

## eco121 List of Questions

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**Q1 The total demand for goods and services in an economy is known as:**

- ☐ national demand
- ☐ gross national product
- ☐ aggregate demand
- ☐ economy-wide demand

**Q2 Goods and services usually referred to as \_**

- ☐ commodities
- ☐ articles
- ☐ materials
- ☐ wares

**Q3 Microeconomics is not concerned with the behaviour of:**

- ☐ firms
- ☐ industries
- ☐ aggregate demand.
- ☐ consumers

**Q4 Change in input price, government policy, organizational change may lead to \_.**

- ☐ higher cost of demand for a firm
- ☐ lower cost of production for a firm
- ☐ higher cost of production for a firm
- ☐ higher cost of sales for a firm

**Q5 Income and substitution effects are better use in explaining the link between \_ and \_.**

- ☐ demand and price
- ☐ demand and supply
- ☐ supply and price
- ☐ good and price

**Q6 \_ is a good example of natural monopolist**

- ☐ Crude oil in Nigeria
- ☐ Post office in UK
- ☐ NNPC in Nigeria
- ☐ MTN in South Africa

**Q7 In a market where over 100 people sell all the network airtime, the sellers become \_**

- ☐ Price maker
- ☐ Price giver
- ☐ Price taker
- ☐ All

**Q8 All except \_ is right about perfect market.**

- ☐  $MC > MR$ , and expansion possible
- ☐ Demand curve is upward
- ☐  $MR = 0$
- ☐  $MR = P$

**Q9 \_ is not a tool that is used to describe and evaluate the market processes by which individuals allocate scarce resources to satisfy as many wants as possible**

- ☐ Supply
- ☐ demand
- ☐ production relationships
- ☐ raw material

**Q10 Economics is the study of \_**

- ☐ how society manages its scarce resources
- ☐ how society manages its unlimited resources.
- ☐ how to fully satisfy our unlimited wants.
- ☐ how to reduce our wants until we are satisfied.

**Q11 If 20 percent increase in price of needle drives down quantity demanded by 2 percent, elasticity for needle is calculated as \_**

- ☐ 0.1
- ☐ 0.2
- ☐ 0.3
- ☐ -0.1

**Q12 \_ demand is a demand wherein quantity demanded does not respond at all to price change.**

- ☐ perfectly inelastic
- ☐ imperfectly inelastic
- ☐ perfectly elastic
- ☐ imperfectly elastic

**Q13 Perfectly Inelastic is also known as \_**

- ☐ Positive Elastic Demand
- ☐ Elastic Demand
- ☐ Unit Elastic Demand
- ☐ Zero Elastic Demand

**Q14 \_ of demand can be describe as proportional or percentage change in quantity demanded as a result of proportional or percentage change in that commodity's price.**

- ☐ Price elasticity

- ☐ income elasticity
- ☐ supply elasticity
- ☐ cost elasticity

**Q15 According to law of demand when prices rise, quantity demanded is expected to fall ceteris paribus (all things been equal). This shows that there is a \_relationship between price and demand.**

- ☐ positive
- ☐ negative
- ☐ lateral
- ☐ adjacent

**Q16 Price \_ is the direct opposite of price \_**

- ☐ floor, ceiling
- ☐ door, ceil
- ☐ window, Ddoor
- ☐ carpet, floor

**Q17 Another name for price ceiling is \_ which occurs when the government set a maximum price that can be charged for a product in the market**

- ☐ lower Price limit
- ☐ upper Price
- ☐ upper Price limit
- ☐ higher Price limit

**Q18 Supply curve is a graphical representation of \_schedule.**

- ☐ demand
- ☐ market
- ☐ supply
- ☐ exchange

**Q19 The higher the price the \_ the quantity supplied, the lower the price the \_ the quantity supplied**

- ☐ lower, higher
- ☐ higher, higher
- ☐ lower, lower
- ☐ higher, lower

**Q20 The relationship between the price and quantity of a good offered to the market for sale is known as \_**

- ☐ demand
- ☐ purchase
- ☐ supply
- ☐ exchange

**Q21 Expectation of a rise in price of goods may force people into what is called \_**

- ☐ panic buying
- ☐ panic selling
- ☐ rush buying
- ☐ impulse buying

**Q22 All except \_ are referred to as complementary goods.**

- ☐ bread and butter
- ☐ tables and chairs
- ☐ vehicles and fuel
- ☐ tea and coffee

**Q23 The total quantity demanded at each price by Ganiyat, Wilson, Vivian, Olusanya, Adedeji, Obaka and others is the \_ for the month.**

- ☐ market demand curve
- ☐ market supply schedule
- ☐ market demand schedule
- ☐ market supply curve

**Q24 A rise in prices of goods and services will mean \_ in quantity demanded.**

- ☐ a rise
- ☐ a stable
- ☐ a fall
- ☐ an inflated

**Q25 \_ is the effect of a change in price on quantity demanded as a result of switching by consumers to alternative or from alternative products.**

- ☐ income effect
- ☐ wages effect
- ☐ price effect
- ☐ Substitution effect

**Q26 \_ is the effect of a change in price on quantity demanded as a result of price changes which made them worse off**

- ☐ income effect
- ☐ substitution effect
- ☐ cost effect
- ☐ demand effect

**Q27 Those who manage; organize and coordinate and take decision in a firm are called \_**

- ☐ Managing Directors
- ☐ landlords
- ☐ owners
- ☐ entrepreneurs

**Q28 The difference between the selling price and the cost price is known as the \_.**

- ☐ profit
- ☐ loss
- ☐ gain
- ☐ excess

**Q29 Allocated resources are transformed into what we call \_ while the resources allocated are the \_ to generate the product.**

- ☐ input /output
- ☐ output / input
- ☐ raw materials/ products
- ☐ output / raw materials

**Q30 The role of firm is primarily to \_.**

- ☐ distribute
- ☐ produce
- ☐ supply
- ☐ warehouse

**Q31 Firms and households are made up of people in the society who are performing different functions with different \_**

- ☐ human behavior.
- ☐ human character.
- ☐ human factor
- ☐ human desires.

**Q32 \_ is defined as the rate at which a commodity is exchanged for money or other units of exchange.**

- ☐ price
- ☐ cost
- ☐ money
- ☐ exchange

**Q33 The circular flow of goods and incomes shows the relationship between\_**

- ☐ goods and services.
- ☐ wages and salaries.
- ☐ firms and households
- ☐ income and money

**Q34 A graph showing all the combinations of goods and services that can be produced if all of society's resources are used efficiently is a\_**

- ☐ circular-flow diagram.
- ☐ production possibility curve.
- ☐ capital consumption frontier
- ☐ Lorenz curve

**Q35 Opportunity cost is \_**

- ☐ the additional benefit of buying an additional unit of a product.
- ☐ the cost incurred in the past before we make a decision about what to do in the future.
- ☐ a cost that cannot be avoided, regardless of what is done in the future.
- ☐ that which we forgo, or give up, when we make a choice or a decision

**Q36 Utility theory is one of the techniques we can utilize to measure \_ behavior**

- ☐ consumer
- ☐ producer
- ☐ seller
- ☐ distributor

**Q37 A student chooses to study because the marginal benefit is greater than the \_cost.**

- ☐ total
- ☐ marginal
- ☐ expected
- ☐ average

**Q38 Unemployment means that:**

- ☐ there are some people who will not work at the going wage rate.
- ☐ there is excess demand in the labour market.
- ☐ at the going wage rate, there are people who want to work but cannot find work.
- ☐ people are not willing to work at the going wage rate.

**Q39 A recession is:**

- ☐ a period of declining unemployment.
- ☐ a period of declining prices.
- ☐ a period of very rapidly declining prices.
- ☐ a period during which aggregate output declines

**Q40 Inflation is:**

- ☐ an increase in the overall price level
- ☐ an increase in the overall level of economic activity
- ☐ a decrease in the overall price level.
- ☐ a decrease in the overall level of economic activity.

**Q41 The total demand for goods and services in an economy is known as:**

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**Q42 Goods and services usually referred to as \_**

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**Q43 Microeconomics is not concerned with the behaviour of:**

- ☐ firms
- ☐ industries
- ☐ aggregate demand.
- ☐ consumers

**Q44 Macroeconomics deals with:**

- ☐ the activities of individuals units
- ☐ the behaviour of firms
- ☐ economic agents.
- ☐ economic aggregates.

**Q45 Which of these is NOT a factor of production?**

- ☐ land
- ☐ A bank loan.
- ☐ labour
- ☐ capital

**Q46 In economics the central problem is\_**

- ☐ allocation
- ☐ money
- ☐ production
- ☐ scarcity.

**Q47 Free market economy or market economy is an economic system where the basic economic decisions are made by the buyers and sellers, individual households and businesses in the economy through the \_.**

- ☐ cost mechanism
- ☐ price mechanism
- ☐ market mechanism
- ☐ trade mechanism

**Q48 Former Soviet Union, Cuba, Germany, Russia, North Korea etc are close examples of\_ economies**

- ☐ free enterprise
- ☐ capitalism and Communism
- ☐ Controlled or Planned
- ☐ mixed economy

**Q49 Controlled or Planned economies are usually associated with \_ where government determines the wages of workers, the prices of goods and services and level of output.**

- ☐ Socialism and Communism
- ☐ capitalism and Communism
- ☐ Socialism and facsism
- ☐ Socialism and authoritarianism

**Q50 In a controlled economy, it is the \_ that makes the economic decision and it is solely done meaning that there are no \_ sector initiatives**

- ☐ private/ government
- ☐ government / banking
- ☐ private / public
- ☐ government / private

**Q51 The direct exchange of goods and services with other goods and services is known\_**

- ☐ market
- ☐ pricing
- ☐ barter
- ☐ butter

**Q52 in Nigeria, people of Abeokuta is known for the \_cloth business while the Oke-ogun people continue to produce the \_traditional attires**

- ☐ ofi / adire
- ☐ adire / ofi
- ☐ Agbada' / 'akwa'
- ☐ akwa' /Agbada

**Q53 The economies of all the countries except \_ are believed to be traditional**

- ☐ Saudi Arabia
- ☐ England
- ☐ Iran
- ☐ Pakistan

**Q54 \_ emerge to resolve the conflict between individual objectives.**

- ☐ economic institutions
- ☐ government institutions
- ☐ social institutions
- ☐ politicalal institutions

**Q55 Human wants are \_and ever dynamic due to ever changing demands and needs for resources which are limited.**

- ☐ unlimited
- ☐ limited
- ☐ satisfactory
- ☐ exhaustive

**Q56 As far as basic economics is concerned, it assumes that people act \_ so as to gain the most benefit for themselves especially when benefit is compared with the associated costs**

- ☐ carelessly
- ☒ rationally
- ☐ irrationally
- ☐ carefully

**Q57 There is usually a \_ between the two choices an individual makes**

- ☐ exchange
- ☐ preference
- ☒ trade-off
- ☐ trade-in

**Q58 \_ is the study of the overall functioning of an economy such as basic economic growth, unemployment, or inflation, etc.**

- ☐ political economics
- ☐ budget
- ☐ microeconomics
- ☒ macroeconomics

**Q59 The study of individuals, their economic decisions making, and how those decisions intermingle is called \_**

- ☐ macroeconomics
- ☒ microeconomics
- ☐ mega economics
- ☐ minoeconomics

**Q60 The field and discipline of economics is divided into two main areas, leveled to \_**

- ☒ individuals and the society
- ☐ individuals and the people
- ☐ person and the society
- ☐ government and the society

**Q61 Change in input price, government policy, organizational change may lead to \_.**

- ☐ higher cost of demand for a firm
- ☐ lower cost of production for a firm
- ☒ higher cost of production for a firm
- ☐ higher cost of sales for a firm

**Q62 Income and substitution effects are better use in explaining the link between \_ and \_.**

- ☒ demand and price
- ☐ demand and supply
- ☐ supply and price
- ☐ good and price

**Q63 Quantity of a commodity purchased by an individual or family or group of people at different prices at a given time and place is known as the \_.**

- ☐ input for such commodity
- ☐ output for such commodity
- ☐ supply for such commodity
- ☒ demand for such commodity

**Q64 Goods and services usually referred to as \_ are produced by firms while household individuals are the \_ of the commodities.**

- ☐ ♦??Commodities♦?? , costoms
- ☒ ♦??Commodities♦?? , consumers
- ☐ ♦??Goodies♦?? , producers
- ☐ ♦??Commodities♦?? , producers

**Q65 In a \_ economy, the economic decision are made based on \_, \_ and \_ of that society.**

- ☒ traditional; believes, norms, religion and customs
- ☐ transnational; believes, norms, and customs
- ☐ national; disbelieves, norms, irreligion and customs
- ☐ traditional; believes, normal, irreligion and customs

**Q66 In a controlled economy, it is the \_ that makes the economic decision and it is solely done, meaning that there are no \_ initiatives.**

- ☐ private sector, government
- ☐ people, public sector
- ☐ people, public sector
- ☒ government, private sector

**Q67 Free market economy or market economy is an economic system where the basic economic decisions are made by the buyers and sellers, individual households and businesses in the economy\_mechanism**

- ☐ through the demand
- ☒ through the price
- ☐ through the supply
- ☐ through the output

**Q68 In Mixed economy, economic decision on what to produce; how and where to produce; for whom to produce; is made jointly by the \_ and \_ sectors in the economy.**

- ☒ government and the private
- ☐ people and the private
- ☐ government and the people
- ☐ public and the private

**Q69 \_ and \_work together to answer basic economic problems in relation to the resources in the society and its \_**

- ☐ Market and institutions, availability
- ☐ Individual and institutions, availability
- ☒ Individual and institutions, scarcity
- ☐ Individual and people, scarcity

**Q70 An economic system consists of \_\_, \_\_ and their interaction in the process of answering basic \_\_.**

- ☐ individual, institutions; economic problems
- ☐ persons, institutions; economic issues
- ☐ persons, markets; economic issues
- ☐ individual, institutions; economic issues

**Q71 \_\_ have its influence on human behavior which determines their decisions in answering basic \_\_.**

- ☐ Market institutions, economic matters
- ☐ Market institutions, economic problem
- ☐ Social institutions, economic solution
- ☐ Social institutions, economic problem

**Q72 In Market economy, \_\_ are made by the invisible hand of market forces.**

- ☐ decisions, invisible hand
- ☐ decisions, visible hand
- ☐ decisions, invisible fingers
- ☐ outputs, visible hand

**Q73 Thorough evaluation and rating of \_\_ from most valued to least valued is a required step in arriving at a \_\_ of what to produce.**

- ☐ production and supply, decision
- ☐ goods and services, output
- ☐ goods and products, meeting
- ☐ goods and services, decision

**Q74 Human wants are unlimited and ever dynamic due to ever changing \_\_ and needs for \_\_ which are limited.**

- ☐ demands, resources
- ☐ supply, resources
- ☐ demands, materials
- ☐ supply, materials

**Q75 There is the need to strike a balance between \_\_ and \_\_ human wants.**

- ☐ limited resources and unlimited, insatiable
- ☐ scarce resources and unlimited, insatiable
- ☐ limited resources and limited, insatiable
- ☐ scarce resources and limited, insatiable

**Q76 The monopolist \_\_ price**

- ☐ Enjoys
- ☐ Allows
- ☐ Takes
- ☐ Fixes

**Q77 The demand curve facing the monopolist is \_\_**

- ☐ upward
- ☐ slanting
- ☐ curved
- ☐ downward

**Q78 Pure monopolist is when the monopolist has \_\_ in the industry.**

- ☐ Economies of scale
- ☐ large economies of scale
- ☐ Capital
- ☐ no competitor

**Q79 In profit making, the monopolist profit is \_\_**

- ☐ Normal
- ☐ Sufficient
- ☐ Abnormal
- ☐ Less

**Q80 In an imperfect competitive market, monopoly stands out as a kind.**

- ☐ Yes
- ☐ Not sure
- ☐ No
- ☐ Almost