

190. Exploitation and inequality will be more in _____

- (a) Socialism
- (b) Capitalism
- (c) Mixed
- (d) All of the above

[CA CPT May 2019]

* 191. _____ means that buyers ultimately determine which goods and services will be produced and in what quantities.

- (a) Capitalist Economy
- (b) Socialist Economy
- (c) Mixed Economy
- (d) Consumer Sovereignty

192. Consumers' sovereignty is a typical feature of _____.

- (a) Command economy
- (b) Socialistic economy
- (c) Mixed economy
- (d) Capitalist economy

193. In which type of economy do consumers and producers make their choices based on the market forces of demand and supply?

- (a) Open Economy
- (b) Controlled Economy
- (c) Command Economy
- (d) Market Economy

[CA CPT Feb. 2007]

194. The economic system in which all the means of production are owned and controlled by private individuals for profit.

- (a) Socialism
- (b) Capitalism
- (c) Mixed economy
- (d) Communism

195. In a free market economy, when consumers increase their purchase of a goods and the level of _____ exceeds _____ then prices tend to rise:

- (a) Demand, supply
- (b) Supply, demand
- (c) Prices, demand
- (d) Profits, supply

Demand > supply

[CA CPT Aug. 2007]

* 196. Capitalistic Economy uses _____ as principal means of allocating resources.

- (a) Demand
- (b) Supply
- (c) Price
- (d) All of the above

[CA CPT Nov. 2006]

* 197. In a capitalist economy, allocation of resources is done by:

- (a) Producers
- (b) Government
- (c) ~~Planners~~
- (d) Price mechanism

[CA CPT June 2012]

198. A Free Market economy solves its Central Problems through _____.

- (a) Planning authority
- (b) Market mechanism
- (c) Both
- (d) None

[CA CPT Dec. 2008]

199. Capitalistic economy uses _____ as principal means of allocating resources

- (a) Demand
- (b) Supply

- (c) Price
- (d) All of the above

[Nov. 2019]

200. A capitalist economy is by and large mostly _____.

- (a) A closed economy
- (b) A free market economy
- (c) A centrally controlled economy
- (d) An economy in which a government neither collects any taxes nor incurs any expenditure.

[CA CPT Dec. 2012]

201. Which one is not the characteristic of capitalistic economy?

- (a) Profit motive
- (b) Income inequality
- (c) ~~Free~~ ^{Freedom of} employment
- (d) Collective ownership

[CA CPT June 2009]

202. Consumer sovereignty is found in which economy?

- (a) Capitalist Economy
- (b) Socialist Economy
- (c) Mixed Economy
- (d) Communist Economy

[Nov. 2019]

203. Capitalistic Economy uses _____ as principal means of allocating resources.

- (a) Demand
- (b) Supply
- (c) Price
- (d) All of the above

[CA CPT Dec. 2009]

204. Which one of the following is not true about capitalist economy?

- (a) There is freedom of economic choice.
- (b) Profit motive is the driving force.
- (c) It is also called as free market economy or laissez- Faire economy.
- (d) Producer is the king under capitalism.

* 205. The merits of Capitalist economy do not include:

- (a) Faster process of economic growth
- (b) Efficient economic decisions and their implementation
- (c) Incentives for innovation and technological progress
- (d) Welfare of labour

206. A free market economy's driving force is:

- (a) Profit motive
- (b) Welfare of the people
- (c) Rising income and levels of living
- (d) None of the above.

[CA CPT June 2013]

207. Capitalist or Laissez faire economy has which of the following characteristics?

- (a) Relatively equal income distribution
- (b) Competition
- (c) Price mechanism
- (d) Collective ownership

Which is the most imp. feature of capitalism?

[Dec. 2021]

208. An economic system in which all means of production are owned and controlled by private individuals for profit is called:

- (a) Mixed Economy
- (b) Socialist Economy
- (c) Capitalist Economy
- (d) Developed Economy

[CA CPT Dec. 2016]

209. Where does price mechanism exists?

- (a) Capitalist Economy
- (b) Socialist Economy
- (c) Both type of economies
- (d) None of the above.

[CA CPT Dec. 2013]

210. In which among the following systems the 'right to property' exists

- (a) Mixed economy
- (b) Capitalist economy
- (c) Socialist economy
- (d) Traditional economy

[CA CPT Dec. 2013]

211. A system of economy in which all the means of production are owned and controlled by the private individuals for the purpose of profit, is called:

- (a) Socialist Economy
- (b) Capitalist Economy
- (c) Mixed Economy
- (d) All of the above

[CA CPT June 2013]

212. Capitalistic Economy user _____ as principal means of allocating resources:

- (a) Demand
- (b) Supply
- (c) Price
- (d) All of the above

[CA CPT May 2018]

213. Factors of production are owned by _____ in market economies.

- (a) Govt.
- (b) Investors
- (c) Privately
- (d) None

[Nov. 2019]

★ 214. Which of the following is not demerit of Capitalism?

- (a) Precedence of property rights over human rights.
- (b) Misallocation of resources.
- (c) Punishment for inefficient & imprudent men.
- (d) Environmental degradation due to excessive materialism.

215. Freedom of choice is the advantage of

- (a) Socialism
- (b) Capitalism
- (c) Mixed Economy
- (d) Communism

[CA CPT Dec. 2016]

216. Under a free economy, prices are:

- (a) Regulated
- (b) Determined through free interplay of demand and supply
- (c) Partly regulated
- (d) None of these

[CA CPT May 2007]

217. Which of the following statements does not apply to a market economy?

- (a) Firms decide whom to hire and what to produce.
- (b) Firms aim 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.

218. Economic system is self-regulating and run by invisible hands.

- (a) Mixed
- (b) Socialistic
- (c) Capitalistic
- (d) Planned

219. Which of the following is not a feature of a capitalist economy?

- (a) Right to private property
- (b) Restrictions on consumers Right to choose
- (c) Profit motive
- (d) Freedom of enterprise

[CA CPT June 2014]

220. Freedom of choice is the advantage of

- (a) Socialism
- (b) Capitalism
- (c) Communism
- (d) None of the above

221. A Capitalist Economy follows the policy of:-

- (a) Laissez faire
- (b) Regulated markets
- (c) Promoting public sector
- (d) None of the above

[CA CPT Dec. 2012]

222. In a capitalist economy the allocation of resources is performed by:

- (a) Producers
- (b) Government
- (c) Planners
- (d) Price mechanism

[CA CPT Dec. 2011]

223. Which of the following statement does not apply to a market economy?

- (a) Firms decide whom to hire and what to produce
- (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.

[Nov. 2019]

Socialist Economy

224. The Concept of socialist economy was propounded by

- (a) Karl Mark
- (b) Frederic Engels
- (c) Adam Smith
- (d) Both (a) & (b)

225. Which of the following is NOT a characteristic of a socialist economy?

- (a) Absence of consumer choice
- (b) Central planning
- (c) Relatively equal income distribution
- (d) Competition

226. Socialist economy is _____

- (a) Self regulation
- (b) Profit Oriented

- (c) Command economy
- (d) Allocation of resources as per market requirements

[CA CPT May 2019]

227. Under which of the following economy the consumer has limited freedom of choice?

- (a) Socialism
- (b) Mixed
- (c) Capitalism
- (d) Restricted

[June 2023]

228. The concept of socialist economy was propounded by _____

- (a) Alfred Marshall
- (b) Joel dean
- (c) Albert Einstein
- (d) Karl Marx and Fredric Engles

[Dec. 2021]

229. Exploitation and inequality are minimal under:

- (a) Socialism
- (b) Capitalism
- (c) Mixed economy
- (d) None of the above

230. Socialist Economy was propounded by:

- (a) Karl Marx
- (b) Samuelson
- (c) A.C. Pigou
- (d) Adam Smith

[CA CPT May 2018]

231. Socialist economy is also called as

- (a) Command Economy
- (b) Centrally Planned Economy

- (c) Free market Economy
- (d) Both (a) & (b)

232. The economic system in which production and distribution of goods are aimed at maximizing the welfare of the community as a whole is known as _____

- (a) Capitalism
- (b) Socialism
- (c) Mixed economy
- (d) Communist Economy

[July 2021]

233. Which of the following statements is not correct?

- (a) Scarcity of resources is the key problem of all economies
- (b) Economic inequalities lead to wide difference in economic opportunities to people
- (c) Economic instability is very common under capitalism
- (d) Freedom of enterprise is one of the main characteristic of command economy

[June 2022]

234. Although Price mechanism exists in _____, but it has only a secondary role.

- (a) Capitalist economy
- (b) Socialist economy
- (c) Mixed Economy
- (d) Price Economy.

235. Inequalities of income do not perpetuate in _____.

- (a) Socialism
- (b) Mixed economy
- (c) Capitalism
- (d) None

[CA CPT Dec. 2011]

236. 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

237. Socialism ensures

- (a) Rapid growth and balanced development
- (b) Right to work
- (c) Incentives for efficient economic decisions
- (d) Both (a) and (b)

[CA CPT May 2019]

238. A socialistic economy is also called as

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

[Nov. 2020]

239. Which of the following is one of the merits of socialism?

- (a) Importance given to personal efficiency
- (b) Importance given to productivity
- (c) Incentive for economic decisions
- (d) Rapid growth and balanced economic development.

[June 2023]

240. In a socialistic economy the allocation of resources is done by

- (a) Market prices
- (b) Consumer preferences
- (c) A central planning authority
- (d) The level of corporate profits

[June 2022]

241. _____ involves the predominance of bureaucracy and resulting in inefficiencies and delays.

- (a) Socialistic economy
- (b) Capitalist economy
- (c) Mixed economy
- (d) Free market economy

242. The erstwhile U.S.S.R. is an example of _____ economy.

- (a) Capitalist
- (b) Socialist
- (c) Mixed
- (d) Price

243. The concept of Socialist economy was propounded by _____

- (a) Karl Marx and Adam Smith
- (b) Frederic Engels and Adam Smith
- (c) Frederic Engels
- (d) Karl Marx and Frederic Engels

[July 2021]

244. Which one of the following is Not a feature of socialist economy?

- (a) Collective ownership
- (b) Absence of consumer choice
- (c) Minimum role of Price Mechanism
- (d) High Competition

245. Which of the following is an example of Socialist economy?

- (a) Erstwhile U.S.S.R.
- (b) North Korea
- (c) China and Cuba
- (d) All of the above

246. A socialist economy is called as which of the following

- (a) Command economy
- (b) Military economy

- (c) Behaviouralist economy
- (d) Applied economy

[June 2022]

★ 247. The demerits of Socialism do not include:

- (a) Predominance of bureaucracy
- (b) Red tapism & favouritism
- (c) Corruption
- (d) Consumer Sovereignty

248. _____ involves the predominance of bureaucracy and resulting inefficiencies and delays

- (a) Socialistic economy
- (b) Capitalist economy
- (c) Mixed economy
- (d) Free market economy

[June 2022]

249. Under _____, the Consumers have no freedom of choice.

- (a) Capitalist
- (b) Socialist
- (c) Mixed
- (d) None of the above

250. Socialist Economy is also known as

- (a) Mixed Economy
- (b) Planned Economy
- (c) Capitalist Economy
- (d) None of the above

[CA CPT Dec. 2013]

251. Socialist economy is called as _____

- (a) Centrally planned economy
- (b) Mixed economy
- (c) Private economy
- (d) Consumer economy

[Dec. 2021]

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

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

[Nov. 2020]

Mixed Economy

253. In which economy market and government both play an important role?

- (a) Mixed economy
- (b) Socialistic economy
- (c) Capitalistic economy
- (d) Business economy

[CA CPT Nov. 2018]

254. Important feature of mixed economy is _____

- (a) Only Public Sector
- (b) Absence of consumer behaviour
- (c) Absence of government interferences
- (d) Co-existence of both private and public enterprises

[Dec. 2021]

★ 255. Which economic system is described by Schumpeter as capitalism in the oxygen tent?

- (a) Laissez-faire Economy
- (b) Command Economy
- (c) Mixed Economy
- (d) Agrarian Economy

[CA CPT May 2018]

* 256. The Government itself must run important and selected industries and eliminate the free play of profit motive and self-interest. It is applicable in case of _____ economy.

- (a) Capitalist
- (b) Socialist
- (c) Mixed
- (d) Price

257. _____ both are the tools used in the Mixed economy.

- (a) Price mechanism and market
- (b) Central planning and bureaucracy
- (c) Price mechanism and central planning
- (d) Administered prices and competition

258. Co-existence of public and private sector is the feature of _____

- (a) Capitalist Economy
- (b) Mixed Economy
- (c) Socialist Economy
- (d) Federal Economy

[Jan. 2021]

259. The term "Mixed Economy" denotes:

- (a) Co-existence of both consumers and producers goods' industries in the economy.
- (b) Co-existence of both private and public sectors in the economy.
- (c) Co-existence of both rural and urban sectors in the economy.
- (d) Co-existence of both large and small industries in the economy

[CA CPT June 2014]

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

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

[Nov. 2020]

261. Mixed economy means

- (a) All economic decisions are taken by Central Authority
- (b) All economic decisions are taken by private entrepreneurs
- (c) Economic decisions are partly taken by the state and partly by private entrepreneurs
- (d) None of these

[CA CPT June 2009]

* 262. Which of the following are the features of a mixed economy?

- (a) Planned economy
- (b) Dual system of pricing exists
- (c) Balance regional development
- (d) All of the above

[CA CPT June 2012]

263. In a mixed economy

- (a) All economic decisions are taken by the central authority.
- (b) All economic decisions are taken by private entrepreneurs.
- (c) Economic decisions are partly taken by the state and partly by the private entrepreneurs.
- (d) None of the above.

264. _____ is also called as command economy

- (a) Socialist
- (b) Capitalist

- (c) Mixed economy
- (d) None of the above

* 265. In a mixed economy, there are _____ sectors of industries.

- (a) Two
- (b) Three
- (c) Four
- (d) Five

[Jan. 2021]

266. Which of the following statement is correct?

- (a) Mixed economy is not always a 'golden path' between capitalistic and socialistic economy
- (b) Socialistic economy is not always a 'golden path' between mixed economy and capitalism
- (c) Capitalistic economy is not always a 'golden path' between mixed economy and socialism.
- (d) Local economy is not always a 'golden path' between internal and international economy

[June 2022]

267. Dual system of pricing exist in:

- (a) Free market economy
- (b) Socialistic economy
- (c) Mixed economy
- (d) None of the above

[CA CPT June 2012]

268. Which Economic System is described by Schumpeter as 'capitalism in the oxygen tent'?

- (a) Laissez-Faire Economy
- (b) Command Economy
- (c) Mixed Economy
- (d) Agrarian Economy

[CA CPT June 2017]

269. The existence of three sectors of industries (Private, Public and Combine sector) is one of the futures of _____.

- (a) Capitalist
- (b) Socialist
- (c) Mixed
- (d) Price

270. Which of the following statement is correct?

- (a) Mixed economy is not always a 'golden path' between capitalism and socialism.
- (b) Socialistic economy is not always a 'golden path' between mixed and capitalism.
- (c) Capitalistic economy is not always a 'golden path' between mixed and socialism.
- (d) Mixed economy is always a 'golden path' between capitalism and socialism.

[July 2021]

* 271. Mixed economy means:

- (a) Co-existence of both private and public sector
- (b) Co-existence of poor and rich people
- (c) Both (a) and (b)
- (d) None

[CA CPT June 2011]

272. Which of the following economic system is self regulating and run by ~~in available~~ ^{invisible} hands?

- (a) Mixed economic system
- (b) Socialistic economic system
- (c) Capitalist economic system
- (d) Planned economic system

[June 2022]

273. Mixed economy means:

- (a) Co-existence of small and large industries
- (b) Promoting both agriculture and industries in the economy
- (c) Co-existence of rich and poor
- (d) Co-existence of public and private sectors

[CA CPT June 2008]

274. _____ is a sector in which both the government and the private enterprises have equal access and join hands to produce commodities and services, leading to the establishment of joint sector.

- (a) Private Sector
- (b) Public Sector
- (c) Combined sector
- (d) Price

275. Indian economy is example of:

- (a) Mixed economy
- (b) Socialist economy
- (c) Capitalist economy
- (d) Unregulated economy

276. Encourage enterprise & risk taking is considered as a merit of which of the following economy?

- (a) Social economy
- (b) Political
- (c) Mixed
- (d) Managerial economy

[June 2023]

277. In India Mixed Economy exists due to:

- (a) Co-existence of public sector and private sector.
- (b) Individual forces of demand and supply.

- (c) Orders by government.
- (d) None of these.

[CA CPT May 2018]

Miscellaneous

278. Larger production of _____ goods would lead to higher production in future.

- (a) Consumer goods
- (b) Capital goods
- (c) Agricultural goods
- (d) Public goods

279. _____ refers to the work area where surplus manpower is employed out of which some individuals have zero or almost zero marginal productivity, such that if they are removed the total level of output remains unchanged.

- (a) Voluntary
- (b) Disguised
- (c) Structural
- (d) Technological

[CA CPT May 2019]

280. Which of the following statements is incorrect?

- (a) Alfred Marshall propagated the wealth definition of Economics
- (b) L. Robbins introduces the "Scarcity" definition of Economics
- (c) Samuelson emphasized upon the "growth" aspect of Economics
- (d) A.C. Pigou believed in "welfare" aspect of Economics

[CA CPT Dec. 2011]

281. Who has defined economics as "Science which deals with wealth"?

- (a) Adam Smith
- (b) Canon

148.	<i>(d)</i>	149.	<i>(b)</i>	150.	<i>(d)</i>	151.	<i>(d)</i>	152.	<i>(a)</i>	153.	<i>(d)</i>	154.	<i>(d)</i>
155.	<i>(a)</i>	156.	<i>(a)</i>	157.	<i>(c)</i>	158.	<i>(b)</i>	159.	<i>(b)</i>	160.	<i>(d)</i>	161.	<i>(d)</i>
162.	<i>(a)</i>	163.	<i>(b)</i>	164.	<i>(d)</i>	165.	<i>(a)</i>	166.	<i>(d)</i>	167.	<i>(b)</i>	168.	<i>(c)</i>
169.	<i>(b)</i>	170.	<i>(d)</i>	171.	<i>(a)</i>	172.	<i>(b)</i>	173.	<i>(b)</i>	174.	<i>(d)</i>	175.	<i>(b)</i>

1.34

NATURE AND SCOPE OF BUSINESS ECONOMICS

176.	(c)	177.	(a)	178.	(d)	179.	(b)	180.	(a)	181.	(d)	182.	(c)
183.	(a)	184.	(b)	185.	(c)	186.	(c)	187.	(b)	188.	(a)	189.	(a)
190.	(b)	191.	(d)	192.	(d)	193.	(d)	194.	(b)	195.	(a)	196.	(c)
197.	(d)	198.	(b)	199.	(c)	200.	(b)	201.	(d)	202.	(a)	203.	(c)
204.	(d)	205.	(d)	206.	(a)	207.	(b)	208.	(c)	209.	(a)	210.	(b)
211.	(b)	212.	(c)	213.	(c)	214.	(c)	215.	(b)	216.	(b)	217.	(d)
218.	(c)	219.	(b)	220.	(b)	221.	(a)	222.	(d)	223.	(d)	224.	(d)
225.	(d)	226.	(c)	227.	(a)	228.	(d)	229.	(a)	230.	(a)	231.	(d)
232.	(b)	233.	(d)	234.	(b)	235.	(a)	236.	(c)	237.	(d)	238.	(b)
239.	(d)	240.	(c)	241.	(a)	242.	(b)	243.	(d)	244.	(d)	245.	(d)
246.	(a)	247.	(d)	248.	(a)	249.	(b)	250.	(d)	251.	(a)	252.	(c)
253.	(a)	254.	(d)	255.	(c)	256.	(c)	257.	(c)	258.	(b)	259.	(b)
260.	(d)	261.	(c)	262.	(d)	263.	(c)	264.	(a)	265.	(b)	266.	(a)
267.	(c)	268.	(c)	269.	(c)	270.	(a)	271.	(a)	272.	(c)	273.	(d)
274.	(c)	275.	(a)	276.	(c)	277.	(a)	278.	(b)	279.	(b)	280.	(a)
281.	(c)	282.	(b)	283.	(d)								