



Q.3 Extension and contraction of demand for a good occurs as a result of

- a) Change in the quality of good
- b) Change in the price of good
- c) Availability of cheaper substitutes
- d) Increases in Income

Q.4 Normally the slope of demand curve will

- a) Upward sloping      b) Downward sloping
- c) Vertical              d) Horizontal

Q.5 What is micro economics?

- a) Study of overall economy
- b) Study of individual economic units
- c) Study of international trade
- d) Study of economic growth

Q.6 What is the formula for total cost?

- a)  $TC = FC + VC$       b)  $TC = FC - VC$
- c)  $TC = VC - FC$       d)  $TC = FC * VC$

## SECTION-B

**Note:** Objective/ Completion type questions. All questions are compulsory. (6x1=6)

Q.7 Fixed costs are costs that vary with the level of output. (True/False)

Q.8 The main characteristic of perfect competition is \_\_\_\_\_ (Single seller/ Many seller)

Q.9 A monopoly is a market structure with many firms. (True/False)

Q.10 Microeconomics deals with study of individual economic units. (True/False)

Q.11 Is relationship between price and supply is negative? (True/False)

Q.12 When price rises, quantity demanded (Expands / Falls)

## SECTION-C

**Note:** Short answer type questions. Attempt any eight questions out of ten questions. (8x4=32)

Q.13 Describe in detail about micro and macroeconomics.

Q.14 What is supply? What are the various determinants of supply?