

## PPSC Economics Chapter 2 Micro Economics

Sr	Questions	Answers Choice
1	In monopsony there is	A. Single seller B. Two buyers C. Single buyer D. Few buyer
2	In monopoly there is.	A. Single seller B. Single buyer C. Two producers D. Few seller
3	"Principles of economics" is the book of	A. Robbins B. Adam smith C. Hicks D. Marshall
4	In substitution effect a consumer	A. Shifts away from the commodity which price has risen B. shifts in favor of commodity which price has risen C. shifts away from the commodity which price has fallen D. None of these
5	In capitalistic economy price is determined by	<ul><li>A. Supply and production</li><li>B. Demand and production</li><li>C. Demand and consumption</li><li>D. Demand and supply</li></ul>
6	Law of demand is not applicable on	A. Daily goods B. Scarce goods C. Consumer goods D. Producer goods
7	A demand curve shows that relation between price and demand.	A. Positive B. Negative C. Zero D. Very strong
8	Indifference curve theory is old wine in new labeled bottle is said by.	A. Marshall B. Griffin C. Ricardo D. Allen
9	"The quantity demanded increases as its price increases and falls as its price falls" is called given goods, is presented by.	A. Allen B. Marshall C. Adam smith D. Robert griffin
10	An indifference curve shows various combinations to goods Which gives the consumer.	A. Equal level of utility B. Low level of utility C. High level of utility D. None of these
11	Indifference curve approach is also called.	A. Law of diminishing marginal utility     B. Law of substitution     C. Ordinal measure approach     D. None of these
12	Foundation of law of demand is.	A. Law of diminishing marginal utility B. Law of substitution C. Law of increasing return to scale D. Law of diminishing marginal rate of substitution.
13	Indifference curve is alwyas.	A. Vertical B. Horizontal C. Concave D. Convex
14	Law of variable proportion sis applicable in.	A. Short run B. Long run C. Anytime D. Fore ever

15	Micro economics is the study of.	A. Economy on the whole     B. Large units of the economy     C. Individual units of the economy     D. General economics
16	Goods which can be consume directly are	<ul><li>A. Producer goods</li><li>B. Consumer goods</li><li>C. Free goods</li><li>D. Economics goods</li></ul>
17	Indifference curve has following characteristics except.	<ul><li>A. Convex to origin</li><li>B. Intersect each other</li><li>C. Not necessary to be parallel</li><li>D. None of these</li></ul>
18	Cardinal approach theory was presented by	A. Marshall B. Adam smith C. Robbins D. Hicks
19	If the prices of both goods increase by the same percent the budget line will	A. Shift parallel to the left B. shift parallel to the right C. Pivot about the x axis D. Pivot abut the Y axis
20	Which of the following is a characteristic of monopolistic competition.	A. One seller serving the entire market B. When each firm sells an identical product C. When firms do not compete on a product quality price and marketing D. When firms are free is enter and exit the market