



Dr.G.R.Damodaran College of Science

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I B COM(CS) [2017-2020]

SEMESTER-I

ALLIED:BUSINESS ECONOMICS-105D

Multiple Choice Questions.

1. Business economics is _____ in character.

- A. macro
- B. micro
- C. internal
- D. external

ANSWER: B

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

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

ANSWER: B

3. Profit = -----.

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

ANSWER: B

4. Is business economics _____.

- A. a science
- B. an art
- C. both a science and an art
- D. neither science nor art

ANSWER: C

5. Who is assumed as father of Economics?

- A. Adam smith
- B. Robinson
- C. Marshall
- D. George Bernard

ANSWER: A

6. Who expressed the view that Economics is neutral between ends?

- A. Robbins

- B. Marshall
- C. Pigou
- D. Adamsmith

ANSWER: A

7. Most desired objectives of a firm is ----- .

- A. profit maximisation
- B. employee satisfaction
- C. consumer satisfaction
- D. export promotion

ANSWER: A

8. 'An input should be allocated in such a way that marginal productivity is same in all the units of input' is _____ principal.

- A. Equi-marginal principle
- B. discounting principle
- C. opportunity cost principle
- D. incremental principle

ANSWER: A

9. Which of the following is not the method of measuring of price elasticity?

- A. Total expenditure method
- B. proportionate method
- C. point elasticity method
- D. survey method

ANSWER: D

10. An Enquiry into the Nature and Causes of Wealth of Nations is the book of economist

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

ANSWER: A

11. Business economics is _____ science.

- A. normative
- B. positive
- C. normative and positive
- D. neither normative nor positive

ANSWER: A

12. 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

13. If marginal utility is zero

- A. Total utility is zero
- B. An additional unit of consumption will decrease total utility

- C. consumption will increase total utility
- D. Total utility is maximized

ANSWER: D

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

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

ANSWER: A

15. Who has given the concept of consumer surplus?

- A. Marshall
- B. Robbins
- C. Pigou
- D. None of these

ANSWER: A

16. Utility means

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

ANSWER: A

17. Marginal utility is equal to average utility at that time when average utility is

- A. . Increasing.
- B. Maximum.
- C. Falling.
- D. Minimum

ANSWER: D

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

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

ANSWER: A

19. Demand is a function of -----

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

ANSWER: D

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

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

D. Excesss supply

ANSWER: A

21. 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

22. Other things being equal, the law of demand implies that as

- A. the demand increases, the price will decrease.
- B. income increases, the quantity of demanded will increase.
- C. the price increases, the quantity demanded will decrease.
- D. the price increases, the quantity demanded will increase

ANSWER: C

23. For inferior commodities, income effect is _____.

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

ANSWER: B

24. In Relatively Elastic Demand, ED is =-----

- A. E=1
- B. E=0
- C. E>1
- D. E<1

ANSWER: C

25. A Relative change in quantity demanded is less than the relative change in money income is ----- income elasticity

- A. High
- B. Zero
- C. Low
- D. Negative

ANSWER: C

26. If two goods are close substitutes , _____.

- A. an increase in the price of one will decrease the demand for the other.
- B. an increase in the price of one will increase the demand for the other.
- C. a decrease in the price of one will increase the demand for the other.
- D. a decrease in the price of one will have no effect on the demand for the other

ANSWER: B

27. 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: B

28. An increase in consumer income will increase demand for a ----- But decrease demand for a

- A. Substitute good, inferior good
- B. Normal good, inferior good
- C. Inferior good, normal good
- D. Normal good, complementary good

ANSWER: B

29. 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

30. 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

31. Demand curve is a _____.

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

ANSWER: C

32. A positive cross elasticity of demand coefficient indicates that -----

- A. A product is an inferior good
- B. A product is a normal good
- C. Two products are substitute goods
- D. Two products are complementary goods

ANSWER: C

33. Forecasts _____.

- A. become more accurate with longer time horizons.
- B. are rarely perfect.
- C. are more accurate for individual items than for groups of items.
- D. all of the above

ANSWER: A

34. Forecasts are usually classified by time horizon into three categories they are _____.

- A. short-range, medium-range, and long-range.
- B. finance/accounting, marketing, and operations.
- C. strategic, tactical, and operational.
- D. exponential smoothing, regression, and time series.

ANSWER: A

35. The three major types of forecasts used by business organizations are _____.
- A. strategic, tactical, and operational.
 - B. economic, technological, and demand.
 - C. exponential smoothing, Delphi, and regression.
 - D. causal, time-series, and seasonal.

ANSWER: D

36. Which of the following uses three types of participants: decision makers, staff personnel, and respondents
- A. Executive Opinions.
 - B. Sales Force Composites.
 - C. The Delphi Method.
 - D. Consumer Surveys.

ANSWER: D

37. Time-series data may exhibit which of the following behaviors?
- A. Trend.
 - B. Random Variations.
 - C. Seasonality.
 - D. Cycles.

ANSWER: A

38. Gradual, long-term movement in time-series data is called _____.
- A. seasonal variation.
 - B. cycles.
 - C. trends.
 - D. exponential variation

ANSWER: A

39. Which of the following is not present in a time series?
- A. Seasonality.
 - B. Operational Variations.
 - C. Trend.
 - D. Random Variations

ANSWER: D

40. In Sample survey method ----- Technique is adopted
- A. Deliberate
 - B. Convenience
 - C. Quota
 - D. Random

ANSWER: D

41. In time series, which of the following cannot be predicted?
- A. Large Increases In Demand.
 - B. Technological Trends.
 - C. Seasonal Fluctuations.
 - D. Random Fluctuations

ANSWER: C

42. Car and petrol are ----- goods

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

ANSWER: B

43. Tea and coffee are ----- Goods

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

ANSWER: A

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

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

ANSWER: C

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

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

ANSWER: C

46. 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

47. 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

48. 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

49. 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

50. Giffen goods are goods _____.

- A. for which demand increases as price increases.
- B. which have a high income elasticity of demand.
- C. which have a low cross elasticity of demand.
- D. which are in very short supply.

ANSWER: A

51. 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

52. If demand is elastic and when the price increases _____.

- A. total revenue will remain unchanged.
- B. total revenue will fall.
- C. total revenue will rise.
- D. total revenue will become zero

ANSWER: B

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

- A. $E = \text{Zero}$.
- B. $E < 1$.
- C. $E > 1$
- D. $E = 1$.

ANSWER: B

54. If the income elasticity of demand is greater than unity, the commodity is _____.

- A. a necessity.
- B. a luxury.
- C. an inferior good.
- D. a non-related good

ANSWER: B

55. 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

56. Demand forecasting means _____.

- A. simply guessing about future demand. .
- B. establishing relations between demand and its determinants.
- C. predicting level of demand at a future date

D. all the above

ANSWER: C

57. Which one of the following method is not consumer survey method of forecasting?

- A. complete enumeration method;
- B. sample survey
- C. end use method
- D. trend projection method

ANSWER: D

58. 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

59. Under which method, economic indicators are used to predict the demand?

- A. Barometric method
- B. econometric method
- C. trend projection method
- D. survey method

ANSWER: A

60. Which of the following is short run production function?

- A. Production function with one variable input
- B. Production function with two variable input
- C. Production function with three variable input
- D. Production function with all variable input

ANSWER: A

61. 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

62. Supply is a function of -----

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

ANSWER: D

63. Passive factor of production is _____.

- A. Only land.
- B. Only capital.
- C. . Both land and capital.
- D. Neither land nor capital

ANSWER: C

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

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

ANSWER: D

65. Which of the following are not related with factors of production (FOP)?

- A. Land
- B. Capital
- C. Raw material
- D. Labour

ANSWER: C

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

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

ANSWER: D

67. ----- is the remuneration for organisation

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

ANSWER: D

68. In the Law of Variable Proportion when, TP is Maximum then the MP = -----

- A. $MP = 1$
- B. $MP < 0$
- C. $MP = 0$
- D. $MP > 1$

ANSWER: C

69. 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

70. Cobb Douglas production function mainly studies -----

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

ANSWER: A

71. 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

72. 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

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

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

ANSWER: C

74. The vertical difference between TVC and TC is equal to -----

- A. MC
- B. AVC
- C. TFC
- D. None

ANSWER: C

75. 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

76. The rate at which a firm can substitute capital for labour and hold output constant is the

_____.

- A. marginal rate of production. .
- B. law of diminishing marginal returns
- C. marginal rate of factor substitution.
- D. isoquant.

ANSWER: C

77. A graph showing all the combinations of capital and labour available for a given total cost is the

_____.

- A. isoquant.. .
- B. budget constraint.
- C. isocost line
- D. expenditure set

ANSWER: A

78. The formula for average fixed costs is _____.

- A. TFC/Q
 - B. DQ/DFC .
 - C. Q/TFC .
 - D. $TFC _ Q$
- ANSWER: A

79. The formula for average variable cost (AVC) is _____.

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

ANSWER: C

80. 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

81. 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

82. The short run is a time period in which _____.

- A. all resources are fixed.
- B. the level of output is fixed.
- C. the size of the production plant is variable.
- D. some resources are fixed and others are variable.

ANSWER: A

83. In law of variable proportion, at the end of second stage the marginal production becomes _____.

- A. zero
- B. negative
- C. one
- D. equal to AP

ANSWER: A

84. Opportunity cost of a factor of production with specific use is _____.

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

ANSWER: C

85. Incremental cost is closely related to _____.

- A. average cost. .
- B. marginal cost.

- C. total cost
- D. fixed cost.

ANSWER: B

86. When inputs are increased in a given proportion and output increases in a greater proportion, the returns to scale said to be-----

- A. Constant returns to scale
- B. Increasing returns to scale
- C. Decreasing returns to scale
- D. None

ANSWER: B

87. Money paid to unskilled labour is called

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

ANSWER: A

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

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

ANSWER: B

89. Of all the factors of production given below, which one is perishable in nature _____.

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

ANSWER: A

90. An isoquant is _____.

- A. least cost combination of inputs.
- B. combination that gives rise to same level of output, provided the firm is minimizing production cost.
- C. locus of input combinations of factor inputs which firm can buy with a given outlay and factor prices.
- D. . factors unchanged

ANSWER: B

91. Internal economies of scale may not arise due to _____.

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

ANSWER: D

92. 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

93. 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

94. In the short run production function, in which stage total production decreases?

- A. first stage .
- B. second stage
- C. Third stage
- D. none

ANSWER: C

95. The marginal product equals the average product when the latter is _____.

- A. half of its maximum value.
- B. quarter of its maximum value.
- C. equals to its maximum value .
- D. equals to its minimum value

ANSWER: D

96. In case of oligopoly , number of firms is

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

ANSWER: D

97. A distinguishing characteristic of monopolistic competition is

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

ANSWER: D

98. In case of perfect competition, no of selling firm would be

- A. Large
- B. Single
- C. Varied but too many
- D. None of the above

ANSWER: A

99. 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

100. 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

101. Imperfect competition was introduced by :-

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

ANSWER: B

102. 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

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

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

ANSWER: C

104. Kinked demand curve is associated with _____.

- A. perfect competition
- B. monopoly
- C. oligopoly
- D. monopsony

ANSWER: C

105. The important difference between perfect competition and monopolistic competition is that monopolistic competitors _____.

- A. .Do not try to maximize profits.
- B. .Have an inelastic demand curve facing them.
- C. Worry about their influence on the market.
- D. .Sell similar but not identical products.

ANSWER: D

106. The upper portion of the kinked demand curve is relatively

- A. More inelastic
- B. More elastic
- C. Less elastic
- D. Less inelastic

ANSWER: B

107. In which market structure transport cost is assumed to be nil?

- A. Perfect market
- B. monopoly
- C. oligopoly
- D. monopsony

ANSWER: A

108. Which of the following is a characteristic of pure monopoly?

- A. . One Seller Of The Product .
- B. Low Barriers To Entry .
- C. . Close Substitute products.
- D. perfect information.

ANSWER: A

109. Cartel is a part of

- A. Monopoly
- B. Oligopoly
- C. Duopoly
- D. Perfect Competition

ANSWER: B

110. Which is/are the instruments of monetar policy?

- A. Bank rate
- B. Open market operation
- C. Cash reserve ratio
- D. All the above

ANSWER: D

111. _____ is a point where there is no profit and no loss.

- A. BEP
- B. Equilibrium point
- C. $AC=AR$
- D. All the above

ANSWER: A

112. In perfectly inelastic, demand curve will be

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

ANSWER: B

113. In relatively inelastic, demand curve will be

- A. Horizontal Straight line
- B. Vertical line
- C. Steeper
- D. Flatter

ANSWER: C

114. Expansion of IMF

- A. Internatiuonal Monetary Fund

- B. Internal Monetary Fund
- C. Indian Monetary Fund
- D. Intra monetary Fund

ANSWER: A

115. The monopolist can fix any price for his product, but cannot determine -----for his product.

- A. Revenue
- B. Cost
- C. Supply
- D. Demand

ANSWER: D

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. Differentiated
- B. Homogenous
- C. All of the above
- D. None

ANSWER: A

118. Selling expenses includes, which of the following ----- (i) advertisement cost (ii) Transportation Cost (iii) offer discount to customers (iv) incentive to dealers.

- A. (i) only
- B. (i) (ii) and (iv)
- C. (i) (iii) and (iv)
- D. None

ANSWER: C

119. A firm shut-down point is reached when:

- A. . average revenue fails to cover average total cost
- B. average revenue fails to cover average variable cost.
- C. . average revenue fails to cover average fixed cost
- D. average fails to cover marginal cost.

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: B

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. A monopolistic firm will expand its output when _____.

- A. marginal revenue exceeds marginal cost .
- B. marginal cost exceeds marginal revenue.
- C. marginal cost equals marginal revenue.
- D. marginal revenue is negative

ANSWER: A

125. A monopolist will never produce at a point where _____.

- A. demand is price-inelastic.
- B. demand is price-elastic.
- C. MC is positive.
- D. marginal cost is increasing

ANSWER: D

126. Climatic theory of trade cycle is given by _____.

- A. J.B.Clark
- B. Hawley
- C. Schumpeter
- D. W S Jevons

ANSWER: D

127. Business cycle also known as _____.

- A. trade cycle.
- B. contraction.
- C. expansion.
- D. upper turning point

ANSWER: A

128. 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

129. Bank rate is also known as _____.

- A. lending rate.
- B. interest rate.
- C. CRR.
- D. SDR.

ANSWER: A

130. The study of ups and downs in economics is -----

- A. Monetary policy
- B. Fiscal policy
- C. Business cycle
- D. None

ANSWER: C

131. In the ----- phase , demand, output, employment and income are at a high level.

- A. Depression
- B. Recession
- C. Boom
- D. Recovery

ANSWER: C

132. ----- starts when there is a downward descend from the peak which is for a short duration.

- A. Depression
- B. Recession
- C. Boom
- D. Recovery

ANSWER: B

133. During ----- there is a general decline in economic activity.

- A. Depression
- B. Recession
- C. Boom
- D. Recovery

ANSWER: A

134. The measures to control business cycle are -----

- A. Monetary policy
- B. fiscal policy
- C. Direct controls
- D. All of the above

ANSWER: D

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

- A. Monetary Policy
- B. Fiscal Policy
- C. Trade Policy
- D. Pricing policies

ANSWER: B

136. 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

137. Inflation means -----

- A. More money less value
- B. Less money high value
- C. More money more value
- D. Less money less value

ANSWER: A

138. Deflation means -----

- A. More money less value
- B. less money high value
- C. more money more value
- D. less money less value

ANSWER: B

139. ----- 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

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

- A. qualitative
- B. quantitative
- C. Qualitative and Quantitative
- D. None

ANSWER: C

141. ----- refers to sale and purchase of securities in the money market.

- A. Changes in reserve ratio
- B. Open market operations
- C. Consumer credit regulation
- D. None

ANSWER: B

142. A----- is a quantitative expression of a plan for a defined period of time.

- A. Budget
- B. Open market operation
- C. Both
- D. None

ANSWER: A

143. ----- is a budget where receipts are equal to expenditure.

- A. Revenue Budget

- B. Receipts Budget
- C. Balanced Budget
- D. Performance Budget

ANSWER: C

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

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

ANSWER: C

145. -----is a certain percentage of bank deposits which banks are required to keep with RBI in the form of reserves or balances.

- A. Cash Reserve Ratio
- B. Statutory Liquidity Ratio
- C. Bank rate
- D. All of the Above

ANSWER: A

146. ----- Is 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.

- A. GDP
- B. GNP
- C. NDP
- D. NNP

ANSWER: B

147. 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

148. When the differences between the value of materials output and inputs are added up for all industries in the economy we arrive at -----

- A. NNP
- B. GDP
- C. GNP
- D. NDP

ANSWER: B

149. Who prepares the fiscal policy?

- A. Central Government
- B. State Government
- C. RBI
- D. World Bank

ANSWER: A

150. Which one is not the property of an isoquant curve?

- A. convex to the origin
 - B. two curve cannot intersect
 - C. higher the curve larger the quantity produced
 - D. touches the X axis
- ANSWER: D

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