

Prof. Naresh Shroff's
ACE
TUTORIALS

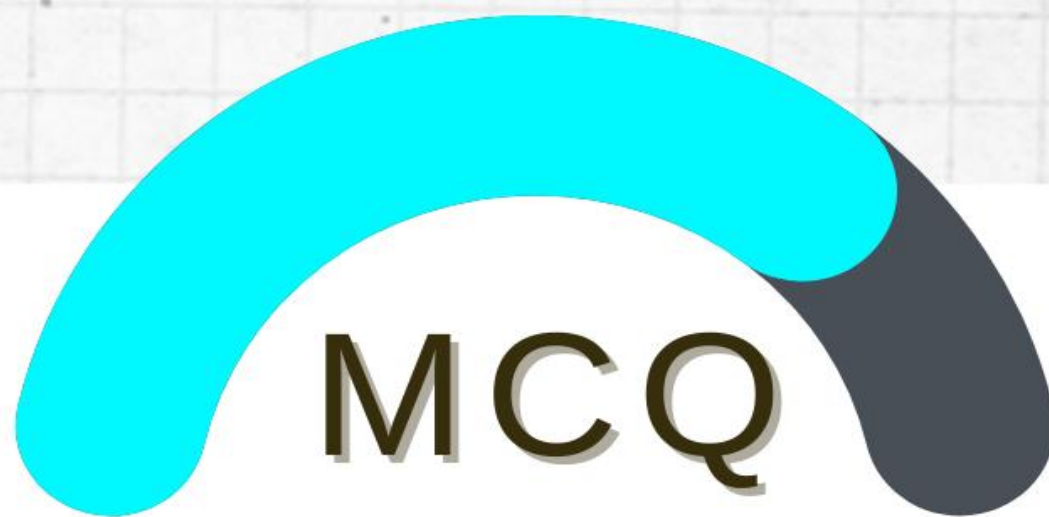
CSEET



- Prof. Kunal Shah's

ECONOMICS

The Chamber Of Master Strokes



MCQ

VOLUME

Prof. Naresh Shroff's ACE TUTORIALS

Warm welcome to the ACE TUTORIALS family !!

With the Heartfelt Thankyou for showing your keen interest, trust in Ace Tutorials. We welcome you to our prestigious Tutorials, Foundations of which are based on Commitment, Quality education with our sincerity.

We constantly starve in delivering the better. And always keep interest in excelling each time. With the promise that your Trust with us will never go in a Vain. & so we would be grateful to have received your continued faith in us. & we would continue to produce The Best Company Secretaries as we have been doing for more then 15 years now with over 45,000 students who have already been a part of our Family.

Any suggestions from you are always welcome as we sincerely believe to be the best in the Teaching Industry.

Regards,

Prof. Naresh Shroff

Prof. Naresh Shroff's ACE TUTORIALS

Simply press the Links you will be able to access us:



<https://youtu.be/Mf3bZxfKJn8> (ECONOMICS MARATHON)



<https://t.me/joinchat/PAp7c-KdMx9jMmZl> Telegram Channel for Daily **MCQ QUIZ**



<https://www.instagram.com/ace.tutorials/?hl=en>



<https://www.facebook.com/acetutorialscs> <Facebook Handling>

To Buy Subject/ Take Admission

8852272084/

8652272079

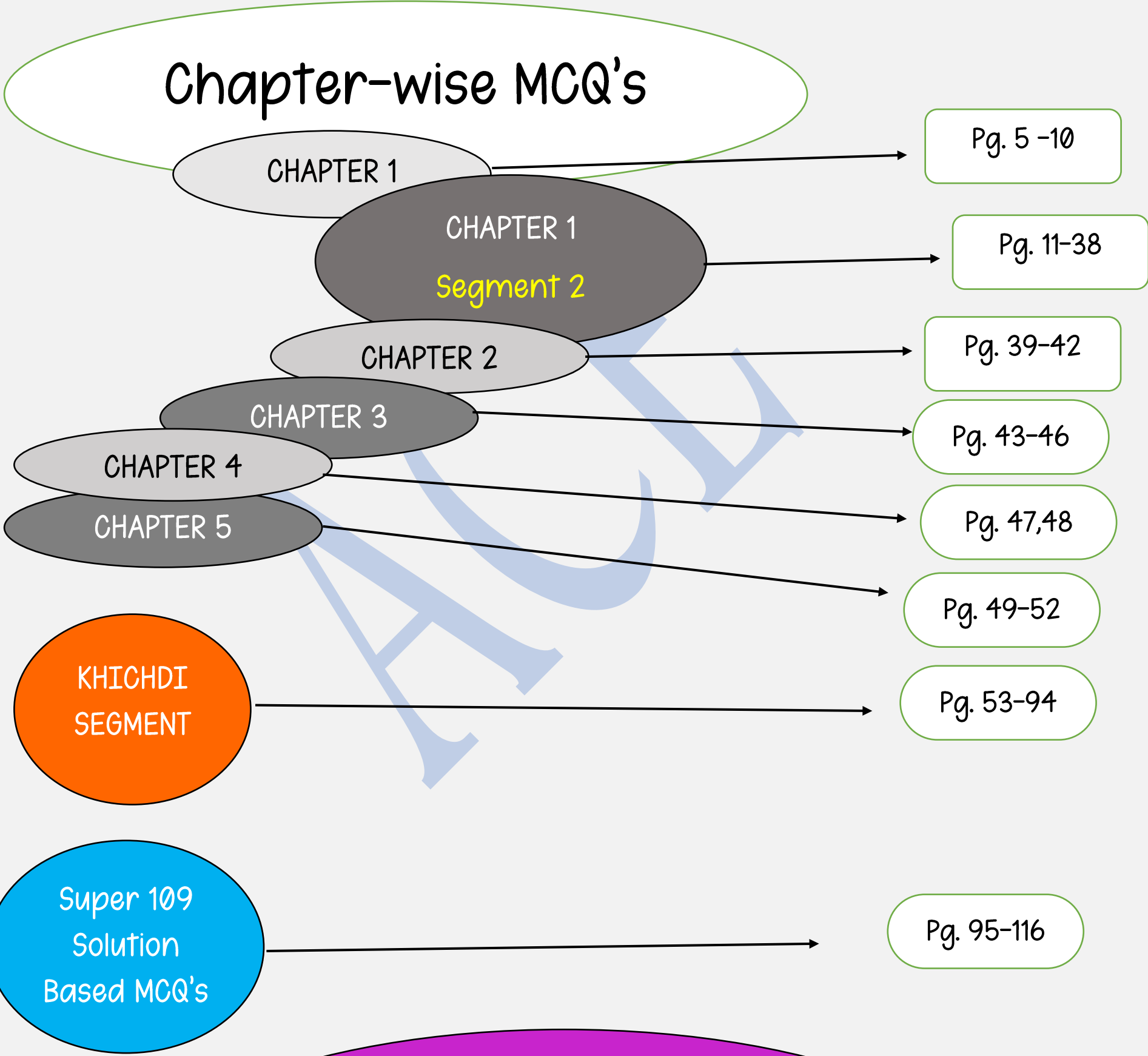
www.ace.redik.in

If you are Insecure, guess what ?

The rest of the world is, too. Do not overestimate the competition & Underestimate yourself. You are better than what you think of yourself.

Prof. Naresh Shroff's ACE TUTORIALS

INDEX



Reach us on our Social Media Handles
PAGE- 117

Prof. Naresh Shroff's ACE TUTORIALS

Chapter 1 : Basics of Demand & Supply & Forms of Market Competition



Demand is very less nowadays, because of Rise in Price of the commodities

Supply is very less nowadays, because of Decrease in Price of the commodities

1. A vertical supply curve parallel to the Y-axis implies that the elasticity of supply is:
 - a. zero
 - b. infinite
 - c. greater than 0 but less than 1
 - d. equal to 1
2. If the percentage change in supply is less than the percentage change in price it is called_____
 - a. unit elasticity of supply
 - b. inelastic supply
 - c. more elastic supply
 - d. perfectly elastic
3. The elasticity of substitution between two perfect substitutes is:
 - a. vertical
 - b. horizontal
 - c. negatively sloped
 - d. positively sloped
4. A horizontal supply curve parallel to the quantity axis implies that the elasticity of supply is:
 - a. zero
 - b. greater than zero but less than one
 - c. equal to one
 - d. infinite
5. Goods that exhibits direct price-demand relationship are called:
 - a. Substitute goods
 - b. complementary goods
 - c. Giffen goods
 - d. None of the above
6. In perfect competition since firm is the price taker which curve is straight line?
 - a. Marginal revenue
 - b. Total revenue
 - c. Marginal cost .
 - d. Total cost
7. In the long run, monopolist firm earns _____
 - a. normal profit
 - b. supernormal profit
 - c. loss
 - d. any of these

Prof. Naresh Shroff's ACE TUTORIALS

8. As income increases, the consumer will go in for superior goods and consequently the demand for inferior goods will fall. This means:
- a. negative income elasticity of demand
 - b. unitary income elasticity of demand
 - c. income elasticity of demand less than one
 - d. zero income elasticity of demand.
9. If a good is a luxury, its income elasticity of demand is:
- a. -ve but greater than -1
 - b. zero
 - c. +ve and less than 1
 - d. +ve and greater than 1
10. Demand for a good will tend to be more inelastic if it exhibits which of the following characteristics?
- a. The good is a luxury
 - b. There is a great deal of time for the consumer to adjust to the changes in prices
 - c. The good has many substitutes
 - d. The good is a small part of consumer's income.
11. In the long run, a perfectly competitive firm earns only normal profits because of:
- a. Free entry and exit of firms
 - b. Product homogeneity in the industry
 - c. large no. of buyers and sellers
 - d. Both b and c
12. In the case of a straight-line demand curve meeting the two axis, the price- elasticity of demand at the mid-point of the line would be:
- a. 2
 - b. 1
 - c. 0
 - d. 1.5
13. Kinked Demand curve hypothesis is given by:
- a. Alfred Marshall
 - b. A.C. Pigou
 - c. Hicks and Allen
 - d. Sweezy
14. A discount store has a special offer on CDs. It reduces their price from 150 to 100. Suppose the store manager observes that the quantity demanded increases from 700 CDs to 1300 CDs. What is the price elasticity of demand for CDs? (Use Arc Elasticity Method)
- a. 1.50
 - b. 1.0
 - c. 0.8
 - d. 1.25
15. OPEC is an example of:
- a. Duopoly
 - b. Monopoly
 - c. Monopolistic competition
 - d. Oligopoly

Prof. Naresh Shroff's ACE TUTORIALS

16. If price of computers increases by 10% and supply increases by 25%. The elasticity of supply is:
- a. (-) 0.4
 b. 0.4
 c. 2.5
 d. (-) 2.5
17. Suppose the price of Pepsi increases, we will expect the demand curve of Coca Cola to:
- a. shift towards right
 b. remain at the same level
 c. shift towards left
 d. initially shift towards left and then to the right.
18. In which of the following market situation are the firms mutually inter-dependent in pricing output decisions?
- a. Monopoly
 b. Monopolistic competition
 c. Perfect Competition
 d. Oligopoly
19. _____ is that situation in which a firm bases its market policy, in part on the expected behavior of a few close rivals.
- a. Oligopoly
 b. Monopoly
 c. Monopolistic competition
 d. Perfect competition
20. An offer Curve :
- A. Differs from an usual Demand curve Only
 B. Differs from an usual Supply curve only
 C. Differs from Both usual demand & Supply curve
 D. Differs from the variable law
21. Studies of Market equilibrium show that for fixed number of firms, the supply curve shifts Leftward & if simultaneously the demand curve shifts rightward, then :
- (A) Equilibrium quantity may increase, or decrease or remain unchanged & equilibrium price Increases
 (B) Equilibrium quantity decreases & equilibrium price Increase, or decrease or remain unchanged
 (C) Equilibrium quantity increases, & equilibrium price may Increase, or decrease or remain unchanged.
 (D) Equilibrium quantity may increase, or decrease or remain unchanged & equilibrium price decreases
22. At the market price of Rs 100, a firm supplies 4 units of output. The market price increases to Rs 120. The price elasticity of the firms supply is 1.25. What quantity will the firm supply at the new price ?
- (A) 5 units
 (B) 8 Units
 (C) 6 Units
 (D) 10 Units

23. The market demand curve shows

- a. the effect on market supply of a change in the demand for a good or service.
 b. the quantity of a good that consumers would like to purchase at different prices.
 c. the marginal cost of producing and selling different quantities of a good.
 d. the effect of advertising expenditures on the market price of a good.

Prof. Naresh Shroff's ACE TUTORIALS

24. During a recession, economies experience increased unemployment and a reduced level of activity. How would a recession be likely to affect the market demand for new cars?

- a. Demand will shift to the right.
- b. Demand will shift to the left.
- c. Demand will not shift, but the quantity of cars sold per month will decrease.
- d. Demand will not shift, but the quantity of cars sold per month will increase.

25. The market supply curve shows

- a. the effect on market demand of a change in the supply of a good or service.
- b. the quantity of a good that firms would offer for sale at different prices.
- c. the quantity of a good that consumers would be willing to buy at different prices.
- d. All of the above are correct.

26. Unionized workers may be able to negotiate with management for higher wages during periods of economic prosperity. Suppose that workers at automobile assembly plants successfully negotiate a significant increase in their wage package. How would the new wage contract be likely to affect the market supply of new cars?

- a. Supply will shift to the right.
- b. Supply will shift to the left.
- c. Supply will not shift, but the quantity of cars produced per month will decrease.
- d. Supply will not shift, but the quantity of cars produced per month will increase.

27. If automobile manufacturers are producing cars faster than people want to buy them,

- a. there is an excess supply and price can be expected to decrease.
- b. there is an excess supply and price can be expected to increase.
- c. there is an excess demand and price can be expected to decrease.
- d. there is an excess demand and price can be expected to increase.

28. If a computer software company introduces a new program and finds that orders from wholesalers far exceed the number of units that are being produced,

- a. There is an excess supply and price can be expected to decrease.
- b. There is an excess supply and price can be expected to increase.
- c. There is an excess demand and price can be expected to decrease.
- d. There is an excess demand and price can be expected to increase.

29. Market equilibrium refers to a situation in which market price

- a. is high enough to allow firms to earn a fair profit.
- b. is low enough for consumers to buy all that they want.
- c. is at a level where there is neither a shortage nor a surplus.
- d. is just above the intersection of the market supply and demand curves.

30. If the price of a good increases while the quantity of the good exchanged on markets increases, then the most likely explanation is that there has been

- a. an increase in demand.
- b. a decrease in demand.
- c. an increase in supply.
- d. a decrease in supply.

31. If the price of a good decreases while the quantity of the good exchanged on markets increases, then the most likely explanation is that there has been

- a. an increase in demand.
- b. a decrease in demand.

Prof. Naresh Shroff's ACE TUTORIALS

- c. an increase in supply.
- d. a decrease in supply.

32.If the price of a good increases while the quantity of the good exchanged on markets decreases, then the most likely explanation is that there has been

- a. an increase in demand.
- b. a decrease in demand.
- c. an increase in supply.
- d. a decrease in supply.

33.If the price of a good decreases while the quantity of the good exchanged on markets decreases, then the most likely explanation is that there has been

- a. an increase in demand.
- b. a decrease in demand.
- c. an increase in supply.
- d. a decrease in supply.

34.An increase in the demand for a good will cause

- a. an increase in equilibrium price and quantity.
- b. a decrease in equilibrium price and quantity.
- c. an increase in equilibrium price and a decrease in equilibrium quantity.
- d. a decrease in equilibrium price and an increase in equilibrium quantity.

35.An increase in the supply of a good will cause

- a. an increase in equilibrium price and quantity.
- b. a decrease in equilibrium price and quantity.
- c. an increase in equilibrium price and a decrease in equilibrium quantity.
- d. a decrease in equilibrium price and an increase in equilibrium quantity.

36.Assume that firms in an industry observe a 10% increase in the productivity of labor, but to get there they had to increase the cost of labor by 5%. What should be expected to happen in the output market as a result of this development?

- a. The supply should increase
- b. The supply should decrease
- c. The supply should remain unchanged
- d. The demand should increase
- e. The demand should decreased

37.During 2002 — 2005 we saw significant increases in the construction of new housing stock in the US. During the same time period we also observed significant rises in the demand for homes. We know that during that time period both price and the level of homes traded increased. Based on that information what most likely happened in the market?

- a. The rise in supply outpaced the rise in demand.
- b. The rise in demand outpaced the rise in supply.
- c. The rise in demand was perfectly matched by rise in the supply.
- d. None of the above

38.If a rise in supply exceeds a rise in demand, then we should expect

- a. the equilibrium price and quantity levels will rise.
- b. the equilibrium price will rise while the equilibrium quantity will decline.

Prof. Naresh Shroff's ACE TUTORIALS

- c. The equilibrium price will fall while the equilibrium quantity will rise.
- d. the equilibrium price and quantity levels will decline.

39. In which instance will both the equilibrium price and quantity rise?

- a. When demand and supply increase, but the rise in demand exceeds the rise in supply.
- b. When demand and supply increase, but the rise in supply exceeds the rise in demand.
- c. When demand and supply decline, but decline in the demand exceeds the decline in supply.
- d. When demand and supply decline, but the decline in supply exceeds decline in the demand.

40. In which instance can we observe a rise in the equilibrium price accompanied by a decline in the equilibrium quantity?

- a. If both demand and supply decline, but the decline in demand exceeds the decline in supply.
- b. If supply declines while demand increases, and the decline in supply exceeds the increase in demand.
- c. If both demand and supply increase.
- d. None of the above.

41. To be an importer of a product the country must have its domestic price of the product be _____ the foreign price

- a. higher than
- b. lower than
- c. equal to

42. To be an exporter of a product the country must have its domestic price of the product be _____ the foreign price

- a. higher than
- b. lower than
- c. equal to

43. Which of the following will help a country become an exporter of a product (assume that the product is a normal good given the median consumer income)?

- a. An increase in incomes of domestic consumers
- b. A recession abroad
- c. An increased productivity of domestic labor
- d. An increased cost of domestic labor

44. In 2010 Russia was affected by a significant draught. Russia is a major producer and exporter of several agricultural commodities. As a result of the draught, Russia reduced some of its agricultural exports. In the context of the world supply/demand model for the affected agricultural commodities we should observe:

- a. Reduced demand and reduced supply
- b. Reduced supply and unchanged demand
- c. Reduced supply and increased demand
- d. Increased supply and unchanged demand
- e. Increased supply and reduced demand

45. In November of 2010 the US Central Bank, the Federal Reserve, embarked on a policy of quantitative easing. Since this policy essentially represents an increase in the supply of money, it may create inflationary expectations. Let's assume (and this is a strong assumption), that as a result of this policy, US households start to expect inflation (price increases) in the housing market. The effect on the housing market will be:

- a. A rise in the demand, causing prices to increase
- b. A rise in the supply, causing prices to decrease

Prof. Naresh Shroff's ACE TUTORIALS

- c. A decline in the demand, causing prices to decrease
- d. None of the above

SEGMENT 2

1 Demand for a commodity refers to:

- (a) desire backed by ability to pay for the commodity.
- (b) need for the commodity and willingness to pay for it
- (c) the quantity demanded of that commodity at a certain price.
- (d) the quantity of the commodity demanded at a certain price during any particular period of time.

2 Contraction of demand is the result of :

- (a) Decrease in the number of consumers.
- (b) Increase in the price of the good concerned.
- (c) Increase in the prices of other goods.
- (d) Decrease in the income of purchasers.

3 All but one of the following are assumed to remain the same while drawing an individual's demand curve for a commodity. Which one is it?

- (a) The preference of the individual.
- (b) His monetary income.
- (c) Price of the commodity
- (d) Price of related goods.

4 Which of the following pairs of goods is an example of substitutes?

- (a) Tea and sugar.
- (b) Tea and coffee.
- (c) Pen and ink.
- (d) Shirt and trousers.

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

- (a) 0
- (b) 1
- (c) 1.5
- (d) 2

6 The Law of Demand, assuming other things to remain constant, establishes the relationship between:

- (a) Income of the consumer and the quantity of a good demanded by him.
- (b) price of a good and the quantity demanded.
- (c) price of a good and the demand for its substitute.
- (d) quantity demanded of a good and the relative prices of its complementary goods.

Prof. Naresh Shroff's ACE TUTORIALS

- 7 Identify the factor which generally keeps the price-elasticity of demand for a good low:
- (a) Variety of uses for that good.
 - (b) Very low price of a commodity
 - (c) Close substitutes for that good.
 - (d) High proportion of the consumer's income spent on it.
- 8 Identify the coefficient of price-elasticity of demand when the percentage increase in the quantity of a good demanded is smaller than the percentage fall in its price:
- (a) Equal to one.
 - (b) Greater than one.
 - (c) Less than one.
 - (d) Zero.
- 9 In the case of an inferior good, the income elasticity of demand is:
- (a) positive.
 - (b) Zero.
 - (c) Negative.
 - (d) infinite.
- 10 If the demand for a good is inelastic, an increase in its price will cause the total expenditure of the consumers of the good to:
- (a) Remain the same.
 - (b) Increase.
 - (c) Decrease.
 - (d) Any of these.
- 11 If regardless of changes in its price, the quantity demanded of a good remains unchanged, then the demand curve for the good will be:
- (a) horizontal.
 - (b) Vertical.
 - (c) positively sloped.
 - (d) negatively sloped.
- 12 Suppose the price of Pepsi increases, we will expect the demand curve of Coca Cola to:
- (a) Shift towards left since these are substitutes
 - (b) Shift towards right since these are substitutes
 - (c) Remain at the same level
 - (d) None of the above
- 13 All of the following are determinants of demand except:
- (a) Tastes and preferences.
 - (b) Quantity supplied.
 - (c) Income of the consumer
 - (d) Price of related goods.

Prof. Naresh Shroff's ACE TUTORIALS

14. A movement along the demand curve for soft drinks is best described as :
- (a) An increase in demand.
 - (b) A decrease in demand.
 - (c) A change in quantity demanded.
 - (d) A change in demand.
15. If the price of Pepsi decreases relative to the price of Coke and 7-UP, the demand for
- (a) Coke will decrease.
 - (b) 7-Up will decrease.
 - (c) Coke and 7-UP will increase.
 - (d) Coke and 7-Up will decrease

ACE

Prof. Naresh Shroff's ACE TUTORIALS

16 If a good is a luxury, its income elasticity of demand is:

- (a) Positive and less than 1.
- (b) Negative but greater than -1.
- (c) Positive and greater than 1.
- (d) Zero.

17 The price of hot dogs increases by 22% and the quantity of hot dogs demanded falls by 25%. This indicates that demand for hot dogs is :

- (a) Elastic.
- (b) Inelastic.
- (c) Unitarily elastic.
- (d) Perfectly elastic.

18 If the quantity demanded of mutton increases by 5% when the price of chicken increases by 20%, the cross-price elasticity of demand between mutton and chicken is

- (a) -0.25
- (b) 0.25
- (c) -4
- (d) 4

19 Given the following four possibilities, which one results in an increase in total consumer expenditure?

- (a) Demand is unitary elastic and price falls.
- (b) Demand is elastic and price rises.
- (c) Demand is inelastic and price falls.
- (d) Demand is inelastic and prices rises.

Prof. Naresh Shroff's ACE TUTORIALS

20 Which of the following statements about price elasticity of supply is correct?

- (a) Price elasticity of supply is a measure of how much the quantity supplied of a good responds to a change in the price of that good
- (b) Price elasticity of supply is computed as the percentage change in quantity supplied divided by the percentage change in price
- (c) Price elasticity of supply in the long run would be different from that of the short run
- (d) All of the above

21 Suppose the price of movies seen at a theatre rises from Rs 120 per person to Rs 200 per person. The theatre manager observes that the rise in price causes attendance at a given movie to fall from 300 persons to 200 persons. What is the price elasticity of demand for movies? (Use Arc Elasticity Method)

- (a) 0.5
- (b) 0.8
- (c) 1.0
- (d) 1.2

22 Suppose a department store has a sale on its silverware. If the price of a plate-setting is reduced from Rs 300 to Rs 200 and the quantity demanded increases from 3,000 plate-settings to 5,000 plate-settings, what is the price elasticity of demand for silverware? (Use Arc Elasticity Method)

- (a) 0.8
- (b) 1.0
- (c) 1.25
- (d) 1.50

Prof. Naresh Shroff's ACE TUTORIALS

23 When the numerical value of cross elasticity between two goods is very high, it means

- (a) The goods are perfect complements and therefore have to be used together
- (b) The goods are perfect substitutes and can be used with ease in place of one another
- (c) There is a high degree of substitutability between the two goods
- (d) The goods are neutral and therefore cannot be considered as substitutes

24 If the local pizzeria raises the price of a medium pizza from ₹ 60 to ₹ 100 and quantity demanded falls from 700 pizzas a night to 100 pizzas a night, the price elasticity of demand for pizzas is (Use Arc Elasticity Method)

- (a) 0.67
- (b) 1.5
- (c) 2.0
- (d) 3.0

25 Suppose the demand for meals at a medium-priced restaurant is elastic. If the management of the restaurant is considering raising prices, it can expect a relatively:

- (a) Large fall in quantity demanded.
- (b) Large fall in demand.
- (c) Small fall in quantity demanded.
- (d) Small fall in demand.

26 Point elasticity is useful for which of the following situations?

- (a) The bookstore is considering doubling the price of notebooks.

Prof. Naresh Shroff's ACE TUTORIALS

- (b) A restaurant is considering lowering the price of its most expensive dishes by 50 percent.
- (c) An auto producer is interested in determining the response of consumers to the price of cars being lowered by Rs 100.
- (d) None of the above.

27 A decrease in price will result in an increase in total revenue if :

- (a) The percentage change in quantity demanded is less than the percentage change in price.
- (b) The percentage change in quantity demanded is greater than the percentage change in price.
- (c) Demand is inelastic.
- (d) The consumer is operating along a linear demand curve at a point at which the price is very low and the quantity demanded is very high.

28 An increase in price will result in an increase in total revenue if :

- (a) The percentage change in quantity demanded is less than the percentage change in price.
- (b) The percentage change in quantity demanded is greater than the percentage change in price.
- (c) Demand is elastic.
- (d) The consumer is operating along a linear demand curve at a point at which the price is very high and the quantity demanded is very low.

29 Demand for a good will tend to be more elastic if it exhibits which of the following characteristics?

- (a) It represents a small part of the consumer's income.
- (b) The good has many substitutes available.
- (c) It is a necessity (as opposed to a luxury).

Prof. Naresh Shroff's ACE TUTORIALS

- (d) There is little time for the consumer to adjust to the price change.

ACE

Prof. Naresh Shroff's ACE TUTORIALS

30 Demand for a good will tend to be more inelastic if it exhibits which of the following characteristics?

- (a) The good has many substitutes.
- (b) The good is a luxury (as opposed to a necessity).
- (c) The good is a small part of the consumer's income.
- (d) There is a great deal of time for the consumer to adjust to the change in prices.

31 Suppose a consumer's income increases from Rs 30,000 to Rs ` 36,000. As a result, the consumer increases her purchases of compact discs (CDs) from 25 CDs to 30 CDs. What is the consumer's income elasticity of demand for CDs? (Use Arc Elasticity Method)

- (a) 0.5
- (b) 1.0
- (c) 1.5
- (d) 2.0

32 Total utility is maximum when :

- (a) Marginal utility is zero.
- (b) Marginal utility is at its highest point.
- (c) Marginal utility is negative
- (d) None of the above

33 An indifference curve slopes down towards right since more of one commodity and less of another result in:

- (a) Same level of satisfaction.
- (b) Greater satisfaction.
- (c) Maximum satisfaction.
- (d) Any of the above

Prof. Naresh Shroff's ACE TUTORIALS

34 Which of the following statements is incorrect?

- (a) An indifference curve must be downward-sloping to the right.
- (b) Convexity of a curve implies that the slope of the curve diminishes as one moves from left to right.
- (c) The income elasticity for inferior goods to a consumer is positive
- (d) The total effect of a change in the price of a good on its quantity demanded is called the price effect.

35 The successive units of stamps collected by a little boy give him greater and greater satisfaction. This is a clear case of

- (a) Operation of the law of demand.
- (b) Consumer surplus enjoyed in hobbies and rare collections
- (c) Exception to the law of diminishing utility.
- (d) None of the above

36 What will happen in the rice market if buyers are expecting higher rice prices in the near future?

- (a) The demand for rice will increase and the demand curve will shift to the right
- (b) The demand for rice will decrease and the demand curve will shift to the left
- (c) The demand for rice will be unaffected as it is a necessity
- (d) The demand for wheat will increase and the demand curve will shift to the right

37 In the case of a Giffen good, the demand curve will usually be :

- (a) horizontal.
- (b) downward-sloping to the right.
- (c) vertical.
- (d) upward-sloping to the right.

Prof. Naresh Shroff's ACE TUTORIALS**38** By consumer surplus, economists mean

- (a) The area inside the budget line above the price of the commodity
- (b) The area between the average revenue and marginal revenue curves.
- (c) The difference between the maximum amount a person is willing to pay for a good and its market price.
- (d) The difference between the market price and the supply curve

39 When economists speak of the utility of a certain good, they are referring to

- (a) The demand for the good.
- (b) The usefulness of the good in consumption.
- (c) The expected satisfaction derived from consuming the good.
- (d) The rate at which consumers are willing to exchange one good for another.

40 A vertical supply curve parallel to Y axis implies that the elasticity of supply is :

- (a) Zero
- (b) Infinity
- (c) Equal to one
- (d) Greater than zero but less than infinity.

41 For a normal good with a downward sloping demand curve:

- (a) The price elasticity of demand is negative; the income elasticity of demand is negative.
 - (b) The price elasticity of demand is positive; the income elasticity of demand is negative.
 - (c) The price elasticity of demand is positive; the income elasticity of demand is positive.
 - (d) The price elasticity of demand is negative; the income elasticity of demand is positive.

Prof. Naresh Shroff's ACE TUTORIALS

- 42 An increase in the supply of a good is caused by :
- (a) Improvements in its production technology
 - (b) Fall in the prices of other goods which can be produced using the same inputs
 - (c) Fall in the prices of factors of production used in its production .
 - (d) all of the above.
- 43 Elasticity of supply refers to the degree of responsiveness of supply of a good to changes in its:
- (a) Demand.
 - (b) Price.
 - (c) Cost of production.
 - (d) State of technology.

Prof. Naresh Shroff's ACE TUTORIALS

44 Contraction of supply is the result of :

- (a) Decrease in the number of producers.
- (b) Decrease in the price of the good concerned.
- (c) Increase in the prices of other goods.
- (d) Decrease in the outlay of sellers.

45 Conspicuous goods are also known as

- (a) Prestige goods
- (b) Snob goods
- (c) Veblen goods
- (d) All of the above

46 The quantity purchased remains constant irrespective of the change in income. This is known as

- (a) Negative income elasticity of demand
- (b) Income elasticity of demand less than one
- (c) Zero income elasticity of demand
- (d) Income elasticity of demand is greater than one

47 As income increases, the consumer will go in for superior goods and consequently the demand for inferior goods will fall. This means inferior goods have

- (a) Income elasticity of demand less than one
 - (b) Negative income elasticity of demand
 - (c) Zero income elasticity of demand
 - (d) Unitary income elasticity of demand

Prof. Naresh Shroff's ACE TUTORIALS

- 4B When income increases the money spent on necessities of life may not increase in the same proportion, This means
- (a) Income elasticity of demand is zero
 - (b) Income elasticity of demand is one
 - (c) Income elasticity of demand is greater than one
 - (d) Income elasticity of demand is less than one
- 4C The luxury goods like jewellery and fancy articles will have
- (a) low income elasticity of demand
 - (b) high income elasticity of demand

Prof. Naresh Shroff's ACE TUTORIALS

- (c) zero income elasticity of demand
- (d) none of the above

50 A good which cannot be consumed more than once is known as

- (a) Durable good
- (b) Non-durable good
- (c) Producer good
- (d) None of the above

51 A Relative Price is

- (a) Price expressed in terms of money
- (b) What you get paid for babysitting your cousin
- (c) The ratio of one money price to another
- (d) Equal to a money price

52 Demand is the

- (a) the desire for a commodity given its price and those of related commodities
- (b) the entire relationship between the quantity demanded and the price of a good other things remaining the same
- (c) willingness to pay for a good if income is larger enough
- (d) ability to pay for a good

53 Suppose potatoes have $(-).0.4$ as income elasticity. We can say from the data given that:

- (a) Potatoes are superior goods.
- (b) Potatoes are necessities.
- (c) Potatoes are inferior goods.
- (d) There is a need to increase the income of consumers so that they can

Prof. Naresh Shroff's ACE TUTORIALS

purchase potatoes.

54. Chicken and fish are substitutes. If the price of chicken increases, the demand for fish will

- (a) Increase or decrease but the demand curve for chicken will not change
- (b) Increase and the demand curve for fish will shift rightwards.
- (c) Not change but there will be a movement along the demand curve for fish.
- (d) Decrease and the demand curve for fish will shift leftwards.

55. Potato chips and popcorn are substitutes. A rise in the price of potato chips will _____ the demand for popcorn and the quantity of popcorn sold will _____

- (a) increase; increase
- (b) increase; decrease
- (c) decrease; decrease
- (d) decrease; increase

56. If the price of orange Juice increases, the demand for apple Juice will

- (a) increase because they are substitutes
- (b) decrease because they are substitutes
- (c) remain the same because real income is increased
- (d) decrease as real income decreases

57. An increase in the demand for computers, other things remaining same, will:

- (a) Increase the number of computers bought.
- (b) Decrease the price but increase the number of computers bought.
- (c) Increase the price of computers.
- (d) Increase the price and number of computers bought.

Prof. Naresh Shroff's ACE TUTORIALS

- 58 When total demand for a commodity whose price has fallen increases, it is due to:
- (a) Income effect.
 - (b) Substitution effect
 - (c) Complementary effect
 - (d) Price effect
- 59 With an increase in the price of diamond, the quantity demanded also increases. This is because it is a:
- (a) Substitute good
 - (b) Complementary good
 - (c) Conspicuous good
 - (d) None of the above
- 60 An example of goods that exhibit direct price-demand relationship is
- (a) Giffen goods
 - (b) Complementary goods
 - (c) Substitute goods
 - (d) None of the above
- 61 In Economics, when demand for a commodity increases with a fall in its price it is known as:
- (a) Contraction of demand
 - (b) Expansion of demand
 - (c) No change in demand
 - (d) None of the above
- 62 The quantity supplied of a good or service is the amount that
- (a) Is actually bought during a given time period at a given price

Prof. Naresh Shroff's ACE TUTORIALS

- (b) Producers wish they could sell at a higher price
- (c) Producers plan to sell during a given time period at a given price
- (d) People are willing to buy during a given time period at a given price

63 Supply is the

- (a) limited resources that are available with the seller
- (b) cost of producing a good
- (c) entire relationship between the quantity supplied and the price of good.
- (d) Willingness to produce a good if the technology to produce it becomes available

64 If price of computers increases by 10% and supply increases by 25%. The elasticity of supply is:

- (a) 2.5
- (b) 0.4
- (c) (-) 2.5
- (d) (-) 0.4

65 An increase in the number of sellers of bikes will increase the

- (a) The price of a bike
- (b) Demand for bikes
- (c) The supply of bikes
- (d) Demand for helmets

66 If the supply of bottled water decreases, other things remaining the same, the equilibrium price—— and the equilibrium quantity ——

- (a) Increases ; Decreases
- (b) Decreases; Increases
- (c) Decreases; Decreases

Prof. Naresh Shroff's ACE TUTORIALS

(d) Increases; Increases

67. A decrease in the demand for cameras, other things remaining the same will

(a) Increase the number of cameras bought

(b) Decrease the price but increase the number of cameras bought

(c) Increase the price of cameras

(d) Decrease the price and decrease in the number of cameras bought.

68. Which of the following statements about inferior goods is/are false?

I. Inferior goods are those that we will never buy, no matter how cheap they are.

II. Inferior goods are those that we buy more of, if we become poorer.

III. Inferior goods are those that we buy more of, if we become richer.

(a) I and III only.

(b) I only

(c) III only.

(d) I, II, and III

Prof. Naresh Shroff's ACE TUTORIALS**69** Comforts lie between

- (a) Inferior goods and necessities
- (b) luxuries and inferior goods
- (c) necessities and luxuries
- (d) none of the above

70 In a very short period, the supply

- (a) can be changed
- (b) cannot be changed
- (c) can be increased
- (d) none of the above

71 When supply curve moves to the left, it means

- (a) lesser quantity is supplied at a given price
- (b) larger quantity is supplied at a given price
- (c) prices have fallen and quantity is supplied at a lower price
- (d) none of the above

72 When supply curve moves to right, it means

- (a) supply increases and more quantity is supplied at a given price
- (b) supply decreases and less quantity is supplied at a given price
- (c) supply remains constant at a given price
- (d) none of the above

73 The elasticity of supply is defined as the

- (a) responsiveness of the quantity supplied of a good to a change in its price
- (b) responsiveness of the quantity supplied of a good without change in its price

Prof. Naresh Shroff's ACE TUTORIALS

- (c) responsiveness of the quantity demanded of a good to a change in its price
- (d) responsiveness of the quantity demanded of a good without change in its price

74 Elasticity of supply is measured by dividing the percentage change in quantity supplied of a good by _____

- (a) Percentage change in income
- (b) Percentage change in quantity demanded of goods
- (c) Percentage change in price
- (d) Percentage change in taste and preference

Prof. Naresh Shroff's ACE TUTORIALS

75 Elasticity of supply is zero means

- (a) perfectly inelastic supply
- (b) perfectly elastic supply
- (c) Imperfectly elastic supply
- (d) None of the above

76 Elasticity of supply is greater than one when

- (a) Proportionate change in quantity supplied is more than the proportionate change in price.
- (b) Proportionate change in price is greater than the proportionate change in quantity supplied.
- (c) change in price and quantity supplied are equal
- (d) None of the above

77 If the quantity supplied is exactly equal to the relative change in price then the elasticity of supply is

- (a) Less than one
- (b) Greater than one
- (c) One
- (d) None of the above

78 The price of a commodity decreases from Rs 6 to Rs 4 and the quantity demanded of the good increases from 10 units to 15 units, find the coefficient of price elasticity.

- (a) 1.5
- (b) 2.5
- (c) -1.5
- (d) 0.5

Prof. Naresh Shroff's ACE TUTORIALS

79 A firm learns that the own price elasticity of a product it manufactures is 3.5. What would be the correct action for this firm to take if it wishes to raise its total revenue?

- (a) Lower the price because demand for the good is elastic.
- (b) Raise the price because demand for the product is inelastic.
- (c) Raise the price because demand is elastic.
- (d) We need information in order to answer this question.

80 If the price of air-conditioner increases from Rs 30,000 to Rs 30,010 and resultant change in demand is negligible, we use the measure of to measure elasticity.

- (a) Point elasticity of demand since it is a small change
- (b) Arc elasticity of demand since it is a small change
- (c) Price elasticity based on average prices method
- (d) Any of the above

81 Given the following four possibilities, which one will result in an increase in total expenditure of the consumer?

- (a) Demand is unit elastic and price rises
- (b) Demand is elastic and price rises
- (c) Demand is inelastic and price falls
- (d) demand is inelastic and price rises

82 The supply curve shifts to the right because of _____

- (a) Improved technology
- (b) Increased price of factors of production
- (c) Increased excise duty
- (d) All of the above

Prof. Naresh Shroff's ACE TUTORIALS

83 Which of the following statements is correct?

- (a) When the price falls the quantity demanded falls
- (b) Seasonal changes do not affect the supply of a commodity
- (c) Taxes and subsidies do not influence the supply of the commodity
- (d) With lower cost, it is profitable to supply more of the commodity.

84 If the demand is more than supply, then the pressure on price will be

- (a) Upward
- (b) Downward
- (c) Constant
- (d) None of the above

85 Supply is a _____ concept.

- (a) Stock
- (b) Flow and stock
- (c) Flow
- (d) None of the above

86 The cross elasticity between Rye bread and Whole Wheat bread is expected to be:

- (a) Positive
- (b) Negative
- (c) Zero
- (d) Can't say

87 The cross elasticity between personal computers and soft wares is:

- (a) Positive
- (b) Zero

Prof. Naresh Shroff's ACE TUTORIALS

- (c) Negative
- (d) One

88 The cross elasticity between Bread and DVDs is:

- (a) Positive
- (b) Negative
- (c) Zero
- (d) One

89 Which of the following statements is correct?

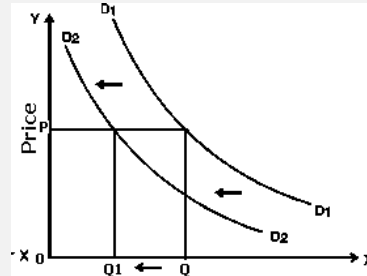
- (a) With the help of statistical tools, the demand can be forecasted with perfect accuracy
- (b) The more the number of substitutes of a commodity, the more elastic is the demand.
- (c) Demand for butter is perfectly elastic.
- (d) Gold- jewellery will have negative income elasticity.

90 Suppose the income elasticity of education in private school in India is 3.6. What does this indicate:

- (a) Private school education is highly wanted by rich
- (b) Private school education is a necessity.
- (c) Private school education is a luxury.
- (d) We should have more private schools.

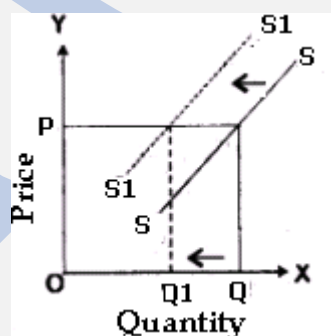
Prof. Naresh Shroff's ACE TUTORIALS

91 The diagram given below shows



- (a) A change in demand which may be caused by a rise in income and the good is a normal good
- (b) A shift of demand curve caused by a fall in the price of a complementary good
- (c) A change in demand which is caused by a rise in income and the good is an inferior good
- (d) A shift of demand curve caused by a rise in the price of a substitute and the good is a normal good.

92 Which of the following alternatives would be true if the event presented in the following diagram occurs?



- (a) A fall in wage costs of the firm along with a fall in consumer incomes
- (b) A shortage of raw materials and consequent increase in raw material price
- (c) An increase in subsidy by the government and a reduction in taxes

Prof. Naresh Shroff's ACE TUTORIALS

(d) Decrease in the market price of the commodity in question

83 The demand curve of a normal good has shifted to the right. Which of the four events would have caused the shift?

- (a) A fall in the price of a substitute with the price of the good unchanged
- (b) A fall in the nominal income of the consumer and a fall in the price of the normal good
- (c) A fall in the price of a complementary good with the price of the normal good unchanged
- (d) A fall in the price of the normal good, other things remaining the same

94 The average income of residents of two cities A and B and the corresponding change in demand for two goods is given in the following table. Which of the following statements is true?

City	% Increase In Income	% change in demand for Good (X)	% change in demand for Good (Y)
A	12	6.5	- 2.3
B	9	5.6	1.6

- (a) Both goods are normal goods in both cities A and B
- (b) Good X is a normal good in both cities ; good Y is an inferior good in city A
- (c) Good X is a normal good in both cities ; good Y is an inferior good in city B
- (d) Need more information to make an accurate comment

Prof. Naresh Shroff's ACE TUTORIALS

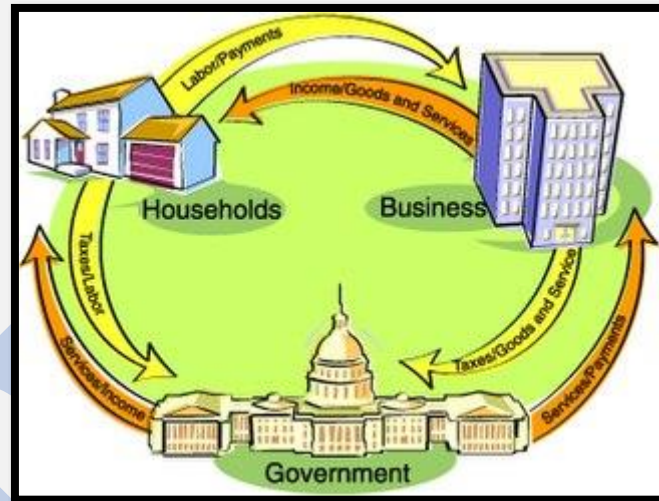
(THE CHAMBER OF MASTER STROKES)

95 During a recession, economies experience increased unemployment and a reduced level of income. How would a recession likely to affect the market demand for new cars?

- (a) Demand curve will shift to the right.
- (b) Demand curve will shift to the left.
- (c) Demand will not shift, but the quantity of cars sold per month will decrease.
- (d) Demand will not shift, but the quantity of cars sold per month will increase.

1. D	2. B	3. C	4. B	5. B	6. B	7. B	8. C	9. C	10. B
11. B	12. B	13. B	14. C	15. D	16. C	17. A	18. B	19. D	20. D
21. B	22. C	23. C	24. D	25. A	26. C	27. B	28. A	29. B	30. C
31. B	32. A	33. A	34. C	35. C	36. A	37. D	38. C	39. C	40. A
41. D	42. D	43. B	44. B	45. D	46. C	47. B	48. D	49. B	50. B
51. C	52. B	53. C	54. B	55. A	56. A	57. D	58. D	59. C	60. A
61. B	62. C	63. C	64. A	65. C	66. A	67. D	68. A	69. C	70. B
71. A	72. A	73. A	74. C	75. A	76. A	77. C	78. A	79. A	80. A
81. A	82. D	83. A	84. D	85. A	86. C	87. A	88. C	89. C	90. B
91.	92.	93.	94.	95.					

Chapter 2 National Income Accounting & Related Concepts



- In the definition of Gross Domestic Product in India, which of the following is not included in the definition of Domestic Territory?
 - (a) Ships and aircrafts operated by the residents of the country.
 - (b) Fishing vessels operated by the residents of the country.
 - (c) Embassies and military establishments of the country located abroad.
 - (d) Corporate offices of the residents of the country living abroad.
- _____ means the total value of goods and services produced annually in a country.
 - a) Factor Income
 - b) National Income
 - c) Personal Income
 - d) Industry Income
- The method that measures the contribution of each producing enterprise in the domestic territory of the country.
 - a) Income Method
 - b) Expenditure Method
 - c) Product Method
 - d) None of these

4. The values which had previously been added to the stocks of raw material and goods have to be ignored. The said statement is the precaution of which method.
- Product Method
 - Income Method
 - Expenditure Method
 - None of these
5. _____ is the second largest component of national income.
- Investment Expenditure
 - Government Expenditure
 - Net Exports
 - Consumption Expenditure
6. The income private businesses pay to households who have lent the business money is:
- Wages
 - Profits
 - Interest
 - Rent
7. _____ gains such as prizes won, lotteries etc. is not be included in the estimation of national income.
- Illegal Money
 - Windfall
 - Transfer
 - Sale of Asset
8. GDP by expenditure method at market prices = $C + I + G + (X - M)$, where $(X - M)$ is net export which can be positive or negative. What "I" represent in this equation
- Interest
 - Income
 - Investment

- d) Imports
9. The price index which is calculated by dividing the nominal GDP in a given year by the real GDP for the same year and multiplying it by 100.
- a) GDP Inflator
 - b) GDP deflator
 - c) GDP accelerator
 - d) GDP decelerator
10. $\text{GDP at Factor Cost} = \text{GDP at Market Price} - ? + \text{Subsidies}$.
- a) Direct Taxes
 - b) Customs Duty
 - c) Indirect Taxes
 - d) Excise Duty
11. In GDP at market price _____ are included and _____ by the government are excluded.
- a) Indirect Taxes & Subsidies
 - b) Subsidies & Indirect Taxes
 - c) Customs Duty & Indirect Taxes
 - d) Customs Duty & Subsidies.
12. _____ is the measure of money, in which all kinds of goods and services produced in a country during one year are measured in terms of money at current prices and then added together.
- a) GDP
 - b) NNP
 - c) GNP
 - d) NNI
13. Taxes levied on individuals, corporations and other businesses are included in the
- a) GDP
 - b) NNP
 - c) GNP

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

d) NNI

14. $GNP \text{ at Factor Cost} = \text{_____} - \text{Indirect Taxes} + \text{Subsidies.}$

a) GNP at Cost Price

b) GNP at Market Price

c) GNP at Inflated Price

d) GDP at Market Price

15. $\text{Personal Income} = \text{Private Income} - \text{Undistributed Corporate Profits} - \text{Profit Taxes}$

a) True

b) False

ACE

Chapter 3. Indian National Budget



Hi ! I am Nirmala Sitharaman, The Indian Finance Minister

I HOPE YOU ARE AWARE ABOUT THIS ?

The Union **Budget** of **India**, referred to as the Annual Financial Statement in Article 112 of the Constitution of **India**, is the annual **budget** of the Republic of **India**, presented each year on the **very first day** of February by the Finance Minister of **India** in Parliament.

1. Which of the following statements are incorrect?

- I. Appropriation Bill cannot be amended while the Finance Bill can be amended.
- II. Finance Bill cannot be amended while Appropriation Bill can be amended.
- III. Same procedure governs both the Appropriation Bill and the Finance Bill.
- IV. Appropriation Bill and the Finance Bill are governed by different procedures.
- V. Appropriation bill cannot be rejected by the Rajya Sabha while Finance Bill can be rejected by it.

- (a) II and IV
 ● (b) II, IV and V

- (c) I and III
- (d) I, III and V
2. Regional Rural Banks work at
- (a) Hobli level
- (b) Taluk level
- (c) District level
- (d) All levels
3. Deficit Financing means :
- (a) Public expenditure in excess of public revenue
- (b) Public revenue in excess of public expenditure
- (c) Both (a) & (b)
- (d) None
4. In which of the following year Regional Rural Banks (RRBs) were established in India?
- (a) 1965
- (b) 1969
- (c) 1975
- (d) 1982
5. Co-operative development bank was set up by
- (a) NABARD
- (b) RBI
- (c) SBI
- (d) Central Govt.
6. Which article of the Constitution envisages Budget?
- (a) Article 280
- (b) Article 110
- (c) Article 360
- (d) Article 112

7. Which statement is not correct about budget 2019-20?

- (a) The number of new income-tax filers increased in 2017-18, taking the total income tax returns filed to 6.84 crore, up 26% from previous year.
- (b) Payment of gratuity has been increased from 10 lakh to 20 lakhs.
- (c) Government has introduced the Prime Minister 'Kisan Samman Nidhi Yojana'. This scheme will be in effect from 1st January, 2019.
- (d) The amount allocated for the defense sector has exceeded 3 lac cr for the first time.

8. Which of the following does not have any roles in regulation of NBFCS?

- (a) National Housing Bank
- (b) Reserve Bank of India.
- (c) SIDBI
- (d) Ministry of Corporate Affairs

9. Who was the first Finance minister of independent India?

- (a) Shanmukhan Chetty
- (b) John Mathai
- (c) C. D Deshmukhi
- (d) Liaquat Ali Khan

10. The budget was formally introduced in India in:

- (a) 1860
- (b) 1947
- (c) 1950
- (d) 1868

11. Which of the following banks were nationalized in 1980?

- a) Andhra Bank
- (b) Vijaya Bank
- (c) Corporation Bank
- (d) All the above

12. Which is the financial development institution created specially for the small & medium enterprises

- (a) SIDBI
- (b) IDBI
- (c) NABARD
- (d) IFCI LTD

13. A vertical supply curve parallel to the Y-axis implies that the elasticity of supply is:

- a. zero
- b. infinite
- c. greater than 0 but less than 1
- d. equal to 1

14. If the percentage change in supply is less than the percentage change in price it is called_____

- a. unit elasticity of supply
- b. inelastic supply
- c. more elastic supply
- d. perfectly elastic

DO IT NOW

SOMETIMES

“LATER”

BECOMES

“NEVER”

Chapter 4. Indian Financial Markets



Usually, it doesn't make sense to put savings under your mattress or bury them in your backyard.

Neither of those options will help your savings grow.

Mr. Ek number ka **Buddhu**

1. A Non-Banking Financial Company (NBFC) is a company registered under the
 - (a) RBI Act 1934
 - (b) Companies Act, 1956
 - (c) NBFC Act 1956
 - (d) Government Securities Regulations, 1913
2. Which national agency will be scrapped in next fiscal, as per the budget 2018-19?
 - (a) Foreign Investment Promotion Board
 - (b) Securities Exchange Board of India
 - (c) NITI Aayog
 - (d) None of the above
3. Central Government's contribution towards the capital of RRBs is made through
 - (a) NABARD (b) RBI (c) SBI (d) Central Cooperative Bank.
4. Which of the following is the first Development Bank of India
 - (a) IFCI
 - (b) SFC

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

- (c) NABARD
- (d) State Industrial Development corporations.
5. What is the percentage of FDI through automatic route at present according to the budget?
- (a) 60%
- (b) 70%
- (c) 80%
- (d) 90%
6. If borrowing and other liabilities are added to the budget deficits we get
- (a) Fiscal Deficit
- (b) Primary Deficit
- (c) Capital Deficit
- (d) Revenue Deficit
7. Which of the following three public general insurance companies will be merged into single insurance company as per Budget 2018-19?
- (a) UTI, Oriental Insurance and National Insurance
- (b) LIC, Bharti AXA and United Insurance
- (c) General Insurance, Max Bupa and UTI
- (d) Agriculture insurance Company of India Limited, Bharti AXA and United Insurance
8. State Bank of India headquarter is located
- (a) Kolkata
- (b) Mumbai
- (c) Delhi
- (d) Any of States

The Expert in anything was
ONCE a Beginner

Chapter 5: Indian Economy



1. The Central nodal agency for implementing price support operations for commercial crops is-
 - FCI
 - NABARD
 - TRIFED
 - NAFED
2. Which of these is an objective of industrial policy?
 - (a) Sustainable growth
 - (b) Gainful employment
 - (c) Optimum utilization of resources
 - (d) All of these
3. The number of agro-climatic zones in India under National Agriculture Research Project is-
 - 100

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

- 110
- 120
- 127

4. In case of enterprises engaged in rendering of services, a small enterprise is one where investment in is more than 10 lakhs but less than 2 crores".

- (a) Plant and machinery
- (b) Land and building
- (c) Equipment
- (d) None of these

5. Which of the following periods is known as first Green Revolution period in India?

- 1951-1953
- 1966-1969
- 1975-1978
- 1981-1983

6. Which among the following has the highest production of pulses?

- Uttar Pradesh
- Madhya Pradesh
- Bihar
- Rajasthan

7. Indian economy is:

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

- (a) Socialist Economy
- (b) Gandhian Economy
- (c) Mixed Economy
- (d) Free Economy

8. India's economic planning CANNOT be said to be

- (a) Indicative
- (b) Imperative
- (c) Limited
- (d) Democratic

9. Asia's first Rice Technology park to be established in-

- Andhra Pradesh
- Maharashtra
- Uttar Pradesh
- Karnataka

10. Where is the head-quarter of International Fund for Agriculture Development located?

- Vienna, Austria
- Rome, Italy
- New York, USA
- Berlin, Germany

11. Which of the following is the largest irrigation plan in India?

- Buckingham Canal
- Indira Gandhi Canal

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

Upper Ganges Canal

Tajewala Canal

ACE

KHICHDI SEGMENT

1. _____ is the difference between the total addressable demands for external credit compared to the overall supply of finance from the formal sources.

a. Assets gap

b. Liabilities gap

c. Finance gap

d. Credit gap

2. _____ is aimed at promoting entrepreneurship and job creation at the grassroots level, especially keeping in mind the Scheduled casts, Scheduled Tribes and women.

a. The innovative India initiative

b. The start-up India initiative

c. The make in India initiative

d. The stand-up India initiative

3. Ease of doing Business Report is prepared by which of the following organization?

a. South Asian Association for Regional Cooperative (SAARC)

b. World Bank

c. United Nations Organisations (UNO)

d. Association of South East Asian Nations (ASEAN)

4. The _____ is the gross fiscal deficit less net lending of the central government.

a. Capital account deficit

b. Gross Fiscal deficit

c. Net fiscal deficit

d. Current account deficit

5. The formula to calculate Net Domestic product is:

a. Government Expenditure + Depreciation

b. Gross National Product + Depreciation

c. Gross domestic Product + Depreciation

d. Gross domestic product - Depreciation

6. _____ is Gross domestic product (GDP) plus net factor income from abroad.

a. Gross National product

b. Net domestic product

c. Gross domestic product

d. Net national product

7. Plans and Policies of the organizations would be covered under which form of environment?

a. Political environment

b. Internal environment

c. External environment

d. Social environment

8. In order to broaden the frontiers of Entrepreneurship Research, EDII has established _____ to investigate into a range of issues surrounding small and medium enterprise sector.

a. Centre for Research in Entrepreneurship Education and Development(CREED)

b. Centre for Revolution in Entrepreneurship Emergence and Development (CREED)

c. Centre for Research in Entrepreneurship Excellence and Development(CREED)

d. Centre for Resurgence in Entrepreneurship Excellence and Development(CREED)

9. The organized component of money market consists of the _____, _____ and _____.

a. Only Reserve Bank of India

b. Reserve Bank of India and Commercial Banks

c. Commercial Banks and Cooperative banks

d. Reserve bank of India, Commercial Banks and cooperative Banks

10. _____ is a long-term security yielding a fixed rate of interest, issued by a company and secured against assets.

a. Preference share

b. Treasury Bills

c. Equity share

d. Debenture

11. When the change in supply is relatively less when compared to the change in price, we say that the commodity has a _____.

a. Perfectly Inelastic Supply

b. Relatively Less-Elastic Supply

c. Relatively Greater - Elastic Supply

d. Perfectly Elastic Supply

12. The difference between total revenue and total expenditure of the government is termed as _____.

a. Net deficit

b. Gross deficit

c. Monetary deficit

d. Fiscal deficit

13. Under the _____, irrespective of any rise or fall in price of a commodity, the quantity demanded remains the same.

a. Perfectly Inelastic Demand

b. Relatively Elastic Demand

c. Perfectly Elastic Demand

d. Unitary Elastic Demand

14. The elements like growth, employment, inflation and interest rates would be covered under which macro-environment factor?

a. Political

b. Economics

c. Social

d. Technological

15. MUDRA under Pradhan Mantri Mudra Yojana stands for?

a. Macro Units Development & Refinance Associate Ltd.

b. Micro Units Development & Refinance Agency Ltd.

c. Macro Units Development & Restructuring Associate Ltd

d. Micro Units Development & Restructuring Agency Ltd

16. _____ is an online procurement platforms for government ministries and departments, and the most widely used channel for public procurement in India.

- a. Government E- Marketplace
- b. Government E- Manufacturing place
- c. Government E- Manufacturing Plan
- d. Government e Model place

17. _____ is a market structure with a small number of firms, none of which can keep the others from having significant influence.

- a. Monopoly
- b. Oligopoly
- c. Duopoly
- d. Monopolistic Competition

18. When fiscal deficit is financed by borrowing from _____, it is called deficit financing or money creation.

- a. Public sector banks
- b. Private Sector Banks
- c. Regional Rural banks
- d. Reserve Bank of India

19. CSO stands for _____.

a. *Central Sample Organisation*

b. *Central Sample Office*

c. *Central Statistics Office*

d. *Central statistical Organisation*

20. *The formula for calculating Private Final Consumption Expenditure (PFCE) is:*

a. *Household Final Consumption Expenditure / Private Non-Profit Institutions Serving Households Final Consumption Expenditure*

b. *Household Final Consumption Expenditure + Private Non-Profit Institutions Serving Households Final Consumption Expenditure*

c. *Household Final Consumption Expenditure - Private Non-Profit Institutions Serving Households Final Consumption Expenditure*

d. *Household Final Consumption Expenditure X Private Non-Profit Institutions Serving Households Final Consumption Expenditure*

21. *EDII stands for*

a. *Entrepreneurship Design Institute of India*

b. *Entrepreneurs Development India Institute*

c. *Entrepreneurship Development India Institute*

d. *Entrepreneurship Development Institute of India*

22. *Credit Guarantee Scheme is covered under which factor of Enabling Environment for MSME in India?*

a. *Direct Government Support*

b. *Infrastructure Support*

c. *Legal & Regulatory framework*

d. *Indirect Government support*

23. *The long form of the sentence, 'ASPIRE' is:*

a. *A Scheme for promoting Inventions & Rural Education*

b. *A Scheme for Prospering Innovation & Regional Entrepreneurship*

c. *A Scheme for Promoting Innovations & Rural Entrepreneurship*

d. *A Scheme for Promoting Innovation & Regional Excellence*

24. *In original, business is a system by which it produces goods and service for the satisfaction of wants, by using several inputs, such as, raw material, capital, labour etc, From the environment. This statement refers to which of the following nature of business environment?*

a. *Creative Approach*

b. Social Responsibility Approach

c. System Approach

d. Instructive Approach

25. In the Union Budget presented on July 5, 2019, for ease of access to credit for _____, the Government has introduced providing of loans upto Rs.1 crore within 59 minutes.

a. Public sector Undertakings

b. Micro, Small and Medium Enterprise

c. Multinational Corporation d. Large Business enterprise

26. The Law of demand governs the relationship between the _____ and the _____

a. Desire and Ability

b. Quantity demanded and Desire

c. Quantity demanded and Price

d. Desire and Price

27. Demographics like population growth, age, distribution and attitudes toward safety and health consciousness are covered under which macro-environment factor?

a. Social

b. Political

c. Economic

d. Technological

28. _____ are receipts of the government which create liabilities or reduce financial assets, e.g., market borrowing, recovery of loan, etc.

a. Capital Receipts

b. Revenue Receipts

c. Revenue Exports

d. Donations to Governments

29. _____ is the total monetary or market value of all the finished goods and service produced within a country's borders in a specific time period.

a. Net National product at Market Price

b. Net domestic product

c. Gross domestic product

d. Net National product at Factor Cost

30. Stand-up India scheme for financing SC/ST and / or women Entrepreneurship is facilitated through _____.

a. Industrial Finance Corporate of India

b. Small Industries Development Bank of India

c. Reserve bank of India

d. Rural banks

31. The 'Make in India' Initiative was launched in _____.

a. Sep-14

b. Sep-16

c. Sep-18

d. Sep-19

32. Loans received from foreign governments are covered under _____.

a. Income from Exports

b. Revenue budget

c. Donations

d. Capital Budget

33. Under Non-Banking Finance company a/an _____ means any company which is a financial institution carrying on as its principle business the acquisition of securities.

a. Infrastructure Finance Company

b. Asset finance company

c. Investment Company

d. Loan company

34. At _____ the quantity of goods supplied is equal to the quantity of goods.

a. *Equilibrium price*

b. *Government price*

c. *Economy price*

d. *Premium price.*

35. The Government of India has launched the _____ with an investment of Rs.50,000 crore aimed at envelopment of irrigation sources from providing a permanent solution from drought.

a. *Pradhan Mantri Krishi Suryodaya Yojana*

b. *Pradhan Mantri Krishi Suraksha Yojana*

c. *Pradhan Mantri Krishi Sinchai Yojana*

d. *Pradhan Mantri Krishi Suyojit Yojana*

36. In September 2018, _____ was launched under Ayushman Bharat to provide coverage of up to Rs.5,00,000 to more than 100 million vulnerable families.

a. *National Health Promotion Scheme*

b. *National Health Prevention Scheme*

c. *New Health Protection Scheme*

d. *National Health Protection Scheme*

37. Small Finance Banks are licensed under section 22 of the ____.

a. *Negotiable Instruments Act, 1881.*

b. Banking Regulation Act, 1949

c. Indian Council Act, 1872

d. Reserve Bank of India Act, 1935

38. City Union Bank is covered under which of the following categories?

a. Public Sector Bank

b. New Private Sector Bank

c. Old Private Sector Bank

d. None of the above

39. Which method of calculating National Income has the risk of 'Double Counting'?

a. Expenditure Method

b. Income Method

c. Product Method

d. Profit Method

40. Windfall gains like, prizes won, lotteries etc. Should not be included in the estimation of national income is the precaution to be followed under which of the following methods of computing national income?

a. Income Method

b. Expenditure method

c. Product Method

d. Profit method

41. If quantity supplied changes by a lower percentage than a percentage change in price, it is termed as:

a. Relatively Less-Elastic Supply

b. Relatively Greater-Elastic Supply

c. Perfectly Inelastic Supply

d. Unitary Elastic Supply

42. In India, the _____ is the apex banking institution that regulates the monetary policy in the country.

a. Oriental Bank of Commerce

b. Canara Bank

c. Reserve Bank of India

d. State Bank of India

43. The Revenue Budget records all _____ and _____.

a. Revenue receipts and capital expenditure

b. Revenue expenditure and capital expenditure

c. Revenue receipts and revenue expenditure

d. Revenue receipts and capital receipts

44. Green Revolution Programme was launched in which of the following five year plans of India?

a. Tenth Five Year Plan

b. Eight Five Year Plan

c. First Five Year Plan

d. Third Five Year Plan

45. The formula to compute GNP at Market Prices is:

a. $GNP \text{ at Market Prices} = GDP \text{ at Market prices} + \text{Depreciation}$

b. $GNP \text{ at Market Prices} = GDP \text{ at Market Prices} - \text{Net Income From Abroad}$

c. $GNP \text{ at Market Prices} = GDP \text{ at Market Prices} + \text{Net Income from Abroad}$

d. $GNP \text{ at Market Prices} = GNP \text{ at Market Prices} + \text{Depreciation}$

46. Which of the following is/are considered for calculating National Income according to the Expenditure Method?

a. Consumption Expenditure; Investment Expenditure; Government Expenditure and Net Exports

b. Consumption Expenditure

c. Net Exports and Consumption Expenditure

d. Government expenditure, Investment Expenditure and Net Exports.

47. *If $e_p = 0$, then it signifies:*

a. Perfectly Elastic Demand

b. Unitary Elastic Demand

c. Perfectly Inelastic Demand

d. Relatively Inelastic Demand

48. *Which of the following needs to be deducted to derive NDP from GDP?*

a. Net profit

b. Net sales

c. Net loss

d. Depreciation

49. *All receipts and expenditure that in general do not entail sale or creation of assets are included under the _____.*

a. Profit and Loss Account

b. Revenue Account

c. Sales account

d. Capital account

50. *E-Sanchit*, an online application system, under the _____ has been implemented in order to facilitate traders to submit all supporting documents electronically with digital signature.

a. *Single Window Initiative for Trade (SWIFT)*

b. *Single Window Interface for Trade (SWIFT)*

c. *Single Window Innovative for Trade (SWIFT)*

d. *Single Window Incentive for Trade (SWIFT)*

51. Which of the following is not the affiliated office is Ministry of Corporate Affairs? a. *Serious Fraud Investigation Office*

b. *Central Statistics Office*

c. *Indian Institution of Corporate Affairs*

d. *Competition Commission of India*

52. 'No change in the seller's expectation regarding future prices' is the assumption of which of the following laws of economics?

a. *Law of Demand*

b. *Law of Diminishing Returns to scale*

c. *Law of Increasing Returns to scale*

d. *Law of supply*

53. 'Estimating net value added by each producing enterprise as well as each industrial sector and adding up the net value added by the

sectors', is a step considered for calculating National Income under which of the following methods?

a. Profit Method

b. Income Method

c. Expenditure Method

d. Value Added Method

54. National skill development corporation was set up by

a. Ministry of statistics and Programme Implementation

b. Ministry of Agriculture

c. Ministry of Human Resource Development

d. Ministry of Finance.

55. _____ give power to the government to withdraw funds from the Consolidated Fund of India for meeting the expenditure during the financial year.

a. Appropriation Bill

b. Ordinary Bill

c. Finance Bill

d. Constitution Amendment Bill

56. Stand Up India Scheme is Anchored by which of the following?

a. Department of Science and Technology

b. Department of Higher Education

c. Department of Financial services

d. Department of Social Welfare

57. Banks are classified into _____.

a. Four Categories

b. Five Categories

c. Six Categories

d. Seven Categories

58. Recognising the need for skill development in India, which of the following policies was formulated by the Government of India in 2009?

a. National skill Growth Policy

b. National Social Development Policy

c. National skill Innovation Policy

d. National Skill development policy

59. _____ means a schedule of possible prices and amounts that would be sold at each price.

a. Supply

b. Sales

c. Profit

d. Demand

60. When there is an excess of exports over imports, it is called _____.

a. Unfavorable Balance of Payment

b. Favorable Balance of Trade

c. Unfavorable Balance of Trade

d. Favorable Balance of Payments.

61. The ____ states that a firm will produce and offer to sell greater quantities of a product or service as the price of that product or service rises, other things being equal. a. Law of Diminishing Returns to Scale

b. Law of Supply

c. Law of Variable Proportions

d. Law of Diminishing Marginal Utility

62. The formulate to calculate NDP at factor cost is:

a. NDP at Factor Cost = Gross Valued Added at Factor Cost - Depreciation.

b. NDP at Factor Cost = Gross Valued Added / Depreciation

c. NDP at Factor Cost = Gross Value Added at Factor Cost \times Depreciation

d. $NDP \text{ at Factor Cost} = \text{Gross Value Added at Factor Cost} + \text{Depreciation}$

63. In 1978, UTI was de-linked from the RBI and the _____ took over the regulatory and administrative control place in place of RBI.

a. National Bank for Agriculture and Rural Development

b. Industrial Finance Corporation of India

c. Industrial Development Bank of India

d. Small Industries Development Bank of India

64. Contingency Fund is at the disposal of the _____.

a. Chief Minister

b. President

c. Cabinet Minister

d. Prime Minister

65. The formula to calculate Income Elasticity of Demand is:

a. $\text{Percentage Change in Quantity Demanded} \times \text{Percentage Change in Income}$

b. $\text{Percentage Change in Quantity Demanded} - \text{Percentage Change in Income}$

c. $\text{Percentage Change in Quantity Demanded} + \text{Percentage Change in Income}$

d. Percentage Change in Quantity Demanded / Percentage Change in Income

66. All revenues raised by the government, money borrowed and receipts from loans given by the government flow into the _____.

a. Consolidated Fund of India

b. Gross Fund in India

c. State Government Fund of India

d. Net fund of India

67. If $ep < 1$, it signifies:

a. Relatively Inelastic Demand

b. Perfectly Elastic Demand

c. Perfectly Inelastic Demand

d. Unitary Elastic Demand

68. If the total expenditure of the government exceeds its total revenue and non-revenue receipts in a financial year, then the gap is the _____ for the financial year.

a. Monetary deficit

b. Turnover deficit

c. Fiscal deficit

d. Capital deficit

69. The Government of India in the backdrop of major failures of non-banking financial companies, phenomenon of vanishing companies, plantation companies and stock market scams decided to set up which of the following?

a. Serious Fraud Investigation office

b. Central Statistics office

c. Competition commission of India

d. Indian institute of corporate affairs.

70. Who among the following presented the First budget of Independent India?

a. Mr. R. K. Shammukham Chetty

b. Mr. C. D. Deshmukh

c. Mr. P. C. Mahalanobis

d. Mr. V. K. R. V. Rao

71. Which of the following is the implementing agency of Pre-Departure Oriented Program (PDOP) Program?

a. National Bank for Agriculture and Rural development

b. Insurance Regulatory Development Authority of India

c. Industrial Finance Corporation of India

d. National skill development corporation

72. The production of goods for self-consumption is valued at _____ while calculating national income through Product Method.

- a. Historical Prices
- b. Prevailing Market Prices
- c. Prevailing Cost Prices
- d. None of the above

73. 'No Concept of the Consumer preference' is the assumption of which of the following forms of market competition?

- a. Perfect competition
- b. Monopoly
- c. Oligopoly
- d. Duopoly

74. A commodity with _____ has an infinite elasticity.

- a. Relatively greater Elastic supply
- b. Relatively less elastic supply
- c. Perfectly Elastic supply
- d. Unitary Elastic supply

75. The formula to compute Net National Product at Factor Cost is:

a. $NNP \text{ at Market price} + \text{Indirect Taxes} + \text{Subsidies}$

b. $NNP \text{ at Market price} - \text{Indirect Taxes} - \text{Subsidies}$

c. $NNP \text{ at Market price} - \text{Indirect Taxes} + \text{Subsidies}$

d. $NNP \text{ at Market price} - \text{Subsidies}$

76. The formula to calculate Personal Income is:

a. $\text{National Income} - \text{Undistributed Corporate profits} + \text{Profits Taxes} - \text{Social Security Contribution} - \text{Interest on Public Debt.}$

b. $\text{National Income} + \text{Undistributed Corporate profits} + \text{Profits Taxes} + \text{Social Security Contribution.}$

c. $\text{National Income} - \text{Undistributed Corporate profits} - \text{Profits Taxes} - \text{Social Security Contribution} + \text{Transfer Payments} + \text{Interest on Public Debt.}$

d. $\text{National Income} - \text{Undistributed Corporate profits} + \text{Profits Taxes} - \text{Social Security Contribution} - \text{Transfer Payments}$

77. The formula to compute GNP at Market Price is:

a. $GNP \text{ at Market price} = GDP \text{ at Market price} - \text{Net income from Abroad}$

b. $GNP \text{ at Market price} = GDP \text{ at Market price} + \text{Net income from Abroad}$

c. $GNP \text{ at Market price} = GNP \text{ at Market price} + \text{Depreciation}$

d. $GNP \text{ at Market price} = GDP \text{ at Market price} + \text{Depreciation.}$

78. _____ if any, must be deducted from the value added while calculating national income as per the Product method, as it does not result into real increase in output.

a. Stock Appreciation

b. Stock Depreciation

c. Stock lose due to theft

d. Stock Insured

79. When the change in supply is relatively more when compared to the change in price, we say that the commodity has _____.

a. Relatively Less elastic supply

b. Perfectly Elastic Supply

c. Unitary Elastic supply

d. Relatively greater elastic supply

80. _____ means a schedule of possible prices and amounts that would be sold at each price.

a. Demand

b. Supply

c. sales

d. Profit

81. The production value of the transport and communication is taken into consideration for computation of national income under which of the following method?

a. Income method

b. Profit method

c. Expenditure method

d. Product method

82. What is the formula to calculate GDP at market price?

a. GNP at market price + Net Indirect taxes

b. GNP at Market price + Net Income from Abroad

c. GNP at market price - Net Income from Abroad

d. GNP at market price - Net Indirect Taxes

83. In 2003, Kotak Mahindra Finance Ltd. Received a banking licence from RBI and became the first _____ to be converted into a bank

a. Mutual Funds

b. Insurance company

c. Non-banking Finance company

d. Asset Reconstruction company

84. The long form of SUUTI is:

a. Specified Undertakings of the Unit Trust of India

b. Special Undertakings of the Unit Turnover of India

c. Special Undertakings of the Unit Trust of India

d. Specified Undertakings of the Union Trust of India

85. 'No Change in Consumers preferences' is the assumptions of which of the following laws of economics?

a. Law of Demand

b. Law of Supply

c. Law of increasing Returns to scale

d. Law of Diminishing Returns to Scale

86. While adding up the value of output of various sectors for calculating of National income under Product method, care should be exercised to avoid the problem of _____.

a. Single counting

b. Triple counting

c. Quadruple counting

d. Double counting

87. When quantity demanded of a commodity increases as a result of fall in the price, it is called:

a. Growth in demand

b. Increase in demand

c. Expansion in demand

d. Rise in demand

88. The _____ is the market price where the quantity of goods supplied is equal to the quantity of goods demanded.

a. Nominal Price

b. Attractive price

c. Equilibrium price

d. Exact price

89. Which of the following formula would be used to calculate Disposable Income?

a. Private Income - Direct Taxes

b. Private Income + Direct Taxes

c. Personal Income - Direct taxes

d. Personal Income + Direct taxes

90. Which of the following was the first 'non-UTI' mutual fund established in June 1987?

a. ICICI Mutual Fund

b. PNB Mutual Fund

c. SBI Mutual Fund

d. HDFC Mutual Fund

91. The long form of CCEA is:

a. Cabinet Commission on External Affairs

b. Core Commission on External Affairs

c. Cabinet Committee on Economic Affairs

d. Core Committee on Economic Affairs

92. Consumer spending less on luxury items on car due to recession will fall under which of the following business environment?

a. Social environment

b. Technological environment

c. Political environment

d. Economic environment

93. Which of the following Committee's recommended opening up of the insurance sector to private players in India?

a. NL Mithra Committee

b. Kumaramangalam Birla committee

c. Malhotra committee

d. Uday Kotak Committee

94. If $ep > 1$, then it signifies:

a. *Relatively Elastic Demand*

b. *Perfectly Inelastic Demand*

c. *Relatively Inelastic Demand*

d. *Unitary Elastic Demand*

95. *Salaries, subsidies and interest payments are part of _____ union budget.*

a. *Indirect Expenditure*

b. *Revenue expenditure*

c. *Direct expenditure.*

d. *Capital expenditure.*

96. *The demand for very costly and cheap goods is generally _____*

a. *Perfectly Elastic*

b. *Relatively Elastic*

c. *Inelastic*

d. *Unitary Elastic*

97. *Which of the following equations will be used to compute percentage change in quantity demanded?*

a. *Change in Quantity + Original Quantity \times 100*

b. *Change in Quantity / Original Quantity \times 100*

c. *Change in Quantity \times Original Quantity \times 100*

d. Change in Quantity - Original Quantity $\times 100$ 100.

98. The Mutual Fund industry in India started in 1963 with formation of UTI in 1963 by an Act of Parliament and functioned under the regulatory and administrative control of the _____.

a. Industrial Finance Corporation of India

b. Small Industries Development Bank of India

c. State Bank of India

d. Reserve Bank of India

99. During which of the following five year plans , National Agricultural Policy, 2000 was framed?

a. Fifth Five year plan

b. Eleventh Five year plan

c. Tenth Five year plan

d. Ninth Five year plan

100. When demanded changes not because at price but because of changes in other determinants of demands, it is case of either _____ or _____ in demand.

a. Increase, diminish

b. Increase, Decrease

c. Expansion, Contraction

d. Rise, fall

101. The long form of IRDAI is:

- a. Insurance Regulations and Distributions Authority of India
- b. Insurance Regulatory and Development Association of India
- c. Insurance Regulatory and Development Authority of India
- d. Insurance Regulations and Development Assembly of India

102. In 2007, the Government of India launched the ____ initiative to improve the country's overall crop production, especially that of rice, wheat and pulses.

- a. National Food Security Mission
- b. National Food Social Mission
- c. National Food Storage Mission
- d. National Food Soaring Mission

103. Which of the is/are the element/elements of Capital Budget?

- a. Only Capital receipts
- b. Capital Receipts and Revenue Expenditure
- c. Only Capital Expenditure
- d. Capital Receipts and Capital Expenditure

104. All revenues raised by the government, money borrowed and receipts from loans given by the government flow into the _____.

- a. State Government Fund of India

b. Gross Fund of India

c. Net Fund of India

d. Consolidated Fund of India

105. "Identifying the producing enterprise and classifying them into individual sectors according to their activities", is a step followed in which of the following method of computing national income?

a. Product method

b. Profit method

c. Expenditure method

d. Income method

106. Which of the following elements are considered for computing national income according to Expenditure method?

a. Consumption Expenditure; Investments Expenditure and Government Expenditure

b. Consumption Expenditure and Investments Expenditure

c. Consumption Expenditure and Net exports

d. Consumption Expenditure ; Investments Expenditure ; Government Expenditure and Net exports

107. Supply represents how much _____ can offer

a. Household

b. Market

c. Firm

d. None of the above

108. The _____ is to account for flows for those transaction where the government is merely acting as a banker.

a. Public Account

b. Gross Fund of India

c. Net Fund of India

d. Consolidated Fund of India

109. A Fashion designer who creates bell-bottom, striped pants will not succeed in an environment where straight-leg, solid colored pants are desired. This event would be covered under which of the following ?

a. Political factors

b. Technological factors

c. Social Factors

d. Economic Factors

110. _____ is a statutory regulatory body entrusted with the responsibility to regulate the Indian capital markets.

a. Securities and Earnings Boards of India

b. Securities and Exchange Board of India

c. Competition Commissions of India

d. Serious Fraud Investigation office

111. The problems of Double Counting may arise in which of the following methods of calculating national income?

a. Profit Method

b. Income Method

c. Product Method

d. Expenditure Method

112. Which of the following is not considered for computations of national income under Income Methods?

a. Interests

b. Wages

c. Government Expenditure

d. Rent

113. For a commodity with a _____ the change in quantity supplied of a commodity is exactly equal to the change in its price.

a. Relatively Greater-Elastic Supply

b. Perfectly Elastic supply

c. Relatively Less-Elastic Supply

d. Unitary Elastic Supply

114. Competition Commission of India is affiliated office of _____.

a. Ministry of Finance

b. Ministry of Statistics and Programme Implementation

c. Ministry of corporate Affairs

d. Ministry of Agriculture

115. A Service or commodity has a _____ if a given quantity of it can be supplied whatever might be the price.

a. Unitary Elastic supply

b. Relatively Less-Elastic supply

c. Perfectly Inelastic supply

d. Relatively Greater- Elastic Supply

116. Transfer payments such as gifts, donations, scholarship etc. Should not be included in the estimation of national income is the precaution to be followed under which of the following methods of computing national income?

a. Product method

b. Expenditure method

c. Income method

d. Profit method.

117. Elasticity of demand:

a. *Percentage in quantity demand - Percentage Change in Price*

b. *Percentage change in Quantity Demanded / Percentage Change in Price*

c. *Percentage in Quantity Demanded + Percentage Change in Price*

d. *Percentage change in Quantity Demanded x Percentage Change in Price*

118. *"The product in the market are homogenous i.e. they are completely identical", is the assumption of which form of market competition?*

a. *Monopoly*

b. *Duopoly*

c. *Monopolistic Competition*

d. *Perfect Competition*

119. *The _____ aims at promoting entrepreneurship among the women and scheduled castes and tribes. The schemes is anchored by Department of Financial Services , Ministry of Finance , Government of India.*

a. *Make New India*

b. *Make in India*

c. *Stand up India*

d. None of the above

120. Commercial banks are regulated under the _____.

a. Negotiable Instruments Act, 1881

b. Indian Contract Act, 1872

c. Banking Regulation Act, 1949

d. Indian Companies Act, 2013

121. Centurion Bank and times bank were merged with _____

a. UCO Bank

b. ICICI Bank

c. HDFC Bank

d. State Bank of India

122. The Revenue Budget records all _____ and _____.

a. Revenue receipts and Capital Expenditure

b. Revenue receipts and Capital receipts

c. Revenue Expenditure and Capital expenditure

d. Revenue Receipt and Revenue Expenditure

123. _____ is expenditure incurred on by business firms on

a) new plants

b) adding to the stock of inventories and

c) on newly constructed houses

124. The proposal of government for levy of new taxes, modifications of the existing tax structure or continuation of the existing tax structure beyond the period approved by the Parliament are submitted to parliament through_____.

a. Constitution amendment bill

b. Ordinary bill

c. Appropriation bill

d. Finance bill

125. The latin phrase 'Ceteris Paribus' means

a. Other things being changeable

b. No presence of any factor

c. Other things remaining the same

d. None of the above

126. The formula to calculate GDP at Factor Cost:

a. $GDP \text{ at Factor Cost} = \text{Net Value Added} \times \text{Depreciation}$

b. $GDP \text{ at Factor Cost} = \text{Net Value Added} / \text{Depreciation}$

c. $GDP \text{ at Factor Cost} = \text{Net Value Added} - \text{Depreciation}$

d. $GDP \text{ at Factor Cost} = \text{Net Value Added} + \text{Depreciation}$

127. Which of the following is not a bottleneck in entrepreneurial growth?

a. *Too much noise*

b. *Lack of money*

c. *Proper Planning*

d. *A small or non-existent network*

128. *Imperial Bank was taken over by _____ in 1955.*

a. *ICICI bank*

b. *State Bank of India*

c. *Canara Bank*

d. *Punjab National Bank*

129. *When a small change in price of a product causes a major change in its demand, it is said to be _____.*

a. *Relatively Elastic demand*

b. *Perfectly Inelastic demand*

c. *Perfectly Elastic demand*

d. *Relatively Inelastic demand*

130. *Dhanlaxmi bank is covered under which of the following category?*

a. *Public Sector Bank*

b. *New Private Sector bank*

c. *Old Private sector bank*

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

d. None of the above

131. *Giffen Goods were named after:*

a. Sir Robert Giffen

b. Sir Tom Giffin

c. Sir Allan Giffin

d. Sir JB Giffin

ACE

SUPER 109 SOLUTION BASED SEGMENT

1. The elasticity of substitution between two perfect substitutes is:

- a. vertical
- b. horizontal
- c. negatively sloped
- d. positively sloped

2. A horizontal supply curve parallel to the quantity axis implies that the elasticity of supply is:

- a. zero
- b. greater than zero but less than one
- c. equal to one
- d. infinite

3. Goods that exhibits direct price-demand relationship are called:

- a. Substitute goods
- b. complementary goods
- c. Giffen goods
- d. None of the above

4. In perfect competition since firm is the price taker which curve is straight line?

- a. Marginal revenue
- b. Total revenue
- c. Marginal cost
- d. Total cost

5. In the long run, monopolist firm earns _____

- a. normal profit
- b. supernormal profit

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

- c. loss
- d. any of these

6. As income increases, the consumer will go in for superior goods and consequently the demand for inferior goods will fall. This means:

- a. negative income elasticity of demand
- b. unitary income elasticity of demand
- c. income elasticity of demand less than one
- d. zero income elasticity of demand

7. If a good is a luxury, its income elasticity of demand is:

- a. -ve but greater than -1
- b. zero
- c. +ve and less than 1
- d. +ve and greater than 1

8. Demand for a good will tend to be more inelastic if it exhibits which of the following characteristics?

- a. The good is a luxury
- b. There is a great deal of time for the consumer to adjust to the changes in prices
- c. The good has many substitutes
- d. The good is a small part of consumer's income

9. In the long run, a perfectly competitive firm earns only normal profits because of:

- a. Free entry and exit of firms
- b. Product homogeneity in the industry
- c. large no. of buyers and sellers
- d. Both b and c

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

- a. 2
- b. 1

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

- c. 0
- d. 1.5

11. Kinked Demand curve hypothesis is given by:

- a. Alfred Marshall
- b. A.C. Pigou
- c. Hicks and Allen
- d. Sweezy

12. A discount store has a special offer on CDs. It reduces their price from 150 to 100. Suppose the store manager observes that the quantity demanded increases from 700 CDs to 1300 CDs. What is the price elasticity of demand for CDs? (Use Arc Elasticity Method)

- a. 1.50
- b. 1.0
- c. 0.8
- d. 1.25

13. OPEC is an example of:

- a. Duopoly
- b. Monopoly
- c. Monopolistic competition
- d. Oligopoly

14. If price of computers increases by 10% and supply increases by 25%. The elasticity of supply is:

- a. (-) 0.4
- b. 0.4
- c. 2.5
- d. (-) 2.5

15. Suppose the price of Pepsi increases, we will expect the demand curve of Coca Cola to:

- a. shift towards right
- b. remain at the same level

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

- c. shift towards left
- d. initially shift towards left and then to the right

16. In which of the following market situation are the firms mutually inter-dependent in pricing output decisions?

- a. Monopoly
- b. Monopolistic competition
- c. Perfect Competition
- d. Oligopoly

17. _____ is that situation in which a firm bases its market policy, in part on the expected behavior of a few close rivals.

- a. Oligopoly
- b. Monopoly
- c. Monopolistic competition
- d. Perfect competition

18. In the definition of Gross Domestic Product in India, which of the following is not included in the definition of Domestic Territory?

- (a) Ships and aircrafts operated by the residents of the country.
- (b) Fishing vessels operated by the residents of the country.
- (c) Embassies and military establishments of the country located abroad.
- (d) Corporate offices of the residents of the country living abroad.

19. $GDPMP = GDPFC + \dots\dots\dots$:

- (a) Depreciation
- (b) NFIA
- (c) Net Indirect Tax
- (d) Subsidies

20. Product method of calculating national income is also known as

- (a) Income method
- (b) Value added method
- (c) Expenditure method

(d) None of the above

21. National dividend is sum of the money value of all goods & services produced by the residents of a country during a period of one year including income derived from abroad.

- (a) producer's
- (b) consumer's
- (c) intermediate
- (d) final

22. The difference between value of output and value added is :

- (a) Depreciation
- (b) Intermediate consumption
- (c) Net indirect taxes
- (d) NFIA

23. Net national product at factor cost is also known as:

- (a) Net Domestic product
- (b) Gross National product
- (c) National Income
- (d) Personal Income

24. Real national income means the national income measured in terms of.

- (a) Constant prices.
- (b) Current prices.
- (c) Wholesale prices.
- (d) Retail prices.

25. What is Net National Product?

- (a) The money value of final goods and services produced annually in the economy.
- (b) The money value of annual service generation in the economy.
- (c) The money value of tangible goods produced annually to the economy.
- (d) The money value of tangible goods available in the economy.

26. The most important problem of estimating National Income is..

- (a) Unorganised Market
- (b) Double Counting
- (c) Population rise
- (d) Income Inequalities

27. NNPFIC minus = NDPFC

- (a) NFIA
- (b) Net indirect taxes
- (c) Depreciation
- (d) None

28. National Income doesn't include:

- (a) Interest on unproductive national debt
- (b) Income for government expenditure
- (c) The payments by the household to firm for the purchase of goods and services
- (d) Undistributed profit

29. In country 'X', if NNP at market price remained constant and depreciation increased compared to the previous year, then GNP at market prices will

- (a) increase
- (b) decrease
- (c) increase by an amount equal to rise in depreciation
- (d) decrease by an amount equal to rise in depreciation

30. National Income differs from Net National Product at market price by the amount of

- (a) Current transfers from the rest of the world
- (b) Net indirect taxes
- (c) National debt interest
- (d) Subsidies

31. National Income estimation in India is done by :

- (a) Reserve Bank of India

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

- (b) Planning Commission
 (c) Central Statistical Organisation
 (d) Ministry of Finance

32. GNP is equal to plus Net foreign income from abroad.

- (a) NNP at factor cost
 (b) GDP
 (c) NNP at market price
 (d) national income

33. Transfer payments refer to payments, which are made:

- (a) Without any exchange of goods and services
 (b) To workers on transfer from one job to another
 (c) As compensation to employees
 (d) None

34. GDP at factor cost is equal to GDP at market price minus plus subsidies.

- (a) direct taxes.
 (b) indirect taxes.
 (c) foreign loans.
 (d) depreciation

35. Which one of the following is correct?

- (a) $NNPFC = NNPMP - NIT$
 (b) $NNPMP = NNPFC - NIT$
 (c) $NNPMP = NNPFC - \text{Depreciation}$
 (d) $NNPMP - NNPFC + \text{Depreciation}$

36. As per the Value Added Method of measuring national income identify which of the following item is excluded?

- (a) Brokerage and Commission earned by dealers of second hand goods
 (b) Sale of second hand machines
 (c) Production for Self - Consumption
 (d) Imputed rent of owner occupied houses

37. Which of the following statement is incorrect?

- (a) GNP at market price-depreciation = NNP at market price
- (b) GNP at market price-net income from abroad = GDP at market price
- (c) GNP at market price-net indirect taxes = GNP at factor cost
- (d) None of the above

38. _____ means the total value of goods and services produced annually in a country.

- a) Factor Income
- b) National Income**
- c) Personal Income
- d) Industry Income

39. The method that measures the contribution of each producing enterprise in the domestic territory of the country.

- a) Income Method
- b) Expenditure Method
- c) Product Method**
- d) None of these

40. The values which had previously been added to the stocks of raw material and goods have to be ignored. The said statement is the precaution of which method.

- a) Product Method**
- b) Income Method
- c) Expenditure Method
- d) None of these

41. _____ is the second largest component of national income.

- a) Investment Expenditure
- b) Government Expenditure**
- c) Net Exports
- d) Consumption Expenditure

42. The income private businesses pay to households who have lent the business money is:

- a) Wages
- b) Profits
- c) Interest
- d) Rent

43. Gains such as prizes won, lotteries etc. is not be included in the estimation of national income.

- a) Illegal Money
- b) Windfall
- c) Transfer
- d) Sale of Asset

44. GDP by expenditure method at market prices = $C + I + G + (X - M)$, where $(X - M)$ is net export which can be positive or negative. What "I" represent in this equation

- a) Interest
- b) Income
- c) Investment
- d) Imports

45. The price index which is calculated by dividing the nominal GDP in a given year by the real GDP for the same year and multiplying it by 100.

- a) GDP Inflator .
- b) GDP deflator
- c) GDP accelerator
- d) GDP decelerator

46. GDP at Factor Cost = GDP at Market Price — ? + Subsidies.

- a) Direct Taxes
- b) Customs Duty
- c) Indirect Taxes
- d) Excise Duty

47. In GDP at market price are included and by the government are excluded.

- a) Indirect Taxes & Subsidies
- b) Subsidies & Indirect Taxes
- c) Customs Duty & Indirect Taxes
- d) Customs Duty & Subsidies

48. is the measure of money, in which all kinds of goods and services produced in a country during one year are measured in terms of money at current prices and then added together.

- a) GDP
- b) NNP
- c) GNP
- d) NNI

49. Taxes levied on individuals, corporations and other businesses are included in the

- a) GDP
- b) NNP
- c) GNP
- d) NNI

50. $GNP \text{ at Factor Cost} = - \text{Indirect Taxes} + \text{Subsidies}$.

- a) GNP at Cost Price
- b) GNP at Market Price
- c) GNP at Inflated Price
- d) GDP at Market Price

51. $\text{Personal Income} = \text{Private Income} - \text{Undistributed Corporate Profits} - \text{Profit Taxes}$

- a) True
- b) False

52. is the form in which estimates of expenditure from the Consolidated Fund, included in the annual financial statement and required to be voted upon

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

in the Lok Sabha, are submitted in pursuance of Article 113 of the Constitution.

- a) Finance Bill
- b) Appropriation Bill
- c) Demand for Grants
- d) Annual Financial Statement

53. Which bill has to be passed by the Parliament within 75 days of its introduction.

- a) Appropriation Bill
- b) Finance Bill
- c) Expenditure Bill
- d) None of the above

54. How much amount in Contingency Fund is at the disposal of President?

- a) 450 Crores
- b) 500 Crores
- c) 550 Crores
- d) 100 Crores

55. The government sells shares in the Public Limited Company, it is called as

- a) Diversification
- b) Capital Receipt
- c) Revenue Receipt
- d) Disinvestment

56. This fund is to account for flows for those transactions where the government is merely acting as a banker.

- a) Consolidated Fund
- b) Public Account
- c) Demand for Grants
- d) Subsidies

57. DEA full form

- a) Demand for Economic Activity

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

- b) Department of Economic Affairs
- c) Department of Economic Administration
- d) Demand for Economic Alliance

58. A Finance Bill is a Money Bill as defined in Article of the Constitution

- a) 109
- b) 110
- c) 111
- d) 112

59. Capital receipts include

- a) Loans from RBI
- b) Loans from the Republic
- c) Both
- d) None of these

60. Government receipts which neither create asset nor reduce any liability are called as

- a) Capital Receipts
- b) Revenue Receipts
- c) Grants
- d) Aids

61. A fiscal deficit is calculated as a percentage of , or simply as total dollars spent in excess of income.

- a) National Income
- b) GDP
- c) GNP
- d) NNP

62. The Government of India launched Bank, to provide every district with one branch which will help increase rural penetration.

- a) Co-operative Bank
- b) India Post Payments Bank
- c) Jana Bank

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

d) Seva Bank

63. Demand for a commodity refers to

- a) desire backed by ability to pay for the commodity
- b) need for the commodity and willingness to pay for it
- c) the quantity demanded of that commodity at a certain price
- d) the quantity of the commodity demanded at a certain price during any particular period of time.

64. Contraction of demand is the result of

- a) decrease in number of consumers
- b) increase in the price of the goods concerned
- c) increase in the prices of other goods
- d) decrease in the income of purchasers

65. The law of demand assuming other things to remain constant, establishes the relationship between

- a) income of the consumer and the quantity of a good demanded by him
- b) price of a good and the quantity demanded
- c) price of a good and the demand for its substitute
- d) quantity demanded of a good and the relative prices of its complementary goods

66. The supply of a good refers to

- a) actual production of the good
- b) total existing stock of good
- c) stock available for sale
- d) amount of the good offered for sale at a particular price per unit of time

67. All but one of the following are assumed to remain the same while drawing an individual's demand curve for a commodity. Which one is it

- a) the preference of the individual
- b) his monetary income
- c) price of the commodity

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

d) price of related commodity

68. All the following are determinants of demand except

- a) taste and preferences
- b) quantity supplied
- c) income of the consumer
- d) price of related goods

69. Which of the following pairs of goods is the best example of substitutes

- a) Tea and sugar
- b) Tea and coffee
- c) Pen and ink
- d) Shirt and trousers

70. The second glass of lemonade gives lesser satisfaction to a thirsty boy. This is a clear example of

- a) Law of demand
- b) Law of diminishing returns
- c) Law of diminishing utility
- d) Law of supply

71. What will happen in the rice market if the buyers are expecting higher prices in the near future

- a) The demand for rice will increase
- b) The demand for rice will decrease
- c) The demand for rice remains unaffected
- d) None of the above

72. An increase in supply of goods is caused by

- a) improvement in technology
- b) fall in price of other goods
- c) fall in price of factors of production
- d) all the above

73. Identify the factor which generally keeps the price elasticity of demand for a good low

- a) variety of uses for that good
- b) very low price of a commodity
- c) close substitutes for that good
- d) high proportion of consumer income spent on it

74. In case of an inferior good, the income elasticity of demand is

- a) Positive
- b) Zero
- c) Negative
- d) Infinite

75. Suppose the price of Pepsi increase, we will expect the demand curve of coco cola to

- a) Shift towards left since these are substitutes
- b) Shift towards right since these are substitutes
- c) remain at same level
- d) None of the above

76. The price of hot dogs increases by 22 % and the quantity of hot dogs demanded falls by 25%. This indicates the demand for hot dogs is

- a) elastic
- b) in elastic
- c) unitary elastic
- d) perfectly elastic

77. When the numerical value of cross elasticity between two goods is high, it means

- a) The goods are perfect complements and therefore have to be used together.
- b) The goods are perfect substitutes and can be used with ease in place of one another.
- c) There is a high degree of substitutability between the two goods.
- d) The goods are neutral and therefore cannot be considered as substitutes.

78. Demand for a good will tend to be more elastic if it exhibits which of the following characteristics?

- (a) It represents a small part of the consumer's income.
- (b) The good has many substitutes available.
- (c) It is a necessity (as opposed to a luxury).
- (d) There is little time for the consumer to adjust to the price change

79. In the case of a Giffen good, the demand curve will be

- (a) horizontal.
- (b) downward-sloping to the right.
- (c) vertical.
- (d) upward-sloping to the right

80. A vertical supply curve parallel to Y axis implies that the elasticity of supply is:

- (a) Zero.
- (b) Infinity.
- (c) Equal to one.
- (d) Greater than zero but less than infinity.

81. Elasticity of supply refers to the degree of responsiveness of supply of a good to changes in its:

- (a) demand.
- (b) price.
- (c) cost of production.
- (d) state of technology.

82. Contraction of supply is the result of:

- (a) decrease in the number of producers.
- (b) decrease in the price of the good concerned.
- (c) increase in the prices of other goods.
- (d) decrease in the outlay of sellers.

83. As income increases, the consumer will go in for superior goods and consequently the demand for inferior goods will fall. This means:

- (a) income elasticity of demand less than one.
- (b) negative income elasticity of demand.**
- (c) zero income elasticity of demand.
- (d) unitary income elasticity of demand.

84. When income increases the money spent on necessities of life may not increase in the same proportion, This means:

- (a) income elasticity of demand is zero.
- (b) income elasticity of demand is one.
- (c) income elasticity of demand is greater than one.
- (d) income elasticity of demand is less than one.**

85. The luxury goods like jewellery and fancy articles will have

- (a) low income elasticity of demand
- (b) high income elasticity of demand**
- (c) zero income elasticity of demand
- (d) none of the above

86. The price of tomatoes increases and people buy tomato puree. You infer that tomato puree and tomatoes are

- (a) normal goods.
- (b) complements.
- (c) substitutes.**
- (d) inferior goods.

87. The quantity supplied of a good or service is the amount that

- (a) is actually bought during a given time period at a given price.
- (b) producers wish they could sell at a higher price.
- (c) producers plan to sell during a given time period at a given price.**
- (d) people are willing to buy during a given time period at a given price

88. Supply is the

- (a) limited resources that are available with the seller.

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

(b) cost of producing a good.

(c) entire relationship between the quantity supplied and the price of good.

(d) Willingness to produce a good if the technology to produce it becomes available.

89.If price of computers increases by 10% and supply increases by 25%. The elasticity of supply is

(a) 2.5

(b) 0.4

(c) (-) 2.5

(d) (-) 0.4

90.An increase in the number of sellers of bikes will increase the

(a) the price of a bike.

(b) demand for bikes.

(c) the supply of bikes.

(d) demand for helmets

91. When supply curve moves to the left, it means

(a) Smaller supply at a given price.

(b) larger supply at a given price.

(c) constant supply at a lower price.

(d) none of the above

92.When supply curve moves to right, it means

(a) supply increases.

(b) supply decreases.

(c) supply remains constant.

(d) none of the above.

93.Elasticity of supply is zero means

(a) perfectly inelastic supply.

(b) perfectly elastic supply.

(c) imperfectly elastic supply.

(d) none of the above.

94. Which of the following statements about price elasticity of demand is correct?

- (a) Price elasticity of demand is a measure of how much the quantity demanded of a good responds to a change in the price of that good.
- (b) Price elasticity of demand is computed as the percentage change in quantity demanded divided by the percentage change in price.
- (c) Price elasticity of demand in the long run would be different from that of the short run.
- (d) All the above.

95. Supply is a concept.

- (a) stock
- (b) flow and stock
- (c) flow
- (d) none of the above

96. The cross elasticity between Rye bread and Whole Wheat bread is expected to be:

- (a) positive
- (b) negative
- (c) zero
- (d) can't say

97. A service or commodity has a, if a given quantity of it can be supplied whatever might be the price

- (a) Relatively less elastic supply
- (b) Unitary elastic supply
- (c) Perfectly elastic supply
- (d) Perfectly inelastic supply

98. The cross elasticity between personal computers and soft wares is:

- (a) positive.
- (b) negative.
- (c) zero .

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

(d) one.

99. When demand for a commodity increases with a fall in its price it is known as:

- (a) contraction of demand.
- (b) expansion of demand.
- (c) no change in demand.
- (d) none of the above.

100. What is the shape of the demand curve faced by a firm under perfect competition?

- (a) Horizontal
- (b) Vertical
- (c) Positively sloped
- (d) Negatively sloped

101. Which of the following is not a condition of perfect competition?

- (a) A large number of firms.
- (b) Perfect mobility of factors.
- (c) Informative advertising to ensure that consumers have good information.
- (d) Freedom of entry and exit into and out of the market.

102. Which of the following is not a characteristic of monopolistic competition?

- (a) Ease of entry into the industry.
- (b) Product differentiation.
- (c) A relatively large number of sellers.
- (d) A homogeneous product

103. Oligopolistic industries are characterized by :

- (a) a few dominant firms and substantial barriers to entry.
- (b) a few large firms and no entry barriers.
- (c) a large number of small firms and no entry barriers.
- (d) one dominant firm and low entry barriers

104. Which of the following is the distinguishing characteristic of oligopolies?

- a) A standardized product
- b) The goal of profit maximization
- c) The interdependence among firms
- d) Downward-sloping demand curves faced by firms.

105. In which form of the market structure is the degree of control over the price of its product by a firm very large?

- (a) Monopoly
- (b) Imperfect Competition
- (c) Oligopoly
- (d) Perfect competition

106. Discriminating monopoly implies that the monopolist charges different prices for his commodity:

- (a) from different groups of consumers
- (b) for different uses
- (c) at different places
- (d) any of the above.

107. Price discrimination will be profitable only if the elasticity of demand in different submarkets is:

- (a) uniform
- (b) different
- (c) less
- (d) zero

108. The structure of the toothpaste industry in India is best described as

- (a) perfectly competitive.
- (b) monopolistic.
- (c) monopolistically competitive.
- (d) oligopolistic

109. The structure of the cold drink industry in India is best described as

- (a) perfectly competitive.

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

- (b) monopolistic.
- (c) monopolistically competitive.
- (d) oligopolistic

Disclaimer

Copyright Disclaimer under section 107 of the Copyright Act 1976, allowance is made for "fair use" for purposes such as criticism, comment, news reporting, teaching, scholarship, education and research.

Fair use is a use permitted by copyright statute that might otherwise be infringing.

Prof. Naresh Shroff's ACE TUTORIALS

(THE CHAMBER OF MASTER STROKES)

To Buy Subject/ Take Admission 8852272084/ 8652272079

www.ace.redik.in " Our Website"*Simply press the Links you will be able to access us:*<https://youtu.be/Mf3bZxfKJn8> (ECONOMICS MARATHON)<https://t.me/joinchat/PAP7c-KdMx9jMmZl> Telegram Channel for Daily MCQ QUIZ<https://www.instagram.com/ace.tutorials/?hl=en> < INSTA HANDLE ><https://www.facebook.com/acetutorialscs> <Facebook Handling>**FIND US ON PLAYSTORE We conduct Mock Tests For FREE**ACE Tutorials - India's No.1 CS
Coaching Institute

iGreenTech Services Education

Everyone

This app is available for your device

Add to wishlist

★★★★★ 9

Install

PROF. KUNAL SHAH 117