



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Worksheet 53

Sub: Economics

Class: XII

Chapter 13: Pricing in Factor Market

F.M.: 15

Topic: Theory of Wages and Interest

Date: 21/11/2020

Multiple choice questions

1x15 = 15.

1. Wages can be of _____ types.
 - a. Two,
 - b. Three,
 - c. Four,
 - d. Five.
2. Money wages are always expressed in terms of _____.
 - a. Price,
 - b. Money,
 - c. Quantity,
 - d. Kind.
3. When _____ wage increases then standard of living will improve.
 - a. Money,
 - b. Standard,
 - c. Real,
 - d. Full.
4. Wage rate is determined by the _____ productivity of labour.
 - a. Average,
 - b. Total,
 - c. Full,
 - d. Marginal.
5. In the marginal productivity theory of wages it is assumed that _____ prevails in labour market.
 - a. Perfect competition,
 - b. Monopoly,
 - c. Oligopoly,
 - d. Duopoly.
6. In the marginal productivity theory of wages it is assumed that labour is perfectly _____.
 - a. Elastic,
 - b. Mobile,
 - c. Inelastic,

- d. Immobile.
7. In the marginal productivity theory of wages it is assumed that there exists _____ between labour and other inputs.
- a. Compatibility,
 - b. Comparability,
 - c. Substitutability,
 - d. Complementarity.
8. In the marginal productivity theory of wages it is assumed that labour is _____.
- a. Heterogeneous,
 - b. Different,
 - c. Expert,
 - d. Homogeneous.
9. In the marginal productivity theory of wages it is assumed that labour is perfectly _____.
- a. Divisible,
 - b. Indivisible,
 - c. Elastic,
 - d. Inelastic.
10. The objective of the firm is _____ maximisation.
- a. Sales,
 - b. Profit,
 - c. Quantity,
 - d. Revenue.
11. Labour supply curve is _____.
- a. Upward rising,
 - b. Horizontal,
 - c. Backward bending,
 - d. Vertical.
12. Keynesian theory of interest rate determination is known as _____ preference.
- a. Pure,
 - b. Perfect,
 - c. Asset,
 - d. Liquidity.
13. Transaction demand for money is function of _____.
- a. Income,
 - b. Interest,
 - c. Sales,
 - d. Revenue.
14. _____ demand for money is function of rate of interest.
- a. Transaction,

- b. Precautionary,
 - c. Speculative,
 - d. Special.
15. In Keynesian theory of interest rate, money supply is _____.
- a. Vertical,
 - b. Horizontal,
 - c. Zero,
 - d. Infinite.

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