

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

Q1. Why does economic problem arise ?

Ans 1: Economic problem arises due to unlimited human wants and limited resources.

Q2. 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.

Q3. 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.

Q4. Define Capital.

Ans 1: Man made resources are known as capital or capital is that part of wealth which produce more income e.g. machinery, tools etc. The reward of capital is interest.

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

- Ans 1:**
1. Multiple ends.
 2. Wants varies in importance.
 3. Scarce means.
 4. Alternative uses of resources.

Q6. Define an Art.

Ans 1: The practical application of scientific principles is called an art. Science lays down certain principles while are puts these principles into practical use.

Q7. 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.

Q8. 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.

Q9. Describe definition of economics by modern school of thought (Robbins).

Ans 1: Economics is the science of scarcity and choice.

Q10. Write the names of classical economists.

Ans 1: *Followers of Classical School of thought:*

J.B.Say, David Ricardo, J.S.Mill, Malthus, N.W.Senior, Prof. Walrus, F.A.Walker.
