**Unit Test 2022**

**TDC 1st Semester**

**Economics (Honours)**

**Paper –ECO-HC-1016**

 Total Marks-20

Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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 [**Please Tick (√) the correct answer]**

Q 1.The term economics is originated from the Greek word \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 a) Economica b) Oikonomia c) Oikonomics d) Oikonomika

Q2. The main Characteristics of capitalist economy is---

1. Private property b) Perfect Competition c) Economic planning d) Free market

Q3. Which of the following is true about the relationship between total utility and marginal utility**?**

1. The total utility of a product or service is maximum when the marginal utility is negative
2. The total utility of a product or service decreases when the marginal utility is negative
3. The total utility of a product or service increases at a decreasing rate when the marginal utility is negative
4. None of the above

Q4. When the price of coffee rises, the demand for tea \_\_\_\_\_.

 a) Falls b) Rises c) Stays the same d) None of the above

Q5. Formula for price elasticity of Demand is-

 a) $\frac{Q\_{1}-Q\_{2}}{P\_{1}-P\_{0}}×\frac{P\_{1}+P\_{2}}{Q\_{1}+Q\_{2}}$ b)$\frac{∆Q}{∆P}×\frac{P}{Q}$ c) $\frac{dQ}{dp}×\frac{P}{Q}$ d) $\frac{^{∆P}/\_{P}}{^{∆Q}/\_{Q}}$

Q6. Which of the following pairs of commodities are the example of substitutes?

 a) Coffee and Milk b) Diamond and cow c) Pen and Ink d)Mustard oil and Coconut oil

Q7. Demand is elastic when—

* 1. Change in price does not change in demand
	2. Percentage change in quantity demanded is smaller than percentage change in price
	3. Percentage change in income causes a change in demand.
	4. Percentage change in quantity demanded is larger than percentage change in price

Q8. According to law of demand, demand curve for a normal good is-

1. Slopes downward b) Slopes upward c) U shaped d) None of these

Q9. Income elasticity of demand is the-

1. Ratio of percentage change in quantity demanded to the percentage change in income
2. Ratio of percentage change in income to the percentage change in quantity demanded
3. Ratio of percentage change in quantity demanded to the percentage change in price
4. Ratio of change in quantity demanded to the change in income.

Q10. $\frac{\% Change in quantity Demand of good X}{\% change in price of Good Y}$, this formula indicates-

1. Cross price elasticity of demand b) Income elasticity of demand c)price elasticity of supply

 d)price elasticity of demand.

Q11. Vertical supply curve for a commodity shows that its supply is-

1. Perfectly elastic b) perfectly inelastic c) Elastic d) Inelastic

Q12. Excess supply can be defined as –

1. Quantity Demanded > Quantity Supplied b) Quantity supplied > quantity demanded

c)Quantity demanded = Quantity supplied e) None of these

Q13. A shift in demand curve is due to change in 1) price of the commodity 2) price of related goods

 3) Income of the consumer 4) Taste and preference of the consumer.

 Which of the above statements are correct?

1. 1, 3 and 4 b) 1 and 2 c) 1, 2 and 4 d) 2, 3 and 4

Q14. Market demand is-

1. Demand at prevailing average price b) Ability to pay the price asked c) The sum of all individual demand d)Demand in a perfectly free market

Q15. Which of the following is not a characteristic of capitalist economy?

1. Private property b) Profit motive c) Collective ownership d) Self interest

Q16. An upward rising Income consumption curve indicates-

1. Both the commodities are normal.
2. X is normal and Y is inferior.
3. X is inferior and Y is normal
4. Both are inferior

Q17. Which of the following statement is true?
 a) Utility means want-satisfying power b) Utility is a function of intensity of desire
 c) Desire of consumption gives birth to utility d) All of these

Q18. When total utility is maximum, marginal utility is

1. Equal to zero b) Negative c) Diminishing d) None of these

Q19. Which of the following is true?

1. Price Effect= Income Effect+ Substitution Effect
2. Income effect= Price Effect + substitution Effect
3. Substitution Effect= Income Effect + Price Effect
4. None of the above

Q20. Consumer’s equilibrium takes at a point where:
 a) MU = Price.

1. MU < Price
2. MU > Price
3. None of these