Microeconomics.d

1. … is the study of some small part of the whole economy:
2. … is a branch of the economics field that studies how the aggregate economy behaves.
3. Effective utilization of limited resources in order to fulfil the …
4. Rational consumer will take an action only when the marginal benefit of the action … the marginal cost.
5. Households and firms are … in the economy.
6. … promote equality and efficiency.
7. Nation’s standard of living depends on its …
8. … is an increase in the overall level of prices in the economy
9. Higher … for goods lead to higher production.
10. … develops competition worldwide.
11. Economists are … to manipulate the data
12. … help the economists to build the efficient economic policies.
13. … can simplify the complex world and make it easier to understand.
14. The assumptions are … for the short run and long run study of the economic theories.
15. Economists use … to test their theories
16. A graph that shows the combinations of output that the economy can possibly produce is …
17. Production Possibility Curve is … slopping.
18. Production Possibility Curve can shift if …

19 Positive statements are …

20 Normative statements are …

21 The buyers as a group determine the … for the product

22 In Perfect Competition, there are …

23 In Monopoly, there is …

24 Other things being equal, when the price of a good rises, the quantity demanded of the good falls, and when the price falls, the quantity demanded rises.

25 The demand curve slopes …

26 Other things being equal, when the price of a good rises, the quantity supplied of the good also rises, and when the price falls, the quantity supplied falls as well.

27 The supply curve slopes …

28 Market is in … when Quantity Supplied is equal to Quantity Demanded.

29 Shortage is when quantity demanded is … than quantity supplied.

30 Surplus is when quantity demanded is … than quantity supplied.

31 … is a measure of the responsiveness of quantity demanded or quantity supplied to a change in one of its determinants.

32 Price Elasticity of Demand of necessary goods is …

33 Price Elasticity of Demand of luxury goods is …

34 Price Elasticity of Demand of goods in short-run period:

35 If the percentage change in quantity demanded is less than the percentage change in price.

36 If the percentage change in quantity demanded is greater than percentage change in price.

37 Perfectly Inelastic Supply curve is …

38 Supply is said to be unit elastic if the absolute value of the own price elasticity is equal to …

39 Calculating the Price Elasticity of Supply by the percentage change in the quantity supplied due to the percentage change in price is … method.

40 Price Elasticity of Supply of perishable goods is …

41 In order to control the market outcomes Government use the tools of

42 Price ceiling brings a … in a market.

43 A legal … on the price at which a good can be sold is called Price Floor.

44 Price floor brings a … in a market.

45 The manner in which the burden of a tax is shared among participants in a market is called …

46 The study of how government might intervene to improve social welfare is called …

47 Consumer surplus is closely related to the … for a product.

48 The area below the price line and above the supply curve measures the … in a market

49 Producer surplus is the amount a seller is paid … the cost of production.

50 Maximum Total Surplus guarantees …

51 … is any human activity that creates or increases value.

52 Resources that are required to produce goods & services are called …

53 … of labor is the change in the total product due to change in the one unit of variable input.

54 Output of a firm can either be a final commodity or … product.

55 The cost that varies with the change in the output is called …

56 Average Fixed Cost plus Average Variable Cost is equal to …

57 … is the change in the total cost due to the change in the total output by one unit.

58 Labor market will be in equilibrium when …

59 Diminishing marginal product is when the marginal product of an input declines as the quantity of the input …

60 The labor demand curve shifts when

61 In Perfect Competitive Market buyers & sellers are price …

62 The goal of the firm is to maximize its …

63 If marginal cost is greater than marginal revenue, the firm should … its output.

64 The firm … if its total revenue is less than variable cost.

65 A perfect competitive market maximizes profit by choosing the quantity at which

66 … arises because a single firm can supply a good or service to an entire market at a smaller cost than could two or more firms.

67 A monopolist's … is always less than the price of its good.

68 A monopoly maximizes profit by choosing the quantity at which marginal revenue equals …

69 Monopolist is the price …

70 The monopoly pricing causes …

71 The attribute, quality, characteristic or the capacity of a good or service to satisfy some human want is called …

72 The change in the total utility by consuming an extra/additional unit of the commodity is …

73 When the total utility is maximum and marginal utility of a commodity is zero.

74 When Marginal Utility is negative, Total Utility …

75 The objective of the consumer is to maximize total utility by spending his …

76 … shows the various combinations of two commodities which gives the same level of satisfaction to the consumer.

77 A higher the Indifference Curve, the higher will be the …

78 In between two Indifference Curves, there can be … Indifference Curves.

79 … shows the various combinations of good that can be purchased if the entire money income is spent.

80 If the price of only one commodity changes, the budget line will …