maintain optimum stock of inventories.
- (a) ABC analysis (b) simple simulation exercise
(c) mathematical modes (d) all of the above
150. Which of the following macro economic factor is considered in business economics ?
- (a) business cycles (b) employment prices
(c) saving & investment (d) all of the above

151. Which of the following involves the application of economic principles to solve economic problem ?
- (a) Macro economics (b) Economics
(c) Business economics (d) Practical economics
152. What is the character of economics ?
- (a) Micro – economics (b) Macro - economics
(c) micro as well as macro economics
(d) positive economics
153. What is the character of business economics ?
- (a) Micro – economics (b) Macro - economics
(c) micro as well as macro economics
(d) positive economics
154. What is the nature of economics ?
- (a) Positive (b) Negative
(c) Normative (d) Positive as well as Normative
155. What is the nature of business economics ?
- (a) Positive (b) Negative
(c) Normative (d) Positive as well as Normative
156. Business economics concentrates on _____ aspects of any business problem.
- (a) Economic
(b) Non – economic
(c) both economic as well as non economic
(d) macro economic

157. Business economics makes use of micro – economic analysis. Which of the following is NOT a part of such analysis ?
- (a) Demand analysis and forecasting
 - (b) Production and cost analysis
 - (c) Theory of capital and investment decision
 - (d) National income
158. Which of the following is NOT a part of Macro economics ?
- (a) Business cycles
 - (b) national income
 - (c) saving and investment
 - (d) demand analysis and forecasting
159. Unlimited ends and limited means together present the problem of _____
- (a) Scarcity of resources
 - (b) choice
 - (c) distribution
 - (d) none of the above
160. Which of the following statements is/are correct regarding business economics ?
- (a) Business economics attempts to indicate how business policies are firmly rooted to economic principles.
 - (b) Business economics use micro economic analysis of the business unit and macro economic analysis of business environment.
 - (c) Business economics takes a pragmatic approach towards facilitating an integration between economic theory and business practices.
 - (d) All of the above
161. Which of the following statement is false ?
- (a) The resources are limited
 - (b) The resources have alternative uses.
 - (c) If resources are unlimited people would be able to satisfy all their wants.
 - (d) The economics problem arises because resources has only single use.

162. The central economic problem of an economy arises due to _____
- (a) Scarcity of resources relative to the wants
 - (b) Co – existence of private and public sector
 - (c) Govt. interference in economic activities.
 - (d) Federal structure of constitution
163. The basic problem of scarcity give rise to :
- (a) technological problems
 - (b) social problems
 - (c) cultural problems
 - (d) economic problems
164. Which of the following economic system has to deal with the control problem of scarcity of resources ?
- (a) capitalist
 - (b) socialist
 - (c) mixed
 - (d) all of the above
165. In which type of central economic problem, an economy must decide whether more Indian electric toys should be produced and how many units of each toy should be produced ?
- (a) how to produce
 - (b) what to produce
 - (c) for whom to produce
 - (d) what provision should be made for economic growth
166. What implications does the resource scarcity of economy have ?
- (a) Political problems
 - (b) economic problem
 - (c) geographical problem
 - (d) cultural problems
167. In economics, the central economic problem means :
- (a) Output is restricted to the limited availability of resources.
 - (b) Consumer do not have as much money as they would wish
 - (c) There will always be certain level of unemployment
 - (d) Resources are not always allocated in an optimum way
168. Which of the following is the central problem of economy ?
- (a) scarcity of resources
 - (b) unemployment
 - (c) poverty
 - (d) inflation

169. Which of the following is the central problem of the economy ?

- (a) unemployment
- (b) poverty
- (c) scarcity of resources
- (d) inflation

170. The central problem in every economic society is :

- (a) To ensure a minimum level of income for every individual.
- (b) To allocate scarce resources in such a manner that societies unlimited wants are satisfied in the best possible manner.
- (c) To ensure that production occurs in the most efficient manner.
- (d) To provide job to every job seeker.

171. A developed economy uses _____ techniques in production.

- (a) labour intensive
- (b) capital intensive
- (c) home based
- (d) traditional

172. The 'central economics problem' does not deal with which of the following economic problem ?

- (a) What to produce ?
- (b) How to produce ?
- (c) For whom to produce ?
- (d) Where to produce ?

173. The central problem in economics is that of :

- (a) Comparing the success of command versus market economics
- (b) Guaranteeing that production occurs in the most efficient manner.
- (c) Guaranteeing a minimum level of income for every citizen.
- (d) Allocating scarce resource in such a manner that society's unlimited needs or wants are satisfied in the best possible manner.

174. Which of the following refers to the sum total of arrangements for the product and distribution of goods and services in society ?

- (a) Economic system
- (b) Business system
- (c) Capitalist economic system
- (d) Socialist Economic System

175. Capital intensive technique would get chosen in a :
- (a) Labour surplus economy where the relative price of capital is lower.
 - (b) Capital surplus economy where the relative price of capital is lower.
 - (c) Developed economy where technology is better.
 - (d) Developing economy where technology is poor.
176. Which of the following is not a part of central economic problem ?
- (a) What to produce ?
 - (b) How to produce ?
 - (c) For whom to produce ?
 - (d) Price fixation of production.
177. _____ refers to the sum total of arrangement for the production and distribution of goods and services in a society.
- (a) Economic system
 - (b) Social system
 - (c) business system
 - (d) comprehensive system
178. Economic problem arises when :
- (a) Wants are unlimited
 - (b) Resources are limited
 - (c) Alternative uses of resources
 - (d) all of the above
179. Which of the following is not one of the four central questions that the study of economics is supposed to answer ?
- (a) Who produces what ?
 - (b) When are goods produced ?
 - (c) Who consumes what ?
 - (d) How are goods produced ?
180. The classification of economies into capitalist, socialist and mixed is based on their :
- (a) Mode of production, exchange and distribution
 - (b) Government's role in economic activity
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)

181. The choice between labour and capital intensive techniques is related with :
- (a) What to produce ?
 - (b) How to produce ?
 - (c) For whom to produce ?
 - (d) All of the above
182. Which of the following is not an example of capitalist economy ?
- (a) Japan
 - (b) Mexico
 - (c) Germany
 - (d) Cuba
183. The capitalist economy uses _____ as principle means of allocation of resources.
- (a) Price
 - (b) Demand
 - (c) Supply
 - (d) None of the above
184. Freedom of choice is the advantage of _____.
- (a) Socialism
 - (b) Capitalist
 - (c) mixed economy
 - (d) none of the above
185. A capitalist economy consists of :
- (a) Central planning authority
 - (b) A mechanism to decide as what, how and for whom to produce
 - (c) Both (a) and (b)
 - (d) None of the above
186. Capitalist system offer incentive for :
- (a) Efficient business decisions
 - (b) Efficient government decisions
 - (c) Efficient non – government decisions
 - (d) Efficient economic decision

187. In capitalistic economy _____ and _____ will be more.

- (a) Equalities, non – exploitation
- (b) Inequalities, exploitation
- (c) Exploitation, equalities
- (d) Non – exploitation, inequalities

188. In a free market economy the allocation of resource is determined by :

- (a) Voting done by consumers
- (b) A central planning authority
- (c) Consumer preferences
- (d) The level of profits of firms

189. An economy is called capitalist economy, when _____ is given.

- (a) Right to private property
- (b) Freedom of government interference
- (c) Freedom of business choices
- (d) Discrimination

190. A capitalist economy use _____ as the principal means of allocating resources.

- (a) demand
- (b) supply
- (c) efficiency
- (d) prices

191. An economic system in which all means of production are owned and controlled by private individuals for profit is called as ?

- (a) Free economy
- (b) capitalist economy
- (c) normative economy
- (d) communist economy

192. Laissez – faire economy is also known as :

- (a) Capitalist economy
- (b) socialist economy
- (c) mixed economy
- (d) communist economy

193. Capitalist system offer incentives for _____.

- (a) Efficient business decisions
- (b) Efficient government decisions
- (c) Efficient non – government decisions
- (d) Efficient economic decisions

194. One of the demerits of capitalism is that it leads to formation of _____.

- (a) Duopoly
- (b) Oligopoly
- (c) Monopoly
- (d) Perfect competition

195. Price mechanism is the main feature of which economy :

- (a) Capitalist economy
- (b) Mixed economy
- (c) Socialist economy
- (d) all of the above

196. Profit motive is a merit of :

- (a) Socialism
- (b) Capitalism
- (c) Mixed economy
- (d) none of the above

197. Which out of these are the feature of capitalism ?

- (i) Profit motive
 - (ii) Human welfare
 - (iii) Work through price mechanism
- (a) (i) and (ii)
 - (b) (ii) and (iii)
 - (c) (i) and (iii)
 - (d) all of these

198. Which of the following is not one of the features of capitalist economy ?

- (a) Right of private property
- (b) Freedom of choice by the consumers
- (c) No profit, no loss motive
- (d) Competition

199. Capitalist economy solve their economic problems through which of the following ?
- (a) Central planning authority
 - (b) Price mechanism
 - (c) Administered prices
 - (d) Voting done by customers
200. _____ is an economic system in which all means of production are owned and controlled by private individuals for profit.
- (a) capitalist
 - (b) socialist
 - (c) mixed
 - (d) none of the above
201. Which of the following is considered as a disadvantage of allocating resources using the market system ?
- (a) income will tend to be unevenly distributed.
 - (b) People do not get goods of their choice.
 - (c) Men of initiative and enterprise are not rewarded.
 - (d) Profits will tend to be low
202. Exploitation and inequality will be more in _____
- (a) Socialism
 - (b) Capitalism
 - (c) Mixed
 - (d) All of the above
203. _____ means that buyers ultimately determine which goods and services will be produced and in what quantities.
- (a) Capitalist economic
 - (b) Socialist economy
 - (c) Mixed economy
 - (d) consumer sovereignty
204. Consumers' sovereignty is a typical feature of _____.
- (a) Command economy
 - (b) Socialistic economy
 - (c) Mixed economy
 - (d) capitalist economy

205. In a _____ the producer is free to set up any type of firms produce goods and services of his choice.
- (a) Capitalist economy (b) Command economy
(c) centrally planned economy (d) planned economy
206. In which type of economy do consumers and producers make their choices based on the market forces of demand and supply ?
- (a) Open economy (b) controlled economy
(c) command economy (d) market economy
207. The economic system in which all the means of production are owned and controlled by private individuals for profit.
- (a) Socialism (b) Capitalism
(c) mixed economy (d) communism
208. In a free market economy, when consumers increase their purchase of a goods and the level of _____ exceeds _____ then prices tend to rise.
- (a) Demand, supply (b) Supply, demand
(c) Price, demand (d) Profits, supply
209. Capitalistic economy uses _____ as principal means of allocating resources.
- (a) Demand (b) supply
(c) Price (d) All of the above
210. In a capitalist economy, allocation of resources is done by :
- (a) Producers (b) Government
(c) Planners (d) Price mechanism
211. A free market economy solves its central problems through _____.
- (a) Planning authority (b) market mechanism
(c) both (d) None

212. Capitalistic economy uses _____ as principal means of allocating resources.
- (a) Demand (b) Supply
(c) Price (d) All of the above
213. A capitalist economy is by and large _____
- (a) A closed economy
(b) a free market economy
(c) a centrally controlled economy
(d) an economy in which a government neither collects any taxes nor incurs any expenditure.
214. Which one is not the characteristic of capitalistic economy ?
- (a) Profit motive (b) income inequality
(c) free employment (d) collective ownership
215. Consumer sovereignty is found in which economy ?
- (a) Capitalist economy (b) socialist economy
(c) Mixed economy (d) Communist economy
216. Capitalistic economy uses _____ principal means of allocating resources.
- (a) demand (b) supply (c) price (d) all of the above
217. Which one of the following is not true about capitalist economy ?
- (a) There is freedom of economic choice.
(b) Profit motive is the driving force.
(c) It is also as free market economy or laissez faire economy.
(d) Producers is the king under capitalism
218. The merits of capitalist economy do not include :
- (a) Faster process of economic growth
(b) Efficient economic decisions and their implementation
(c) Incentives for innovation and technological progress
(d) Welfare of labour

219. A free market economy's driving force is :
- (a) Profit motive (b) Welfare of the people
(c) Rising income and levels of living (d) None of the above
220. Capitalist or laissez faire economy has which of the following characteristic ?
- (a) Relatively equal income distribution
(b) Competition
(c) Price mechanism
(d) Collective ownership
221. An economic system in which all means of production are owned and controlled by private individuals for profit is called :
- (a) Mixed economy (b) socialist economy
(c) capitalist economy (d) developed economy
222. Where does price mechanism exist ?
- (a) Capitalist economy (b) socialist economy
(c) both type of economic (d) none of the above
223. In which among the following systems the 'rights to property' exist :
- (a) Mixed economy (b) Capitalist economy
(c) socialist economy (d) traditional economy
224. A system of economy in which all the means of production are owned and controlled by the private individuals for the purpose of profit, is called :
- (a) Socialist economy (b) capitalist economy
(c) mixed economy (d) all of the above
225. Capitalistic economy uses _____ as principal means of allocating resources :
- (a) demand (b) supply (c) price (d) all of the above

226. Factor of production are owned by _____ in market economies.

- (a) Govt. (b) Investors (c) Privately (d) None

227. Which of the following is not demerit of capitalism ?

- (a) Precedence of property rights over human rights
(b) Misallocation of resources
(c) Punishment for inefficient & imprudent men.
(d) Environment degradation due to excessive materialism.

228. Freedom of choice is the advantage of :

- (a) Socialism (b) Capitalism
(c) mixed economy (d) communism

229. Under a free economy, prices are :

- (a) Regulated
(b) Determined through free interplay of demand and supply
(c) Partly regulated
(d) None of these

230. Which of the following statements does not apply to a market economy ?

- (a) Firms decide whom to hire and what to produce.
(b) Firms aim at maximizing profits.
(c) Households decide which firms to work for and what to buy with their incomes.
(d) Government policies are the primary forces that guide the decisions of firms and households.

231. Economic system is self-regulating and run by invisible hands.

- (a) mixed (b) socialistic
(c) capitalistic (d) planned

232. Which of the following is not a feature a capitalist economy ?

- (a) Right to private property
- (b) Restriction on consumers right to choose
- (c) Profit motive
- (d) Freedom of enterprise

233. Freedom of choice is the advantage of :

- (a) Socialism
- (b) Capitalism
- (c) Communism
- (d) none of the above

234. A capitalist economy follows the policy of :

- (a) Laissez fair
- (b) Regulated markets
- (c) promoting public sector
- (d) none of the above

235. In a capitalist economy the allocation of resources is performed by :

- (a) producers
- (b) government
- (c) planners
- (d) price mechanism

236. Which of the following statement does not apply to a market economy ?

- (a) Firms decide whom to hire and what to product
- (b) Firms at maximizing profits
- (c) Households decide which firms to work for and what to buy with their incomes
- (d) Government policies are the primary forces that guide the decisions of firms and households.

237. The concept of socialist economy was propounded by :

- (a) Karl Marx
- (b) Frideric Engels
- (c) Adam Smith
- (d) Both (a) & (b)

238. Which of the following is NOT a characteristic of a socialist economy ?

- (a) Absence of consumer choice
- (b) Central planning
- (c) Relatively equal income distribution competition
- (d) Competition

239. Socialist economy is _____
- (a) Self regulation
 - (b) Profit Oriented
 - (c) Command economy
 - (d) Allocation of resources as per market requirements
240. Under which of the following economy the consumer has limited freedom of choice ?
- (a) Social
 - (b) Mixed
 - (c) Capital
 - (d) Restricted
241. The concept of socialist economy was propounded by _____
- (a) Alfred Marshall
 - (b) Joel Dean
 - (c) Albert Einstein
 - (d) Karl Marx and Frediric Engles
242. Exploitation and inequality are minimal under :
- (a) Socialism
 - (b) Capitalism
 - (c) Mixed economy
 - (d) none of the above
243. Socialist economy was propounded by :
- (a) Karl Marx
 - (b) Samuelson
 - (c) A C Pigou
 - (d) Adam Smith
244. Socialist economy is also called as :
- (a) Command Economy
 - (b) Centrally Planned economy
 - (c) free market economy
 - (d) both (a) & (b)
245. The economic system in which production and distribution of goods are aimed at maximizing the welfare of the community as a whole is known is _____.
- (a) Capitalism
 - (b) Socialism
 - (c) Mixed economy
 - (d) Communist economy

246. Which of the following statement is not correct ?

- (a) Scarcity of resources is the key problem of all economics
- (b) Economic inequalities lead to opportunities to people
- (c) Economic instability is very common capitalism
- (d) Freedom of enterprise is one of the main characteristic of command economy

247. Although price mechanism exists in _____ , but it has only a secondary role.

- (a) Capitalist economy
- (b) socialist economy
- (c) mixed economy
- (d) price economy

248. Inequalities of income do not perpetuate in _____.

- (a) Socialism
- (b) mixed economy
- (c) capitalism
- (d) None

249. Administered prices refer to :

- (a) Prices determined by forces of demand and supply
- (b) Prices determined by sellers in the market
- (c) Prices determined by an external authority which is usually the government
- (d) None of the above

250. Which type of industries not primarily profit oriented but are set by state for the welfare of the community ?

- (a) Combined sector
- (b) Private sector
- (c) independent sector
- (d) public sector

251. 'The communist manifesto' published in 1848 by Karl Marx and Federic Engles propounded the concept of _____.

- (a) Capitalist economy
- (b) Socialist economy
- (c) Laissez – Faire economy
- (d) Free market economy

252. Socialism ensures :

- (a) Rapid growth and balanced development
- (b) Right to work
- (c) Incentives for efficient economic decisions
- (d) Both (a) & (b)

253. A socialistic economy is also called as :

- (a) Profit oriented economy
- (b) Centrally planned economy
- (c) Self – regulatory economy
- (d) Unorganized economy

254. Which of the following is one of the merits of socialism ?

- (a) Importance given to personal efficiency
- (b) Importance given to productivity
- (c) Incentive for economic decisions
- (d) Rapid growth an balanced economic development

255. In a socialistic economy the allocation of resources is done by :

- (a) Market prices
- (b) Consumer preferences
- (c) A central planning authority
- (d) The level of corporate profits

256. _____ involves the predominance of bureaucracy and resulting in inefficiencies and delays.

- (a) Socialistic economy
- (b) Capitalist economy
- (c) Mixed economy
- (d) Free market economy

257. The erstwhile U.S.S.R. is an example of _____ economy.

- (a) Capitalist
- (b) Socialist
- (c) Mixed
- (d) Price

258. The concept of socialist economy was propounded by _____
- (a) Karl Marx and Adam Smith
 - (b) Frideric Engels and Adam Smith
 - (c) Frideric Engels
 - (d) Karl Marx and Frideric Engels
259. Which one of the following is not a feature of socialist economy ?
- (a) Collective ownership
 - (b) Absence of consumer choice
 - (c) Minimum role of price mechanism
 - (d) High competition
260. Which of the following is an example of socialist economy ?
- (a) Erstwhile U.S.S.R
 - (b) North Korea
 - (c) China and Cuba
 - (d) All of the above
261. A socialist economy is called as which of the following ?
- (a) Command economy
 - (b) military economy
 - (c) behaviouralist economy
 - (d) applied economy
262. The demerits of socialism do not include :
- (a) Predominance of bureaucracy
 - (b) Red tapism & favouritism
 - (c) Corruption
 - (d) Consumer sovereignty
263. _____ involves the predominance of bureaucracy and resulting inefficiencies and delays
- (a) Socialistic economy
 - (b) capitalist economy
 - (c) mixed economy
 - (d) free market economy
264. Under _____, the consumers have no freedom of choice.
- (a) Capitalist
 - (b) Socialist
 - (c) Mixed
 - (d) None of the above

265. Socialist economy is also known as :

- (a) Mixed economy (b) Planned economy
(c) capitalist economy (d) none of the above

266. Socialist economy is called as _____.

- (a) Centrally planned economy
(b) Mixed economy
(c) Private economy
(d) Consumer economy

267. In which economic system production and distribution of goods and services aim at maximizing the welfare of community as a whole.

- (a) Normative (b) Mixed
(c) Socialism (d) Capitalistic economy

268. In which economy market and government both play on important role ?

- (a) Mixed economy (b) Socialistic economy
(c) Capitalistic economy (d) Business economy

269. Important feature of mixed economy is _____.

- (a) Only public sector
(b) Absence of consumer behavior
(c) Absence of government interferences
(d) Co-existences of both private and public enterprise

270. Which economic system is described by Schumpeter as capitalism in the oxygen tent ?

- (a) Laissez – faire economy
(b) Command economy
(c) Mixed economy
(d) Agrarian economy

271. The government itself must run important and selected industries and eliminate the free play of profit motive and self – interest. It is applicable in case of _____ economy.

- (a) Capitalist (b) Socialist (c) Mixed (d) Price

272. _____ both are the tools used in the mixed economy.

- (a) Price mechanism and market
(b) Central planning and bureaucracy
(c) Price mechanism and central planning
(d) Administered prices and competition

273. Co – existence of public and private sector is the feature of _____.

- (a) Capitalist economy (b) mixed economy
(c) socialist economy (d) federal economy

274. The term “Mixed economy” denotes :

- (a) Co – existence of both consumers and producers goods industries in the economy.
(b) Co – existence of both private and public sectors in the economy.
(c) Co – existence of both rural and urban sectors in the economy.
(d) Co – existence of both large and small industries in the economy.

275. In which economy, cost benefit analysis is used to answer the fundamental questions of economy ?

- (a) Socialistic economy (b) capitalistic economy
(c) regulatory economy (d) mixed economy

276. Mixed economy means :

- (a) All economic decisions are taken by central authority
(b) All economic decisions are taken by private entrepreneurs
(c) Economic decisions are partly taken by the state and partly by private entrepreneurs
(d) None of these

277. Which of the following are the features of a mixed economy ?

- (a) Planned economy
- (b) Dual system of pricing exists
- (c) balance regional development
- (d) all of the above

278. In a mixed economy :

- (a) All economic decisions are taken by the central authority
- (b) All economic decisions are taken by private entrepreneurs
- (c) Economic decisions are partly taken by the state and partly by private entrepreneurs
- (d) None of the above

279. _____ is also called as command economy.

- (a) Socialist
- (b) capitalist
- (c) mixed economy
- (d) none of the above

280. In a mixed economy, there are _____ sectors of industries.

- (a) 2
- (b) 3
- (c) 4
- (d) 5

281. Which of the following statement is correct ?

- (a) Mixed economy is not always a 'golden path' between capitalistic and socialistic economy.
- (b) Socialistic economy is not always a 'golden path' between mixed economy and capitalism.
- (c) Capitalistic economy is not always a 'golden path' between mixed economy and socialism.
- (d) Local economy is not always a 'golden path' between internal and international economy

282. Dual system of pricing exist in :

- (a) Free market economy
- (b) Socialistic economy
- (c) mixed economy
- (d) none of the above

283. Which economic system is described by Schumpeter as ‘capitalism in the oxygen tent’ ?
- (a) Laissez – faire economy (b) command economy
(c) mixed economy (d) agrarian economy
284. The existence of three sectors of industries (Private, Public and Combine sector) is one of the futures of _____.
- (a) Capitalist (b) Socialist
(c) Mixed (d) Price
285. Which of the following statement is correct ?
- (a) Mixed economy is not always a ‘golden path’ between capitalism and socialism.
(b) Socialistic economy is not always a ‘golden path’ between mixed and capitalism.
(c) Capitalistic economy is not always a ‘golden path’ between mixed and socialism.
(d) Mixed economy is always a ‘golden path’ between capitalism and socialism.
286. Mixed economy means :
- (a) Co – existence of both private and public sector
(b) Co – existence of poor and rich people
(c) Both (a) and (b)
(d) None
287. Which of the following economic system is self regulating and run by in available hands ?
- (a) Mixed economic system
(b) Socialistic economic system
(c) Capitalistic economic system
(d) Planned economic system

293. In India mixed economy exists due to :

- (a) Co – existence of public sector and private sector.
- (b) Individual forces of demand and supply
- (c) Orders by government
- (d) None of these

294. Larger production of _____ goods would lead to higher production in future.

- (a) Consumer goods
- (b) Capital goods
- (c) Agricultural goods
- (d) Public goods

295. _____ refers to the work area where surplus manpower is employed out of which some individuals have zero or almost zero marginal productivity, such that if they are removed the total level of output remains unchanged.

- (a) Voluntary
- (b) Disguised
- (c) Structural
- (d) Technological

296. Which of the following statement is incorrect ?

- (a) Alfred Marshall propagated the wealth definition of economics
- (b) L. Robbins introduces the “Scarcity” definition of economics
- (c) Samuelson emphasized upon the “growth” aspect of economics
- (d) A. C. Pigou believed in “Welfare” aspect of economics

297. Who has defined economics as “Science which deals with wealth”?

- (a) Adam Smith
- (b) Canon
- (c) J. B. Say
- (d) A. C. Pigou

298. Who is the author of “The nature and causes of wealth of nation” ?

- (a) Karl Marx
- (b) Adam Smith
- (c) J. B. Say
- (d) A C Pigou

299. Features of the book. “Wealth of nations”

- (a) It was the first book user on economics
- (b) It was created in 1776
- (c) It was also known as ‘wealth of nations’
- (d) All of the above