

CHAPTER-12 | Understanding Markets

QUIZ PART-09

1. The government ensures manufacturers follow quality and safety standards to:
- Increase company profits
 - Protect consumers
 - Promote exports
 - Reduce production (B)

Explanation: Quality and safety standards are meant to protect consumers.

2. How does the government check the quality of medicines?
- Only by advertisements
 - By approval procedures and sample testing
 - By asking consumers
 - By exporting them (B)

Explanation: Medicines are checked through approval systems and testing to ensure safety and quality.

3. Pollution caused by factories is an example of:
- Market profit
 - External effects of markets
 - Supply shortage
 - Demand increase (B)

Explanation: Some market activities cause harmful effects such as pollution beyond the direct market transaction.

4. What does the government do when products like single-use plastics cause harm?
- Encourages production
 - Ignores the issue
 - Implements strict regulations
 - Stops all markets (C)

Explanation: The government makes rules to reduce harmful effects on health and environment.

5. The government monitors weights and measures to:
- Increase packaging size
 - Check the net quantity in packaged products
 - Reduce production
 - Promote exports (B)

Explanation: This ensures that consumers receive the quantity they are paying for.

6. Public goods are:
- Goods sold only in malls
 - Goods accessible to all members of society
 - Goods only for producers
 - Imported goods (B)

Explanation: Public goods are meant for public use and are available to all.

7. Which of the following is an example of a public good?
- Private car
 - Mobile phone
 - Road
 - Television (C)

Explanation: Roads are public goods because they are available for everyone to use.

8. Producers generally make goods to:
- Provide charity
 - Make profit
 - Reduce taxes
 - Support government (B)

Explanation: Most producers and businesses make goods and services to earn profit.

9. Too many government rules may:
- Improve market functioning
 - Make markets difficult to function properly
 - Eliminate consumers
 - Stop production completely (B)

Explanation: Excessive rules may sometimes make smooth market functioning difficult.

10. Kautilya's Arthashastra suggested giving extra quantity of ghee to:
- Increase price
 - Compensate for quantity lost during measurement
 - Promote exports
 - Increase taxes (B)

Explanation: Extra ghee was suggested to make up for the amount that might stick to the measuring container.