



ECONOMICS

BOOKS - GOYAL BROTHERS

PRAKASHAN ECONOMICS (HINGLISH)

CENTRAL PROBLEMS OF AN ECONOMY

Mcq

1. The central problem to called central because these are faced by:

A. (a) All the consumers

B. (b) All the producers

C. (c) All the investors

D. (d) All the countries

Answer: D



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2. Economic problem is basically the problem of choice making :

A. (a) between inputs

B. (b) Between outputs

C. (c) About distribution of output

D. (d) All the above

Answer: D



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3. The central problems of “what, how and for whom” are:

A. (a) Interdependent

B. (b) Independent

C. (c) All problems may not be present at
one time

D. (d) May vary from country to country

Answer: A



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4. The central problem of 'how to produce' is basically the problem of deciding to undertake production with the help of:

A. (a) Capital only

B. (b) Labour only

C. (c) Both capital and labour

D. (d) How much of capital and labour each

Answer: D



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5. The central problem of 'for whom' refers to distribution of goods between

A. (a) Rich and the poor

B. (b) Users

C. (c) Different sections of society

D. (d) Between public sector and private sector

Answer: B



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Short Answer

1. State the central problems of an economy.



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2. Explain the problem of 'what to produce'.



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3. Explain the problem 'how to produce'.



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4. Explain the problem for 'whom to produce'.



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Short Answer Ii

1. Explain the basic problem of distribution of income.



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2. Explain the central problem of 'what to produce' by giving examples.



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3. Explain, giving examples. the problem of 'for whom to produce'.



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Some Important

1. What does the problem 'for whom to produce' refer to



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2. What are the three central problems of an economy? Why do they arise?



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3. Why does an economic problem arise?
Explain the problem of 'how to produce?'



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4. Explain the central problem of 'for whom to produce'?



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5. Explain the central problem of 'choice of technique'?



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