

FISHERIES ECONOMICS

I. Choose the correct answer from the given four alternatives:

1. The subject matter of economics is distributed into _____ parts.
(A) two
(B) three
(C) four
(D) five
2. The concept of 'Consumer Surplus' was introduced in Economics by
(A) Prof. Robbins
(B) Prof. Samuelson
(C) Prof. Smith
(D) Prof. Marshall
3. If the price elasticity of demand is $|0.5|$, then the commodity is
(A) Luxury
(B) Necessary
(C) Inferior
(D) Giffen
4. In the case of rare coins, supply curve will be
(A) Horizontal
(B) Vertical
(C) backward bending
(D) positively sloped
5. When the price elasticity of demand is equal to one, the demand curve is
(A) rectangular hyperbola
(B) parallel to the horizontal axis.
(C) parallel to the vertical axis
(D) negatively sloped straight line
6. Which one of the following is not a factor of production?
(A) Land
(B) Labour
(C) Capital
(D) Bank Loan
7. The 'Law of Variable Proportion' was first developed by
(A) Prof. Mill
(B) Prof. Marshall
(C) Prof. Ricardo
(D) Prof. Smith
8. Which one of the following cost can never become zero?
(A) Average cost
(B) Fixed cost
(C) Marginal cost
(D) Variable cost
9. All the factors of production become variable in the
(A) Short run
(B) long run
(C) very short run

- (D) very long run
10. Marginal cost is defined as
- (A) the change in total cost due to one unit change in output.
 - (B) the change in total cost due to one unit change in input.
 - (C) the ratio of total cost to total output
 - (D) the ratio of total cost to total input
11. If a firm produces 200 units of commodity X by employing 10 workers and 240 units of the same commodity by employing 12 workers, then the Average Product of the worker is
- (A) 20
 - (B) 40
 - (C) 200
 - (D) 240
12. Which one of the following is a feature of a perfect competition?
- (A) Selling Cost
 - (B) Group Behaviour
 - (C) Homogenous Product
 - (D) Differentiated Product
13. In the case of a perfectly competitive firm, the demand curve for product is
- (A) Elastic
 - (B) unit elastic
 - (C) perfectly elastic
 - (D) perfectly inelastic
14. Cartel is one form of
- (A) Monopoly
 - (B) Duopoly
 - (C) collusive oligopoly
 - (D) non-collusive oligopoly
15. Dynamic Pricing is mostly followed by
- (A) Automobile Manufacturing Companies
 - (B) Cooking Gas Supplying Companies
 - (C) On-line Companies
 - (D) Brand Name Food Companies
16. $PT = MV$ is the equation suggested by
- (A) J.M. Keynes
 - (B) A.W. Phillips
 - (C) Irving Fisher
 - (D) A.C. Pigou
17. All the following functions are associated with commercial bank except that
- (A) Commercial Bank cannot issue Paper Notes
 - (B) Commercial Bank acts as a Banker to the Government
 - (C) Commercial Banks are mostly privately – owned and privately – managed
 - (D) to accept Deposit from the Public is the most important function of a commercial bank
18. Gresham's Law is true where
- (A) only Barter System operates
 - (B) only Paper Currency operates
 - (C) only Metal Currency operates
 - (D) Both Paper and Metal Currencies operates
19. Quantity Theory of Money states that

- (A) Price Level is directly proportional to Money Supply
 - (B) Price Level is inversely proportional to Money Supply
 - (C) Price Level is not related to Money Supply
 - (D) Price Level is inversely related to Money Demand
20. The Growth definition of Economics was introduced by
- (A) J.M.Keynes and P.A. Samuelson
 - (B) Adam Smith
 - (C) Alfred Marshall
 - (D) Lionel Robbins
21. According to the 'Law of Demand, demand varies _____ with price.
- (A) Directly
 - (B) Indirectly
 - (C) Proportionately
 - (D) Inversely
22. When excess demand occurs in an unregulated market, there is a tendency for:
- (A) price to rise
 - (B) quantity supplied to decrease
 - (C) quantity demanded to increase
 - (D) price to fall
23. In the case of inferior goods, the consumer
- (A) purchases less with increase in income
 - (B) purchases less with decrease in price
 - (C) purchases more with increase in income
 - (D) purchases more with decrease in price
24. Let a firm employs 10 labourers to produce 150 units of output. If 11 labourers are employed to produce 166 units of output, then the marginal product is
- (A) 11
 - (B) 16
 - (C) 150
 - (D) 166
25. A rational producer produces in that region where
- (A) marginal physical product of the fixed input becomes negative
 - (B) marginal physical product of the variable input becomes negative
 - (C) marginal physical product of the fixed input becomes increasing
 - (D) marginal physical product of the variable input becomes declining
26. In a firm doubles all inputs, and output doubles as well, the firm is subject to
- (A) constant returns to scale
 - (B) increasing returns to scale
 - (C) decreasing returns to scale
 - (D) economies of scale
27. As output increases, AFC of a firm
- (A) Increases
 - (B) remains constant
 - (C) continuously declines
 - (D) initially increases, afterwards declines
28. Which of the first order condition for the profit of a firm be maximum?
- (A) $AC = MR$
 - (B) $MC = MR$
 - (C) $MR = AR$
 - (D) $AC = AR$

29. Opportunity cost is measured in terms of the
- (A) optional cost that has been avoided
 - (B) negative cost that has been sacrificed
 - (C) accounting cost that has been paid
 - (D) next best alternative that has been foregone
30. Due to the operation of 'Laws of return to Scale' LAC curve is
- (A) Rectangular hyperbola
 - (B) U-Shaped
 - (C) Parallel to the horizontal axis
 - (D) Parallel to the vertical axis
31. The AR curve and industry demand curve are identical
- (A) in case of monopoly
 - (B) in case of oligopoly
 - (C) in case of monopolistic competition
 - (D) in case of perfect competition
32. OPEC is an example of
- (A) Perfect competition
 - (B) Monopolistic competition
 - (C) Monopoly
 - (D) Cartel
33. The relationship between money supply and price level is
- (A) Inverse
 - (B) Neutral
 - (C) Proportional
 - (D) non-proportional
34. Cash Balance Approach was given by
- (A) I. Fisher
 - (B) J. M. Keynes
 - (C) G. Crowther
 - (D) Cambridge University Professors
35. Which one of the following functions of commercial banks include collection of cheques, drafts, bill of exchange etc. of their customers from other banks?
- (A) Agency Function
 - (B) Creation of Credit
 - (C) Payment of Loans and Advances
 - (D) General Utility Function
36. Which one of the following is the apex bank for agricultural credit in India?
- (A) RBI
 - (B) IDBI
 - (C) SIDBI
 - (D) NABARD
37. Which of these would lead to fall in demand for money?
- (A) Inflation
 - (B) Increase in Real Income
 - (C) Increase in Real Rate of Interest
 - (D) None of the above
38. The rate at which the commercial banks borrow from the Reserve Bank of India is called as
- (A) REPO
 - (B) PLR

- (C) BPLR
(D) Bank rate
39. Commercial banks provide collateral loans against
(A) Government Security
(B) Shares
(C) Bills of Exchange
(D) Commercial Paper
40. _____ defined economics as a science which deals with wealth.
(A) J.B. Say
(B) A.C.Pigou
(C) Alfred Marshall
(D) Lionel Robbins
41. _____ goods are known as scarce goods.
(A) Economic
(B) Durable
(C) Free
(D) Consumer
42. _____ is the first Law of Consumption.
(A) The Law of Diminishing Marginal Utility
(B) The Law of Demand
(C) The Law of Increasing Returns
(D) All of the above
43. Factors of production may be of _____ types.
(A) 4
(B) 3
(C) 2
(D) 5
44. The Law of Variable Proportions relates to _____ only.
(A) long – run
(B) short – run
(C) very long run
(D) very short run
45. The total _____ curve will be a horizontal line.
(A) Variable cost
(B) Fixed cost
(C) Marginal cost
(D) Cost
46. The supply curve always slopes _____
(A) Upwards
(B) Downwards
(C) both (A) and (B)
(D) neither (A) nor (B)
47. _____ is the centre of all marketing policies.
(A) Price
(B) Product
(C) Profit
(D) Publicity
48. In the long run, a firm in perfect competition earns _____
(A) normal profit only

- (B) abnormal profit
- (C) average profit of past 5 years
- (D) 12.33 per cent profit on capital employed

49. Oligopoly means _____

- (A) Single seller
- (B) few sellers
- (C) large number of sellers
- (D) no buyers

50. Penetration Pricing is adopted by following a _____

- (A) low price
- (B) high price
- (C) dual price
- (D) support price

ANSWER

1.	C	2.	D	3.	B	4.	B	5.	A
6.	D	7.	B	8.	B	9.	B	10.	A
11.	A	12.	C	13.	C	14.	C	15.	C
16.	C	17.	A	18.	D	19.	A	20.	A
21.	D	22.	A	23.	A	24.	B	25.	D
26.	A	27.	C	28.	B	29.	D	30.	B
31.	D	32.	D	33.	C	34.	D	35.	A
36.	D	37.	C	38.	D	39.	A	40.	A
41.	A	42.	A	43.	A	44.	B	45.	B
46.	A	47.	B	48.	A	49.	B	50.	A

II. Match the following:

1.

	Column 'A'		Column 'B'
1.	Treasury Bill	A	Central Bank
2.	Term Deposit	B	Commercial Bank
3.	Issuing Notes	C	Money Market
4.	Acceptance of Deposits	D	Cumulative Deposits
5.	Recurring Deposits	E	Fixed Deposits

2.

	Column 'A'		Column 'B'
1.	M ₃	A	Demand forecasting
2.	Central Bank	B	Price Maker
3.	Collective Opinion Method	C	M ₂ + Time Deposit
4.	Monopoly	D	Price Taker
5.	Perfect Competition	E	Control of credit

3.

	Column 'A'		Column 'B'
1.	Exceptions to the Law of Demand	A	K. E. Boulding
2.	Oligopoly Market	B	Robert Giffen
3.	Quantity Theory of Money	C	A. A. Cournot
4.	Elasticity of Demand	D	Irving Fisher
5.	Micro - economics	E	Alfred Marshall

4.

	Column 'A'		Column 'B'
1.	Bad money drives good money out of circulation.	A	J. M. Keynes
2.	Wealth of Nations	B	A.C.Pigou
3.	Concept of Consumer Surplus	C	Gresham's Law
4.	Macro - economic Theory	D	Adam Smith
5.	Increase in wealth means increase in welfare	E	Alfred Marshall

5.

	Column 'A'		Column 'B'
1.	Definition of Scarcity	A	Giffen
2.	Inferior Goods	B	Crowther
3.	One who brings all the factors together and produces the output.	C	Walker
4.	Money is what money does	D	Robbins
5.	Inflation denotes that value of Money is falling.	E	Entrepreneur

6.

	Column 'A'		Column 'B'
1.	Acceptance of Deposit	A	Fixed Factor
2.	Law of Demand	B	Monopoly
3.	Land	C	Commercial Bank
4.	Price Discrimination	D	Treasury Bills
5.	Money Market	E	Alfred Marshall

Answer:

1.

1.	C
2.	E
3.	A
4.	B
5.	D

2.

1.	C
2.	E
3.	A
4.	B
5.	D

3.

1.	B
2.	C
3.	D
4.	E
5.	A

4.

1.	C
2.	D
3.	E
4.	A
5.	B

5.

1.	D
2.	A
3.	E
4.	C
5.	B

6.

1.	C
2.	E
3.	A
4.	B
5.	D

III. State whether the following statement is True or False:

1. 'Scarcity' definition of Economics is given by P.A. Samuelson.
2. The Law of Return to Scale is relevant in the long run.
3. There exists no clear distinction between Firm and Industry in Monopoly.
4. Target Pricing is used by Gas Companies.
5. Security Market is controlled by the RBI.
6. The Law of Variable Proportions is relevant to Short Run.
7. Average revenue curve under perfect competition is a vertical straight line.
8. An increase in price will cause a demand curve to shift to the right.
9. Money market is controlled by RBI.
10. M_1 is considered the most important measure of money.

Answer:

1.	False
2.	True
3.	True
4.	True
5.	False
6.	True
7.	False
8.	False
9.	True
10.	True

IV. Short Answer questions:

1. Define economics
2. Define Law of demand
3. Formula of price elasticity
4. GATT- General Agreement on Trade and Tariff
5. Globalization

6. Liberalization
7. Consumer surplus
8. GDP- Gross Domestic Products
9. Inflation
10. Deflation

V. Long Answer type question:

1. Differentiate Microeconomics and Macroeconomics
2. Write the different measuring procedure of National Income
3. Define inflation and explain its types
4. Define Production function and explain the relationship between TPP, APP, and MPP
5. Explain break-even point analysis
6. Write a brief note on cost
7. What are the characteristics of perfect competitive markets