

Principles of Economics (English Medium) - ICOM Part 1 Economics English Medium Chapter 1 Short Questions Preparation

Q7. How many methods to derive the Economic Laws?

Ans 1: There are two methods to derive economic laws.

Deductive method:

"According to this method we move from general situation to particular or from universal to particular". This method was introduced by classical economists.

Inductive method:

"In this method, we move from particular situation to general or from particular to universal". This method was introduced by classical and neo classical economics.

Q8. What is exchange of wealth?

Ans 1: When wealth passes from one person to another person or it transfers from one country to another country, is known as exchange of wealth.

Q9. Define Labour.

Ans 1: Labour means all human efforts of body or mind which are undertaken in the expectation of rewards. The reward of labour is wage.

Q10. How many factors of production?

Ans 1: There are four factors of production Land, Labour, Capital and Organization.