

Question 1

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Which of the following is not a method of demand forecasting of new products?

- ☒ a. Trend Projection
- ☐ b. Substitute Approach
- ☐ c. Evolutionary Approach
- ☐ d. Sales Experience Approach



The correct answer is: Trend Projection

Question 2

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Match the following

List I A. Joint Profit Maximisation; B. Closed Entry; C. Product Differentiation; D. Perfect Knowledge

List II i. Perfect Competition; ii. Monopoly; iii. Monopolistic Competition; iv. Oligopoly

- ☐ a. A(i); B(ii); C(iii); D(iv)
- ☐ b. A(ii); B(i); C(ii); D(iv)
- ☒ c. A(iv); B(ii); C(iii); D(i)
- ☐ d. A(ii); B(iii); C(iv); D(i)



The correct answer is: A(iv); B(ii); C(iii); D(i)

Question 3

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Under Monopoly competition the cross elasticity of demand for the product would be

- ☐ a. Infinite
- ☒ b. Zero
- ☐ c. Highly elastic
- ☐ d. Highly Inelastic



The correct answer is: Zero

Question 4

Correct

Mark 0.50 out of 0.50

🚩 Flag question

_____ includes all payments paid to factors of production and opportunity cost

- ☐ a. Implicit Costs
- ☐ b. Explicit Costs
- ☒ c. Economic Costs
- ☐ d. Accounting Costs



The correct answer is: Economic Costs

Question 5

Correct

Mark 0.50 out of 0.50

🚩 Flag question

What is Engel's Curve?

- ☐ a. Curve Showing Three Demand Curve
- ☐ b. Named after German economist Engel
- ☒ c. Both
- ☐ d. none



The correct answer is: Both

Question 6

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Production enterprises are divided in

- ☐ a. two sector
- ☒ b. three sector
- ☐ c. four sector
- ☐ d. five sector



The correct answer is: three sector

Question 7

Incorrect

Mark 0.00 out of 0.50

Flag question

Business Economics is a science in its application and art in its methodology

- ☐ a. True
- ☐ b. False
- ☒ c. May be True
- ☐ d. may be false

✗

The correct answer is: False

Question 8

Incorrect

Mark 0.00 out of 0.50

Flag question

Other things remaining constant, if the price of the inferior goods decreases then what will be the effect

- ☐ a. Demand increases
- ☒ b. Demand decreases
- ☐ c. Quantity Demanded increases
- ☐ d. Quantity Demanded decreases

✗

The correct answer is: Quantity Demanded decreases

Question 9

Incorrect

Mark 0.00 out of 0.50

Flag question

Cost push inflation is caused by:

- I. increase in profit
- II. Increase in wage rate
- III. Increase in taxation
- IV. Increased consumption expenditure

- ☐ a. I & II
- ☐ b. I, II, III & IV
- ☒ c. II, III & IV
- ☐ d. I, II & III

✗

The correct answer is: I, II & III

Question 10

Correct

Mark 0.50 out of 0.50

Flag question

The most important factor causing Cost push Inflation has been

- ☐ a. Shortage of Foodgrains
- ☒ b. Hike in oil prices
- ☐ c. Trade Deficits
- ☐ d. Increase in money supply

✓

The correct answer is: Hike in oil prices

Question 11

Correct

Mark 0.50 out of 0.50

Flag question

If in the Year 2020 Sale=Rs140000 & Profit=Rs15000. In 2021 Sale=Rs160000 & Profit=Rs20000. Calculate P/V ratio & sales required to earn a profit of Rs. 40000

- ☐ a. 22% & Rs. 245000
- ☐ b. 28% & Rs. 230000
- ☐ c. 20% & Rs. 230000
- ☒ d. 25% & Rs. 240000

✓

The correct answer is: 25% & Rs. 240000

Question 12

Correct

Mark 0.50 out of 0.50

Flag question

In perfect Competition, since the firm is a price taker, the_____Curve is a straight line.

- ☐ a. Total Cost
- ☐ b. Total Revenue
- ☐ c. Marginal Cost
- ☒ d. Marginal Revenue

✓

The correct answer is: Marginal Revenue

Question **13**
Correct
Mark 0.50 out of 0.50
Flag question

From the following data (in Rs. crore) calculate personal disposable income:

NDP at FC= 8000

NFIA=200

Undistributed Profits=1000

Corporation Tax=500

Interest received by Households=1500

Interest Paid by Households=1200

Transfer Income=300

Personal Tax=500

- ☒ a. Rs6800 Crore
☐ b. Rs7300 Crore
☐ c. Rs8800 Crore
☐ d. Rs8900 Crore



The correct answer is: Rs6800 Crore

Question **14**
Correct
Mark 0.50 out of 0.50
Flag question

Opportunity cost is the same as economic cost

- ☐ a. True
☒ b. False
☐ c. May be True
☐ d. may be false



The correct answer is: False

Question **15**
Incorrect
Mark 0.00 out of 0.50
Flag question

Which of the following would help to control inflation:

I. Discontinuation of the system of adhoc treasury bills issued by government

II. Increase in the production and supply of foodgrains

III. Reducing SLR

- ☐ a. I & II
☒ b. I & III
☐ c. II & III
☐ d. I, II & III



The correct answer is: I & II

Question **16**
Correct
Mark 0.50 out of 0.50
Flag question

In case of an inferior goods, the income elasticity of Demand is

- ☐ a. positive
☐ b. zero
☒ c. negative
☐ d. infinite



The correct answer is: negative

Question **17**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

What is the original price of a commodity when price elasticity is 0.71 and demand changes from 20 units to 15 units and the new price is Rs. 10

- ☒ a. Rs.15
- ☐ b. Rs.18
- ☐ c. Rs.20
- ☐ d. Rs.8



The correct answer is: Rs.15

Question **18**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Which one of the following is correct?

- ☐ a. $NNP \text{ at MP} = NNP \text{ at FC} - NIT$
- ☒ b. $NNP \text{ at FC} = NNP \text{ at MP} - NIT$
- ☐ c. $NNP \text{ at MP} = NNP \text{ at FC} + \text{Depreciation}$
- ☐ d. $NNP \text{ at MP} = NNP \text{ at FC} + NFIA$



The correct answer is: $NNP \text{ at FC} = NNP \text{ at MP} - NIT$

Question **19**

Correct

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🚩 Flag question

If the mild inflation is not checked and if it is allowed to go uncontrolled, it is called

- ☐ a. hyper inflation
- ☒ b. galloping inflation
- ☐ c. creeping inflation
- ☐ d. reflation



The correct answer is: galloping inflation

Question **20**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

$MC_n = TC_n - \text{_____}$

- ☐ a. TC_{n+1}
- ☐ b. $TC_n/1$
- ☐ c. TC_n+1
- ☒ d. TC_{n-1}



The correct answer is: TC_{n-1}

Question **21**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

A long run is a time period

- ☒ a. Long enough for consumers and producers to adjust to any new situation
- ☐ b. In which industrial capacity is assumed to be given
- ☐ c. All factors are fixed
- ☐ d. Technology is given



The correct answer is: Long enough for consumers and producers to adjust to any new situation

Question **22**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Under which method, a panel of expert is selected to give suggestions to solve the problems in hand?

- ☐ a. opinion survey
- ☐ b. Group Executive Judgement
- ☒ c. Delphi method
- ☐ d. Consumer interview



The correct answer is: Delphi method

Question **23**

Incorrect

Mark 0.00 out of 0.50

🚩 Flag question

You buy a 2004-made Maruti 800 at a very good bargain in 2007. Whether it would be counted in the GDP of 2007

- ☐ a. No
- ☐ b. Yes
- ☒ c. Yes in case of Expenditure Method
- ☐ d. Yes in case of Product Method

✗

The correct answer is: No

Question **24**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

If LAC curve falls as output expands, this is due to _____

- ☐ a. Law of Diminishing Returns
- ☒ b. Economies of Scale
- ☐ c. Law of Variable Proportion
- ☐ d. Diseconomies of Scale

✓

The correct answer is: Economies of Scale

Question **25**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

When $AR = Rs\ 10$ and $AC = Rs\ 8$, the firm makes _____

- ☐ a. Net Profit
- ☐ b. Normal Profit
- ☒ c. Supernormal Profit
- ☐ d. Gross Profit

✓

The correct answer is: Supernormal Profit

Question **26**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

When the bank rate increases then the demand for loans _____

- ☐ a. remains unchanged
- ☐ b. increases
- ☒ c. reduces
- ☐ d. none

✓

The correct answer is: reduces

Question **27**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

The bent shape of Production Possibility Curve reflects the

- ☒ a. Increasing Opportunity Cost
- ☐ b. Decreasing Opportunity Cost
- ☐ c. Diminishing Opportunity Cost
- ☐ d. Constant Opportunity Cost

✓

The correct answer is: Increasing Opportunity Cost

Question **28**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

In case of a straight line demand curve meeting the two axes, the price elasticity of demand at mid-point of the line would be

- ☐ a. 0
- ☒ b. 1
- ☐ c. 1.5
- ☐ d. 2

✓

The correct answer is: 1

Question **29**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Who among the following was first to compare the problem of price determination with a pair of scissors?

- ☐ a. Robinson
- ☐ b. Adam Smith
- ☐ c. Ricardo
- ☒ d. Marshall



The correct answer is: Marshall

Question **30**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

A perfect competitive firm in the short-run incurs losses. The firm continues production, if

- ☐ a. $P > AVC$
- ☐ b. $P = AVC$
- ☐ c. $P < \text{or} = AVC$
- ☒ d. $P > \text{or} = AVC$



The correct answer is: $P > \text{or} = AVC$

Question **31**

Incorrect

Mark 0.00 out of 0.50

🚩 Flag question

Which of the following is not considered in calculation of national income?

- ☐ a. Salary of employees of State Electricity Board
- ☐ b. Interest on bank deposits
- ☒ c. Dividend earned on share of Reliance Energy Limited
- ☐ d. Pension received by government employees



The correct answer is: Pension received by government employees

Question **32**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

If Sales = Rs 360,000, Selling price per unit = Rs. 100, Variable Cost per unit = Rs. 50, Fixed Cost = Rs 100,000. Calculate Margin of Safety

- ☐ a. 150,000
- ☒ b. Rs. 160,000
- ☐ c. 140,000
- ☐ d. 120,000



The correct answer is: Rs. 160,000

Question **33**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

The problem with marginal concept is that

- ☐ a. changes in variables may not be in bulk
- ☒ b. changes in variables may not be in single unit
- ☐ c. Outflow and inflow of resources may not be equal
- ☐ d. Outflow and inflow of resources may not be simultaneously



The correct answer is: changes in variables may not be in single unit

Question **34**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

There are no exceptions to the Law of Demand in case of

- ☐ a. Giffen Goods
- ☒ b. Normal Goods
- ☐ c. Articles of Conspicuous consumption
- ☐ d. Ignorance of the buyer



The correct answer is: Normal Goods

Question **35**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Which one of the following is not correct?

- ☐ a. $NNP \text{ at MP} = GNP \text{ at MP} - \text{Depreciation}$
- ☐ b. $NNP \text{ at MP} = NNP \text{ at FC} + NIT$
- ☒ c. $GDP \text{ at MP} = GNP \text{ at MP} + NFIA$
- ☐ d. $NDP \text{ at FC} = GDP \text{ at FC} - \text{Depreciation}$



The correct answer is: $GDP \text{ at MP} = GNP \text{ at MP} + NFIA$

Question **36**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Which of the following is not a factor for demand pull inflation?

- ☒ a. Increase in money wages
- ☐ b. Increase in money supply
- ☐ c. Deficit Budget
- ☐ d. Trade Surplus



The correct answer is: Increase in money wages

Question **37**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Which of the following is counted in determining GNP

- ☐ a. Self repairing of own house
- ☐ b. a housewife's work at home
- ☒ c. an operation performed in a hospital
- ☐ d. Vegetables grown by a farmer for his own use



The correct answer is: an operation performed in a hospital

Question **38**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Which of the following is the odd one out among the methods of measuring elasticity of demand?

- ☐ a. point method
- ☐ b. arc method
- ☐ c. Percentage method
- ☒ d. None of these



The correct answer is: None of these

Question **39**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

$AFC = Rs. 20$ & Quantity Produced = 10 units. What will be the AFC of 20th unit?

- ☒ a. Rs10
- ☐ b. Rs20
- ☐ c. Rs5
- ☐ d. Rs15



The correct answer is: Rs10

Question **40**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Usually, for a country

- ☐ a. national product at market price is less than national product at factor cost
- ☒ b. national product at market price is more than national product at factor cost
- ☐ c. national product at market price is equal to national product at factor cost
- ☐ d. none



The correct answer is: national product at market price is more than national product at factor cost

Question **41**
Incorrect
Mark 0.00 out of 0.50
🚩 Flag question

Which one is included in NNP at FC?

- ☐ a. transfer earnings
- ☐ b. sale proceeds of Shares & bonds
- ☒ c. black money
- ☐ d. expenses made by foreign tourists in the country

✗

The correct answer is: expenses made by foreign tourists in the country

Question **42**
Incorrect
Mark 0.00 out of 0.50
🚩 Flag question

If the demand for cricket balls increases from 50 to 55 because of fall in price from Rs. 25 to Rs. 24, What is the price elasticity of demand for cricket balls?

- ☒ a. 1.5
- ☐ b. 2.5
- ☐ c. 2
- ☐ d. 5

✗

The correct answer is: 2.5

Question **43**
Correct
Mark 0.50 out of 0.50
🚩 Flag question

From the following data (in Rs. crore) calculate GDP at FC:

Compensation of Employees=800

Profits=200

Dividends=50

Rent=150

Interest=100

Gross domestic capital formation=300

Net fixed capital formation=200

Change in Stock=50

NIT=120

- ☐ a. Rs1250crore
- ☒ b. Rs1300crore
- ☐ c. Rs1420Crore
- ☐ d. None

✓

The correct answer is: Rs1300crore

Question **44**
Correct
Mark 0.50 out of 0.50
🚩 Flag question

A producer can change his product line in the_____

- ☐ a. short run
- ☒ b. Long run
- ☐ c. Both
- ☐ d. None

✓

The correct answer is: Long run

Question **45**
Correct
Mark 0.50 out of 0.50
🚩 Flag question

OPEC is an example of

- ☐ a. Duopoly
- ☐ b. Monopoly
- ☒ c. oligopoly
- ☐ d. Monopolistic



The correct answer is: oligopoly

Question **46**
Correct
Mark 0.50 out of 0.50
🚩 Flag question

A study of how increase in the corporate income tax rate will affect the natural unemployment rate is an example of

- ☒ a. Macro Economics
- ☐ b. Descriptive Economics
- ☐ c. Micro Economics
- ☐ d. Normative Economics



The correct answer is: Macro Economics

Question **47**
Incorrect
Mark 0.00 out of 0.50
🚩 Flag question

Which one is not correct

- ☐ a. $VC - FC + \text{ or } - P/L = \text{SALES}$
- ☐ b. $\text{SALES} - VC = FC + \text{ or } - P/L$
- ☐ c. $VC + \text{CONTRIBUTION} = \text{SALES}$
- ☒ d. $\text{SALES} - VC = \text{CONTRIBUTION}$



The correct answer is: $VC - FC + \text{ or } - P/L = \text{SALES}$

Question **48**
Incorrect
Mark 0.00 out of 0.50
🚩 Flag question

Positive statements are _____ in nature

- ☐ a. Factual
- ☒ b. Descriptive
- ☐ c. prescriptive
- ☐ d. Factual & Descriptive



The correct answer is: Factual & Descriptive

Question **49**
Incorrect
Mark 0.00 out of 0.50
🚩 Flag question

If the quantity demanded of a commodity is plotted against the price of the substitute good, ceteris paribus, the curve is expected to be

- ☐ a. Vertical
- ☐ b. Positively Sloped
- ☐ c. Horizontal
- ☒ d. Negatively Sloped



The correct answer is: Positively Sloped

Question **50**
Incorrect
Mark 0.00 out of 0.50
🚩 Flag question

Kinked demand hypothesis is designed to explain _____ in context of Oligopoly

- ☐ a. Price & Output Determination
- ☒ b. Price Rigidity
- ☐ c. Collusion between firms
- ☐ d. All of these



The correct answer is: All of these

Question **51**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

At 10 units, Total Cost is Rs. 200. At 20 units, Total Cost is Rs. 600. Marginal Cost=?

- ☐ a. 50
- ☒ b. 40
- ☐ c. 30
- ☐ d. 400



The correct answer is: 40

Question **52**

Incorrect

Mark 0.00 out of 0.50

🚩 Flag question

Which of the following will not result in improvement in Margin of Safety

- ☐ a. increase in contribution
- ☐ b. increase in variable cost
- ☐ c. increase in selling price
- ☒ d. reducing fixed cost



The correct answer is: increase in variable cost

Question **53**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

_____ refers to the effect of change in price of a product on the consumer's purchasing power

- ☐ a. Substitution Effect
- ☒ b. Income Effect
- ☐ c. Law of Equi-marginal Utility
- ☐ d. Consumer Surplus



The correct answer is: Income Effect

Question **54**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Cross Elasticity of demand in Monopoly market is

- ☐ a. Elastic
- ☒ b. Zero
- ☐ c. Infinite
- ☐ d. One



The correct answer is: Zero

Question **55**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

Managerial Economics is a subject which

- ☐ a. studies economic relationships
- ☐ b. studies economic activities at the aggregate level
- ☒ c. deals with the tools of economics used for decision-making in business
- ☐ d. studies optimum allocation of limited resources



The correct answer is: deals with the tools of economics used for decision-making in business

Question **56**

Incorrect

Mark 0.00 out of 0.50

🚩 Flag question

In an economy the GNP at market price is Rs. 800. There are indirect taxes equal to 70 and subsidies equal to Rs. 20. The total capital stock of the economy is Rs. 1500 and it is estimated to depreciate at the rate of 10 percent per annum. What is the national income of this economy?

- ☐ a. Rs.730
- ☒ b. Rs. 710
- ☐ c. Rs. 600
- ☐ d. Rs. 580



The correct answer is: Rs. 600

Question **57**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

In a closed economy, which of the following sectors is not included?

- ☐ a. Households
- ☐ b. Local Firms
- ☐ c. Local Government
- ☒ d. Rest of the World



The correct answer is: Rest of the World

Question **58**

Incorrect

Mark 0.00 out of 0.50

🚩 Flag question

Transfer payments are included in _____

- ☐ a. National Income
- ☐ b. Personal Income
- ☐ c. Both
- ☒ d. None



The correct answer is: Personal Income

Question **59**

Correct

Mark 0.50 out of 0.50

🚩 Flag question

In a four-sector economy, national income is measured as

- ☒ a. $Y = C + I + G + X - M$
- ☐ b. $Y = C + I + G + T$
- ☐ c. $Y = C + I + G - X + M$
- ☐ d. $Y = C + I + T + X - M$



The correct answer is: $Y = C + I + G + X - M$

Question **60**

Incorrect

Mark 0.00 out of 0.50

🚩 Flag question

Which one is not a measure to increase the bank credit by RBI

- ☒ a. Lowering bank rate
- ☐ b. increasing bank rate
- ☐ c. lowering CRR
- ☐ d. lowering SLR



The correct answer is: increasing bank rate