

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

Q1. Write the names of main followers of modern school of thought.

Ans 1: Keynes, Stiggler, Samuelson and Estham are the followers of modern school of thought.

Q2. 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.

Q3. what is subject matter of Economics ?

Ans 1: All human activities, which are performed for production and distribution of goods and services to fulfil unlimited wants by limited resources are called subject matter of economics.

Q4. 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."

Q5. What is Consumption of wealth ?

Ans 1: When we use goods and services to satisfy our wants, it is called consumption of wealth. All goods and services, which we get and use are the result of consumption of wealth.

Q6. Differentiate between micro and macro economics.

Ans 1: Micro Economics:

Micro economics deals with small units of the economy. For example the study of particular firm, particular household, individual prices, wages, income, demand, supply etc.

Macro Economics:

Macro economics deals with the large units of economy. For example national income, money, business cycle, public finance, international trade etc.

Q7. 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.

Q8. 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.

Q9. 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.

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.
