

**LIST OF ATTEMPTED QUESTIONS AND ANSWERS****Multiple Choice Single Answer**

Question The market which deals with the all the goods as a whole are considered as

Correct Answer Commodity Market

Your Answer Commodity Market

**Multiple Choice Multiple Answer**

Question Marginal cost pricing explains that the

Correct Answer Price charged should be equal to the marginal cost , Cost price sets the lower limits for firm's price , Cost price ensures the possible level of profitability

Your Answer Price charged should be equal to the marginal cost , Cost price sets the lower limits for firm's price , It based on full cost pricing

**Multiple Choice Multiple Answer**

Question The factors of production are

Correct Answer Labour , Land , Capital

Your Answer Labour , Land , Capital

**Select The Blank**

Question Negative slope means curve slopes downwards from\_\_\_\_\_

Correct Answer left to left

Your Answer left to right

**True/False**

Question Pure inflation starts only after reaching the full employment level.

Correct Answer True

Your Answer False

**Match The Following**

Question	Correct Answer	Your Answer
A monopolist gets	abnormal profit.	abnormal profit.
In oligopoly market, price	tends to be rigid at the kink on the demand curve.	tends to be flexible at the kink on the demand curve.
Under monopolistic competition,	expenditure is incurred by the firms on cross transportation.	tends to be rigid at the kink on the demand curve.
The price policy of a public enterprise should be such as	to enable it to operate at the lowest cost possible and maximize efficiency.	normal profit

**True/False**

Question Measurement of profit becomes difficult because of the difficulty involved in the calculation of depreciation.

Correct Answer True

Your Answer False

**Multiple Choice Multiple Answer**

Question A competitive industry has three basic characteristics

Correct Answer Large Number of Firms , Homogeneous Product , Free entry and exit

Your Answer Homogeneous Product , Free entry and exit , Hetrogeneous Prices

**Multiple Choice Multiple Answer**

Question Exceptions to the Law of Demand are

Correct Answer Giffen goods , Articles of snob appeal , Speculation

Your Answer Giffen goods , Articles of snob appeal

**Multiple Choice Single Answer**

Question When a firm's A.R. (average revenue) is greater than A.C. (average cost), it gets a profit which is

Correct Answer super normal

Your Answer positive

**Select The Blank**

Question The sum of all individual demands constitutes\_\_\_\_\_

Correct Answer market demand

Your Answer individual demand

**Select The Blank**

Question Baumol has suggested as an alternative objective for profit maximization , the maximization of \_\_\_\_\_

Correct Answer sales

Your Answer sales

**Select The Blank**

Question "Homeostatic Approach" as an alternative objective of firms was suggested by

Correct Answer Prof. Kenneth Boulding

Your Answer Joel Dean

**Multiple Choice Multiple Answer**

Question Diseconomies of small scale production includes

Correct Answer High average cost of production in initial stages , Workers in the factory take some time to adjust with new techniques of production , Wastage of raw material & power

Your Answer High average cost of production in initial stages , Workers in the factory take some time to adjust with new techniques of production , Wastage of raw material & power , Small firms' production may involve imports of raw materials

**Match The Following**

Question	Correct Answer	Your Answer
J. M. Keynes	Underemployment equilibrium	Underemployment equilibrium
P.D.S.	Two different prices	Least Government Interference
Free enterprise system	Least Government Interference	Full employment equilibrium
Market Mechanism	Inequalities of income & wealth	Single price

**Multiple Choice Multiple Answer**

Question Features of Oligopoly Market are

Correct Answer Few sellers , Restriction to entry of new firms , Price leadership

Your Answer Few sellers , Price leadership , No Advertisement cost

**True/False**

Question The wage and salary earners who get fixed income in terms of money are benefited during inflation.

Correct Answer False

Your Answer True

**True/False**

Question The federal government of U.S.A. does not face the basic economic problem.

Correct Answer False

Your Answer True

**Multiple Choice Multiple Answer**

Question The firm may be defined as

Correct Answer an independently administered business unit , centre where the decisions about what to produce how to produce are taken , a business unit, which hires resources for production

Your Answer an independently administered business unit , centre where the decisions about what to produce how to produce are taken , a business unit, which hires resources for production , a group of different industries

**Multiple Choice Single Answer**

Question The profits which must be deducted from the gross profits to arrive at net profits are

Correct Answer Monopoly Profits

Your Answer Accounting Profit

**Select The Blank**

Question Modern economists treat social cost and benefits as \_\_\_\_\_ of private investment and production decisions.

Correct Answer externalities

Your Answer internalities

**Multiple Choice Single Answer**

Question The method of calculating depreciation in which the actual working hours of a capital asset are taken in to account is

Correct Answer service unit

Your Answer annuity

**Select The Blank**

Question The good becomes \_\_\_\_\_ so far as its use is concerned only when it is priced in the market and the principle of exclusion is applied to it.

Correct Answer divisible

Your Answer profitable

**Multiple Choice Multiple Answer**

Question Main aims of the New Industrial Policy (1991) are

Correct Answer To unshackle the indian industrial economy from the cobwebs of unnecessary bureaucratic control , To introduce liberalization with a view to integrate the indian economy with the world economy , To remove restrictions on direct foreign investment as also to free the domestic entrepreneur from the restriction of MRTP act

Your Answer To introduce liberalization with a view to integrate the indian economy with the world economy , To remove restrictions on direct foreign investment as also to free the domestic entrepreneur from the restriction of MRTP act , To encourage the investment in public enterprises

**Select The Blank**

Question A normal demand curve has \_\_\_\_\_+B299

Correct Answer negative slope

Your Answer positive slope

**Multiple Choice Single Answer**

Question All the buyers and sellers operating under perfect competition have knowledge which is

Correct Answer perfect

Your Answer perfect

**Multiple Choice Single Answer**

Question Joint Stock Company is an incorporated association with a

Correct Answer perpetual succession

Your Answer long term succession

**Select The Blank**

Question The minimum number of directors which public limited should have is

Correct Answer 3

Your Answer 2

**Multiple Choice Single Answer**

Question The firm is a center, where all the decisions are taken about

Correct Answer production

Your Answer allocation

**Multiple Choice Single Answer**

Question The city of Banaras has specialized in the manufacture of

Correct Answer silk

Your Answer silk

**True/False**

Question Saving is a private virtue

Correct Answer True

Your Answer True

**Multiple Choice Single Answer**

Question In case of a pure public good, its marginal cost is

Correct Answer zero

Your Answer low

**Multiple Choice Multiple Answer**

Question The meaning of monetary policy is

Correct Answer It is programmed of the central bank , It controls the total supply of money ,  
The basic objective is to achieve economic stability

Your Answer It is programmed of the central bank , It controls the total supply of money ,  
The basic objective is to achieve economic stability

**Select The Blank**

Question A fall in price tends the demand for goods to \_\_\_\_\_

Correct Answer expand

Your Answer increase

**True/False**

Question Macro economic studies are based on empirical evidence.

Correct Answer True

Your Answer True

**Multiple Choice Multiple Answer**

Question Implicit costs are

Correct Answer Cost on self owned resources , Costs of salary of the proprietor , Interest on the entrepreneur's own investment

Your Answer Cost on self owned resources , Costs of salary of the proprietor , Cost of raw materials

**Select The Blank**

Question Demand for a commodity depends on the relative price of its \_\_\_\_\_

Correct Answer substitute goods

Your Answer substitute goods

**Multiple Choice Single Answer**

Question According to the Government, the buildup of inflationary pressure during the Nineties was attributed to

Correct Answer Higher Fiscal deficit

Your Answer Higher Trade deficit

**True/False**

Question Free riders' is a term associated with the people who would like to have benefit of a good without sharing the cost of its supply.

Correct Answer True

Your Answer True

**Multiple Choice Multiple Answer**

Question Factors influencing selling costs are

Correct Answer Type of product , Introduction of new goods , Technology changes

Your Answer Introduction of new goods , Technology changes , Advertising by customers

**True/False**

Question In a market system of economy, there is no harmony between individual interests and interests of the community.

Correct Answer False

Your Answer True

**Select The Blank**

Question The chemical effluents recklessly released by a chemical factory in the river causing water pollution, is an example of \_\_\_\_\_ cost.

Correct Answer social

Your Answer environmental

**Multiple Choice Single Answer**

Question If the substitutes are relatively cheaper then the demand for the commodity in question will be

Correct Answer less

Your Answer less

**Multiple Choice Single Answer**

Question In cost benefit analysis, in the valuation of costs and benefits, for finding the present value, one has to make use of

Correct Answer discount rate

Your Answer net present value

**True/False**

Question A monopolist can decide both price and the quantity of a product that he is going produce and sell in the market.

Correct Answer True

Your Answer True

**Multiple Choice Multiple Answer**

Question Conditions of Price Discrimination are:

Correct Answer The two markets in which the product is sold should be kept separate , The elasticity of demand in different markets should be different , Market must be imperfect

Your Answer The two markets in which the product is sold should be kept separate , Market must be perfect

**True/False**

Question When a change in income has no effect upon the quantity demanded of a product, the income elasticity of demand is zero

Correct Answer True

Your Answer True

