

PPSC Economics Chapter 2 Micro Economics

Sr	Questions	Answers Choice
1	When economists say that a per son is economizing they mean that the person is.	A. making choices to gain benefits at lowest possible cost B. Making a lot of money C. Purchasing goods that are generic cheap or of low quality D. Learning how to run a business more effecitively
2	The epigram "time is money" expresses , in part, the concept of.	A. Opportunity cost B. Comparative advantage C. Specialization D. Efficiency in production
3	In perfect competition there is.	A. Many buyers B. Many sellers C. Homogeneous product D. All of these
4	Perfect competition implies	A. Homogeneous goods B. Inferior goods C. Superiors goods D. Differential goods
5	In perfect competition the industry will be in equilibrium.	A. when all the firms earning abnormal profit B. When all the firms earning normal profit C. All firms having loss D. All firms having proft
6	A Market situation where the number of buyers is very large and the number of sellers are very small is called.	A. Perfect competition B. Duopoly C. Oligopoly D. In perfect competition
7	Price discrimination is possible	A. Oligopoly B. Duopoly C. Perfect competition D. Monopoly
8	Price discrimination occurs when	A. A commodity has different elasticity in different markets B. Same elasticity in different market C. Unitary elasticity different markets D. Noe of these
9	MC = MR= AR=AC = Price shows the longs run	A. Monopolist firm B. Oligopolistic firm C. Competitive firm D. Both a and b
10	A profit maximizing monopolist in two separate markets will	A. Charge different price according to elasticity B. Charged same price C. Charged very high price D. Charged very low price
11	In monopoly the firm can	A. Price B. Output C. Either price or output D. Both a and b
12	A monopoly there is	A. No difference between firm and industry B. A few firms C. Lot of firms D. none of these
13	In perfect competition price is settled by	A. Sellers B. Buyers C. Producers D. Both a and b
14	In perfect competition, a seller by increasing price.	A. Sell more B. Produce its revenue

	F	C. Decrease cost D. Sell nothing
15	In pure monopoly there is.	A. A lot of firms B. Two firms C. A single firm D. Many firms
16	In perfect competition a firm is.	A. Price taker B. Price setter C. Independent D. Dependent
17	In monopolistic competition firm sell	A. Same goods B. Differential goods C. Inferior goods D. Superior goods
18	Short run is a time frame where a firm can change its.,	A. Total cost B. Total production C. Plant size D. None of these
19	A combination labour and capital where the cost of an output is minimized is called.	A. Optimum factor combination B. Good combination C. Least combination D. Substitutes combination
20	The Isoquant curve shows different combinations of two factors of production which give the producer.	A. Different level of output B. High level of output C. low level of output D. Same level of output