



INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet: 1	Topic: INTRODUCTION TO MICRO ECONOMICS

1. Which of the following pair is incorrect?

Column I	Column II
A. Economics	(i) Theory of price
B. Microeconomics	(ii) Theory of multiplier
C. Macroeconomics	(iii) Scarcity and choices

Codes

A	B	C	A	B	C		
(a)	(i)	(ii)	(iii)	(b)	(ii)	(iii)	(i)
(c)	(iii)	(i)	(ii)	(d)	(ii)	(i)	(iii)

2. Which of the following is one of the major causes of economic problems?
- One of the major causes of economic problems is unlimited human wants
 - One of the major causes of economic problems is the alternative usage of resources
 - One of the major causes of economic problems is the scarcity of economic resources
 - All of the above
3. During the covid-19 pandemic, there was nation-wide lockdown which led to migration of labour across states. State government should have taken necessary steps to reduce the migration of people. This statement indicates
- Normative statement
 - Positive statement
 - General statement
 - None of the above
4. Scarcity requires that people must do which of the following things?
- Trade
 - Cooperate
 - Make choices
 - Competition

5. The most fundamental economic problem is related to:
- (a) Scarcity of resources
 - (b) Unlimited human wants
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)
6. In which of the following situations does scarcity arise?
- a. Supply of resources > Demand for resources
 - b. Demand for resources > Supply of resources
 - c. Demand for resources = Supply of resources
 - d. All of these
7. The Government does not interfere in decision making under:
- a. Centrally Planned Economy.
 - b. Market economy.
 - c. Mixed Economy.
 - d. None of these.
8. Normative economics deals with:
- a. Facts
 - b. Opinions
 - c. Both of them
 - d. None of these
9. Which of the following statements about the economy is correct?
- a. An economy is a system that helps in the production of goods and also enables people to earn a living
 - b. An economy is a system that helps in the production of services and also enables people to earn a living
 - c. Both a and b are correct
 - d. Both a and b are incorrect
10. Which of the following is a sign of a free economy?
- a. The prices are regulated
 - b. The prices are partly regulated
 - c. The prices are determined with the help of the forces of demand and supply
 - d. None of these
11. In which economy do consumers and producers make choices based on market forces of supply and demand?
- a. Market economy
 - b. Open economy
 - c. Controlled economy
 - d. Command economy

12. The branch of economics that deals with the allocation of resources is _____.
- Econometrics
 - Macroeconomics
 - Microeconomics
 - None of the above
13. Central government of India announced relief packages for migrant labourer during the pandemic of 2020. This statement is
- Normative statement
 - Positive statement
 - General statement
 - None of the above
14. The following headline appeared in “Hindustan Times” dated 25th July 2018, “Getting insurance for rain damage cars an uphill task”. This statement is
- Positive economics
 - Normative economics
 - General economics
 - None of the above
15. Which of the following is a macroeconomic concept?
- The reasons why Vihaan buys less orange juice
 - The reasons why employment decreased at a factory
 - The reasons for a decline in price of a good
 - None of the above
16. The slope of a production possibility curve falls:
- From left to right
 - From right to left
 - From top to bottom
 - From bottom to top
17. Which of the following is related to how to produce?
- Factoral distribution of income
 - Choice of technique
 - Choice of product
 - None of these
18. Mention the name of the curve which shows economic problem:
- Production Curve
 - Demand Curve
 - Indifference Curve
 - Production Possibility Curve

1. Why is PPC downward sloping from left to right?
Because resources are constant. If the production of one good increases, production of the other good must decrease.
2. Why does PPC look concave to origin?
Because of increasing MRT.
3. What does a point below PPC indicate?
Inefficient use of resources.
4. Give one example (each) of
 - i. Growth of resources.
 - ii. Depletion of resources.
5. What does increasing marginal opportunity cost along a PPC imply?
This is because resources are use specific. When these resources are shifted from their specialized uses, efficiency must suffer. Loss of output of good Y for good X must rise.
6. Country produces two goods: Bread and Guns. Plot the PPC and verify that it is concave to origin. Calculate MRT. Which pattern in the table that gives rise to the concave shape of the PPC?
7. How does Production Possibility Curve (PPC) is affected by unemployment in the economy?
Explain.

Assertion n Reasoning Questions:

Alternatives:

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 - b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
 - c. Assertion (A) is true, but Reason (R) is false.
 - d. Assertion (A) is false, but Reason (R) is true.
1. Assertion (A): Microeconomics and macroeconomics are two branches of economics which are studied in isolation of each other.
Reason (R): In economic sense, what applies in microeconomics doesn't holds true in macroeconomics.
 2. Assertion (A): Positive science relates to the statements which are based upon value judgement.
Reason (R): Every economic statement can be classified either as positive science or normative science.
 3. Assertion (A): Normally, the production possibility curve is concave to the origin.
Reasons (R): It is because of increasing marginal opportunity cost.

CASE BASED:

Read the following case study and answer the following questions:

Economics is about how people make decisions given their limited resources. The decisions are taken with regard to the basic economic activities such as production and consumption of goods and services and saving and investment. However, taking decision is not easy or simple. One must estimate the wants and the availability of resources while taking decisions on production of goods and services. Similarly, distribution of the produced goods in the society needs to be done properly. The basic problems central to any economy, therefore, relate to production, consumption and distribution.

1. Unlimited human wants are the most dominant reason behind the economic problems. Choose from the options below.
 - (a) True
 - (b) False
 - (c) Partially true
 - (d) Incomplete statement

2. Economics is always about making choice with given -----
 - (a) goods
 - (b) production
 - (c) investment
 - (d) resources

3. The basic central problem of an economy is related to
 - (a) production
 - (b) consumption
 - (c) distribution
 - (d) All of these

4. Assertion (A) The third economic problem is related to the economic activity of distribution.
Reason (R) Government needs to decide the distribution of goods depending upon the economic situation of the population.
A: b

5. Which of the following components impacts the production decision in an economy?
 - (a) Wants
 - (b) Availability of resources
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)