

CSS Economics MCQs Sets with Answers

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Economics MCQs by CSSMCQs

Here, you will have **CSS Economics MCQs with the correct Answers** given in the last of each set.

Economics MCQs For CSS Set 1:

1. **The fundamental economic problem faced by all societies is:**
 - A. unemployment
 - B. inequality
 - C. poverty
 - D. scarcity**

2. **“Capitalism” refers to:**
 - A. the use of markets
 - B. government ownership of capital goods
 - C. private ownership of capital goods**
 - D. private ownership of homes & cars

3. **There are three fundamental questions every society must answer. Which of the following is/are one of these questions?**
 - A. What goods and services are to be produced?
 - B. How are the goods and services to be produced?
 - C. Who will get the goods and services that are produced?
 - D. All of the above**

4. **If you were working full-time now, you could earn \$20,000 per year. Instead, you are working part-time while going to school. In**

your current part-time job, you earn \$5,000 per year. At your school, the annual cost of tuition, books, and other fees is \$2,000. The opportunity cost of completing your education is:

- A. \$2,000
- B. \$5,000
- C. \$17,000**
- D. \$20,000
- e. \$22,000

5. The bowed shape of the production possibilities curve illustrates:

- A. the law of increasing marginal cost**
- B. that production is inefficient
- C. that production is unattainable
- D. the demand is relatively inelastic

6. You have taken this quiz and received a grade of 3 out of a possible 10 points (F). You are allowed to take a second version of this quiz. If you score 7 or more, you can raise your score to a 7 (C). You will need to study for the second version. In making a rational decision as to whether or not to retake the test, you should

- A. always retake the quiz
- B. consider only the marginal benefits from of retaking the quiz (four extra points)
- C. consider only the marginal opportunity costs from taking the quiz (the time spent studying and taking the quiz)
- D. consider both the marginal benefits and the marginal opportunity costs of retaking the quiz**

7. The law of demand states that:

- A. as the quantity demanded rises, the price rises
- B. as the price rises, the quantity demanded rises
- C. as the price rises, the quantity demanded falls**
- D. as supply rises, the demand rises

8. The price elasticity of demand is the:

- A. percentage change in quantity demanded divided by the percentage change in price**

- B. percentage change in price divided by the percentage change in quantity demanded
- C. dollar change in quantity demanded divided by the dollar change in price
- D. percentage change in quantity demanded divided by the percentage change in quantity supplied

9. Community Colleges desired to increase revenues. They decided to raise fees paid by students with Bachelors degrees to \$50 per unit because they believed this would result in greater revenues. But in reality, total revenues fell. Therefore, the demand for Community College courses by people with Bachelors degrees must have actually been:

- A. relatively inelastic
- B. unit elastic
- C. relatively elastic**
- D. perfectly elastic

10. The demand for a product would be more inelastic:

- A. the greater is the time under consideration
- B. the greater is the number of substitutes available to buyers
- C. the less expensive is the product in relation to incomes**
- D. all of the above

Answers: D C D C A D C A C C