



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian minority Institution

Subject: Economics

Class- XI

Date:22/06/2020

Worksheet-7

Chapter- Economic problems and Economic Systems

Topic- Three fundamental Economic Problems

1. Choose the correct alternative. 1x15=15
- a) Economy has to choose which commodities to be produced first, and which commodities to be produced later because i) producers are indecisive ii) supply of factor of production are unlimited iii) economy can not produce enough commodities to satisfy all wants at the same time iv) none of these
 - b) The countries who have abundant capital compared to labour ,they enjoy comparative advantage in producing i) labour -intensive commodities ii) capital-intensive commodities iii) both (i) and (ii) iv) none of these
 - c) In an economic system economic activities are governed by i) personal preferences ii) social rules iii) social and political rules iv) none of these
 - d) The countries who have abundant labour compared to capital ,they enjoy comparative advantage in producing i) labour -intensive commodities ii) capital-intensive commodities iii) both (i) and (ii) iv) none of these
 - e) Different economic systems are found in different society as a result of i) difference in scarcity of resources ii) different social, political and historical circumstances iii) different economic problems iv) none of these
 - f) National income of the country or standard of living of people depends on the question i)what commodities are to be produced and in what quantities ? ii) how to produce the chosen commodities? iii) for whom to produce? Iv) none of these
 - g) In the capitalist system the problem of “what to produce?” can be solved by i) government intervention ii) price system iii) producer’s preference iv) none of these

- h) Second basic problem of an economy is i) selection of appropriate process of production ii) in what quantity commodities are to be produced iii) for whom the commodities are to be produced iv) none of these
- i) The third problem refers to i) which technology is to be followed to produce ii) who would consume the produced commodities ? iii) in what quantity the selected commodities are to be produced? iv) none of these
- j) These three basic economic problems are faced by i) societies with same economic system ii) societies with same socio-political structure iii) all the societies regardless of its socio-political structure iv) none of these
- k) The purchasing power of an individual depends on the i) income of the individual ii) price of the factors of production iii) income of the individual as well as price of the factors of production iv) none of these
- l) In capitalist system the Third problem gets solved by i) government intervention ii) price mechanism iii) both (i) and (ii) iv) none of these
- m) State the fundamental fact that has led to the emergence of economic problem i) limited wants and resources ii) scarcity of resources and unlimited wants iii) unlimited wants and resources iv) none of these
- n) The problem of what good and services are to be produced and how much, is covered by the general term i) choice of technique of production ii) problem of distribution iii) resource allocation problem iv) none of these
- o) The problem of “for whom to produce?” , is covered by the general term i) choice of technique of production ii) problem of distribution iii) resource allocation problem iv) none of these

Aparajita Mondal