

Sub : History of Economic Thought 205

Course : BA Eco 3rd Sem

Sl no	Questions	A	B	C	D	Answer
1	Which of the following is NOT an economic theory of Ricardo's discussed in this article?	Economic Rent	Comparative Advantage	Division of Labor	All of the concepts listed can be contributed	C
2	The concept Industrial Reserve Army is introduced by	Turgot	Karl Marx	Joan Robinson	J.S. Mill	B
3	Who gives a welfare definition of economics?	Adam Smith	Alfred Marshall	Lionel Robbins	Paul Samuelson	B
4	According to Ricardo, as an economy grows, the _____ are the only group that would benefit.	Workers	Land-owners	Businessmen	None of the above	B
5	The type of equilibrium that deals with the determination of price and quantity of only one market is known as	General equilibrium	Partial equilibrium	Zero Equilibrium	Pareto efficiency	A
6	Adam Smith begins with the Wealth of Nations with an example of a pin factory in order to demonstrate	the accumulation of capital	the division of labor	the perils of government regulation	All of the above	B
7	The Classical theory did not provide any coherent theory of -----	Income distribution	Rent Theory	Labor value theory	Profit	D
8	In Case the supply of a factor of production is fixed , its entire income will be -----	Economic Rent	Marginal rent	Rent	Profit	A
9	According to Adam Smith , employers earned profits due to -----used by them	Land	Labor	Capital	Enterpreuer	C
10	According the law of diminishing returns:	The marginal product of a variable factor	Marginal utility falls as more units of a product are consumed	The total product falls as more units of a variable factor	The marginal product eventually increases as more	A
11	Communist Manifesto was authored by:	Stalin	Karl Marx	Laski	George Bernard Shah	B

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12	For the classical economists, the quantity theory of money provided an explanation of movements in the price level. Movements in the price level result	solely from changes in the quantity of money	primarily from changes in the quantity of money	only partially from changes in the quantity of money	from changes in factors other than the quantity of money	A
13	The book Principles of Economics was published in the year	1776	1932	1890	1936	C
14	The classical economists believed that if the quantity of money doubled,	output would double.	prices would fall	prices would double	prices would remain constant	C
15	The main focus of Karl Marx's work was on which of the following social elements?	The plight of the working class	Economics of the upper class	Worker's conditions in factories	Gender equality	C
16	Which two philosophers developed the principal concept of Marxism?	Marx and Engels	Marx and Aristotle	Marx and Adam	Plato and Aristotle	A
17	Walras' law implies that if there are N markets, we only need to find equilibrium prices in	N-1 markets.	N-2 markets.	all markets	N-3 markets	A
18	The Fisher effect _____.	States that nominal interest rates are equal to the real interest rates plus the expected inflation rate	States that nominal interest rates are equal to real interest rates minus the expected inflation rate	Predicts that as the expected inflation rate rises, so do nominal interest rates	Predicts that as the expected inflation rate rises, real interest rates fall	C
19	If you want a 4% real interest rate and the expected inflation rate is 3%, you should set the nominal interest at:	1%	4%	7%	20%	C
20	The average number of times that a dollar is spent in buying the total amount of final goods and services produced during a given time period is	gross national product	the spending multiplier	the money multiplier.	Velocity	D
21	Adam Smith begins with the Wealth of Nations with an example of a pin factory in order to demonstrate	the accumulation of capital	the division of labor	the perils of government regulation	All of the above	B

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22	Ricardo Theory Of Rent is based on ----- reasoning	Deductive	Empirical	illogical	Inductive	A
23	According to Ricardo, as an economy grows, the _____ are the only group that would benefit.	Workers	Land-owners	Bussiness Man	None of the above	B
24	According the law of diminishing returns:	The marginal product of a variable factor eventually falls as more units of it are added to a fixed factor	Marginal utility falls as more units of a product are consumed	The total product falls as more units of a variable factor are added to a fixed factor	The marginal product eventually increases as more units of a variable factor are added to a fixed factor	A
25	The quantity theory of money is expressed by the identity equation	MV/PY	$MV=Y$	$M= PYV$	$MV=PY$	D
26	Both sides of the quantity theory of money identity represent _____. *	Real GDP	Inflation.	Nominal GDP.	The Money Supply.	C
27	In the quantity theory of money, P and Y represent the price and quantity of:	all raw materials and natural resources sold in an economy	all financial services sold in an economy.	all durable capital (tractors, manufacturing equipment) purchased in the economy	all finished goods and services sold in an economy	D
28	Nominal GDP in terms of _____ is represented by how much money there is and how many times it is spent, while Nominal GDP in terms of _____ is represented by all goods and services and their prices.	buyers & sellers	domestic production & international production	profit & loss	imports & exports	A

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29	Say's law states that ___	we can have an inflation or recession, but never both at the same time	the normal state of economic affairs is recession	demand creates its own supply	supply creates its own demand	D
30	Adam Smith in his book, The Wealth of Nations, developed a theory about:	communism	capitalism	regulating foreign investment	ensuring internal order	B

Subjective Question

- 31 Who are the three main economic theorists?
- 32 What are the main ideas of classical economists?
- 33 Name the classes by which Karl Marx view social stratification?
- 34 What are the main points of Keynesian economics?
- 35 Name two contribution of Alfered Marshall ?

