



# INDIAN SCHOOL DARSAIT

## DEPARTMENT OF COMMERCE



|                             |   |                           |
|-----------------------------|---|---------------------------|
| Subject : Economics         | Topic : Introduction & Production Possibility Curve | Date of Worksheet : _____ |
| Resource Person:EktaGautam  |   | Date of Submission: _____ |
| Name of the Student : _____ | Class & Division : _____                            | Roll Number : _____       |

| S.No. |   | Marks |
|-------|---|-------|
| 1.    | Give two examples of microeconomics studies.  | 1     |
| 2.    | Give the meaning of Economy.  | 1     |
| 3.    | State any two central problems under 'problem of allocation of resources.'  | 1     |
| 4.    | What is a production possibility frontier?  | 1     |
| 5.    | Which of the following is an assumption of production possibility frontier?<br>(a) Resources are fully employed.<br>(b) Resources are equally efficient for production of the two goods.<br>(c) Resources are efficiently employed.<br>(d) Resources available are fixed. | 1     |
| 6.    | Define opportunity cost.  | 1     |
| 7.    | Define normative economics with a suitable example.   | 1     |
| 8.    | When resources are shifted from use-1 to use-2 (given technology), the marginal rate of transformation:<br>(a) Increases<br>(b) Decreases<br>(c) Remains constant<br>(d) Is zero  | 1     |
| 9.    | The shape of transformation curve is changed by :<br>(a) Opportunity cost<br>(b) Total cost<br>(c) Marginal opportunity cost<br>(d) None of these   | 1     |
| 10.   | Concavity of production possibility curve implies :<br>(a) Increasing slope<br>(b) Decreasing slope   | 1     |

- (c) Constant slope
- (d) None of these

11. Distinguish between microeconomics and macroeconomics. 3
12. Why is production possibility curve concave to the origin? 3
13. Explain the problem of 'how to produce'. 3
14. Explain why a production possibility curve is downward sloping? 3
15. Explain the central problem of 'for whom to produce'. 3
16. What will cause production possibility curve to shift to the right? 3
17. Explain the problem of 'what to produce'. 3
18. Distinguish between positive economics and normative economics. 3
19. What are Non-monetary Exchanges? Give an example. Explain their impact on use of gross domestic product as an index of welfare of the people. 4
20. Why do central problems of an economy arise? Explain. 4
21. Assuming that no resource is equally efficient in production of all goods, name the curve which shows production potential of the economy. Explain, giving reasons, its properties. 4
22. Explain the concepts of opportunity cost and marginal rate of transformation using a production possibility schedule based on the assumption that no resource is equally efficient in production of all goods. 6