



Dr.G.R.Damodaran College of Science

(Autonomous, affiliated to the Bharathiar University, recognized by the UGC)Re-
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CRISL rated 'A' (TN) for MBA and MIB Programmes

I B.Com(IT) [2017-2020]

Semester I

Core : BUSINESS ECONOMICS - 115B

Multiple Choice Questions.

1. Sales Maximisation concept is given by ----

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

ANSWER: D

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

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

ANSWER: B

3. Which will cause a change in the demand for good X?

- A. A change in taste
- B. A change in Income
- C. A change in the price of X
- D. A change in price of complementary product

ANSWER: C

4. A market demand Schedule for a product indicates that -----

- A. as the product price falls, consumers buy less of the good
- B. there is a direct relationship between price and quantity demanded
- C. as a product price rises, consumers buy less of other goods
- D. there is an inverse relationship between price and quantity demanded

ANSWER: D

5. Profit = -----

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

ANSWER: B

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

- A. Monopolistic and oligopoly

- B. monopolistic and Duopoly
 - C. Monopoly and Perfect competition
 - D. Monopsony and Duopsony
- ANSWER: C

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

8. Who is assured as father of Economics?
- A. Adam Smith
 - B. Robinson
 - C. Marshall
 - D. George Bernard
- ANSWER: A

9. Paul.A.Samuelson has defined economics as
- A. science of wealth
 - B. science of material well being
 - C. science of dynamic growth and development
 - D. none of these
- ANSWER: C

10. Positive Science concern with economics analysis
- A. Cause relationship
 - B. Effect Relationship
 - C. Cause and Effect relationship
 - D. None of the above
- ANSWER: C

11. The existence of both public and private sector enterprises constitutes
- A. capitalist economy
 - B. Mixed economy
 - C. Socialist economy
 - D. None of the above
- ANSWER: B

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

13. People wants are
- A. more
 - B. limited
 - C. unlimited

D. few

ANSWER: C

14. The subject matter of economics is

- A. To ensure economic progress of the people
- B. to run business
- C. to satisfy unlimited wants with limited means
- D. to mobilise resources and to use them

ANSWER: C

15. Under command economy, activities are guided by

- A. the automatic price system
- B. government planning
- C. the freedom of consumers
- D. competition

ANSWER: B

16. Profits is denoted as, which of the following symbol?

- A. sigma
- B. summation
- C. pie
- D. Alpha

ANSWER: C

17. In economics the central problem is

- A. money
- B. production
- C. consumption
- D. scarcity

ANSWER: D

18. Utility is measured by

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

ANSWER: C

19. 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

20. 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 maximised

ANSWER: D

21. Economics is a science the basis of this statement does not include
- A. relation between cause and effect
 - B. use of deductive method and inductive method for the formation of laws
 - C. experiments
 - D. theory
- ANSWER: D

22. Which of the following is an economic activity?
- A. teacher teaching 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

23. Sales Maximisation is suitable for ----- market
- A. oligopoly
 - B. duopoly
 - C. Monopoly
 - D. Monopsony
- ANSWER: A

24. Demand is a function of -----
- A. Income
 - B. Advertisement
 - C. Consumers
 - D. Price
- ANSWER: D

25. When we know the quality 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

26. 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

27. Law of demand does not include
- A. price of commodity is an independent variable
 - B. quantity demanded is a dependent variable
 - C. reciprocal relationship is found between price and quantity demanded
 - D. cost of product
- ANSWER: D

28. For inferior commodities income effect is -----

- A. zero
 - B. negative
 - C. infinite
 - D. positive
- ANSWER: B

29. In relatively elastic demand ED is -----

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

ANSWER: C

30. 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

31. When prediction about future is based on the assumption that the firm does not change the course of its action is ----- forecast

- A. Passive
- B. Active
- C. Short run
- D. Long run

ANSWER: A

32. Which is not a determinant of demand?

- A. income
- B. the cost of inputs in production
- C. the prices of related goods
- D. future price expectations

ANSWER: B

33. The price elasticity of demand is the -----

- A. percentage change in the price of one will decrease the demand for the other
- B. an increase in the price of one will increase the decrease 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

34. 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 inelastic

ANSWER: B

35. Derived demand is directly determined by -----

- A. utility
- B. the profitability of using inputs to produce output
- C. the ability to satisfy consumer desires
- D. personal consumption

ANSWER: B

36. An increase in consumer income will increase demand for a ----- but decrease demand for a -----

- A. substitute goods, inferior goods
- B. normal goods, inferior goods
- C. inferior goods, normal goods
- D. normal goods, complementary goods

ANSWER: B

37. When demand is elastic-----

- A. a fall in price more than offset by an increase in quantity demanded, so that total revenue rises
- B. the goods is probably a necessity, so price has little effect on quantity demanded
- C. a rise in price will increase total revenue even though less is sold
- D. buyers are not much influenced by prices of competing precedes

ANSWER: C

38. The demand for a good is highly inelastic if-----

- A. the price elasticity of the goods is close to zero
- B. the income elasticity of the goods is close to one
- C. if it is a necessity
- D. both a and c

ANSWER: D

39. 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

40. Demand curve is a -----

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

ANSWER: C

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

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

ANSWER: C

42. 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

43. One purpose of short range forecasts is to determine -----

- A. production planning
- B. inventory budgets
- C. research and development plans
- D. facility location

ANSWER: D

44. 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

45. A forecast with a time horizon of about 3 months to 3 years is typically called a -----

- A. long range forecast
- B. medium range forecast
- C. short range forecast
- D. weather forecast

ANSWER: B

46. Forecasts used for new product planning, capital expenditure, facility location or expansion and R&D typically utilize a -----

- A. short range time horizon
- B. medium range time horizon
- C. long range time horizon
- D. naive method, because there is no data history

ANSWER: C

47. The three major types of forecasts used by business organisation are -----

- A. strategic, tactical and operational
- B. economic, technological and demand
- C. exponential smoothing, Delphi and regression
- D. Casual, time series and seasonal

ANSWER: D

48. 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. historical and associative

ANSWER: B

49. The two general approaches to forecasting are-----

- A. qualitative and quantitative
- B. mathematical and statistical
- C. judgmental and qualitative

D. historical and associative

ANSWER: B

50. 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

51. The forecasting model that the opinions of a group of experts or managers is known as -----

- A. sales force composition model
- B. multiple regression
- C. jury of executive model
- D. consumer market survey model

ANSWER: C

52. Which of the following techniques uses variables such as price and promotional expenditures, which are related to the product demand, to predict demand

- A. Associative models
- B. exponential smoothing
- C. weighted moving average
- D. simple moving average

ANSWER: B

53. Time-series data may exhibit which of the following behaviours?

- A. Trend
- B. Random variation
- C. Seasonality
- D. Cycles

ANSWER: A

54. Gradual long term movement in time series data is called -----

- A. Seasonal variation
- B. cycles
- C. trends
- D. exponential variation

ANSWER: A

55. Which of the following is not present in a time series?

- A. Seasonality
- B. operational variations
- C. trend
- D. random variations

ANSWER: D

56. In sample survey method ----- technique is adopted

- A. deliberate
- B. convenience
- C. quota

D. random
ANSWER: D

57. car and petrol are ---- goods
- A. substitutes
 - B. complementary
 - C. producers
 - D. None of the above

ANSWER: B

58. Tea and coffee are ----- goods
- A. substitutes
 - B. complementary
 - C. producers
 - D. none of the above

ANSWER: A

59. 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

60. The total outlay method explains the relationship between price and -----
- A. demand
 - B. supply
 - C. expenditure
 - D. income

ANSWER: C

61. Supply is a function of -----
- A. a straight line
 - B. a parabola
 - C. a hyperbola
 - D. convex to the origin

ANSWER: C

62. The supply of a product does not depend on -----
- A. labour costs
 - B. the number of sellers in the market
 - C. consumers tastes
 - D. existing technology

ANSWER: C

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. Reasons for increasing return in stage I of law of variable proportion is -----

- A. Indivisibility
- B. Specialisation
- C. both a and b
- D. none of the above

ANSWER: C

65. ----- Economics views on reducing the production costs

- A. internal
- B. inventory
- C. pecuniary
- D. External

ANSWER: D

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

- A. land
- B. capital
- C. raw material
- D. labour

ANSWER: C

67. Which factor of production is considered as fixed input

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

ANSWER: D

68. The supply of a product does not depend on -----

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

ANSWER: C

69. ----- is the remuneration for organisation

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

ANSWER: D

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

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

ANSWER: D

71. 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

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

- A. capital and labour
- B. labour and expenditure
- C. land and labour
- D. land and capital

ANSWER: A

73. Marginal cost is defined as

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

ANSWER: A

74. Which of the following is correct?

- A. $TC = TFC + TVC$
- B. $TFC = TC - TVC$
- C. $TVC = TC - TFC$
- D. None of the above

ANSWER: D

75. 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

76. Opportunity cost is also known as -----

- A. outlay cost
- B. sunk cost
- C. alternative cost
- D. total cost

ANSWER: C

77. ----- costs are business costs which do not involve any cash payments but for them a provision is made in accounts

- A. private cost
- B. social cost
- C. accounting cost
- D. book cost

ANSWER: D

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

- A. MC

- B. AVC
- C. TFC
- D. none

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 return does not hold
- C. at least one fixed factor of production and firms neither leaving nor entering the industry
- D. no variable inputs

ANSWER: C

81. 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

82. The formula for average fixed costs is -----

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

ANSWER: A

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. 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

85. When the total product curve is falling, -----

- A. marginal product curve is zero
- B. marginal product curve is negative
- C. average product is increasing

D. average product is negative

ANSWER: B

86. Variable costs are -----

- A. Sunk costs
- B. Multiplied by fixed cost
- C. Cost that change with the level of production
- D. the change in total cost resulting from the production of an additional unit of output.

ANSWER: C

87. Money paid to an unskilled labour is called -----

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

ANSWER: A

88. 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

89. An LAC curve is not known as -----

- A. Envelope curve
- B. Planning curve
- C. operating curve
- D. plant curve

ANSWER: D

90. Marginal cost means -----

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

ANSWER: B

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

- A. Larger
- B. Infinite
- C. one
- D. few

ANSWER: D

92. What are homogenous products?

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

ANSWER: A

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

- A. Large number of firms
- B. Low entry baarriers
- C. product standardisation
- D. product differentiation

ANSWER: D

94. 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

95. Imperfect competition was introduced by -----

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

ANSWER: B

96. In case of monopoly, a firm in the long run can have -----

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

ANSWER: D

97. In perfect competition equilibrium is attained when -----

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

ANSWER: C

98. kinked demand curve is associated with -----

- A. Cournot
- B. Chamberlin
- C. Edgeworth
- D. Sweezy

ANSWER: D

99. The upper portion of the kinked demand curve is relatively -----

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

ANSWER: B

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

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

ANSWER: B

101. Cartel is a part of -----

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

ANSWER: B

102. While determining equilibrium of firm in short run for perfect competition, the X-axis in the diagram represents -----

- A. Revenue
- B. Output
- C. Cost
- D. Price

ANSWER: B

103. 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

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

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

ANSWER: B

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

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

ANSWER: A

106. Life insurance business in India is an example of -----

- A. Perfect competition
- B. monopolistic competition
- C. monopoly
- D. oligopoly

ANSWER: D

107. 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 revenue fails to cover marginal cost.

ANSWER: B

108. 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

109. Equilibrium implies a state of -----

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

ANSWER: A

110. 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

111. The following industry often is a monopoly -----

- A. Cigarette industry
- B. Publishing industry
- C. Drug industry
- D. Electric power industry

ANSWER: D

112. Under perfect competition, rivalry is -----

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

ANSWER: B

113. 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

114. 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

115. Which of the following best defines price discrimination?

- A. Charging different prices on the basis of race.
- B. charging different prices for goods with different cost of production
- C. charging different prices based on cost of service difference
- D. selling a certain product of given quality and cost per unit at different prices to different buyers.

ANSWER: D

116. Which one is not collusive oligopoly -----

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

ANSWER: B

117. 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 large number of buyers
- D. only one seller

ANSWER: C

118. The essential aspects of oligopoly is -----

- A. excess capacity
- B. non-price competition
- C. a large number of firms
- D. mutual recognition of interdependence.

ANSWER: D

119. The kinked demand curve in Sweezy oligopoly model emerges due to assumption that -----

- A. when one seller decreases or increases his price, others follow.
- B. when one seller decreases his price others follow him.
- C. when one sellers decreases his price others follow but when he increases his price others do not follow
- D. When one seller increases his price others decrease their prices.

ANSWER: C

120. 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

121. The equilibrium of a firm occurs when -----

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

ANSWER: B

122. 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

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 - D. when one seller increases his price others decrease their prices

ANSWER: C

125. Among the essential aspects of Oligopoly is -----
- A. excess capacity
 - B. non-price competition
 - C. a large number of firms
 - D. mutual recognition of interdependence

ANSWER: D

126. 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

127. Which one is not collusive oligopoly -----
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 - C. price discrimination
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 - B. inactivity
 - C. absence of motion
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- 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

130. 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 maximised
- C. if the sum of the producer surplus and the consumer surplus is maximised
- D. both a and c

ANSWER: D

131. 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

132. Business cycle also known as -----

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

ANSWER: A

133. 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

134. Bank rate is also known as -----

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

ANSWER: A

135. One negative aspect of a business cycle boom is -----

- A. an increasing rate of inflation
- B. a declining rate of inventory investment
- C. a increase in government budget deficits
- D. government budget deficits

ANSWER: D

136. According to monetarists the Great Depression in the United States largely resulted from -----

- A. excessive imports relative to exports
- B. significant changes in technology and resource availability

- C. inappropriate monetary policy
- D. excessive exports relative to imports

ANSWER: A

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

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

ANSWER: C

138. The phases of business cycle are -----

- A. Boom and Recession
- B. Depression and Recovery
- C. Both
- D. None

ANSWER: C

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

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

ANSWER: C

140. ----- 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

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

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

ANSWER: A

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

- A. Monetary policy
- B. Fiscal Policy
- C. Direct controls
- D. All the above

ANSWER: D

143. The taxation and public expenditure policy is known as -----

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

ANSWER: B

144. 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

145. Demand pull inflation is the result of -----

- A. Increases in Production
- B. Increase in the supply of goods
- C. Increase in money supply
- D. Increase in the cost of production

ANSWER: C

146. Inflation means -----

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

ANSWER: A

147. Deflation means -----

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

ANSWER: B

148. When the rise in price is very slow like that of a creeper it is called -----

- A. Walking inflation
- B. Creeping Inflation
- C. Running Inflation
- D. True Inflation

ANSWER: B

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

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

ANSWER: C

150. ----- is a rigid budget

- A. Flexible budget
- B. fixed budget
- C. both
- D. none

ANSWER: B

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