

FBQ1: \_\_\_\_\_ capital refers to investment in the education and technical training of an individual

Answer: \*Human\*

FBQ2: When total product reaches its maximum level, then marginal product is \_\_\_\_\_

Answer: \*Zero\*

FBQ3: \_\_\_\_\_ described Economics as political economy that has strangled itself with definition.

Answer: \*J.N. Keynes\*

FBQ4: \_\_\_\_\_ refers to productive wealth jointly owned by the members of the community.

Answer: \*Social capital\*

FBQ5: In the short-run period, a firm can alter only its \_\_\_\_\_ inputs in order to increase its output

Answer: \*Variable\*

FBQ6: This is a rate at which a nation's exports is exchanged with its imports is known as \_\_\_\_\_

Answer: \*Terms of trade\*

FBQ7: Isusu cooperative society is also known as \_\_\_\_\_ cooperative

Answer: \*Credit and thrift\*

FBQ8: \_\_\_\_\_ tells us about average changes over time in the prices of a fixed group of goods and services that are bought by consumers

Answer: \*Consumer Price Index\*

FBQ9: \_\_\_\_\_ reveals average change over time in the selling prices that domestic producers receive for their goods and services

Answer: \*Producer Price Index\*

FBQ10: The term "Agriculture" was derived from the Latin word \_\_\_\_\_

Answer: \*Ager\*

FBQ11: Risk shows how possible outcomes associated with management decisions are known. True or False?

Answer: \*True\*

FBQ12: \_\_\_\_\_ is a branch of agricultural economics which deals with wealth earning and spending activities of a farmer in relation to the organization and operation of the individual farm unit for securing the maximum possible net income

Answer: \*Farm management\*

FBQ13: \_\_\_\_\_ is a sub-division of economics which considers the allocation of limited resources within the individual farm.

Answer: \*Farm management\*

FBQ14: \_\_\_\_\_ is the most widely used measure of inflation which is estimated based on prices of food items, clothing, shelter, fuel, Medicare, transportation and other commodities purchased for day-to-day living.

Answer: \*Consumer Price Index\*

FBQ15: In cobweb cycle, if price elasticity of demand is less than that of supply, we get the \_\_\_\_\_ type of cobweb cycle.

Answer: \*Divergent\*

FBQ16: A \_\_\_\_\_ gives the total quantity of output of a given commodity that can be produced from a specified combination of factor inputs

Answer: \*production function\*

FBQ17: In the process of production, some factors of production are held constant in the \_\_\_\_\_

Answer: \*short-run\*

FBQ18: \_\_\_\_\_ shows the quantity of output that can be produced using different levels of inputs.

Answer: \*Production Function\*

FBQ19: At early stage of production, a firm's total cost was ₹200 at output level of 50 units. At a later stage, total cost was ₹350 at output level of 80 units. Calculate the firm's marginal cost.

Answer: \*₹15\*

FBQ20: The \_\_\_\_\_ of a factor is the total output divided by the number of units of that factor used in producing the output

Answer: \*Average product\*

FBQ21: The \_\_\_\_\_ tells us how total output changes as additional units of the variable input are applied to a specified quantity of the fixed input

Answer: \*Law of diminishing returns\*

FBQ22: \_\_\_\_\_ is the extra-cost of production one additional unit of the production

Answer: \*Marginal Cost\*

FBQ23: The AVC curve reaches a minimum and rises thereafter because of the \_\_\_\_\_

Answer: \*Law of diminishing returns\*

FBQ24: Marginal cost is the same as price multiplied by the reciprocal of the marginal product. True or False?

Answer: \*True\*

FBQ25: Average cost and marginal cost are equal when average cost is at a minimum. True or False?

Answer: \*True\*

FBQ26: The long-run average cost curve (LAC) is composed of a series of short-run U shaped average cost curves from which the firm selects the plant size that yields the lowest costs. True or False?

Answer: \*True\*

FBQ27: A variable input is one which quantity is use in the process of production does not change as the output level is changed. True or False?

Answer: \*False\*

FBQ28: \_\_\_\_\_ is the power of every commodity to satisfy the demand of an individual.

Answer: \*Utility\*

FBQ29: \_\_\_\_\_ Law states that as the quantity of a commodity consumed by an individual increases, the total utility yielded by that commodity increases but at a decreasing rate until a point is reached where total utility begins to decrease.

Answer: \*Jevon's First\*

FBQ30: At early stage of production, a firm's total cost was ₹1200 at output level of 50 units. At a later stage, total cost was ₹1350 at output level of 80 units. Calculate the firm's average cost at the early stage.

Answer: \*₹4\*

FBQ31: Utility is measured in \_\_\_\_\_

Answer: \*Utils\*

FBQ32: Indifference curve is derived from \_\_\_\_\_ approach

Answer: \*Ordinal\*

FBQ33: In cobweb cycle, if price elasticity of demand is equal that of supply, we get the uniform type of cobweb cycle. True or False?

Answer: \*True\*

FBQ34: Invisible Hand theory was described by \_\_\_\_\_

Answer: \*Adam Smith\*

FBQ35: \_\_\_\_\_ Economics is the science, which studies human behaviours as a relationship between ends and scarce means which have alternative uses. This definition of Economics is given by \_\_\_\_\_

Answer: \*Lord Lionel Robbins\*

FBQ36: In economics the central problem is \_\_\_\_\_

Answer: \*Scarcity\*

FBQ37: The prices of agricultural products follow the pattern of cycles indicated in the \_\_\_\_\_ theory

Answer: \*Cobweb\*

FBQ38: In cobweb cycle, if price elasticity of demand is greater than that of supply, we get the \_\_\_\_\_ type of cobweb cycle.

Answer: \*Convergent\*

FBQ39: \_\_\_\_\_ Risks are associated with the level of borrowing to fund the farm business

Answer: \*Financial\*

FBQ40: \_\_\_\_\_ can be measured through probability concepts

Answer: \*Risk\*

FBQ41: \_\_\_\_\_ takes place when the possible outcomes are unknown

Answer: \*Uncertainty\*

FBQ42: The \_\_\_\_\_ states that additional consumptions of units of a commodity give the individual less and less utility.

Answer: \*law of diminishing marginal Utility\*

FBQ43: \_\_\_\_\_ is an economic process by which goods and services are exchanged between the producers and the consumers and their values determined in terms of money prices

Answer: \*Marketing\*

FBQ44: \_\_\_\_\_ can be identified as a single activity which facilitates the movement of the product from the point of its production till it gets to the final consumer.

Answer: \*Marketing function\*

FBQ45: \_\_\_\_\_ is the actual quantity of a commodity that is available with the farmer after meeting up with his marketing desires

Answer: \*Marketable surplus\*

FBQ46: \_\_\_\_\_ is the knowledge applied by man to improve production or marketing process

Answer: \*Technology\*

FBQ47: \_\_\_\_\_ can be defined as a way of protecting our intentions, i.e. a method of deciding what we want to accomplish.

Answer: \*Planning and projection\*

FBQ48: \_\_\_\_\_ is a method of examining the profitability of alternative farm plans

Answer: \*Farm budget\*

FBQ49: \_\_\_\_\_ is a holistic budgeting

Answer: \*Complete farm budget\*

FBQ50: In cobweb cycle, if price elasticity of demand is less than that of supply, we get the \_\_\_\_\_ type of cobweb cycle.

Answer: \*Explosive\*

Multiple Choice Questions (MCQs):

MCQ1: An example of fixed cost is \_\_\_\_\_

Answer: Rent

MCQ2: \_\_\_\_\_ means distribution starts at the wholesale level where the processed products are channelled to ultimate consumer

Answer: Transportation

MCQ3: The partial derivative of the total cost function with respect to change in output is \_\_\_\_\_

Answer: Average cost

MCQ4: \_\_\_\_\_ factors are the long-term rise and fall of macro-economic indices or variables.

Answer: Trend

MCQ5: At early stage of production, a firm's total cost was ₹1200 at output level of 50 units. At a later stage, total cost was ₹1350 at output level of 80 units. Calculate the firm's average cost at the early stage.

Answer: ₹14

MCQ6: The supply of a good refers to \_\_\_\_\_

Answer: Stock available for sale

MCQ7: The cost of one thing in terms of the alternative given up is called \_\_\_\_\_

Answer: Production cost

MCQ8: Demand for factors of production is a \_\_\_\_\_

Answer: Joint demand

MCQ9: \_\_\_\_\_ is the excess of total expenditure over total receipt

Answer: Budget deficit

MCQ10: Cost push inflation occurs because of \_\_\_\_\_

Answer: wage push

MCQ11: The law of demand states that \_\_\_\_\_

Answer: as the quantity demanded rises, the price rises

MCQ12: The law of diminishing (marginal) returns states that as more of a variable factor is added to a certain amount of a fixed factor, beyond some point \_\_\_\_\_

Answer: Total physical product begins to fall

MCQ13: The demand for labour slopes downwards from left to right because of \_\_\_\_\_

Answer: The law of demand

MCQ14: The horizontal demand curve implies that the elasticity of demand is \_\_\_\_\_

Answer: Zero

MCQ15: In the short run, when the output of a firm increases, its average fixed cost

\_\_\_\_\_  
Answer: Remains constant

MCQ16: Which among the following is a cause of inflation?

Answer: Deficit financing

MCQ17: The management of the \_\_\_\_\_ form of business organization is totalitarian in nature.

Answer: Individual proprietorship

MCQ18: Given the price, if the cost of production increases, the supply \_\_\_\_\_

Answer: Increase

MCQ19: At early stage of production, a firm's total cost was ₹1,200 at output level of 50 units. At a later stage, total cost was ₹1,350 at output level of 80 units. Calculate the firm's marginal cost.

Answer: ₹17

MCQ20: Demand is determined by \_\_\_\_\_

Answer: Price of the product

MCQ21: When a firm's average revenue is equal to its average cost, it gets \_\_\_\_\_

Answer: Super profit

MCQ22: The cost recorded in the books of accounts are considered as \_\_\_\_\_

Answer: Implicit cost

MCQ23: The demand curve has a \_\_\_\_\_ slope

Answer: Positive

MCQ24: The short run average cost curve is \_\_\_\_\_ shaped

Answer: U

MCQ25: Under perfect competition, price is determined by the interaction of \_\_\_\_\_ and total supply

Answer: Total cost

MCQ26: Economics is a \_\_\_\_\_ science which deals with human wants and satisfaction

Answer: Social

MCQ27: \_\_\_\_\_ defined economics as a study of mankind in the ordinary business of life

Answer: Adam Smith

MCQ28: In free market economy, the organization and interaction of producers and consumers is accomplished through the \_\_\_\_\_ system.

Answer: Price

MCQ29: In economics the central problem is \_\_\_\_\_

Answer: Allocation

MCQ30: Which of the following is an economic activity?

Answer: Production

MCQ31: Which of the following is a productive resource?

Answer: Land

MCQ32: Macroeconomics deals with \_\_\_\_\_

Answer: The behaviour of firms

MCQ33: Microeconomics is not concerned with the behaviour of \_\_\_\_\_

Answer: Consumers

MCQ34: The value of an entrepreneur's owned resources that she uses in production are known as \_\_\_\_\_

Answer: Explicit cost

MCQ35: Principal Agent Problem is related to \_\_\_\_\_

Answer: Managers and Owners

MCQ36: Invisible Hand theory was described by \_\_\_\_\_

Answer: Alfred Marshall

MCQ37: "Economics is the science, which studies human behaviours as a relationship between ends and scarce means which have alternative uses." This definition of Economics is given by \_\_\_\_\_

Answer: Alfred Marshall

MCQ38: In economics the central problem is \_\_\_\_\_

Answer: Money

MCQ39: The prices of agricultural products follow the pattern of cycles indicated in the \_\_\_\_\_ theory

Answer: Demand

MCQ40: \_\_\_\_\_ Risks are also called price risks

Answer: Production

MCQ41: In cobweb cycle, if price elasticity of demand is equal that of supply, we get the \_\_\_\_\_ type of cobweb cycle.

Answer: Divergent

MCQ42: Marshall showed systematically that utility is quantifiable/measurable; this gave birth to the \_\_\_\_\_ approach

Answer: Ordinal

MCQ43: \_\_\_\_\_ budget is the estimation of expected income, costs and profits for an enterprise

Answer: Partial

MCQ44: \_\_\_\_\_ occurs when an economy's output, that is, Real Gross Domestic Product (RGDP) decreases while its price level rises

Answer: Stagflation

MCQ45: In cobweb cycle, if price elasticity of demand is greater than that of supply, we get the \_\_\_\_\_ type of cobweb cycle.

Answer: Divergent

MCQ46: \_\_\_\_\_ budgets are arranged in units i.e. acre, hectare, a head of livestock, a crop etc.

Answer: Partial

MCQ47: In cobweb cycle, if price elasticity of demand is less than that of supply, we get the \_\_\_\_\_ type of cobweb cycle.

Answer: Divergent

MCQ48: Which of the following is also known as International Bank for Reconstruction and Development?

Answer: International Monetary Fund

MCQ49: The capital that is consumed by an economy or a firm in the production process is known as \_\_\_\_\_

Answer: Capital loss

MCQ50: Balance of Payment on capital account includes \_\_\_\_\_

Answer: Balances of private direct investments