

Multiple Choice Questions, M.B.B U, Semester –III Pass

1. Which of the following statement is inconsistent with Say's Law

(a) The economy has flexible wages and prices.

(b) The economy's level of investment solely depends on the level of income.

© The economy will produce at full employment level of output.

(d) The economy has an environment of "laissez faire".

2. Marginal Propensity to Consume is

(a) Increase in consumption due to one unit increase in income.

(b) Total consumption divided by total income.

© Both (a) and (b).

(d) Neither (a) nor (b).

3. In explaining the level of unemployment, Keynes emphasized,-

(a) Changes in technology.

(b) Aggregate demand.

© Inflationary expectations.

(d) Lending by financial institutions.

4. Assume that the consumption function is of the form, $C = 50 + 0.8Y$. If income is Rs 1000/- then consumption is,-

(a) Rs 50/-

9b) Rs 1050/-

© Rs 50/-

(d) Rs 850/-.

5. In the simple Keynesian model consumption is a function of,

(a) Rate of interest.

(b) Level of income.

© Price level.

(d) None of the above.

6. In the simple Keynesian model investment is

(a) Fixed.

(b) A function of level of income.

© **Either fixed or a function of level of income.**

(d) None of the above.

7. Which of the following statement is incorrect,-

In simple Keynesian model,-

(a) $MPC + MPS = 1$

(b) $APC + APS = 1$

© Both (a) and (b)

(d) Neither (a) nor (b).

8. In simple Keynesian model, stability of equilibrium exists, if

(a) APC is less than one.

(b) APS is less than one.

© MPC is less than one.

(d) None of the above.

9. Keynesian analysis is

(a) A short run analysis.

(b) Long run analysis.

© Both short and long run analysis.

(d) Neither short nor long run analysis.

10. The average propensity to consume is measured by

(a) C/Y

(b) $C=Y$

© Y/C

(d) $C+Y$

11. An increase in marginal propensity to consume will

(a) Lead to the consumption function becoming steeper.

(b) Shift the consumption function upwards.

© Shift the consumption function downwards.

(d) Shift the savings function upwards.

12. If the Keynesian consumption function is, $C=10+.8Y$, if income is Rs 1000/- what is total consumption.

(a) Rs .8/-

(b) Rs 800/-

© **Rs 810/-**

(d) Rs .81/-

13. An increase in consumption at any given level of income will lead to

(a) Higher aggregate demand.

(b) An increase in exports.

© A fall in taxation revenue.

(d) A decrease in import spending.

14. Lower interest rates are likely to

(a) Decrease consumption.

(b) Increase cost of borrowing.

© Encourage saving.

(d) Increase borrowing and spending.

15. The marginal propensity to consume is equal to

(a) Total spending/Total consumption

(b) Total consumption/ Total income.

© **Change in consumption/ Change in income**

(d) Change in consumption/ Change in savings.

16. An increase in investment is caused by

(a) **Lower interest rates**

(b) Expectations of lower national income

© A decrease in the marginal propensity to consume

(d) An increase in withdrawals

17. An increase in interest rates

(a) is likely to reduce savings

(b) is likely to reduce external value of currency

© Leads to a shift in the MEC schedule

(d) **Leads to a movement along MEC schedule.**

18. Which of the following are not characteristics of Keynesian consumption function?

(a) The main influence on consumption in the short run is current disposable income

(b) The marginal propensity to consume is less than one

© The average propensity to consume decreases as income increases

(d) **The average propensity to consume increases as income increases.**

19 .An increases in investment is most likely to be caused by

(a) **Lower interest rates**

(b) Expectations of lower national incomes

© A decrease in the marginal propensity to consume

(d) An increase in withdrawals.

20 .A profit maximizing firm will invest up to the level of investment where

- (a) **The cost of borrowing equals marginal efficiency of capital**
- (b) The cost of borrowing is greater than marginal efficiency of capital
- © The cost of borrowing is less than marginal efficiency of capital
- (d) The cost of borrowing is equal to marginal propensity to consume.

21. Investment is

- (a) **An injection that increases aggregate demand**
- (b) An withdrawal that increases aggregate demand
- © An injection that decreases aggregate demand
- (d) An withdrawal that decreases aggregate demand

22. If an increase in investment leads to a bigger increase in national income

- (a) Accelerator
- (b) Aggregate demand
- © Monetarism
- (d) **Multiplier**

23. The difference between gross investment and net investment is

- (a) **Depreciation**
- (b) Acceleration
- © Deceleration
- (d) Capital investment

24. Induced investment depends on

- (a) Price level and rate of interest
- (b) **Level of income and rate of interest**
- © Level of employment and wage rate
- (d) Price level and wage rate.

25. What possesses general acceptability?

(a) Bill of exchange

(b) Bond

© **Money**

(d) Bank draft

26. Which type of bank deals with short term credit?

(a) Agricultural bank

(b) Industrial bank

© **Commercial bank**

(d) None of these

27. Which of the following is not the function of commercial banks?

(a) **Issue of paper notes.**

(b) Credit control.

© Acceptance of deposits

(d) Advancing loans.

28. Which bank is called lender of the last resort?

(a) Agricultural bank

(b) Industrial bank

© Commercial bank

(d) **Central bank**

29. Which bank enjoys monopoly power of note issue?

(a) NABARD

(b) Agricultural bank

© Industrial bank

(d) **Central bank.**

30. Which bank deals with income and expenditure of the Government?

- (a) Commercial bank
- (b) Agricultural bank
- © Industrial bank

(d) Central bank.

31. Demand pull inflation may be caused by

- (a) An increase in cost
- (b) A decrease in interest rate**
- © A reduction in government spending
- (d) An outward shift of aggregate supply.

32. Inflation

- (a) Always reduces cost of living
- (b) Always reduces standard of living
- © Reduces price of products
- (d) Reduces purchasing power of money**

33. An increase in aggregate demand is more likely to lead to demand pull inflation

- (a) If aggregate supply is completely elastic
- (b) If aggregate supply is completely inelastic**
- © If aggregate supply is unitary elastic
- (d) If aggregate supply is moderately elastic

34. Which of the following phases describes the phase of business cycle that occurs after a trough and before a peak

- (a) Lag
- (b) Consolidation
- © **Expansion**
- (d) Contraction

35. A period of expansion and contraction measured by real GDP is called

(a) Business cycle

(b) Expansion

© Recession

(d) Contraction

36. Which of the following is an example of fiscal policy

(a) Change in interest rate

(b) Change in tax rate

© Controlling money supply

(d) Manipulating bank rate

37. Which of the following is not a component of GDP?

(a) Government spending

(b) Investment

© Interest

(d) Net exports

38. In a boom

(a) Unemployment is likely to fall.

(b) Prices are likely to fall

© Demand is likely to fall

(d) Imports are likely to fall

39. According to Acceleration principle investment depends on change in the level of-----

(a) rate of interest.

(b) level of income.

© price

(d) saving.

40. Keynesian theory of investment is known as -----

(a) Marginal Efficiency of Capital Theory.

(b) Marginal Efficiency of Investment Theory.

© Optimum Stock of Capital Theory.

(d) Actual Stock of Capital Theory.

Semester V Pass Indian Economy GE Paper-I

1 The largest portion of national income comes from

(a) Public Sector

(b) Private Sector

© Local Sector

(d) None of them.

2. Savings represent

(a) An injection to the circular flow of income

(b) A withdrawal into the circular flow

© Both an injection and a withdrawal

(d) None of the above.

3. What base year is used to calculate per capita income in India?

(a) 2004-05

(b) 2011-12

© 2001-02

(d) 2014-15

4. Which state in India now has the highest per capita income?

(a) Goa

(b) Delhi

© Punjab

(d) Kerala.

5. How much the primary sector contributes to India's national income?

(a) 20 percent

(b) 53 percent

© **14 percent**

(d) 24 percent.

6. Which sector contributes largest to India's national income?

(a) Agricultural sector

(b) Manufacturing sector

© **Service sector**

(d) Small scale industry.

7. The contribution of agricultural sector is decreasing in India's economy then what conclusion can be drawn?

(a) India is growing towards a developed economy.

(b) India is growing towards a developing economy.

© India is growing towards a less developed economy.

(d) None of the above.

8. Which is not added in the calculation of national income in India?

(a) The value of goods and services.

(b) The sold value of old fridge.

© Services rendered by the housewives

(d) Both (b) and (c)

9. In India agricultural income is calculated by

(a) Income method

(b) Output method

© Expenditure method

(d) None of them.

10. Per capita income is calculated by dividing total national income by

(a) Total population

(b) Total savings

© Total depreciation

(d) Total investment.

11. Which of the following statements defines density of population?

(a) Number of persons living in per unit area.

(b) Number of persons living in a country

© Change in the number of inhabitants of a country during a specific period of time.

(d) Absolute numbers added every year.

12. Which of the following states/union territories has the lowest sex ratio?

(a) Kerala

(b) Goa.

© **Delhi**

(d) Haryana.

13. A person aged 7years who can read, write and with understanding in any language is treated as

(a) Illiterate

(b) Literate

© Migrant

(d) Immigrant.

14. Who conducts periodical sample survey for estimating poverty line in India?

(a) National Survey Organisation

(b) National Sample Survey Organisation

(c) National Sample Survey Organisation

(d) None of the above.

15. For how many days NREGA provides employment?

(a) 70 days

(b) 80 days

© 90 days

(d) 100 days

16. Which among the following method is used to calculate poverty in India?

(a) Investment Method.

(b) Capital Method.

© Savings Method.

(d) Income Method.

17. What is the average calorie intake of rural India for measuring poverty line?

(a) 2400 calories per person per day.

(b) 2800 calories per person per day.

© 2100 calories per person per day.

(d) None of these.

18. The calorie requirement is higher in the rural areas because

(a) They do not enjoy as much as people in the urban areas

(b) Food items are expensive

(c) They are engaged in mental work

(d) People are engaged in physical labour

19. Which of the following is an indicator of poverty in India?

(a) Income level

(b) Illiteracy level

(c) Employment level

(d) All of these.

20. Which one of the following Economic groups is vulnerable to poverty?

(a) Scheduled Caste

(b) Scheduled Tribes

(c) Rural Agricultural Household

(d) All of the above.

21. From ___ Five Year Plan definite measures to reduce unemployment were undertaken.

(a) First

(b) Third

© Fifth

(d) Seventh

22. Jawahar Rojgar Yojana was introduced for reducing unemployment in

(a) Rural area

(b) Urban area

© Cities

(d) Towns

23. Nehru Rojgar Yojana was introduced for reducing unemployment in

(a) Rural area

(b) Urban area

© Cities

(d) Towns

24. “As size of a farm increases productivity decreases”- who argued?

(a) A.K Sen.

(b) G.B Pant.

© M Hauk.

(d) M.S Swaminathan.

25. Zamindari , Mahalwari and Ryotwari system were based on exploitation by the

(a) Middleman

(b) Tenant

© Worker

(d) None of them.

26. To stop exploitation of actual tillers and give them permanent rights – system was introduced

(a) Green revolution.

(b) Land reform.

© Dry land farming.

(d) None of the above.

27. Measures of land reform were

- (a) Abolition of intermediaries
- (b) Tenancy reform
- © Reorganization of agriculture.
- (d) All of the above.**

28. High Yielding Variety of wheat was developed by

- (a) G.B Pant.
- (b) Norman Borlaug.**

© A.K Sen.

(d) None of them.

29. Green revolution was introduced as a-

- (a) Single programme.
- (b) Package programme.**

© Dual programme.

(d) None of the above.

30. Which of the following is not an apex institution?

- (a) SIDBI.
- (b) NABARD.

© **SBI.**

(d) State Cooperative Bank.

31. Refinance facility is provided by NABARD. Which institutins can avail it.

- (a) Commercial Bank.
- (b) Regional Rural Banks.

© State Cooperative Banks.

(d) All of the above.

32 Which type of deposit gives highest rate of interest?

(a) Current deposit

(b) Fixed deposit

© Recurring deposit.

(d) None of these.

33. Which bank deals with short term credit?

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(b) Industrial Bank.

© **Commercial Bank.**

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34. Which of the following is not the function of commercial bank?

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© **Issue of paper notes.**

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35. Which bank is called lender of the last resort?

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36. Which bank enjoys monopoly power of note issue?

(a) NABARD.

(b) Commercial Bank.

© **Central Bank.**

(d) Regional Rural Bank.

37. For which function money is accepted as a unit of account?

(a) Measure of value.

(b) Store of value.

© Medium of exchange.

(d) Standard of deferred payment.

38. What is the largest bank in India?

(a) United bank of India

(b) Punjab National Bank.

© Bank of India.

© **State Bank of India.**

39. First Five Year Plan was introduced in India in –

(a) 1947.

(b) 1948.

(c) 1950.

(d) 1951.

40. Niti Aayog was established in the year-

(a) 2010.

(b) 2012.

© **2015.**

(d) 2016.

International Trade DSE Paper-I (A)

General

Semester-V

1. The theory of Absolute Advantage was propounded by

(a) Adam Smith

(b) David Ricardo

© J. S Mill

(d) None of them.

2. The theory of Comparative Advantage was propounded by

(a) Adam Smith

(b) David Ricardo

© J.S. Mill

(d) None of them.

2According to the theory of Absolute Advantage a country should specialize in the production of that commodity in which she enjoys-----

(a) absolute advantage

(b) comparative advantage

(c) no advantage

(d) utilization.

3. According to Absolute and Comparative Advantage theories----- is the only factor of production.

(a) land

(b) labour

© capital

(d) organization.

4. Classical theories believed in ---- theory of value.

(a) land

(b) labour

© capital

(d) organization.

5." If a country enjoys an absolute advantage in the production of all commodities then also trade is possible". Who said this?

(a) Adam Smith

(b) David Ricardo

© J.S Mill

(d) None of them.

6. Classical economists' neglects---- side in their theories.

(a) demand

(b) supply

© savings

(d) investment

7. In Heckscher Ohlin theory factors of production are---in number.

(a) one

(b) two

© three

(d) four

8. According to Heckscher and Ohlin there are two bases of international trade

(a) comparative advantage and absolute advantage

(b) gains from trade and cost of trade.

© difference in factor endowments and differences in factor intensities.

(d) none of them.

9. In Heckscher Ohlin theory production functions differ between commodities but are the same between----

(a) countries.

(b) factors

© costs.

(d) revenues.

10. Terms of trade is

(a) the ratio of imports / exports

(b) the ratio of exports/imports

© the ratio of goods/services

(d) the ratio of land/labour

11. Gains from trade can be divided into two parts

(a) gains from exports and gains from imports.

(b) gains from specialization and gains from exchange.

© gains from consumption and gains from production.

(d) gains from profit and gains from loss.

12. Exchange of goods against goods is called

(a) Charter

(b) Barter

© Hunter

(d) None of them.

13. According to Singer and Prebisch in the long run terms of trade moves in favour of ---- products and against ---- products.

(a) primary, secondary

(b) secondary, primary

© goods, service

(d) stocks, flows.

14. Which of the following is not an export

(a) sales of domestic cars abroad

(b) purchase of foreign components

© students from abroad studying in your country

(d) sales of financial services.

15. Free trade is based on the principle of

(a) Comparative advantage

(b) Comparative scale

© Economies of advantage

(d) Production possibility advantage

16. Comparative advantage occurs when

(a) A country can produce more goods than anyone else

(b) A country has a lower opportunity cost in the production of a good than any other country

© A country has more product lines than other countries

(d) The exchange rate appreciates.

17. The terms of trade measures

(a) the income of a country compared to another

(b) The GDP of a country compared to another

© The quantity of exports of a country compared to another

(d) Export prices compared to import prices.

18. The balance of payments equals

(a) The difference between household spending over earnings

(b) The difference between government expenditure over its income

© **A measure of the value of economic transactions between residents of a country and rest of the world**

(d) The difference between inflation and unemployment.

19. Trade between two countries is considered as ----trade

(a) **External** (b) Internal (c) Inter- regional (d) None of the above.

20. Which of the following is not a benefit of international trade?

(a) Lower domestic prices

(b) Development of more efficient methods of production

© A wider selection of products for domestic consumers

(d) **High wage levels for all domestic workers.**

21. Trade between two countries can be beneficial if cost ratio between two countries are

(a) Same

(b) **Different**

© Undetermined

(d) Decreasing

22. 'Infant industry argument' in international trade is given in support of

(a) **Granting protection**

(b) Free trade

© Encouragement to export oriented small and tiny industry

(d) None of the above.

23. The main advantage of specialization results from

(a) **The economies of large scale production**

(b) The specializing country behaves like a monopoly

© Smaller production runs resulting in lower unit costs.

(d) High wages paid to foreign workers.

24. Net export equals

(a) $\text{Export} * \text{Import}$

(b) $\text{Export} + \text{Import}$

© $\text{Export} - \text{Import}$

(d) $\text{Export} / \text{Import}$

25. A tariff-----

(a) Increases the volume of trade.

(b) Reduces the volume of trade.

© Has no effect on the volume of trade.

(d) Both (a) and (c).

26. Terms of trade in developing countries are generally unfavourable because

(a) They export manufacturing products.

(b) They export primary products.

© They export few goods.

(d) Both (a) and (c).

27. Rich countries have deficit in their balance of payments

(a) Sometimes.

(b) Always.

© Never.

(d) Alternate years.

28. If capital is available in large proportion and labour is less then the economy is known as

(a) Labour intensive country

(b) Capital intensive country.

© Both (a) and (b).

(d) None of the above.

29. Factor proportion theory is also known as

(a) Comparative advantage theory.

(b) Laissez faire theory.

© **Heckscher Ohlin theory.**

(d) Product cycle theory.

30. Tariff is a-----

(a) Quantitative restrictions on import.

(b) **Tax on import.**

© License on import.

(d) Both (b) and (c).

31. When tariff is imposed on imports which of the following will increase?

(a) Domestic output.

(b) Domestic demand.

© **Domestic price.**

(d) Domestic consumption.

32. Measures to reduce imports will

(a) Boost injections into an economy.

(b) Reduce injections from an economy.

© Boost withdrawals into an economy.

(d) **Reduce withdrawals from an economy.**

33. A tariff that is levied as a fixed charge per unit of imports is known as a

(a) **Specific tariff**

(b) Ad- valorem tariff

© Import tariff

(d) Export tariff.

34. A government's restriction on the quantity of imports of a country is known as

(a) Export quota

(b) Import quota

© Import rent.

(d) Embargo.

35. Specific tariffs are collected as

(a) Fixed amount of money per unit traded

(b) A percentage of the price of the product

© A percentage on the quantity of imports

(d) All of the above.

36. Most tariffs have

(a.) only revenue effects

(b). only protective effects

(c). both protective and revenue effects

(d). neither protective or revenue effects

37. The effective rate of protection

(a). distinguishes between tariffs that are effective and those that are ineffective

(b). is the minimum level at which a tariff becomes effective in limiting imports

(c). shows how effective a tariff is in raising revenue for the government

(d). shows the increase in value added for domestic production that a particular tariff structure makes possible, in percentage terms

38. A tariff can---raise a country's welfare

(a) sometimes

(b) always

© never

(d) none of the above

39. Quota is very-----

(a) effective

(b) ineffective

© sometimes effective

(d) none of the above.

40. In autarky equilibrium

(a) production=consumption.

(b) export=import

© there is no trade

(d) all of the above.

Semester I Pass DSC Paper-I
Introductory Micro Economics

1. What are secondary data?

(a) Ordinary data

(b) Existing data

© Unimportant data

(d) Ordinal data

2. Secondary data cannot help

(a) to give direction to primary data collection

(b) to observe retail behavior

© to create research instruments

(d) to decide on sampling

3. Primary data is collected ---- from the field of enquiry

(a) directly

(b) indirectly

© both directly and indirectly

(d) none of the above

4. Cumulative frequency distribution is helpful to calculate-----

(a) mean

(b) median

© mode

(d) both (b) and (c).

5. To calculate index number ----- mean is used

(a) arithmetic

(b) geometric

© harmonic

(d) none of the above.

6. There are ----types of line diagram

(a) one

(b) two

© three

(d) four

7. Pie chart is generally used to represent ----

(a) variables

(b) attributes

© both variables and attributes

(d) none of the above

8. Number which occurs with maximum frequency is-----

(a) mean

(b) median

© **mode**

(d) none of the above.

9. If arithmetic of 6 numbers is 17 then the sum of numbers is----

(a) 102

(b) 103

© 150

(d) 120.

10. The arithmetic mean of first 10 whole numbers is

(a) 5.5

(b) 4

© 5

(d) 4.5

11. Demand curve shifts downwards when

(a) at the same price level demand falls

(b) price increases and demand falls

© **price falls and demand also falls**

(d) at the same price level demand increases

12. Price elasticity of demand shows the relationship between demand for a commodity and

(a) price of other commodities

(b) price of that commodity

© tastes and preferences of the consumer

(d) income of the consumer

13. Cross-price elasticity of demand between tea and coffee is

(a) negative

(b) positive

© zero

(d) infinite

14. In case of horizontal demand curve , price elasticity of demand is

(a) equal to zero

(b) equal to one

© equal to two

(d) infinite

15. The basic problem of an economy is

(a) What to produce?

(b) How to produce?

© For whom to produce?

(d) All of the above.

16. Demand curve remaining the same, if the supply curve shifts to the right then

(a) Price and quantity move in the same direction

(b) Price and quantity move in the opposite direction

© Price and quantity remain unchanged

(d) None of the above.

17. The quantity demanded depends on

(a) its price

(b) income

© price of other goods

(d) all of the above

18. A rightward shift in the supply schedule indicates

(a) a decrease in supply

(b) an increase in supply

© an increase in quantity supply

(d) a decrease in quantity supply

19. Land, labour, capital and entrepreneurship are examples of which of the following

(a) Public goods

(b) Inferior goods

© **Factors of production**

(d) Outputs

20. The law of diminishing marginal utility is most useful for explaining the

(a) Law of supply

(b) Law of demand

© Shape of production possibility curve

(d) curvature of total cost curve

21. If consumer's income increases, the demand for normal product X

(a) will remain unchanged

(b) will necessarily increase

© will necessarily decrease

(d) may increase or decrease

22. An increase in product price will cause

(a) quantity demanded to decrease

- (b) quantity supplied to decrease
- © quantity demanded to increase
- (d) the demand curve to shift to the left

23. “ All Giffen goods are inferior, but all inferior goods are not Giffen”. The statement is

(a) sometimes true

(b) true

© false

(d) none of the above

24. Total utility is maximum, when

(a) marginal utility is maximum

(b) marginal utility is zero

© marginal utility increases

(d) average utility is maximum

25. Marginal utility means

(a) change in total utility due to one unit change in consumption

(b) change in total utility due to no change in consumption

© change in utility due to change in price

(d) change in utility due to change in income

26. At the point of equilibrium, the slopes of indifference curve and budget line are

(a) different

(b) equal

(c) not measurable

(d) increasing

27. Marginal rate of substitution is the ___ of the indifference curve

(a) mean

(b) slope

© peak

(d) inverse

28. A price consumption curve, traces the utility maximizing combination of two goods when

(a) the price of one good changes

(b) the consumer's preference change

© the consumer's income changes

(d) the demand curve for one of the goods shifts rightward

29. "Higher the indifference curve, higher will be the level of satisfaction"

(a) always true

(b) always false

© sometimes true and sometimes false

(d) true only if price effect is positive.

30. Diminishing returns occurs when a firm

(a) uses too much of all inputs

(b) uses more and more of one input while holding another inputs constant

© does not utilize its inputs efficiently

(d) cut down on the quantity of all inputs it uses

31. In the long run, which of the following factors of production is fixed?

(a) capital

(b) building

© labour

(d) none of the above

32. Opportunity cost is a/an

(a) spill-over cost

(b) money cost

© **alternative cost**

(d) social cost

33. Difference between average cost and average revenue is

(a) total profit

(b) net profit

© **average profit**

(d) marginal profit

34. All of the following curves are U-shaped, except the

(a) **AFC curve**

(b) MC curve

© AC curve

(d) AVC curve

35. Total revenue is maximum when elasticity of demand is

(a) 3

(b) **1**

© 0

(d) 0.5

36. For getting total revenue, the formula is

(a) TR/Q

(b) $MR+Q$

© AR/Q

(d) **$AR \times Q$**

37. A firm will close down in the short run, if AR is less than

(a) AC

(b) AVC

© MC

(d) none of the above

38. Normally the isoquant slopes

(a) downwards from left to right

(b) upward from right to left

© upwards from left to right

(d) backwards from left to right

39. The long run average cost curve envelops

(a) all short run average cost curves

(b) all short run average variable cost curves

© all short run marginal cost curves

(d) none of the above.

40. If the production possibility curve is linear, then production is said to be subject of

(a) constant opportunity cost

(b) decreasing opportunity cost

© Increasing opportunity cost

(d) first increasing then decreasing opportunity cost.

Semester-V Linear Economics and General Equilibrium

CC-12 Unit-III

1. Isoquants in Leontief's input- output model are
 - (a) Variable coefficient
 - (b) Fixed coefficient**
 - © Sometimes fixed sometimes variable
 - (d) None of the above.
2. In Leontief's model own input coefficient's are less than----
 - (a) Four
 - (b) Three
 - © Two
 - (d) One**
3. Hawkins Simon condition explains the----- condition in Input output model
 - (a) Instability
 - (b) Stability**
 - © Uniqueness
 - (d) None of the above
4. Leontief's input output model is based on the concept of-----
 - (a) Consumption function
 - (b) Partial Equilibrium
 - © General Equilibrium.**
 - (d) All of the above.
5. In Input Output model only----product is produced
 - (a) One**
 - (b) Two

© Three

(d) **Four**

6. The isoquants in Input Output model is

(a) convex to the origin

(b) concave to the origin

© **I shaped.**

(d) straight line.

7. Leontief's model explains a----- equilibrium.

(a) **static**

(b) dynamic

© both static and dynamic

(d) none of the above

8. Consumption Possibility curve (for one factor) in Leontief's model is a straight line due to the assumption of—

(a) increasing returns to scale

(b) decreasing returns to scale

© constant returns to scale

(d) none of the above.

9. Factors of production in Input Output model is----

(a) **one**

(b) two

© three

(d) four

10. Leontief's model is open due to the fact that final demand is given from----- the system

(a) within

(b) outside

© both (a) and (b)

(d) none of the above.