

QB365 Question Bank Software Study Materials

Introduction to Macro Economics 50 Important 1 Marks Questions With Answers (Book Back and Creative)

12th Standard

Economics

Total Marks : 50

Multiple Choice Question

50 x 1 = 50

- 1) The branches of the subject Economics are
(a) Wealth and Welfare (b) Production and Consumption (c) Demand and Supply **(d) Micro and Macro**
- 2) Who coined the word 'Macro'?
(a) Adam Smith (b) J M Keynes **(c) Ragnar Frisch** (d) Karl Marx
- 3) Who is regarded as Father of Modern Macro Economics?
(a) Adam Smith **(b) J M Keynes** (c) Ragnar Frisch (d) Karl Marx
- 4) Identify the other name for Macro Economics.
(a) Price Theory **(b) Income Theory** (c) Market Theory (d) Micro Theory
- 5) Macro economics is a study of_____
(a) individuals (b) firms (c) a nation **(d) aggregates**
- 6) Indicate the contribution of J M Keynes to economics
(a) Wealth of Nations **(b) General Theory** (c) Capital (d) Public Finance
- 7) A steady increase in general price level is termed as_____
(a) wholesale price index (b) Business Cycle **(c) Inflation** (d) National Income
- 8) Identify the necessity of Economic policies
(a) to solve the basic problems (b) to overcome the obstacles (c) to achieve growth **(d) all the above**
- 9) Indicate the fundamental economic activities of an economy
(a) Production and Distribution (b) Production and Exchange **(c) Production and Consumption**
(d) Production and Marketing
- 10) An economy consists of
(a) consumption sector (b) Production sector (c) Government sector **(d) All the above**
- 11) Identify the economic system where only private ownership of production exists
(a) Capitalistic Economy (b) Socialistic Economy (c) Globalistic Economy (d) Mixed Economy
- 12) Economic system representing equality in distribution is _____.
(a) Capitalism (b) Globalism (c) Mixedism **(d) Socialism**
- 13) Who is referred as 'Father of Capitalism'?
(a) Adam Smith (b) Karl Marx (c) Thackeray (d) J M Keynes
- 14) The country following Capitalism is _____.
(a) Russia **(b) America** (c) India (d) China

- 15) Identify The Father of Socialism
(a) J M Keynes (b) **Karl Marx** (c) Adam Smith (d) Samuelson
- 16) An economic system where the economic activities of a nation are done both by the private and public together is termed as _____
(a) Capitalistic Economy (b) Socialistic Economy (c) Globalistic Economy (d) **Mixed Economy**
- 17) Quantity of a commodity accumulated at a point of time is termed as _____..
(a) production (b) **stock** (c) variable (d) flow
- 18) Identify the flow variable
(a) money supply (b) assets (c) **income** (d) foreign exchange reserves
- 19) Identify the sectors of a Two Sector Model.
(a) Households and Firms (b) Private and Public (c) Internal and External (d) Firms and Government
- 20) The Circular Flow Model that represents an open Economy
(a) Two Sector Model (b) Three Sector Model (c) **Four Sector Model** (d) All the above
- 21) Planned economy is also known as _____.
(a) Capitalist Economy (b) **Socialist Economy** (c) Mixed Economy (d) All the above
- 22) Socialist Economy promote _____.
(a) Social welfare motive (b) Collective welfare motive (c) Profit motive (d) **Both 'a' and 'b'**
- 23) The right to property exists largely in _____.
(a) Traditional society (b) **Capitalism** (c) Socialism (d) Mixed economy
- 24) Non-interference of the state is a characteristic features of the _____.
(a) Socialist Economy (b) **Capitalist Economy** (c) Traditional Economy (d) Command Economy
- 25) Identify the economic system where only public ownership of production exists.
(a) Capitalistic economy (b) **Socialistic economy** (c) Globalistic economy (d) Mixed economy
- 26) Capitalism leads to _____.
(a) Central planning (b) **Class struggle** (c) Welfare (d) All the above
- 27) Identify which is not a subject matters covered in Macro Economics
(a) employment (b) national income (c) inflation (d) **Profit maximization**
- 28) Identify which is not a part of classification of economy based on System of Activities
(a) Capitalistic Economies (b) Institutional Economies (c) **Socialistic Economies** (d) Mixed Economies
- 29) What is the term coined by Manfred D Steger (2002) to denote the new market ideology of globalisation that connects nations together through international trade and aiming at global development?
(a) Extended Capitalism (b) Confined Capitalism (c) Favourable Capitalism (d) None of above
- 30) Identify which is not an example of capitalistic economy.
(a) The USA economy (b) Germany economy (c) **Indian economy** (d) Australia economy

31) Which of the following system leads to leads to frequent violent economic fluctuations and crises?
(a) Free market system (b) Restricted market system (c) Black market system (d) New market system

32) _____ used in economic analysis are classified as stock and flow
 (a) Models **(b) Variables** (c) Charts (d) Equations

33) What shows flows of income, goods and services and factors of production between economic agents such as firms, households, government and nations
(a) Circular Flow (b) Regular Flow (c) Cost Flow (d) Expenditure Flow

34) **Assertion:** The term coined by Manfred D Steger (2002) to denote the new market ideology of globalization.
Reason: The ideology connects nations together through international trade and aiming at global development.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A).
 (b) Both (A) and (R) are true, but (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false
 (d) (A) is false, but (R) is true.

35) **Assertion:** The government has a limited role in a capitalistic economy.
Reason: The government provides basic services such as, defense, public health, education, etc.
 (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
(b) Both (A) and (R) are true, but (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false
 (d) (A) is false, but (R) is true

36) Match the items in the List – I with items in List – II. Select the correct answer from the code given below

LIST – I	LIST – II
I. Ownership of Means of Production	1. Free market System
II. Economic Motives	2. Private Ownership
III. Solution of Central Problems	3. Internal Regulation Only
IV. Government Role	4. Profit

(a)	(b)	(c)	(d)
I II III IV 3 2 1 4	I II III IV 2 4 1 3	I II III IV 2 3 4 1	I II III IV 3 4 1 2

37) Find the odd one out
 (a) $C + I$ (b) $C + I + G + (X - M)$ (c) $C + I + G$ **(d) $(X - M)$**

38) Find the incorrect match
 (a) Capitalistic Economy - Capitalism (b) Command Economy - Socialism **(c) Socialistic Economy - Globalism**
 (d) Mixed Economy- Mixedism

39) **Assertion:** National plans are drawn up by the Government and both private and public sectors abide.
Reason: The central planning authority prepares the economic plans.
 (a) Both A and R are true and R is the correct explanation of A
 (b) Both A and R are true but R is not the correct explanation of A. **(c) A is true but R is false**
 (d) A is false but R is true.

40) In a free-market economy the allocation of resources is determined by:
 (a) Votes taken by consumers (b) A central planning authority **(c) By consumer preferences**
 (d) The level of profits of firms

41) Which of the following statements regarding the circular-flow diagram is true?

- (a) If Vijay works for XYZ Solutions Ltd. and receives a salary payment, the transaction takes place in the market for goods and services.
- (b) If Vijay works for XYZ Solutions Ltd. and receives a salary payment, the transaction takes place in the market for goods and services.
- (c) None of these answers **(d) The factors of production are owned by households.**

42) Match the correct codes

1	Govt. Internal Regulation only	i	Capitalism
2	Complete Involvement of Gov.	iii	Socialism
3	Limited Role of Government	ii	Mixed Economy
4	Government Enterprise Naure	iv	Capitalist Economy

- (a) (1) – (i) (2) – (ii) (3) – (iv) (4) – (iii)** (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i) (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii)
- (d) (1) – (i) (2) – (ii) (3) – (iii) (4) – (iv)

43) Who coined the word globalism?

- (a) Keynes (b) Ragnar Frisch **(c) Manfred D. Steger** (d) Adam smith

44) What is the golden rule of a producer under capitalism?

- (a) Classless sociery (b) Maximum social benefit **(c) Maximize profit** (d) Central planning

45) $y = C + I + G + (X - M)$ represents _____ sector economy

- (a) two (b) three **(c) four** (d) five

46) Identify a socialist economy

- (a) Russia** (b) USA (c) England (d) Brazil

47) Identify a major non economic activity

- (a) Advertising **(b) Entertainment** (c) Transportation (d) All the above

48) Give an example for progressive taxation

- (a) Income tax** (b) Sales tax (c) GST (d) Duty

49) (i) J.M.Keynes is the father of modern micro economics (ii) J.M.Kcynes is the father of modern macro economics

- (a) Both (i) and (ii) are true (b) Both (i) and (ii) are false (c) (i) is true but (ii) is false **(d) (i) is false but (ii) is true**

50) What does micro mean?

- (a) Large (b) Whole **(c) Small** (d) Aggregate