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

Q1. How many factors of production ?

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

Q2. List down merits of Marshall's definition of economics.

Ans 1: 1. Science of human welfare.
2. Better definition.
3. To promote material welfare.
4. Economics is a social science.
5. Corresponds to modern economics

Q3. What are the meanings of Economics ?

Ans 1: ***Meanings of Economics:***
The word "Economics" has been derived from a Latin word "Oikonomos" which means "Household Management". So, it means the management of household affairs especially in those matters, which are related to the income and expenses of the family.

Q4. 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.

Q5. Write down main points of Marshall definition's of economics.

Ans 1: 1. It is the study of ordinary business of life.
2. Individual and social action.
3. Attainment and use of material prosperity.
4. Wealth promotes human welfare.

Q6. What is meant by ceteris paribus ?

Ans 1: Ceteris paribus is a Latin tern which means "other things being equal" or "other things remaining unchanged". It is also known as assumptions or conditions of the law.

Q7. 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.

Q8. How many aspects of wealth of Nations ?

Ans 1: There are four aspects of wealth.
i. Production of wealth.
ii. Distribution of wealth.
iii. Consumption of wealth.
iv. Exchange of wealth.

Q9. Describe the definition of Economics by Classical School of Thought (Adam Smith).

Ans 1: According to Adam Smith, "Economics is the science which studies production distribution, consumption and exchange of wealth".

Q10. Who is the father of macro economics ?

Ans 1: John Mayand Keynes is the father of macro economics. He wrote a book in 1936 named as "General Theory of Employment, Interest and Money."