

Series – 1

1. **The capitalist Economy uses ---- as principle means of allocation of resources**
(a) Price (b) Demand
(c) Supply (d) None of the above
2. **Consumer sovereignty is found in which economy?**
(a) Capitalist Economy (b) Socialist Economy
(c) Mixed Economy (d) Communist Economy
3. **Capitalistic economy usesas principal means of allocating resources**
(a) Demand (b) Supply
(c) Price (d) All of the above
4. **Large production of..... goods would lead to higher production in future.**
(a) Consumer Goods (b) Capital Goods
(c) Agricultural Goods (d) Public Goods
5. **A study of how increases in the corporate income tax rate will affect the national unemployment rate an example of**
(a) Macro-Economics (b) Descriptive Economics
(c) Micro – economics (d) Normative Economics
6. **Which of the following statement does not apply to a market economy?**
(a) Firms decide whom to hire and what to product
(b) Firms at maximizing profits
(c) Households decide which firms to work for and what to buy with their incomes
(d) Government policies are the primary forces that guide the decisions of firms and households.
7. **Factors of production are owned by ____ in market economies.**
(a) Govt. (b) Investors
(c) Privately (d) None
8. **Consumer sovereignty is the characteristic of which economy**
(a) Capitalistic economy (b) Socialistic Economy
(c) Mixed Economy (d) None
9. **Which of the following is used for allocation of resources?**
(a) Micro – Economics (b) Marco – Economics
(c) Econometrics (d) Descriptive Economics.

10. **Which book of economics is known as first book of modern economics?**
 (a) An Inquiry into nation
 (b) An inquiry into wealth of nation
 (c) An inquiry into wealth
 (d) Wealth of nation.
11. **In Economics, we use "scarcity" the term to mean:**
 (a) Absolute scarcity and lack of resources in less developed countries.
 (b) Relative scarcity i.e. scarcity in relation to the wants of the society.
 (c) Scarcity during times of business failure and natural calamities.
 (d) Scarcity caused on account of excessive consumption by the rich.
12. **Which statement is incorrect?**
 (a) Depression of Severe form of trough
 (b) Depression causes fall in Interest rate
 (c) Peak is highest point
 (d) All of the above
13. **It is known as electronic cash and digital cash, it uses computer, internet and other networks to execute transactions and transfer funds.**
 (a) Cash
 (b) E-Cash
 (c) E-commerce
 (d) None
14. **Indifference curve slopes downwards as one product increase and another decreases because they give.**
 (a) Equal satisfaction
 (b) Greater Satisfaction
 (c) Lesser Satisfaction
 (d) None
15. **Supply of land is:**
 (a) Elastic
 (b) Perfectly Elastic
 (c) Perfectly Inelastic
 (d) Inelastic
16. **Income elasticity of luxury goods**
 (a) Zero
 (b) Positive and greater than one
 (c) Positive and lesser than one
 (d) Negative and greater than - 1
17. **Price elasticity of supply refers to change in responsiveness of quantity to change in:**
 (a) Price
 (b) Price in substitute
 (c) Income
 (d) Preference
18. **Elasticity of demand under perfect competition is.**

- (a) One
- (c) Zero

- (b) Two
- (d) Infinite

19. Which among the following market situation is known as a 'myth in the market'?

- (a) Duopoly
- (b) Oligopoly
- (c) Discriminating
- (d) Perfect Competition

20. Which of the following is a property of an indifference curve?
(a) It is convex to the origin.

- (b) The marginal rate of substitution is constant as you move along an indifference curve.
- (c) Marginal utility is constant as you move along an indifference curve.
- (d) Total utility is greatest where the 45 degree line cuts the indifference curve.

21. The supply of a good refers to :

- (a) Actual production of the good
- (b) Total existing stock of the good.
- (c) Stock available for sale.
- (d) Amount of the good offered for sale at a particular price per unit of time.**

22. 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 of the above.**

23. Which of the following statements is correct?

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

24. Marginal product is the slope of:

- (a) Total Product
- (b) Average Product
- (c) Marginal Product
- (d) Implicit Product

25. Which of the following is correct :

- (a) $TFC = TVC - TC$
- (b) $TC = TVC - TFC$
- (c) $TFC = TC - TVC$
- (d) $TC = TFC - TVC$

26. Total Cost = Explicit cost + Implicit cost +

- (a) Super Normal Profit
- (c) Super Normal Losses

- (b) Normal Profit
- (d) Average Fixed Cost

27. Large scale production is associated with

- (a) Technical Economies
- (b) un-managerial economies
- (c) Commercial Economies
- (d) Financial Economies

| 28. Output | TP | MP | o | - | - |
|------------|----|----|---|---|---|
| 1 | 10 | 10 | | | |
| 2 | - | 8 | | | |
| 3 | 24 | - | | | |

What is the MP of 3rd unit of output?

- (a) 6
 - (b) 8
 - (c) 10
 - (d) 11
29. What is the total product of producing 2nd unit of output?
- (a) 8
 - (b) 10
 - (c) 18
 - (d) 24
30. What is the AP of 1st three units of output?
- (a) 8
 - (b) 10
 - (c) 18
 - (d) 72
31. If variable cost of 5 units of output is 100 and fixed cost is 40. Find average cost at 5 units of output.
- (a) 8
 - (b) 100
 - (c) 108
 - (d) 540
32. Diminishing marginal returns implies:
- (a) Decreasing average variable costs
 - (b) Decreasing marginal costs
 - (c) Increasing marginal costs
 - (d) Decreasing average fixed costs
33. Average fixed cost for producing 8 units of output was 60, what is the average Fixed cost at 6 units of output
- (a) 40
 - (b) 60
 - (c) 80
 - (d) 50
34. For 15 units of output, average cost was 250 and fixed cost per unit of output was 125, then the average variable cost per at 15 units?

- (a) 25 (b) 50
(c) 125 (d) 250

35. Diminishing returns occur –

- (e) When units of a variable input are added to a fixed input and total product falls
(f) When units of a variable input are added to a fixed input and marginal product falls
(g) When the size of the plant is increased in the long run.
(h) When the quantity of the fixed input is increased and returns to the variable input falls.

36. Which of the following curve is never U shape

- (a) Average cost. (b) Average Variable Cost
(c) Average Fixed cost (d) Marginal Cost

37. The "law of diminishing returns" applies to :

- (i) The short run, but not the long run.
(j) The long run, but not the short run.
(k) Both the short run and the long run.
(l) Neither the short run nor the long run.

38. A firm producing 7 units of output has an average total cost of ` 150 and has to pay ` 350 to its fixed factors of production whether it produces or not. How much of the average total cost is made up of variable costs?

- (a) ` 200 (b) ` 60
(c) ` 100 (d) ` 1,400

39. Marginal Cost changes due to changes in _____

- (m) Total cost (b) Average cost
(c) Variable cost (d) Quantity of output

40. "Let and live philosophy" concern from which market :—

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

41. What is true about the perfect competition market

- (n) $AR = MR = PRICE$ (b) $AR = AC = P$
(c) $AR > AC$ (d) None

42. If a perfect competition firm is making losses then which condition is suitable. To carry on business as long as it covering variable cost.

- (o) Shutdown (b) Expand it's plant
(c) Do nothing (d) Reduce productions

43. If in a short run perfect competition earn super normal profit then which condition satisfy.
- (p) $ATC > MC$ (b) $ATC < MC$
 (c) $MR < AR$ (d) $MR > AR$
44. Group behaviour from which market belongs :-
- (q) Perfect Competition (b) Monopolistic Competition
 (c) Monopoly (d) Oligopoly
45. In the long run Monopolistic comp. and perfect comp. are same because of
- (r) Normal Profit (b) Abnormal Production
 (c) Losses (d) None
46. Suppose that the demand curve for the XYZ Co. slopes downward and to the right.
 We can conclude
- (s) The firm operates in perfectly competitive market
 (t) The firm can sell all that it was to at the established market price.
 (u) The XYZ Co. is not a price taker in the market because it must lower price to sell additional units of output.
 (v) The XYZ Co. wil not be maximize profits because price and revenue are subject to change.
47. Diminishing marginal returns for the first four units of a variable input is exhibited by the total product sequence:
- (a) 50, 50, 50, 50 (b) 50, 110, 180, 260
 (c) 50, 100, 150, 200 (d) 50, 90, 120, 140
48. Extreme Product differentiation is found in which market?
- (a) Monopolistic Competition (b) Monopoly
 (c) Perfect Competition (d) Oligopoly
49. Monopoly firm faces which demand curve?
- (w) Downward Sloping (b) Horizontal
 (c) Rising (d) All of these
50. Assume that when price is ` 40, the quantity demanded is 15 units and when price is ` 38, the quantity demanded is 16 units. Based on this information, what is the marginal revenue resulting from a increase in output from 15 units to 16 units-
- (a) 36 (b) 32
 (c) 24 (d) 08

51. **A market where there is no restrictions on the transactions is called as-**
 (x) Regulated market (b) Unregulated market
 (c) Spot market (d) Future market
52. **Under perfect competition, price elasticity of demand of a firm is -**
 (a) Large (b) Slight
 (c) Infinite (d) Extreme
53. **During recession the employment rate ----- and output-----**
 (y) Rises-falls (b) Rises-rises
 (c) falls-rises (d) Falls-falls
54. **The internal cause of business cycle is -**
 (z) Technology shocks
 (aa) Fluctuation in effective demand
 (bb) Post war reconstruction
 (cc) Population Growth
55. **An unemployment type cause due to structural changes in the economy is which of the following-**
 (a) Involuntary (b) Ethical friction
 (c) Full employment (d) Structural
56. **At 'trough' the production in the economy reaches at which of the following-**
 High (b) Low
 (c) Constant (d) Negative
57. **According to some economists which is not the prime cause of Business Cycles?**
 a) Fluctuations in investment
 b) Micro Economic policy
 c) Impact on aggregate economic activity
 d) Psychological factors
58. **The four phases of Business Cycle are -**
 a) Peak, Construction , Depression and Boom
 b) Prosperity, Recession, Depression and Expansion
 c) Boom, Downswing , Expansion and Prosperity
 d) Peak, Recession , Trough and Recovery
59. **Chinas recent slowdown causes -**
 a) Cycle of decline and panic across the world
 b) Countries across the Globe were able to insulate themselves from the crisis
 c) Stock markets in the Emerging Economics largely remained unaffected
 d) Old technology fuelled the economic decline

60. **Friction unemployment is the characteristic of which of the following stages**
- a) Expansion (b) Peak
(c) Construction (d) Recovery
61. **When Total Revenue (TR) is at the peak Marginal Revenue is equal to**
- a) Zero (b) Positive
(c) Negative (d) More than one
62. **Actual demand stagnates in which stage.**
- a) Peak (b) Trough
(c) Recovery (d) Contraction
63. **Find the odd one out from the following question Example of coincident indicators are**
- a) Industrial production (b) Inflation
(c) Retail Sales
(d) New orders for plant and equipment
64. **Which of the following concern is related to business and commercial knowledge?**
- a) Sustainability (b) Sociology
(c) Traditional (d) Social At large
65. **Which one is not a feature of LLP**
- a. It is a legal entity separate from its member
b. No limit on maximum no. of members
c. Every partner is only agent of firm
d. Registrar of firm is the administrating authority
66. **Organic objective of business**
- a) Sales profit
b) Fitness of human resources
c) Product usage and disposal
d) All of the above
67. **Ideal corresponds to business commercial knowledge**
- a. Social (b) Sustainable development
(c) Political (d) Economic
68. **Find odd one out. There can be partnership between**
- (a) Natural person
(b) partnership firm

- (c) Artificial Person
(d) Any Combination of natural and artificial
69. **Which of the following is not within the scope of Business Economics?**
 (a) Capital Budgeting (b) Risk Analysis
 (c) Business Cycles (d) Accounting Standards
70. **A partnership may be formed to carry on ;**
 (a) Any trade (b) Profession
 (c) Occupation (d) Social Enterprise
71. **As a price of Rs. 20 the quantity demanded is 10 units. With 5% decrease in price the demand increases by 10%. The marginal revenue for the 11th unit will be**
 (a) Rs. 20 (b) Rs. 9
 (c) Rs. 9 (d) Rs. 11
72. **Which of the following is not a feature of LLP**
 (a) Legal entity separate from its partners
 (b) No limit on maximum no of persons
 (c) Every partners is agent of LLP
 (d) Register of firm is the administering authority
73. **Which factor affect demand for companies product?**
 (a) Political (b) Socia
 (c) Economic (d) Lega
74. **Which analysis is used for proactive and strategic thinking in its decision making ?**
 (a) SWOT (b) TOWS
 (c) PESTLE (d) None
75. **Which pharmaceutical company has the slogan caring for life?**
 (a) Dr. Reddy's
 (b) Lupin Ltd.
 (c) Cipla Ltd.
 (d) Sun pharmaceutical Industries.
76. **The RBI has been vested with extensive power to control and supervise commercial banking system under the –**
 (a) Reserve Bank of India Act, 1934
 (b) The Banking Regulation Act, 1949
 (c) Both (a) and (b).
 (d) None of the above.

77. A stock that provides a constant dividend and stable earnings in the periods of economic downturn is
- (a) Defensive Stock (b) Cash Budget
(c) Income Stock (d) Listed Stock
78. Curtail all benefits in some particular issue.
- (a) Restrictive policies (b) Regulatory Policies
(c) Facilitating policies (d) None of these
79. A reduction of 45 basis point will be equal to how much of the following?
- (a) 45% (b) 0.45%
(c) 4.5% (d) 450%
80. In which of the following sector (s), FDI is prohibited under both routes
- (a) Nidhi Company (b) Media
(c) Real Estate (d) Shell Company
81. A type of privatization where Government surrenders partial ownership and responsibility and sells the majority stake to one or more entities is called as
- (a) Delegation (b) Divestment
(c) Displacement (d) Disinvestment
82. Which of the following policy is used to curtail benefits related to some public issue?
- (a) Restrictive (b) Regulatory
(c) Facilitating (d) Delegation
83. Which of the following sets as an indicator of bank's liquidity and solvency
- (a) Statutory liquidity ratio (b) Cash Reserve ratio
(c) Repo rate (d) Reserve repo rate
84. It is loan where the time and cash flow between a short loan and a long term loan is filled up.
- (a) Debt financing (b) Bridge financing
(c) Closure Time (d) None of these
85. The lowest price at which an owner is willing to sell his securities.
- (a) Sale (b) Ask
(c) Auction (d) None
86. Selling a portion of ownership in a public enterprise to private parties
- (a) Delegation (b) Disinvestment
(c) Divestment (d) Deregulation

87. **Excess capacity in capital industries is the characteristics of which of the following stage?**
 (a) Trough (b) Recovery
 (c) Depression (d) Peak
88. **The form in which government surrendered partial ownership and sold the majority stake to one or more private entities in course of time.**
 (a) Disinvestment (b) Displacement
 (c) Divestment (d) Delegation
89. **The form of privatization, where government keeps hold of responsibility and private enterprise handles the management of it fully or partly is known as:**
 (a) Disinvestment (b) Deregulation
 (c) Delegation (d) Decentralization
90. **SEBI, RBI and IRDA are:**
 (a) Regulatory Institutions (b) Policy institutions
 (c) Satellite institutions (d) Satellite Institutions
91. **Which gas company owns India's largest pipeline network?**
 (a) Gail (India) Ltd.
 (b) Bharat Petroleum Corporation Ltd.
 (c) Reliance Industries Ltd
 (d) None of the above
92. **Carrying forward of transaction form one settlement period to the next payment is called _____.**
 (a) Badla (b) Beta
 (c) Blue chips (d) None
93. **A series of payments of an equal amount at fixed intervals for a specified periods is called**
 (a) Amortize (b) Annuity due
 (c) Annuity (d) Arbitrage
94. **In a Bull market**
 (a) Stock prices are decreasing consistently
 (b) Stock Prices are increasing consistently
 (c) Stock Prices are stable
 (d) Stock Prices are wildly fluctuating
95. **Which of the following is not within the scope of Business Economics?**

- (a) Risk Analysis
(c) Business Cycle
- (b) Capital Budgeting
(d) Accounting Standards
96. **Budget line is otherwise called as**
 (a) Money line
 (c) Income line
 (b) Preference line
 (d) Price line
97. **What is consolidation?**
 (a) It is expense that is supposed to reflect the loss in value of a fixed asset.
 (b) Combination of two or more entities that occurs when the entities transfer all their net assets to a new entity created for that purpose.
 (c) Costs that can be attributed clearly to the activity you are considering.
 (d) None
98. _____ is the simultaneous purchase and sale of two identical commodities or instruments. This simultaneous sale and purchase is done in order to take advantage of the price variations in two different markets.
 (a) Cap
 (c) Arbitrage
 (b) Term insurance
 (d) Hedge
99. is a combination of several companies working together for a particular purpose for example in order to buy something or build something.
 (a) Consortium
 (c) Co-opting
 (b) Joints Venture
 (d) All of above
100. It is the amount of revenue from sales which exactly equals the amount of expense.
 (a) Shut down point
 (c) Profit point
 (b) Break –even Point
 (d) None

Answer key

| | | | | | | | | | |
|----|---|----|---|----|---|----|---|----|---|
| 1 | A | 21 | D | 41 | A | 61 | A | 81 | D |
| 2 | A | 22 | D | 42 | B | 62 | A | 82 | A |
| 3 | C | 23 | B | 43 | B | 63 | D | 83 | A |
| 4 | B | 24 | A | 44 | D | 64 | A | 84 | B |
| 5 | A | 25 | C | 45 | A | 65 | A | 85 | B |
| 6 | D | 26 | B | 46 | C | 66 | D | 86 | C |
| 7 | C | 27 | A | 47 | D | 67 | B | 87 | A |
| 8 | A | 28 | A | 48 | C | 68 | B | 88 | A |
| 9 | A | 29 | C | 49 | A | 69 | D | 89 | D |
| 10 | B | 30 | A | 50 | D | 70 | A | 90 | A |
| 11 | B | 31 | C | 51 | B | 71 | C | 91 | A |
| 12 | D | 32 | C | 52 | C | 72 | D | 92 | A |
| 13 | B | 33 | C | 53 | D | 73 | C | 93 | C |

| | | | | | | | | | |
|----|---|----|---|----|---|----|---|-----|---|
| 14 | A | 34 | C | 54 | B | 74 | C | 94 | B |
| 15 | C | 35 | B | 55 | D | 75 | C | 95 | D |
| 16 | B | 36 | C | 56 | B | 76 | C | 96 | D |
| 17 | A | 37 | A | 57 | B | 77 | A | 97 | B |
| 18 | D | 38 | C | 58 | D | 78 | A | 98 | D |
| 19 | D | 39 | A | 59 | A | 79 | A | 99 | A |
| 20 | A | 40 | C | 60 | A | 80 | A | 100 | B |

Series – 2

- 1. When the price of petrol decreases, people reduce the consumption of diesel, then the goods are**
(a) Mixed
(b) Complementary
(c) Superior
(d) Substitutes
- 2. When price of apple is Rs. 120 per kg. Ram buys one kg of apples at that price. Now, other things remains the same, the price of apples falls to Rs. 90 per kg. Now Ram buys 2kg of apples. It is called as**
(a) Contraction of demand
(b) Expansion of demand
(c) Market demand
(d) Demand schedule
- 3. To know the base price and quantity, which method of elasticity is used?**
(a) Arc elasticity
(b) Cross elasticity
(c) Point elasticity
(d) Zero elasticity
- 4. The price elasticity of demand for X is 1 and the original quantity demand of X is 90 units. If the price of X decreases from Rs. 300 to Rs. 180 per unit, calculate the new quantity demand of X.**
(a) 126 units
(b) 36 units
(c) 144 units
(d) 120 units
- 5. If quantity supply changes substantially in response to small changes in price of the good then it is**
(a) Relatively greater elastic supply
(b) Relatively less elastic supply
(c) Unitary elastic
(d) Perfect elastic
- 6. If indifference curve is L shaped, it means two goods will be**
(a) Perfect Complementary Goods
(b) Perfect Substitute goods
(c) Perfect inferior goods
(d) Perfect superior goods
- 7. Lets assume that at OY-axis we have good A and at OX-axis good B. If the price of good B increases by Rs. 1 but the price of good A remains constant and income also remains unchanged, the budget line will shift**
(a) Right on OY axis
(b) Right on OX axis
(c) Left on OY axis
(d) Left on OX axis
- 8. Purushotam wanted to buy laptop by paying Rs. 60,000 but the actual price is Rs. 55,000, then consumer surplus is**
(a) 60,000
(b) 55,000

(c) 5,000

(d) 6,500

9. The concept of “innovative entrepreneurship” was given by

(a) Marshall

(b) Schumpeter

(c) JK Mehta

(d) Adam smith

10. Which activity is the base of all production activities

(a) Production

(b) Exchange

(c) Investment

(d) Consumption

11. When output increases more than the increase in input, it occurs due to

(a) External and internal diseconomies

(b) External and internal economies

(c) External diseconomies and internal economies

(d) External economies and internal diseconomies

12. A functional relationship between inputs and output is called _____

(a) Cost function

(b) Revenue function

(c) Consumption function

(d) Production function

13. Among the following statements which is incorrect in relation to isoquants

(a) Isoquants are negatively

(b) Isoquants are concave to origin

(c) Isoquants are not intersecting

(d) Isoquants are convex to origin

14. External economies can be achieved through

(a) Technological external economies

(b) External assistance

(c) Development of unskilled labour

(d) Superior managerial efficiency

15. Marginal product will be ___ at the point of inflexion

(a) Maximum

(b) Minimum

(c) Negative

(d) Zero

16. Use the table and answer for the following questions

| Output | 0 | 1 | 2 | 3 | 4 | 5 | 6 |
|------------------|-----|-----|-----|-----|-----|-----|-----|
| Total Cost (Rs.) | 100 | 180 | 250 | 310 | 360 | 420 | 490 |

The average fixed cost of 4 units of output is

(a) 80

(b) 90

(c) 25

(d) 350

17. The average variable cost of 5 units of output

(a) 84

(b) 64

(c) 420

(d) 104

18. The marginal cost of 5th unit of output is

(a) 60

(b) 70

(c) 540

(d) 90

19. The total cost is Rs. 4200 and fixed cost is Rs. 1200 then find the variable cost
 (a) 5,450 (b) 1,200
 (c) 4,200 (d) 3,000
20. If a seller obtains Rs. 6,000 after selling 50 units and Rs. 6,204 after selling 53 units, then marginal revenue will be
 (a) Rs. 204 (b) 68
 (c) 120 (d) 118
21. On the basis of nature of transaction, a market may be classified into
 (a) Regulated and unregulated market
 (b) Wholesale and retail market
 (c) Cash and forward rate
 (d) National and international market
22. When a firm produces 7 units of production and the TR is Rs. 42 after raising the production to 8 units TR reached Rs. 46. Marginal revenue will be
 (a) Rs. 6 (b) Rs. 4
 (c) Rs. 5 (d) Rs. 8
23. A market where goods are exchanged for money payable either immediately or within short span of time
 (a) Forwarded market (b) Regulated market
 (c) Spot market (d) Wholesale market
24. ABC Ltd. realizes total revenue of Rs. 6,000 by the sale of 120 units and Rs. 6050 by the sale of 121 units
 What is the average revenue when ABC Ltd. Sells 121 units
 (a) 6,000 (b) 6,050
 (c) 50 (d) 100
25. When ABC Ltd. Sells 130 units then total revenue will be
 (a) 18,550 (b) 12,050
 (c) 6,000 (d) 6,500

26. Answer the following questions

| Units | 0 | 1 | 2 | 3 | 4 | 5 | 6 |
|---------------|-----|-----|-----|-----|-----|-----|-----|
| Total Revenue | 100 | 180 | 250 | 310 | 360 | 400 | 430 |

Find the marginal revenue at 5th unit is

- (a) 60 (b) 55
 (c) 45 (d) 40

27. **Kinked demand hypothesis is designed to explain the under oligopolistic market**
- (a) Collusion between firms
(b) Price and output determination
(c) Rigidity of price
(d) Price leadership
28. **is the best example of oligopoly**
- (a) SAARC
(b) WTO
(c) GATT
(d) OPEC
29. **Alluminium industry is the example of which type of oligopoly**
- (a) Open oligopoly
(b) Full oligopoly
(c) Pure oligopoly
(d) Syndicated oligopoly
30. **In which market prices are determined by the market forces of demand and supply?**
- (a) Pure Competition
(b) Perfect Competition
(c) Monopolistic Competition
(d) Oligopoly
31. **Railways charges comparatively cheaper fares from senior citizens. This is an example of**
- (a) Price discrimination
(b) Market analysis
(c) Profit discrimination
(d) Demand forecasting
32. **Smart phones market is an example of**
- (a) Monopoly
(b) Monopolistic Competition
(c) Oligopoly
(d) Perfect competition
33. **Collusion is impossible if an industry has**
- (a) Large number of firms
(b) Only few numbers of firms
(c) Only two firms
(d) Limited number of firms
34. **When the industry is dominated by one large firm it is called**
- (a) Partial oligopoly
(b) Full oligopoly
(c) Organized oligopoly
(d) Closed oligopoly
35. **Choose the incorrect statement regarding the barometric price leadership**
- (a) Live and let live philosophy is followed
(b) Old and experienced firm acts as a leader
(c) Price decided by assessing market conditions
(d) Price decided by leader is generally accepted by the rest of all
36. **“Competition among few” is described in**
- (a) Monopoly
(b) Oligopoly
(c) Duopoly
(d) Monopsony
37. **Which of the following phase occurs after threat and before peak?**
- (a) Expansion
(b) Depression
(c) Boom
(d) Recession

38. Which indicators coincide or occur simultaneously with the business cycle movements?
- (a) Lagging (b) Leading
(c) Concurrent (d) Legal
39. What is the most visible sign of recession in an economy
- (a) Fall in the level of employment (b) Rise in the inventory cost
(c) Fall in price level (d) Weakening stock market
40. Taxation policy of government is the part of
- (a) Monetary policy (b) Fiscal policy
(c) EXIM policy (d) Industry policy
41. During the phase of trough of business cycle, the growth rate became—
- (a) High (b) Low
(c) Negative (d) Zero
42. is measurable economics factor that changes before economy starts to follow a particular pattern of trend
- (a) Lagging indicators (b) Coincident indicators
(c) Leading indicators (d) Concurrent indicator
43. Which of the following is an internal cause of business cycles
- (a) Wars (b) Natural factors
(c) Fluctuations in the effective demand (d) Population growth
44. Phases of business cycles are
- (a) Peak, recession, depression and recovery
(b) Bottom, recession, trough and boom
(c) Peak, depression, trough and boom
(d) Peak, depression, bust and boom
45. Which is not an example of coincident indicator
- (a) Inflation (b) GDP
(c) Interest rate (d) Financial Market trend
46. During _____ there is fall in level of investment and employment
- (a) Contraction (b) Depression
(c) Boom (d) Recovery
47. The most important feature of business cycles
- (a) Pervasive nature (b) Regular length
(c) Periodic intensity (d) None
48. “Modern business activities are based on the anticipations of business community and are affected by waves of optimism (or) pessimism” is

said by

- (a) Haw trey
- (b) Pigiou
- (c) Keynes
- (d) Schumpeter

49. **Economics in terms of Dynamic Growth and development defined by**

- (a) Alfred Marshall
- (b) Adam smith
- (c) Robbins
- (d) Paul A Samuelson

50. **A Socialistic economy is also called as**

- (a) Profit oriented economy
- (b) Self-regulatory economy
- (c) Centrally planned economy
- (d) Unorganized economy

51. **_____ economics explain economics phenomenon according to their causes and effects**

- (a) Normative
- (b) Empirical
- (c) Positive
- (d) Applied

52. **In capitalistic economy _____ and _____ will be more**

- (a) Inequalities, exploitation
- (b) Exploitation, equalities
- (c) Equalities, non-exploitation
- (d) Non exploitation, inequalities

53. **In which economy, cost benefit analysis is used to answer the fundamental questions of economy**

- (a) Mixed economy
- (b) Socialistic Economy
- (c) Capitalistic Economy
- (d) Regulatory Economy

54. **The study of behavior of different individuals, organizations with in an economic system is known as**

- (a) Micro Economics
- (b) Macro economics
- (c) Welfare economics
- (d) None

55. **In which economic system production and distribution of goods and services aim at maximizing the welfare of community as a whole**

- (a) Capitalistic Economy
- (b) Normative
- (c) Mixed
- (d) Socialism

56. **The nature of business economics is**

- (a) Positive in nature
- (b) Pragmatic
- (c) Pure science
- (d) Independent

57. **_____ are responsible for all economic problems**

- (a) Unlimited wants
- (b) Alternative resources
- (c) Scarcity of resources
- (d) Others

58. **Demand forecasting by means of asking customer what they are going to**

buy comes under

- (a) Survey of buyers intention
- (b) Statistical method
- (c) Grass roots method
- (d) Experts opinion method

61. Which of the following is not an economic activity

- (a) Land owner compensate the tiller of land in form of food grain
- (b) Doctor consulting his own family
- (c) Online teaching
- (d) Consumption of food items

62. Intellectual property rights and copyrights is an example of which of the following key factor of PESTLE Matrix?

- (a) Social
- (b) Technological
- (c) Economic
- (d) Political

63. According to Incomes tax Act, which of the following cannot be a source of income for HUF?

- (a) Income from Salary
- (b) Income from house property
- (c) Income from business and profession
- (d) Income from other sources

64. What is popular psychological motive in case of profession as an economic occupation?

- (a) Service to clients
- (b) Economic achievement
- (c) Source of livelihood
- (d) Membership of professional body

65. Limited liability partnership is _____

- (a) Non mutual agency
- (b) Hybrid form of business organization
- (c) Social & Environment concern
- (d) Public Sector

66. is a framework for macro environment analysis.

- (a) Global
- (b) Political
- (c) PESTLE
- (d) Social

67. Perpetual succession indicates _____

- (a) Registration of partnership firm is compulsory.
- (b) Limited scope for rising fund
- (c) Separate legal entity, separate from its members
- (d) Liability of the partners is limited to his contributes to capital

68. Which of the following is the recently introduced form of business organization in INDIA wide companies Act 2013?

- (a) LLP
- (b) Sole proprietorship
- (c) OPC
- (d) Private limited company

69. Which of the following is not an example of socio-cultural environment?

- (a) Role of women in society
- (b) Raising income

(c) Family structure

(d) Educational levels

70. **Factors like Trends, Events of different interest groups are needed to be considered in**

- (a) Environment analysis
- (c) Environmental inference

- (b) Environmental scanning
- (d) Environmental response

71. **Which of the following is not an important characteristic of business environment?**

- (a) Image building
- (c) Giving direction for shrinking

- (b) Continuous learning
- (d) Opportunities and threats

72. **ABC company is aiming towards Joint venture and partnership with other firms to manage uncertainty. This is an example of following type of Organizational response to the environment?**

- (a) Collective response
- (c) Micro environmental response

- (b) Competitive response
- (d) Administrative response

73. **Who has the vision "To attain world class excellency by demonstrating value added products to customers"?**

- (a) IBM Corporation
- (c) Bajaj Auto Limited

- (b) Intel Corporation
- (d) Bharti Airtel Limited

74. **Which of the following is a multinational financial service corporation?**

- (a) IBM Corporation
- (c) Microsoft Corporation

- (b) Walmart
- (d) American Express

75. **In 1981, 7 engineers in Pune, Founded the following company:**

- (a) L & T
- (c) Wipro

- (b) Infosys
- (d) TCS

76. **Which of the following company ranked first in fortune 500 company list 2019?**

- (a) Walmart
- (c) Intel

- (b) Microsoft
- (d) American Express

77. **To help individuals and business realize their full potential. Is the vision of**

- (a) Cognizant
- (c) Microsoft

- (b) Apple
- (d) Walmart

78. **A security which has a solid record of dividend payments and offer the dividend higher than the common stock is _____**

- (a) Hedge
- (c) Index

- (b) Holding period
- (d) Income stock

79. **Above the balance available in the account of the payer is called _____**

- (a) Overdraft
- (c) Market Value

- (b) Maturity
- (d) Mortgage

80. The effect of change in price will have on customers is _____
 (a) Price Discrimination (b) Price Skimming
 (c) Price sensitivity (d) Pre-emptive Pricing
81. A strongly motivated and long-standing decision of the customer to purchase a particular product or service is referred as _____
 (a) Buying behavior (b) Brand Recognition
 (c) Brand Loyalty (d) Customer satisfaction
82. is a measurement of relationship between stock price of any particular stock and the movement of whole market.
 (a) Call Option (b) Bids and Offer
 (c) Beta (d) Break – even Point
83. Bid is the.....
 (a) Lowest value the which the seller is willing to sell
 (b) Highest value which the buyer is willing to pay
 (c) Highest value which the seller is willing to sell
 (d) Lowest value which the buyer is willing to pay
84. Government keeps hold of responsibility and private enterprise handle fully or partly the delivery of product and service. Such type of concept of privatization is known as
 (a) Divestment (b) Displacement
 (c) Disinvestment (d) Delegation
85. The formation of National Skills Development Corporation (NSDC) is an example of which of the following type of public policy?
 (a) Restrictive (b) Social
 (c) Facilitating (d) Regulatory
86. Organizing of immunization camps by government is an example of which policy?
 (a) Restrictive (b) Social
 (c) Distributive (d) Regulatory
87. Taking off restrictions in exports and imports of goods is _____
 (a) Liberalization (b) Privatization
 (c) Globalization (d) Socialization
88. Gradual decrease in government command and control over economic policies is called _____
 (a) Socialization (b) Liberalization
 (c) Globalization (d) Capitalization
89. Selling of a portion of ownership from public enterprise to private parties is called
 (a) Disinvestment (b) Divestment
 (c) Delegation (d) Deregulation

90. In which of the following FDI is prohibited under both the Government Route as well as the Automatic Route.
- (a) Atomic energy (b) Solar Energy
(c) Wind energy (d) Biomass Energy
91. Controller of capital Issues was replaced by which of the following Regulatory authority?
- (a) IRDAI
(b) Competition Commission of India (CCI)
(c) RBI
(d) SEBI
92. Which of the following is not an objective of establishing the Competition commission of India (CCI)?
- (a) To Prevent practices having adverse effect on competition
(b) To preserve and sustain competition in markets
(c) To protect the interest of the customers
(d) To ensure restriction of the customers other participants in markets
93. SEBI was setup to regulate the _____
- (a) Insurance market (b) Security Market
(c) Money market (d) Capital market
94. Which of the following is not a regulatory body?
- (a) SIDBI (b) SEBI
(c) RBI (d) CCI
95. IRDAI full form is:
- (a) Industrial Regulatory Development Authority of India
(b) Institutional Regulatory Development Authority
(c) Insurance Regulatory Development Authority of India
(d) Insurance Ruling Development Authority
(e)
96. Which of the following financial institution is known for dealing in SHG bank linkage program?
- (a) NABARD (b) IRDAI
(c) SBI (d) SEBI

KEY

| | | | | | | | | | |
|----|----|----|----|----|----|----|----|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| D | B | A | A | A | A | D | C | B | D |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| B | D | B | A | A | C | B | A | D | B |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| C | B | C | C | D | D | C | D | C | B |
| 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 |
| A | C | A | A | A | B | A | C | C | B |
| 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 |

| | | | | | | | | | |
|----|----|----|----|----|----|----|----|----|-----|
| C | C | C | A | C | A | A | B | D | C |
| 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 |
| C | A | A | A | D | B | C | A | | |
| 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 |
| B | B | A | A | B | C | C | C | B | B |
| 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 |
| C | A | C | D | B | A | C | D | A | C |
| 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 |
| C | B | B | D | C | C | A | B | A | A |
| 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| D | D | D | A | C | A | | | | |

Series – 3

1. Which of the following statements is correct?
 - (a) The Law of Demand states positive relationship between price and quantity demanded.
 - (b) The Law of Supply states positive relationship between price and quantity supplied.
 - (c) As per the Law of diminishing returns as the consumption of any commodity is increased, the average returns start diminishing.
 - (d) None of the above
2. The branch of economic theory that deals with the problem of allocation of resources is
 - (a) Micro-Economic theory
 - (b) Macro-economic theory
 - (c) Econometrics
 - (d) none of the above
3. Choice is created by the-
 - (a) Abundance of resources
 - (b) Scarcity of resources
 - (c) Urgency of needs
 - (d) Non-Availability of resources
4. Which of the following statements would you consider to be a normative one?
 - (a) Faster economic growth should result if an economy has a higher level of investment.
 - (b) Changing the level of interest rates is a better way of managing the economy than using taxation and government expenditure.
 - (c) Higher levels of unemployment will lead to higher levels of inflation.
 - (d) The average level of growth in the economy was faster in the 1990s than the 1980s.
5. Which of the following is not within the scope of Business Economics?
 - (a) Capital Budgeting
 - (b) Risk Analysis
 - (c) Business Cycles
 - (d) Accounting Standards
6. A study of how increases in the corporate income tax rate will affect the national unemployment rate is an example of
 - (a) Macro-Economics
 - (b) Descriptive Economics
 - (c) Micro-economics

- (d) Normative economics
7. Excess capacity is not found under _____
- (a) Monopoly
 - (b) Monopolistic competition
 - (c) Perfect competition.
 - (d) Oligopoly
8. Administered prices refer to:
- (a) Prices determined by forces of demand and supply
 - (b) Prices determined by sellers in the market
 - (c) Prices determined by an external authority which is usually the government
 - (d) None of the above
9. If the price of Orange Juice increases, the demand for Apple Juice will __.
- (a) increase
 - (b) decrease
 - (c) remain the same
 - (d) become negative.
10. If good growing conditions increases the supply of strawberries and hot weather increases the demand for strawberries, the quantity of strawberries bought
- (a) increases and the price might rise, fall or not change.
 - (b) does not change but the price rises.
 - (c) does not change but the price falls.
 - (d) increases and the price rises.
11. If increasing air fares increases revenues and decreasing them decreases revenues, then the demand for air travel has a price elasticity of:
- (a) Zero
 - (b) Greater than zero but less than one
 - (c) One
 - (d) Greater than one
12. Suppose income of the residents of locality increases by 50% and the quantity of gel pens demanded increases by 20%. What is income elasticity of demand for gel pen?
- (a) 0.4
 - (b) 0.6
 - (c) 1.25
 - (d) 1.50
13. The difference between Positive and Normative Economics is:
- (a) Positive Economics explains the performance of the economy while Normative Economics finds out the reasons for poor performance.
 - (b) Positive Economics describes the facts of the economy while Normative Economics involves evaluating whether some of these are good or bad for the welfare of the people.

- (c) Normative Economics describes the facts of the economy while Positive Economics involves evaluating whether some of these are good or bad for the welfare of the people.
- (d) Positive Economics prescribes while Normative Economics describes.
14. 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.
- (b) The demand for rice will decrease.
- (c) The demand for rice will be unaffected.
- (d) None of the above
15. Capital intensive techniques would get chosen in a
- (a) Labour surplus economy where the relative price of capital is lower.
- (b) Capital surplus economy where the relative price of capital is lower.
- (c) Developed economy where technology is better.
- (d) Developing economy where technology is poor.
16. Suppose potatoes have (-) 0.4 as income elasticity. We can say from the data given that:
- (a) Potatoes are inferior goods.
- (b) Potatoes are superior goods.
- (c) Potatoes are necessities.
- (d) There is a need to increase the income of consumers so that they can purchase potatoes.
17. The cross elasticity between Rye bread and Whole Wheat bread is expected to be:
- (a) positive
- (b) negative
- (c) zero
- (d) can't say
- 18 In a very short period, the supply**
- (a) can be changed.
- (b) cannot be changed.
- (c) can be increased.
- (d) none of the above
19. Exploitation and inequality are minimal under:
- (a) Socialism
- (b) Capitalism
- (c) Mixed economy
- (d) None of the above
20. Suppose the income elasticity of education in private school in India is 1.8. What does this indicate:
- (a) Private school education is a luxury.
- (b) Private school education is a necessity.

- (c) Private school education is an inferior commodity.
 - (d) We should have more private schools.
21. Marginal product, mathematically, is the slope of the
- (a) total product curve.
 - (b) average product curve.
 - (c) marginal product curve.
 - (d) implicit product curve.

Read the below table and answer Questions number 22-24

| | % Change in price | % change in quantity demanded (quantity supplied) | Elasticity |
|--------------------|-------------------|---|------------|
| Demand for salt | 20 | -1 | x |
| Demand for bananas | 15 | y | 3 |
| Supply of chicken | z | 14 | 1 |

22. Refer the above table and find the value of x.
- (a) -20
 - (b) -0.05
 - (c) -1
 - (d) Cannot be determined
23. Refer the above table and find the value of y.
- (a) -5
 - (b) 15
 - (c) -45
 - (d) -3
24. Refer the above and find the value of z.
- (a) 14
 - (b) 1
 - (c) 0.07
 - (d) 5
25. Suppose that a sole proprietorship is earning total revenues of Rs. 1, 00,000 and is incurring explicit costs of Rs. 75,000. If the owner could work for another company for Rs. 30,000 a year, we would conclude that:
- (a) The firm is incurring an economic loss.
 - (b) Implicit costs are Rs. 25,000.
 - (c) The total economic costs are Rs. 1,00,000.
 - (d) The individual is earning an economic profit of Rs. 25,000.
26. When a market is in equilibrium:
- (a) No shortages exist.
 - (b) Quantity demanded equals quantity supplied.
 - (c) A price is established that clears the market.

- (d) All of the above are correct.
27. Agricultural goods markets depict characteristics close to
- (a) Perfect competition.
 - (b) Oligopoly.
 - (c) Monopoly.
 - (d) Monopolistic competition.
28. "I am making a loss, but with the rent I have to pay, I can't afford to shut down at this point of time." If this entrepreneur is attempting to maximize profits or minimize losses, his behavior in the short run is:
- (a) Rational, if the firm is covering its variable cost
 - (b) Rational, if the firm is covering its fixed cost
 - (c) Irrational, since plant closing is necessary to eliminate losses
 - (d) Irrational, since fixed costs are eliminated if a firm shuts down
29. Monopolies are allocatively inefficient because:
- (a) They restrict the output to keep the price higher than under perfect competition.
 - (b) They charge a price higher than the marginal cost.
 - (c) Both (a) and (b) are correct.
 - (d) Both (a) and (b) are incorrect.
30. Economic costs of production differ from accounting costs of production because
- (a) Economic costs include expenditures for hired resources while accounting costs do not.
 - (b) Accounting costs include opportunity costs which are deducted later to find paid out costs.
 - (c) Accounting costs include expenditures for hired resources while economic costs do not.
 - (d) Economic costs add the opportunity cost of a firm which uses its own resources.
31. When $e = 1$ then MR is
- (a) positive
 - (b) zero
 - (c) one
 - (d) negative
32. Which of the following statements is correct?
- (a) Fixed costs vary with change in output.
 - (b) If we add total variable cost and total fixed cost we get the average cost.
 - (c) Marginal cost is the result of total cost divided by number of units produced.
 - (d) Total cost is obtained by adding up the fixed cost and total variable cost.
33. If the quantity of blankets demanded increases from 4600 to 5700 in response to a decrease in their price from Rs. 220 to Rs. 190, the price elasticity of demand for blankets is
- (a) 0.69
 - (b) 1.0

- (c) 1.46
(d) 2.66
34. Which of the following involve a trade-off?
 (a) Taking a nap
 (b) all of these answers involve trade-offs.
 (c) Watching a football game on Saturday afternoon
 (d) Going to university
35. If demand for goods and services is more than their supply, the resultant inflation is :
 (a) Cost push inflation.
 (b) stagflation
 (c) deflation.
 (d) demand pull inflation.
36. The lowest point in the business cycle is referred to as the
 (a) Expansion.
 (b) Boom.
 (c) Peak.
 (d) Trough
37. Suppose that at a price of Rs. 300 per month, there are 30,000 subscribers to cable television in Small Town. If Small Town Cablevision raises its price to Rs. 400 per month, the number of subscribers will fall to 20,000. Using the arc elasticity (midpoint) method for calculating the elasticity, what is the price elasticity of demand for cable TV in Small Town?
 (a) 1.4
 (b) 0.66
 (c) 0.75
 (d) 2.0
38. If there are implicit costs of production:
 (a) economic profit will be equal to accounting profit.
 (b) economic profit will be less than accounting profit.
 (c) economic profits will be zero.
 (d) economic profit will be more than accounting profit.
39. In the long-run, some firms will exit the market if the price of the good offered for sale is less than:
 (a) marginal revenue.
 (b) marginal cost.
 (c) average total cost.
 (d) average revenue.
40. The most important function of an entrepreneur is to ___.
 (a) Innovate
 (b) Bear the sense of responsibility

- (c) Finance
(d) Earn profit
41. If as a result of 50 per cent increase in all inputs, the output rises by 75 per cent, this is a case of:
- (a) increasing returns of a factor
 - (b) increasing returns to scale
 - (c) constant returns to a factor
 - (d) constant returns to scale
42. Economists use changes in a variety of activities to measure the business cycle and to predict where the economy is headed towards. is called-
- (a) Leading indicators
 - (b) Indicators
 - (c) Lagging Indicators
 - (d) None of these
43. A significant decline in general economic activity extending over a period of time is-
- (a) Business cycle
 - (b) Contraction phase
 - (c) Recession
 - (d) Recovery
44. In the long run, if a very small factory were to expand its scale of operations, it is likely that it would initially experience
- (a) an increase in pollution level.
 - (b) diseconomies of scale.
 - (c) economies of scale.
 - (d) constant returns to scale.
45. Which of the following statements is incorrect?
- (a) The LAC curve is also called the planning curve of a firm.
 - (b) Total revenue = price per unit \times number of units sold.
 - (c) Opportunity cost is also called alternative cost.
 - (d) If total revenue is divided by the number of units sold we get marginal revenue
46. Which of the following is a variable cost in the short run?
- (a) rent of the factory.
 - (b) wages paid to the factory labour.
 - (c) interest payments on borrowed financial capital.
 - (d) payment on the lease for factory equipment.
47. Price discrimination will be profitable only if the elasticity of demand in different markets in which the total market has been divided is:
- (a) uniform
 - (b) different
 - (c) less

- (d) zero
48. Suppose a firm is producing a level of output such that $MR > MC$, what should the firm do to maximize its profits?
- (a) The firm should do nothing.
 - (b) The firm should hire less labour.
 - (c) The firm should increase price.
 - (d) The firm should increase output.
49. Assume that when price is Rs. 20, the quantity demanded is 15 units, and when price is Rs. 18, the quantity demanded is 16 units. Based on this information, what is the marginal revenue resulting from an increase in output from 15 units to 16 units?
- (a) Rs. 18
 - (b) Rs. 16
 - (c) Rs. 12
 - (d) Rs. 28
50. Diminishing marginal returns imply
- (a) decreasing average variable costs
 - (b) decreasing marginal costs
 - (c) increasing marginal costs
 - (d) decreasing average fixed costs
51. When the monopolist divides the consumers into separate sub markets and charges different prices in different sub-markets it is known as
- (a) first degree of price discrimination
 - (b) second degree of price discrimination
 - (c) third degree of price discrimination
 - (d) none of the above.
52. The firm and the industry are one and the same in _____
- (a) Perfect competition
 - (b) Monopolistic competition
 - (c) Duopoly
 - (d) Monopoly
53. If the average cost is higher than the average revenue then the firm incurs _____
- (a) Normal profit
 - (b) Abnormal profit
 - (c) Loss
 - (d) No profit, no loss
54. Secular period is also known as
- (a) very short period
 - (b) short period
 - (c) very long period

- (d) long period
55. Stock exchange market is an example of
- (a) unregulated market
 - (b) regulated market
 - (c) spot market
 - (d) none of the above
56. When $e < 1$ then MR is
- (a) negative
 - (b) zero
 - (c) positive
 - (d) one
57. According to _____ trade cycles occur due to onset of innovations.
- (a) Hawtrey
 - (b) Adam Smith
 - (c) J M Keynes
 - (d) Schumpeter
58. Economic recession shares all of these characteristics except.
- (a) Fall in the levels of investment, employment
 - (b) Incomes of wage and interest earners gradually decline resulting in decreased demand for goods and services
 - (c) Investor confidence is adversely affected and new investments may not be forthcoming
 - (d) Increase in the price of inputs due to increased demand for inputs
59. A variable that tends to move later than aggregate economic activity is called
- (a) a leading variable.
 - (b) a coincident variable.
 - (c) a lagging variable.
 - (d) a cyclical variable.
60. Industries that are extremely sensitive to the business cycle are the
- (a) Durable goods and service sectors.
 - (b) Non-durable goods and service sectors.
 - (c) Capital goods and non-durable goods sectors
 - (d) Capital goods and durable goods sectors.
61. Which of the following occupations requires rendering of services based upon specialised knowledge and membership of an accreditation and assessment body?
- (a) Employment
 - (b) Profession
 - (c) Business
 - (d) Agriculture

62. Threat is an:
- (a) Inherent capacity
 - (b) Strategic disadvantage
 - (c) Unfavourable condition
 - (d) None of the above
63. When did Microsoft begins its business in India? (a) 1990
- (b) 1991**
 - (c) 1995**
 - (d) 1989**
64. Which of the following policy is used to curtail all benefits related to some particular issue?
- (a) Restrictive
 - (b) Regulatory
 - (c) Facilitating
 - (d) Delegation
65. Which of the following is not a function of RBI?
- (a) Monetary Policy
 - (b) Fiscal Policy
 - (c) Custodian of Foreign Exchange Reserves
 - (d) Controller of Credit
66. A very large loan extended by a group of small banks to a single corporate borrower is called as which of the following?
- (a) Time Deposit
 - (b) Long term loan
 - (c) Annuities
 - (d) Syndicated loan
67. Which of the following is not a feature of LLP?
- (a) A legal entity separates from its partners.
 - (b) There is no limit on maximum number of partners.
 - (c) Every partner of LLP is the agent of the firm only.
 - (a) Registrar of the firm (of the respective state) is the administering authority.
68. Which of the following is not a part of the economic environment?
- (a) Market and trade cycles
 - (b) Consumer buying patterns
 - (c) Strength of consumer spending
 - (d) Interest and exchange rates
69. Indane LPG is the product of which corporation of India?
- (a) IOCL
 - (b) NTPC

- (c) ONGC
(d) PGCIL
70. In which of the following sector(s), FDI is prohibited at both routes?
(a) Nidhi Company
(b) Media
(c) Real Estate
(d) Shell Company
71. Which one of the following is not the role of the Competition Commission of India?
(a) To promote practices having adverse effect on competition.
(b) To promote and sustain competition in markets.
(c) To protect the interests of consumers and,
(d) To ensure freedom of trade carried on by other participants in markets in India.
72. The lowest price at which an owner is willing to sell his securities is called as which of the following?
(a) Book Value
(b) Ask
(c) Annuity
(d) Bond
73. Which of the following is the concern relate to Business & Commercial Knowledge?
(a) Sustainability
(b) Sociology
(c) Traditional
(d) Society at large
74. Which of the following tool is used for proactive and structured thinking in the process of decision making?
(a) SWOT
(b) TOWS
(c) PEST
(d) PESTLE
75. Which bank provides the digital service PayZapp?
(a) Axis Bank Limited
(b) HDFC Bank Limited
(c) ICICI Bank Limited
(d) State Bank of India
76. Reforms in Dowry Act and Divorce Act are the examples of:
(a) Economic Reforms
(b) Cultural Reforms
(c) Commercial Reforms
(d) Socio-cultural Reforms

77. A reduction of 35 basis point will be equal to how much of the following?
- (a) 3.50%
 - (b) 0.35%
 - (c) 35%
 - (d) 0.035%
78. A series of payments of an equal amount at fixed intervals for a specified number of periods is called as which of the following?
- (a) Amortize
 - (b) Annuity due
 - (c) Annuity
 - (d) Arbitrage
79. A partnership may not be formed to carry on:
- (a) Any trade
 - (b) Occupation
 - (c) Profession
 - (d) Social enterprise
80. Relationship between organisation and environment can be described through:
- (a) Exchange of information
 - (b) Exchange of resources
 - (c) Exchange of influence and power
 - (d) All of the above
81. Jayesh Merchant is the CFO of which company?
- (a) Asian Paints Ltd.
 - (b) Ambuja Cements Ltd.
 - (c) Ultratech Cements Ltd.
 - (d) Mahindra & Mahindra
82. Selling a portion of ownership in a public enterprise to private parties is called as which of the following?
- (a) Delegation
 - (b) Divestment
 - (c) Displacement
 - (d) Disinvestment
83. Which of the following acts as an indicator of bank's liquidity and solvency position?
- (a) SLR
 - (b) CRR
 - (c) Repo rate
 - (d) Reserve Repo rate
84. A combination of several companies working together for a particular purpose is called as which of the following?

- (a) Competitive advantage
 - (b) Cross-selling
 - (c) Consortium
 - (d) Conglomerate Diversification
85. Which of the following statement is correct with respect to HUF?
- (a) HUF earns income from salary
 - (b) Four successive generations of an undivided
 - (c) HUF enjoys a separate entity status under Income tax act –1961
 - (d) All of the above
86. **Read the following three statements:**
- (i) The environment is constantly changing in nature.**
 - (ii) Various environmental constituents exist in isolation and do not interact with each other.**
 - (iii) The environment has a far reaching impact on organizations.**
- From the combinations given below select an alternative that represents statements that are true:**
- (a) (i) and (ii).
 - (b) (ii) and (iii)
 - (c) (i) and (iii)
 - (d) (i), (ii) and (iii)
87. NESTLE is a beverage partner with which of the following companies?
- (a) Coca-Cola India
 - (b) Pepsico India Holdings Pvt. Ltd.
 - (c) Red Bull India Pvt. Ltd
 - (d) Dabur India Ltd
88. FIPB stands for:
- a. Foreign Institutional Promotion Board
 - (b) Foreign Institutional Preparatory Board
 - (c) Foreign Investment Priority Board
 - (d) Foreign Investment Promotion Board
89. Which one of the following is an Indian Regulatory Body that facilitates business organizations?
- (a) EXIM Bank
 - (b) NABARD
 - (c) IRDA
 - (d) IFCI
90. A stock that provides constant dividends and stable earnings even in the period of economic slowdown is called as which of the following?
- (a) Debtors
 - (b) Defensive stock

- (c) Bonus
(d) Debentures
91. Which of the following statements characterises the best non-economic activities?
(a) Non-economic activities do not require any investment of resources
(b) These activities do not entail any operational costs
(c) These activities are undertaken by ascetics
(d) The underlying purpose of these activities is not earning of a livelihood but social, psychological or spiritual satisfaction
92. Internal Environment includes _____
(a) Customer
(b) Economic
(c) Demography
(d) Mission & Objectives
93. The mission of which transnational company is 'Good Food, Good Life'?
(a) Tata Group
(b) Reliance fresh
(c) Nestle
(d) Starbucks
94. Simplification of trade restrictions related to import is an example of:
(a) Globalization
(b) Privatization
(c) Disinvestment
(d) Aggregation
95. The RBI has been vested with extensive power to control and supervise commercial banking system under the-
(a) Reserve Bank of India Act, 1934
(b) The Banking Regulation Act, 1949
(c) Both (a) and (b)
(d) The Companies Act, 2013
96. An amount of revenue from sale which exactly equals the amount of expense is called as which of the following?
(a) Book value
(b) Basket trading
(c) Break-even point
(d) Budget
97. Who is the present chairman of Bajaj Auto Ltd.?
(a) Mr. Rahul Bajaj
(b) Mr. Rajiv Bajaj
(c) Jammalal Bajaj

- (d) Kevin P D'sa
98. Who was the regulatory body for controlling financial affairs in India before SEBI?
 (a) Controller of Capital Issues
 (b) Reserve Bank of India
 (c) Insurance Regulatory and Development Authority of India
 (d) Government of India
99. A Bull market is:
 (a) Stock price are decreasing consistently
 (b) Stock price are increasing consistently
 (c) Stock price are stable consistently
 (d) Stock price are wildly fluctuating
100. SEBI, RBI & IRDA are:
 (a) Regulatory Bodies
 (b) Cluster Bodies
 (c) Goal Sector bodies
 (d) None of the above

Key

| | | | | | | | | | | | |
|----|-----|----|-----|----|-----|----|-----|----|-----|----|-----|
| 1 | (b) | 11 | (b) | 21 | (a) | 31 | (b) | 41 | (b) | 51 | (c) |
| 2 | (a) | 12 | (a) | 22 | (b) | 32 | (d) | 42 | (b) | 52 | (d) |
| 3 | (b) | 13 | (b) | 23 | (c) | 33 | (c) | 43 | (c) | 53 | (c) |
| 4 | (b) | 14 | (a) | 24 | (a) | 34 | (b) | 44 | (c) | 54 | (c) |
| 5 | (d) | 15 | (b) | 25 | (a) | 35 | (d) | 45 | (d) | 55 | (b) |
| 6 | (a) | 16 | (a) | 26 | (d) | 36 | (d) | 46 | (b) | 56 | (a) |
| 7 | (c) | 17 | (a) | 27 | (a) | 37 | (a) | 47 | (b) | 57 | (d) |
| 8 | (c) | 18 | (b) | 28 | (a) | 38 | (b) | 48 | (d) | 58 | (d) |
| 9 | (a) | 19 | (a) | 29 | (c) | 39 | (c) | 49 | (c) | 59 | (c) |
| 10 | (a) | 20 | (a) | 30 | (d) | 40 | (a) | 50 | (c) | 60 | (d) |

| | | | | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 |
| (b) | (c) | (a) | (a) | (b) | (d) | (d) | (b) | (a) | (a) |
| 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 |
| (a) | (b) | (a) | (d) | (b) | (d) | (b) | (c) | (d) | (d) |
| 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 |

| | | | | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| (a) | (d) | (a) | (c) | (c) | (c) | (a) | (d) | (c) | (b) |
| 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| (d) | (d) | (c) | (a) | (c) | (c) | (a) | (a) | (b) | (a) |

- (b) Total Revenue – Total direct cost
 - (c) Total Revenue – Total Cost
 - (d) Total Revenue – Total Explicit cost and Total Implicit Cost.
8. Which of the following is a cause of an economic problem?
- (a) Scarcity of Resources
 - (b) Unlimited wants
 - (c) Alternative uses
 - (d) All of the above
9. When two goods are perfect substitutes of each other then
- (a) MRS is falling
 - (b) MRS is rising
 - (c) MRS is constant
 - (d) None of the above
10. In case of a Giffen good, the demand curve will be:
- (a) Horizontal
 - (b) Downward – sloping to the right
 - (c) Vertical
 - (d) Upward – sloping
11. Which of the following statements is incorrect?
- (a) The services of doctors, lawyers, teachers etc. are termed as production
 - (b) Man cannot create matter
 - (c) Accumulation of capital does not depend solely on income
 - (d) None of the above
12. In perfect competition utilization of resources is
- (a) Partial
 - (b) Moderate
 - (c) Full
 - (d) Over
13. Price discrimination occurs when:
- (a) Producer sells a specific commodity or service to different buyers for the same price
 - (b) Producer sells specific commodity or service to different buyers at two or more different prices due to difference in cost
 - (c) Producer sells a specific commodity or service to different buyers at two or more different prices for reasons not associate with difference in cost
 - (d) Producer under perfect competition sells different goods to consumers at

different prices

14. MR curve under Monopoly lies between AR and Y – axis because, the rate of decline of the MR is
- (a) Just half of the rate of decline of AR
 - (b) Just equal to the rate of decline of AR
 - (c) Just triple the rate of decline of the average revenue
 - (d) Just double the rate of decline of the average revenue
15. In the long run, normal profits are included in the curve.
- (a) LAC
 - (b) LMC
 - (c) AFC
 - (d) SAC
16. Calculate Income-elasticity for the household when the income of a household rises by 10% the demand for T.V. rises by 20%
- (a) +.5
 - (b) -.5
 - (c) +2
 - (d) -2
17. In case of necessities the marginal utilities of the earlier units are large. In such cases the consumer surplus will be:
- (a) infinite
 - (b) Zero
 - (c) Marginally positive
 - (d) Marginally Negative
18. Which of the following is not the characteristic of Labour?
- (a) Labour is highly 'Perishable' in the sense that a day's labour lost cannot be completely recovered
 - (b) Labour is inseparable from the labourer himself
 - (c) Labour has a strong bargaining power
 - (d) The supply of labour and wage rate are directly related in the initial stages
19. Indicate which of the following is a variable cost?
- (a) Payment of rent on building
 - (b) Cost of Machinery
 - (c) Interest payment on Loan taken from bank
 - (d) Cost of raw material
20. Marginal costs are closely associated with:
- (a) Variable cost

- (b) Total fixed cost
 - (c) Average cost
 - (d) Total cost
21. Economic cost means
- (a) Accounting cost + Implicit cost
 - (b) Accounting cost + Marginal cost
 - (c) Cash cost + Opportunity cost
 - (d) Implicit cost
22. When is average product at its maximum point?
- (a) When AP intersects MP
 - (b) When AP intersects TP
 - (c) When MP is highest
 - (d) At the point of inflexion
23. A firm has producing 7 units of output has an average total cost of Rs. 150 and has to pay Rs. 350 to its fixed factors of production whether it produces or not. How much of the average total cost is made up of variable cost?
- (a) 200
 - (b) 50
 - (c) 300
 - (d) 100
24. Calculate Income-elasticity for the household when the income of a household rises by 5% and the demand for bajra falls by 2%
- (a) + 2.5
 - (b) - 2.5
 - (c) -.4
 - (d) +.4
25. The consumer surplus concept is derived from:
- (a) Law of demand
 - (b) Indifference curve analysis
 - (c) Law of diminishing marginal utility
 - (d) All of above
26. The cost that firm incurs in hiring or purchasing any factor of production is referred as:
- (a) Explicit cost
 - (b) Implicit cost
 - (c) Variable cost
 - (d) Fixed cost
27. _____ depicts complete picture of consumer tastes and preferences.
- (a) Budget line
 - (b) Average cost curve
 - (c) Indifference map
 - (d) Marginal revenue curve
28. When economists speak of 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 the consumption of good.
 - (d) The rate at which consumers are willing to exchange one good for another

29. Diminishing marginal returns imply:
- Decreasing average variable cost
 - Decreasing marginal cost
 - Increasing marginal cost
 - Decreasing average fixed cost
30. If the goods are perfect substitutes for each other then cross elasticity is
- Infinite
 - One
 - Zero
 - None of the above
31. Consumer Surplus is:
- What a consumer is ready to pay + what he actually pays
 - What a consumer is ready to pay – what he actually pays
 - What he actually pays – what a consumer is ready to pay
 - None of the above
32. Which of the following statements is correct?
- Monopolist can earn only profits
 - Firms in a perfectly competitive market are price maker
 - Industry in a perfectly competitive market is a price taker
 - AR curve and demand curve are same
33. Soap industry is an example of:
- Oligopoly
 - Perfect competition
 - Monopolistic competition
 - Monopoly
34. When price is less than average variable cost at the profit maximizing level of output, a firm should :
- Shut down, since it cannot recover its variable cost
 - Produce where $MC = MR$, if operating in short run
 - Produce where $MC = MR$, if operating in long run
 - None of the above
35. For the Price taking firm:
- Marginal Revenue is less than price
 - Marginal revenue is greater than price
 - The relationship between marginal revenue and price is not clear
 - Marginal revenue is equal to average revenue
36. Economic goods are goods which:
- Cannot be increased in quantity
 - Obey the law of Micro Economics
 - Are limited in supply and are scarce
 - Are limited to man-made goods.
37. Which of the following means an Economic activity?

- (a) Production of Goods
 - (b) Production of Services
 - (c) Consumption of Goods and Services
 - (d) All of the above
38. Which economy is now a myth only, as no country in the world is having that type of economy?
- (a) Capitalist Economy
 - (b) Socialist Economy
 - (c) Mixed Economy
 - (d) None of the above

Use table to answer question 39-42

Mohan sweets is a small restaurant and a price taker. The table below provides the data of Mohan's Sandwich output and costs in Rupees

| Quantity | TC | TFC | TVC | AVC | AC | MC |
|----------|------|-----|-----|-----|----|----|
| 0 | 100 | | | | | |
| 10 | 210 | | | | | |
| 20 | 300 | | | | | |
| 30 | 400 | | | | | |
| 40 | 540 | | | | | |
| 50 | 790 | | | | | |
| 60 | 1060 | | | | | |

39. If Sandwiches are being sold for Rs. 14 each, what is Mohan's profit maximizing level of output?
- (a) 10 Sandwiches
 - (b) 40 Sandwiches
 - (c) 50 Sandwiches
 - (d) 60 Sandwiches
40. What is the total variable cost when 60 sandwich are produced?
- (a) Rs. 690
 - (b) Rs. 960
 - (c) Rs. 110
 - (d) Rs. 440
41. What is the average fixed cost when 20 sandwiches are produced?
- (a) Rs. 5
 - (b) Rs. 3.33
 - (c) Rs. 10
 - (d) Rs. 2.5

42. Between 10 to 20 sandwiches, what is the marginal cost per sandwich?
- (a) Rs. 11
 - (b) Rs. 13
 - (c) Rs. 14
 - (d) Rs. 9
43. If decreasing returns to scale are present, then if all inputs are increased by 10% then:
- (a) Output will increase by less than 10%
 - (b) Output will increase by 10%
 - (c) Output will decrease by 10%
 - (d) Output will increase by more than 10%
44. Effective Demand depends on:
- (a) Desire
 - (b) Means to purchase
 - (c) Willingness to use those means
 - (d) All of the above
45. Quantity demanded is a:
- (a) Flow Concept
 - (b) Stock Concept
 - (c) Both (a) and (b)
 - (d) None of the above
46. If two goods are complementary, like pen and ink, then the cross elasticity is:
- (a) Positive
 - (b) Zero
 - (c) Negative
 - (d) Less than one
47. If the price of Banana rises from Rs. 30 per dozen to Rs. 40 per dozen and the supply increases from 240 dozen to 300 dozens elasticity of supply is:
- (a) .7
 - (b) -.67
 - (c) .65
 - (d) .77
48. If as a result of 90 percent increase in all inputs, the output increase by 75 percent this is a case of
- (a) Increasing return of a factor
 - (b) Decreasing return to a factor

- (c) Diminishing return to scale
 (d) None of the above
49. At shut down point:
- (a) Price is equal to AVC
 (b) Total revenue is equal to TVC
 (c) Total loss of the firm is equal to TFC
 (d) All of the above
50. Excess Capacity is the essential characteristic of the firm in the market form of:
- (a) Monopoly
 (b) Perfect competition
 (c) Monopolistic competition
 (d) Oligopoly
51. If a good is priced at Rs. 180 p.u. and its price is increased to Rs. 240 p.u. Now suppose quantity demanded previously was 100 units and as a result of price increase, the quantity demanded fell to 80 units. What is the price elasticity?
- (a) .777
 (b) 1.4
 (c) 1
 (d) .8
52. Macroeconomics is the study of:
- (a) Inflation
 (b) Unemployment
 (c) Growth
 (d) All of the above
53. All of the following are U-shaped curves except the:
- (a) AVC curve
 (b) AFC curve
 (c) AC curve
 (d) MC curve
54. A horizontal supply curve parallel to the quantity axis implies that the elasticity of supply is:
- (a) Infinite
 (b) Zero
 (c) Equal to one
 (d) Greater than zero but less than one
55. Lesser production of ____ would lead to lesser production in future

- (a) Public goods
 - (b) Consumer goods
 - (c) Agricultural goods
 - (d) Capital goods
56. A condition needed for a perfectly competitive industry to exist is that:
- (a) Buyers are able to influence the price of the commodity
 - (b) Any units of commodity are considered by buyers to be different
 - (c) Buyer discriminates in their purchases based on non-price factors.
 - (d) There are no obstacles to the free mobility of resources
57. If the price of petrol rises by 25% and demand for car falls by 40% then, cross elasticity between petrol and car is:
- (a) -1.6
 - (b) 1.6
 - (c) -2.6
 - (d) 2.6
58. Assume that when price is Rs. 40 quantity demanded is 9 units, and when price is Rs. 38, quantity demanded is 10 units. Based on this information, what is the marginal revenue resulting from an increase in output from 9 units to 10 units?
- (a) Rs. 20
 - (b) Rs. 40
 - (c) Rs.38
 - (d) Rs. 1
59. Which of the following is not a variable in the index of leading indicators?
- (a) New consumer goods order
 - (b) Delayed deliveries
 - (c) New building permits
 - (d) Prime rate
60. When aggregate economic activity is increasing the economy is said to be in
- (a) An expansion
 - (b) a contraction
 - (c) A peak
 - (d) A turning point.

Key

| | | | | | | | | | | | |
|----|---|----|---|----|---|----|---|----|---|----|---|
| 1 | B | 11 | D | 21 | A | 31 | B | 41 | A | 51 | A |
| 2 | C | 12 | C | 22 | A | 32 | D | 42 | D | 52 | D |
| 3 | D | 13 | C | 23 | D | 33 | C | 43 | A | 53 | B |
| 4 | B | 14 | D | 24 | C | 34 | A | 44 | D | 54 | A |
| 5 | A | 15 | A | 25 | C | 35 | D | 45 | A | 55 | D |
| 6 | B | 16 | C | 26 | A | 36 | C | 46 | C | 56 | D |
| 7 | C | 17 | A | 27 | C | 37 | D | 47 | D | 57 | A |
| 8 | D | 18 | C | 28 | C | 38 | B | 48 | C | 58 | A |
| 9 | C | 19 | D | 29 | C | 39 | B | 49 | D | 59 | D |
| 10 | D | 20 | A | 30 | A | 40 | B | 50 | C | 60 | A |

Series – 4 (BCK)

1. Mark the Correct:
 - (a) Hindu Succession Act, 1956 is applicable in HUF.
 - (b) LLP firm may be constituted on basis of LLP Act 2009.
 - (c) A dormant company registered under Companies Act, 2013.
 - (d) All are correct.
2. PESTLE refers to:
 - (a) Political, Economic, Social, Technological, Legal & Environmental factors affecting business.
 - (b) All these are external factors.
 - (c) All these constitute macro environment.
 - (d) All of the above.
3. Larsen & Toubro ranked ---- on Forbes World's Best Employer's List 2018.
 - (a) 102nd
 - (b) 82nd
 - (c) 52nd
 - (d) 22nd
4. Identify the one which may be considered as a public policy:
 - (a) A decision by a central government to purchase a fleet of cars.
 - (b) An old building to be demolished by a municipal corporation.
 - (c) All citizens are to be provided with biometric Aadhar card.
 - (d) Government passes a special resolution to change the name of a park.
5. Who was the regulatory body for controlling financial affairs in India before SEBI?
 - (a) Controller of Capital Issues
 - (b) Reserve Bank of India
 - (c) Insurance Regulatory and Development Authority of India
 - (d) Government of India
6. What is consolidation?
 - (a) It is an expense that is supposed to reflect the loss in value of a fixed asset.
 - (b) combination of two or more entities that occurs when the entities transfer all their net assets to a new entity created for that purpose.
 - (c) Potential liability arising from a past transaction or a subsequent event.
 - (d) Costs that can be attributed clearly to the activity you are considering.

7. Which of the following statements distinguishes business from entrepreneurship?
- (a) Entrepreneurs are the business owners too
 - (b) All business owners are entrepreneurs too
 - (c) Entrepreneurs seek out new opportunities and pursue innovative business ideas
 - (d) (a) and (b)
8. Business and technology are:
- (a) Interrelated
 - (b) Interdependent
 - (c) Interrelated & Interdependent
 - (d) None of the above
9. Which pharmaceutical company has the slogan 'caring for life'?
- (a) Dr. Reddy's
 - (b) Lupin Ltd.
 - (c) Cipla Ltd.
 - (d) Sun Pharmaceutical Industries Ltd.
10. Public policies are of three types:
- (a) Restrictive, Regulatory, Participative
 - (b) Restrictive, Regulatory, Facilitating
 - (c) Voluntarily, Participative, Facilitating
 - (d) Regulatory, Voluntarily, Continuous
11. How many members of SEBI should be from RBI?
- (a) 4
 - (b) 3
 - (c) 1
 - (d) 2
12. A portion of the after-tax profits paid out to the owners of a business as a return on their investment is:
- (a) Dividend
 - (b) Expense
 - (c) Expenditure
 - (d) Deferred income
13. Which of the following is NOT an economic objective of the firm?
- (a) Sales growth
 - (b) Improvement in market share
 - (c) Profits and return on investment

- (d) Conservation of natural resources
14. Mark incorrect: Partnership implies
- (a) Contractual ownership of business
 - (b) Liability of partner is limited to the extent of one's share capital
 - (c) The contract is an agreement enforceable at law is called deed
 - (d) Deed may be registered in India under the Partnership Act, 1932
15. Who is the present CFO of Adani Ports and Special Economic Zone Limited?
- (a) B Ravi
 - (b) Deepak Maheshwari
 - (c) Anand D. Lal
 - (d) Jayesh Merchant
16. Which of the following statements about RBI is incorrect?
- (a) It deals largely with Governments, Central and State Banks.
 - (b) Its role is to ensure monetary stability, including stability of domestic price levels.
 - (c) One of its missions is to protect the interest of policyholders.
 - (d) The RBI is the sole authority for the issue of currency in India.
17. Economic Reforms introduced in India in 1992 are called LPG, that refers to
- (a) Liquidation of loss making units
 - (b) Popularise Public private partnership
 - (c) Good governance
 - (d) None of the above
18. Setting low prices in order to discourage or deter potential new entrants to the suppliers market:
- (a) Pre-Emptive Pricing
 - (b) Price Sensitivity
 - (c) Price Discrimination
 - (d) Price Elasticity
19. Find out the incorrect:
- (a) Economic Activities are drive by nationality.
 - (b) Economic Activities are guided by self interest.
 - (c) Non-Economic Activities are driven by emotional or sentimental force.
 - (d) Non-Economic Activities are not at all important in life.
20. SWOT refers to:
- (a) Strength, Worry, Option, Threat
 - (b) Strength, Weakness, Opportunity, Threat

- (c) Strong, Weak, Option, Threat
 - (d) Strong, Weakness, Opportunity, Think
21. Which one of the following is NOT a FMCG company?
- (a) ITC
 - (b) Dabour
 - (c) HUL
 - (d) Maruti
22. Mark incorrect as Globalization refers to:
- (a) Encouraging regional economic cooperation.
 - (b) Integrating the world into one economic global village.
 - (c) It paves the way for higher factor mobility.
 - (d) Drawing countries out of their insulation.
23. Which of the following is NOT a function of RBI?
- (a) Monopoly of Note issue
 - (b) Banker to the Government
 - (c) Advancing loan to large business houses
 - (d) Controller of Credit
24. Which of the following is incorrect?
- (a) Arbitrage is simultaneous purchase and sale of a commodity.
 - (b) Current assets are those which can be turned into cash within a year.
 - (c) Intangible assets are those which do not have physical form. They are in the form of rights.
 - (d) Break-even point is also called an optimum point of a firm.
25. The Indian Companies Act, 2013 provides for the registration of:
- (a) Private Limited and Public Limited Company
 - (b) One Person Company and Small Company
 - (c) Defunct Company
 - (d) All of the above
26. The businesses should continuously _____ and to the environment if it is **to service and prosper**.
- (a) Identify, appraise
 - (b) Monitor, adapt
 - (c) Identify, monitor
 - (d) Monitor, appraise
27. Which company ranked 1st in Fortune 500 Companies list in 2018?
- (a) Apple

- (b) Walmart
 - (c) Microsoft
 - (d) United Health Group
28. Reforms in Dowry Act and Divorce Act are the examples of:
- (a) Economic Reforms
 - (b) Cultural Reforms
 - (c) Commercial Reforms
 - (d) Socio-cultural Reforms
29. Where can the first appeal against SEBI be made?
- (a) High Court
 - (b) Supreme Court
 - (c) Securities Appellate Tribunal
 - (d) RBI
30. Which one is not correct about Bank rate?
- (a) It is a quantitative measure.
 - (b) It differs from repo rate.
 - (c) It is also known as discount rate.
 - (d) It influences credit availability to particular sector.
31. A HUF cannot comprise members of a:
- (a) Hindu & Sikh family
 - (b) Parsi family
 - (c) Buddhist family
 - (d) Muslim family
32. The term PESTLE analysis is used to describe a framework for analyzing:
- (a) Macro Environment
 - (b) Micro Environment
 - (c) Both Macro and Micro Environment
 - (d) None of above
33. Indane LPG is the product of which corporation in India?
- (a) IOCL
 - (b) NTPC
 - (c) ONGC
 - (d) PGCIL
34. Simplification of trade restrictions related to import is an example of:
- (a) Globalization

- (b) Privatization
 - (c) Disinvestment
 - (d) Aggregation
35. The RBI has been vested with extensive power to control and supervise commercial banking system under the-
- (a) Reserve Bank of India Act, 1934
 - (b) The Banking Regulation Act, 1949
 - (c) Both (a) and (b)
 - (d) The Companies Act, 2013
36. _____ is a strategy that is used to minimize the risk of a particular investment and maximize the returns of an investment.
- (a) Cap
 - (b) Encryption
 - (c) Hedge
 - (d) Term insurance
37. Under the income tax Act, A HUF cannot earn income from:
- (a) House property
 - (b) Salary
 - (c) Profits
 - (d) Other sources
38. Which of the following is an economic activity:
- (a) Social interest
 - (b) Social security
 - (c) Selfless concern
 - (d) Self interest
39. In the Forbes World's Largest Public Corporations List 2018, APPLE ranked:
- (a) 2nd
 - (b) 8th
 - (c) 4th
 - (d) 6th
40. Identify the sector where, FDI is NOT permitted:
- (a) Automobile
 - (b) Infrastructure
 - (c) Textile
 - (d) Atomic energy

Key

| | | | | | | | |
|----|-----|----|-----|----|-----|----|-----|
| 1 | (d) | 11 | (c) | 21 | (d) | 31 | (d) |
| 2 | (d) | 12 | (a) | 22 | (a) | 32 | (a) |
| 3 | (d) | 13 | (d) | 23 | (c) | 33 | (a) |
| 4 | (c) | 14 | (b) | 24 | (d) | 34 | (a) |
| 5 | (a) | 15 | (b) | 25 | (d) | 35 | (c) |
| 6 | (b) | 16 | (c) | 26 | (b) | 36 | (c) |
| 7 | (c) | 17 | (d) | 27 | (b) | 37 | (b) |
| 8 | (c) | 18 | (a) | 28 | (d) | 38 | (d) |
| 9 | (c) | 19 | (d) | 29 | (c) | 39 | (b) |
| 10 | (b) | 20 | (b) | 30 | (d) | 40 | (d) |