



## Dr.G.R.Damodaran College of Science

(Autonomous, affiliated to the Bharathiar University, recognized by the UGC) Re-  
accredited at the 'A' Grade Level by the NAAC and ISO 9001:2008 Certified  
CRISL rated 'A' (TN) for MBA and MIB Programmes

I B.COM [2017 - 2020]  
SEMESTER I  
ALLIED: BUSINESS ECONOMICS -102 D  
Multiple Choice Questions.

1. Economics is derived from the greek word OIKONOMIKUS which means
- A. Business Management
  - B. Economics
  - C. House Management
  - D. Wealth Management

ANSWER: C

2. Who is called as father of Economics?

- A. Adam smith
- B. Samuelson
- C. Pigou
- D. George Bernard

ANSWER: A

3. Alfred Marshall has defined economics as

- A. science of wealth
- B. science of material well being
- C. science of dynamic growth
- D. none of these

ANSWER: B

4. Economics is the science of wealth who gave this definition?

- A. Fraser
- B. Marshall
- C. Adam Smith
- D. Robbins

ANSWER: C

5. Positive Science concern with economics analysis

- A. Cause relationship
- B. Effect Relationship
- C. Cause and Effect relationship
- D. None of the above

ANSWER: C

6. Which of the following is related with controlling economic problems ?

- A. What to produce
- B. How to produce
- C. For whom to produce
- D. All of the above

ANSWER: D

7. Capitalism refers to
- A. the use of markets
  - B. government ownership of capital goods
  - C. private ownership to capital goods
  - D. private ownership of homes and cars

ANSWER: C

8. The existence of both public and private sector enterprises constitutes-----
- A. Capitalist economy
  - B. Mixed economy
  - C. Socialist economy
  - D. Communist economy

ANSWER: B

9. Under command economy, activities are guided by
- A. the automatic price system
  - B. government planning
  - C. the freedom of consumers
  - D. competition

ANSWER: B

10. In economics the central problem is
- A. money
  - B. production
  - C. consumption
  - D. scarcity

ANSWER: D

11. Utility is measured by
- A. wealth
  - B. price
  - C. value or worth
  - D. income

ANSWER: C

12. Peoples wants are -----
- A. More
  - B. Limited
  - C. Unlimited
  - D. Less

ANSWER: C

13. The extra utility from consuming one more unit of a commodity is called
- A. Marginal utility
  - B. Additional utility
  - C. Surplus utility
  - D. Bonus utility

ANSWER: A

14. Sales Maximisation is suitable for ----- market
- A. oligopoly
  - B. duopoly

- C. Monopoly
- D. Monopsony

ANSWER: A

15. Who has given scarcity definition of economics?

- A. Adam smith
- B. Samuelson
- C. Robbins
- D. Pigou

ANSWER: C

16. Demand is a function of -----

- A. Income
- B. Advertisement
- C. Consumers
- D. Price

ANSWER: D

17. When we know the quantity of a product that buyers wish to purchase at each possible price, we know

- A. Demand
- B. Supply
- C. Excess demand
- D. Excess supply

ANSWER: A

18. Micro economic theory is also known as -----.

- A. Business Theory
- B. Price Theory
- C. Risk Theory.
- D. Cost theory

ANSWER: B

19. A Market demand can be derived by adding all the individual demand curves -----

- A. vertically
- B. horizontally
- C. in parallel
- D. None of the above

ANSWER: C

20. Profit Maximisation goal is suitable for ----- and ----- markets .

- A. Monopolistic and Oligopoly
- B. Monopolistic and Duopoly
- C. Monopsony and Duopsony
- D. Perfect competition and monopoly

ANSWER: D

21. Utility is measured by \_\_\_\_\_.

- A. wealth
- B. price
- C. value or worth .
- D. income.

ANSWER: C

22. The extra utility from consuming one more unit of a commodity is called -----

- A. Marginal utility
- B. Additional utility
- C. Surplus utility
- D. Bonus utility

ANSWER: A

23. Micro economic theory is also known as -----

- A. Business Theory
- B. Price Theory
- C. Individual Theory
- D. Cost Theory

ANSWER: B

24. When the total utility curve reaches its maximum level, marginal utility is-----

- A. Zero
- B. Positive
- C. Rising
- D. Negative

ANSWER: A

25. In case of Utility theory as income increases, marginal utility of money -----

- A. Decreases
- B. Increases
- C. constant
- D. none of these

ANSWER: A

26. Who has given the concept of consumer surplus?

- A. Marshall
- B. Robbins
- C. Pigou
- D. Adam smith

ANSWER: A

27. Profit = -----

- A.  $TR+TCB$ .
- B.  $TR-TCC$
- C.  $TR \times TCD$
- D.  $TR/TC$

ANSWER: B

28. Utility means \_\_\_\_\_.

- A. Power to satisfy a want.
- B. Usefulness.
- C. Willingness of a person.
- D. Ability

ANSWER: B

29. ----- is the remuneration for organisation

- A. rent
- B. wages
- C. interest
- D. profit

ANSWER: D

30. At point of satiety, marginal utility is \_\_\_\_\_.

- A. Zero.
- B. Positive.
- C. Minimum.
- D. Negative

ANSWER: A

31. Production function is ----- activity

- A. Non economic
- B. Economic
- C. Variable
- D. All the above

ANSWER: B

32. Total utility of a commodity is measured by which price of that commodity ?

- A. Value in use.
- B. Value in exchange
- C. Both of above.
- D. Value of money

ANSWER: A

33. According to Marshall, the basis of consumer surplus is \_\_\_\_\_.

- A. Law of diminishing marginal utility
- B. Law of equi-marginal utility
- C. Law of proportions
- D. All of the above

ANSWER: A

34. ----- input factor is divided as skilled, semiskilled, unskilled

- A. land
- B. capital
- C. Technology
- D. labour

ANSWER: D

35. Which of the following is an economic activity?

- A. Teaching of a teacher in the school.
- B. To teach son at home.
- C. To serve her child by mother.
- D. To play football by a student.

ANSWER: A

36. Sales Maximisation is suitable for ----- market

- A. Oligopoly
- B. Duopoly
- C. Monopoly
- D. Monopsony

ANSWER: A

37. Demand is a function of -----

- A. Income.
- B. Advertisement
- C. Consumers

D. Price.

ANSWER: D

38. Which will cause a change in the demand for commodity X?

A. A Change In Tastes.

B. A Change In Income.

C. A Change In The Price of X .

D. A Change In Price Of Complementary Product

ANSWER: C

39. A market demand can be derived by adding all the individual demand curves \_\_\_\_\_.

A. vertically.

B. horizontally.

C. in parallel.

D. by any of the above, as long as it is consistent.

ANSWER: C

40. For inferior commodities, income effect is \_\_\_\_\_.

A. Zero.

B. Negative

C. Infinite.

D. Positive.

ANSWER: B

41. Which is not a determinant of demand?

A. Income.

B. Cost of Inputs

C. Prices of Related Goods

D. Future Price Expectations

ANSWER: B

42. People demand more of product X when the price of product Y decreases. This means X and Y are

\_\_\_\_\_.

A. complements.

B. substitutes.

C. not related.

D. both inexpensive.

ANSWER: C

43. The demand for a good is highly inelastic if \_\_\_\_\_.

A. the price elasticity of the good is close to zero.

B. the income elasticity of the good is close to one

C. if it is a necessity

D. both a and c.

ANSWER: D

44. A perfectly inelastic demand curve \_\_\_\_\_.

A. is a vertical line parallel to Y-axis.

B. is a vertical line parallel to X-axis

C. indicates a good with no close substitutes.

D. a and c.

ANSWER: D

45. Demand curve is a \_\_\_\_\_.

- A. falling curve
- B. rising curve.
- C. downward sloping curve.
- D. upward sloping curve

ANSWER: C

46. Which of the following is not a step in the forecasting process?

- A. Determine The Use Of The Forecast.
- B. Eliminate Any Assumptions.
- C. Determine The Time Horizon.
- D. Select A Forecasting Model(S).

ANSWER: B

47. Malthusian Theory was given by \_\_\_\_\_.

- A. Adam smith
- B. Alfred marshall
- C. Robert malthus
- D. Samuelson

ANSWER: C

48. \_\_\_\_\_ cost varies with the variations in the output.

- A. Fixed
- B. operating
- C. Variable
- D. Floating

ANSWER: C

49. In Sample survey method ----- Technique is adopted.

- A. Deliberate
- B. Convenience
- C. Quota
- D. Random

ANSWER: D

50. Deflation refers to -----

- A. fall in prices
- B. Rise in prices
- C. No change in prices
- D. All the above

ANSWER: A

51. TFC stands for -----

- A. Total Fixed Cost.
- B. Total Fluctuating Cost.
- C. Total Free Cost.
- D. Total Final Cost.

ANSWER: A

52. Car and petrol are -----goods.

- A. Substitutes
- B. Complementay
- C. Producers
- D. None of the above.

ANSWER: B

53. Tea and coffee are -----Goods

- A. Substitutes
- B. Complementay
- C. Producers
- D. None of the above.

ANSWER: A

54. In cross elasticity of demand, for unrelated goods the demand curve will be -----

- A. Rectangular hyperbola
- B. Vertical line
- C. Horizontal line
- D. None of the above.

ANSWER: B

55. The total outlay method explains the relationship between Price and-----

- A. Demand
- B. Supply
- C. Expenditure
- D. Income

ANSWER: C

56. Which of the following is included in exceptions to the law of demand

- A. Giffen Goods
- B. Prestigious goods
- C. Both of the above
- D. NOne of the above

ANSWER: C

57. When a commodity with many uses is demanded then it is called

- A. Direct demand
- B. Joint demand
- C. Composite demand
- D. None of these

ANSWER: C

58. A fall in the price of a commodity leads to \_\_\_\_\_.

- A. a shift in demand.
- B. a fall in demand.
- C. a rise in the consumers real income
- D. a fall in the consumers real income.

ANSWER: C

59. An increase in demand can result from \_\_\_\_\_.

- A. a decline in market price
- B. an increase in income
- C. a reduction in the price of a substitute
- D. an increase in the price of complements

ANSWER: B

60. Elasticity of demand is \_\_\_\_\_.

- A. slope of the demand curve.
- B. usually unity
- C. usually zero



D. degree of responsiveness of quantity demanded to a change in price.

ANSWER: D

61. How would you indicate relatively inelastic demand by using one of the following measures

\_\_\_\_\_.

- A.  $E = \text{Zero}$ .
- B.  $E$  is less than 1.
- C.  $E$  is greater than 1
- D.  $E = 1$ .

ANSWER: B

62. A demand curve which is a horizontal straight line has an elasticity that is -----

- A. zero.
- B. greater than zero but less than one.
- C. one.
- D. infinite.

ANSWER: D

63. The demand for labor slopes down and to the right because of \_\_\_\_\_.

- A. the law of demand .
- B. the iron law of wages .
- C. the law of diminishing marginal returns
- D. economies of scale

ANSWER: C

64. Normal goods experience an increase in consumption when \_\_\_\_\_.

- A. real income increase
- B. real income falls
- C. price rises.
- D. tastes change.

ANSWER: D

65. The demand for a good is price inelastic if \_\_\_\_\_.

- A. the price elasticity is one.
- B. the price elasticity is less than one.
- C. the price elasticity is greater than one.
- D. zero

ANSWER: B

66. A demand curve with unitary elasticity at all points is \_\_\_\_\_.

- A. a straight line .
- B. a parabola.
- C. a hyperbola
- D. convex to the origin.

ANSWER: C

67. Supply is a function of -----

- A. Income.
- B. Advertisement
- C. Consumers
- D. Price.

ANSWER: D

68. The supply of a product does not depend on \_\_\_\_\_.

- A. labor costs .
- B. the number of sellers in the market .
- C. consumers tastes .
- D. existing technology .

ANSWER: C

69. ----- Economies views on reducing the Production costs

- A. Internal
- B. Inventory
- C. Pecuniary
- D. External

ANSWER: D

70. Which factor of production is considered as fixed input?

- A. Labour
- B. Technology
- C. Capital
- D. Land

ANSWER: D

71. ----- is the remuneration for organisation

- A. Rent
- B. Wages
- C. Interest
- D. Profit.

ANSWER: D

72. ----- input factor is divided as skilled, semi skilled, unskilled

- A. Land
- B. Capital
- C. Technology
- D. Labour

ANSWER: D

73. ----- is the remuneration for labour

- A. Rent
- B. Wages
- C. Interest
- D. Profit.

ANSWER: B

74. When the output increases in the same proportion as the increase in input it is -----Returns.

- A. Constant
- B. Average
- C. Decreasing
- D. Increasing

ANSWER: A

75. Cobb- douglas production function mainly studies -----

- A. Capital and labour
- B. Labour and Entrepreneur
- C. Land and Labour
- D. Land and capital

ANSWER: A

76. Marginal cost is defined as

- A. Change in total cost due change in output
- B. Total cost divided by output
- C. change in output due to a one unit change in an input
- D. Total product divided by the quantity of input

ANSWER: A

77. The cost with which the concept of marginal cost is closely related -----

- A. Variable cost
- B. Fixed cost
- C. Opportunity cost
- D. Economic Cost

ANSWER: A

78. Opportunity Cost is also Known as -----

- A. Outlay cost
- B. Sunk Cost
- C. Alternative Cost
- D. Total Cost

ANSWER: C

79. The costs that depend on output in the short run are \_\_\_\_\_.

- A. total variable costs only.
- B. both total variable costs and total costs.
- C. total costs only
- D. total fixed cost only.

ANSWER: A

80. In the short run, as economists use the phrase, is characterised by \_\_\_\_\_.

- A. all inputs being variable
- B. a period where the law of diminishing returns does not hold
- C. c. at least one fixed factor of production and firms neither leaving nor entering the industry.
- D. no variable inputs - that is, all of the factors of production are fixed.

ANSWER: C

81. The formula for average fixed costs is \_\_\_\_\_.

- A.  $TFC/Q$ .
- B.  $Dq/DFC$ .
- C.  $Q/TFC$ .
- D.  $TVC/Q$ .

ANSWER: A

82. The formula for average variable cost (AVC) is \_\_\_\_\_.

- A.  $DQ/DTVC$ .
- B.  $DTVC/DQ$
- C.  $TVC/Q$
- D.  $Q/TVC$

ANSWER: C

83. Implicit costs are \_\_\_\_\_.

- A. equal to total fixed costs
- B. comprised entirely of variable costs
- C. payments for self-employed resources.

D. always greater in the short run than in the long run.

ANSWER: C

84. Which would be an implicit cost for a firm? The cost \_\_\_\_\_.

- A. of worker wages and salaries for the firm
- B. paid for leasing a building for the firm
- C. paid for production supplies for the firm
- D. of wages foregone by the owner of the firm

ANSWER: D

85. If a firm's revenues just cover all its opportunity costs, then \_\_\_\_\_.

- A. normal profit is zero
- B. economic profit is zero
- C. total revenues equal its explicit costs.
- D. total revenues equal its implicit costs

ANSWER: A

86. When the total product curve is falling, the \_\_\_\_\_.

- A. marginal product of labor is zero
- B. marginal product of labor is negative
- C. average product of labor is increasing
- D. average product of labor must be negative.

ANSWER: B

87. Variable costs are \_\_\_\_\_.

- A. sunk costs
- B. multiplied by fixed costs
- C. costs that change with the level of production.
- D. defined as the change in total cost resulting from the production of an additional unit of output.

ANSWER: C

88. Opportunity cost of a factor of production with specific use is \_\_\_\_\_.

- A. very high.
- B. infinite
- C. zero.
- D. constant.

ANSWER: C

89. Money paid to unskilled labour is called -----

- A. Wages
- B. Salary
- C. Royalty
- D. None

ANSWER: A

90. Which of the following curve is not U-shaped?

- A. AVC
- B. AFC
- C. AC
- D. MC

ANSWER: B

91. Labour is a \_\_\_\_\_.

- A. gift

- B. immovable factor.
- C. bargaining factor.
- D. passive factor.

ANSWER: C

92. Off all the factors of production given below, which one is perishable in nature \_\_\_\_\_.

- A. labour.
- B. land.
- C. capital.
- D. entrepreneurship.

ANSWER: A

93. Internal economies of scale may not arise due to \_\_\_\_\_.

- A. division of labour.
- B. vertical integration.
- C. bulk purchases.
- D. high cost.

ANSWER: D

94. Opportunity cost is a term which describes \_\_\_\_\_.

- A. a bargain price for a factor of production
- B. costs related to an optimum level of production.
- C. variable costs.
- D. cost of one product in terms of production of others forgone.

ANSWER: D

95. Marginal cost curve cuts the average cost curve \_\_\_\_\_.

- A. at the left of its lowest point.
- B. at its lowest point.
- C. at the right of its lowest point.
- D. at its highest point.

ANSWER: B

96. Marginal cost means \_\_\_\_\_.

- A. subtraction to the total cost.
- B. addition to the total cost.
- C. multiplication to the total cost.
- D. variable cost.

ANSWER: B

97. An LAC curve is not known as \_\_\_\_\_.

- A. envelope curve.
- B. planning curve.
- C. operating curve.
- D. plant curve.

ANSWER: D

98. AR stands for -----

- A. Average Revenue
- B. Average Returns
- C. Average Risks
- D. Average Rebate

ANSWER: A

99. In case of oligopoly, number of firms is -----

- A. Large
- B. Infinite
- C. One
- D. Few

ANSWER: D

100. What are homogenous products?

- A. Undifferentiated products
- B. Differentiated products
- C. Both (a) and (b)
- D. None of the above

ANSWER: A

101. A distinguishing characteristic of monopolistic competition is -----

- A. Large number of firms
- B. Low entry barriers
- C. Product standardisation
- D. Product differentiation

ANSWER: D

102. In perfect competition, the marginal revenue curve -----

- A. And the demand curve facing the firm are identical
- B. Is always above the demand curve facing the firm
- C. Is always below the demand curve facing the firm
- D. Intersects the demand curve when marginal revenue is minimized.

ANSWER: A

103. If firms can neither enter nor leave an industry, the relevant time period is the -----

- A. Short run
- B. Intermediate run
- C. Long run
- D. Immediate run

ANSWER: A

104. Which of the following is a characteristic of a perfectly competitive market?

- A. Firms are price setters.
- B. There are few sellers in the market.
- C. Firms can exit and enter the market freely.
- D. All of the above are correct.

ANSWER: C

105. When firms have an incentive to exit a competitive market, their exit will \_\_\_\_\_.

- A. drive down market prices.
- B. drive down profits of existing firms in the market.
- C. decrease the quantity of goods supplied in the market.
- D. All of the above are correct.

ANSWER: D

106. In a perfectly competitive market, the process of entry or exit ends when \_\_\_\_\_.

- A. firms are operating with excess capacity.
- B. firms are making zero economic profit.
- C. firms experience decreasing marginal revenue.
- D. price is equal to marginal cost.

ANSWER: C

107. Imperfect competition was introduced by -----

- A. Marshall
- B. Chamberlin
- C. Keynes
- D. None of these

ANSWER: B

108. In case of Monopoly, a firm in long run can have -----

- A. Loss
- B. Profit
- C. Super normal profit
- D. All of above

ANSWER: D

109. In Perfect Competition equilibrium is attained When -----

- A.  $AR = AC$
- B.  $TR = TC$
- C.  $MR = MC$
- D.  $Q = P$

ANSWER: C

110. Price leadership may not arise due to \_\_\_\_\_.

- A. cost advantage.
- B. substantial market share.
- C. initiative in developing a product.
- D. make poor quality of the product.

ANSWER: D

111. Concentration of monopoly is implemented under -----

- A. FERA
- B. MRTTP
- C. FEMA
- D. None

ANSWER: B

112. Which method is better in measuring the national income?

- A. Expenditure census method
- B. Social accounting method
- C. Opportunity method
- D. Incremental method

ANSWER: A

113. In perfectly inelastic, demand curve will be -----

- A. Horizontal Straight line
- B. Vertical line
- C. Rectangular hyperbola
- D. None

ANSWER: B

114. In relatively inelastic, demand curve will be -----

- A. Horizontal Straight line
- B. Vertical line

- C. Steeper
  - D. Flatter
- ANSWER: C

115. Deductive method explains things from-----

- A. General to particular
- B. Particular to General
- C. Both
- D. None

ANSWER: A

116. The primary objective for discriminating monopolist is -----

- A. Loss minimization
- B. Profit maximisation
- C. To cover production cost
- D. All the above.

ANSWER: B

117. A monopolistic competitive firm sells ----- products

- A. Differentated
- B. Homogenous
- C. All of the above
- D. None

ANSWER: A

118. Under perfect competition firms do not engage in price-war because \_\_\_\_\_.

- A. firms work in co-operation with one another under the same
- B. number of firms under the same is very large.
- C. the demand for the product of a firm under the same is perfectly elastic
- D. all the above-mentioned conditions are responsible.

ANSWER: B

119. The equilibrium of a firm occurs when \_\_\_\_\_.

- A.  $P = MC$ .
- B.  $MC = MR$ .
- C.  $P = MR$ .
- D.  $AC = MC$ .

ANSWER: B

120. In a perfectly competitive market, the firm will be \_\_\_\_\_.

- A. a price maker.
- B. attempting to maximise profits.
- C. producing a product which will be different from its competitors.
- D. a price taker.

ANSWER: D

121. In an Oligopolistic market, there are \_\_\_\_\_.

- A. a large number of sellers and few buyers
- B. few sellers and few buyers.
- C. few sellers and a large number of buyers
- D. only one seller.

ANSWER: C

122. Which one is not collusive oligopoly \_\_\_\_\_.



- A. price leadership.
- B. market-sharing cartel.
- C. price discrimination
- D. price fixing cartel.

ANSWER: B

123. Equilibrium implies a state of \_\_\_\_\_.

- A. rest.
- B. inactivity.
- C. absence of motion.
- D. movement.

ANSWER: A

124. Uncertainty refers to \_\_\_\_\_.

- A. insurable risks.
- B. uninsurable risks
- C. risks due to fires and accidents
- D. no risks.

ANSWER: B

125. Willingness to pay, \_\_\_\_\_.

- A. is the minimum valuation of each buyer of a good.
- B. is the price that each buyer can afford given his current income.
- C. is the maximum valuation of each buyer of a good.
- D. must be greater than the price of a good.

ANSWER: B

126. A marginal buyer is the one \_\_\_\_\_.

- A. who, if the price is increased a little is the first to go out of the market.
- B. who, if the price is decreased a little is the first to enter the market
- C. who is indifferent about buying and not buying
- D. both a and c.

ANSWER: A

127. A market is said to be efficient \_\_\_\_\_.

- A. if quantity demanded and the quantity supplied are the same.
- B. if both consumer surplus and the producer surplus are maximized.
- C. if the sum of the producer surplus and the consumer surplus is maximized
- D. both a and c.

ANSWER: D

128. Under perfect competition, rivalry is \_\_\_\_\_.

- A. impersonal.
- B. very personal and direct, advertising being important.
- C. nonexistent since the firms cooperate.
- D. control output.

ANSWER: B

129. Monopolies arise as a consequence of \_\_\_\_\_.

- A. patents .
- B. control over the supply of a basic input.
- C. franchise .
- D. capture the market.

ANSWER: B

130. A monopolist will never produce at a point where \_\_\_\_\_.
- A. demand is price-inelastic.
  - B. demand is price-elastic.
  - C. marginal cost is positive.
  - D. marginal cost is increasing.

ANSWER: D

131. Dynamic Theory of profit given by -----
- A. J.B.Clark
  - B. Hawley
  - C. Schumpeter
  - D. J.S.Mill

ANSWER: A

132. A recession is-----
- A. A period during which aggregate output declines
  - B. A period of declining unemployment
  - C. A period of very rapidly declining prices
  - D. A period of declining prices

ANSWER: A

133. ----- phase takes twice in a trade cycle
- A. Depression
  - B. Recession
  - C. Recovery
  - D. Prosperity

ANSWER: D

134. Business cycle also known as \_\_\_\_\_.
- A. trade cycle.
  - B. contraction.
  - C. expansion.
  - D. upper turning point.

ANSWER: A

135. The main aim of monetary policy is \_\_\_\_\_.
- A. to regulate cost and credit.
  - B. to control inflation
  - C. to control foreign exchange
  - D. all the above.

ANSWER: D

136. The phases of business cycle are -----
- A. Boom and Recession
  - B. Depression and Recovery
  - C. Both
  - D. None

ANSWER: C

137. In the ----- phase , demand, output, employment and income are at a high level.
- A. Depression
  - B. Recession
  - C. Boom

D. Recovery

ANSWER: C

138. The taxation and Public expenditure policy is Known as -----

A. Monetary Policy

B. Fiscal Policy

C. Trade Policy

D. Pricing policies.

ANSWER: B

139. When national income of a country is calculated in terms of constant prices, it is called as-----

A. Nominal GNP.

B. GNP at current prices.

C. GNP at constant prices.

D. GDP at constant prices

ANSWER: C

140. Inflation means -----

A. More money less value

B. Less money high value

C. More money more value

D. Less money less value

ANSWER: A

141. ----- refers to the credit control measures adopted by the central bank of a country.

A. Monetary policy

B. Fiscal policy

C. Direct controls

D. All of the above

ANSWER: A

142. The instruments of monetary policy are -----

A. qualitative

B. quantitative

C. Qualitative and Quantitative

D. None

ANSWER: C

143. BOP stands for-----

A. Balance of payments

B. Balance of products

C. Both

D. None

ANSWER: A

144. David Ricardo developed ----- theory

A. Theory of rent

B. Theory of wages

C. Theory of income

D. Theory of production

ANSWER: A

145. A monopolist is a -----

A. Price maker

- B. Price taker
- C. Both
- D. None

ANSWER: A

146. In India, the central monetary authority is the -----

- A. Federal Bank
- B. State Bank
- C. Reserve Bank of India
- D. Indian Bank

ANSWER: C

147. ----- Income is the total income received by individuals of a country from all sources before payment of direct taxes in one year.

- A. Domestic Income
- B. Private Income
- C. Personal Income
- D. Real Income

ANSWER: C

148. The average income of the people of a country in a particular year is called -----

- A. Private Income
- B. Real Income
- C. Disposable Income
- D. Per capita Income

ANSWER: D

149. ----- control is used to regulate the commercial banks

- A. Qualitative
- B. Quantitative
- C. Public Debt
- D. Fiscal Measures

ANSWER: B

150. Which is not a tool of fiscal policy?

- A. Public Debt
- B. Public Taxation
- C. Bill market
- D. Public Expenditure

ANSWER: C

Staff Name  
Prasath J.