

IMPORTANT MCQs



MICRO ECONOMICS

TOP 150 MCQs

+ 15 BONUS MCQs.



CA FOUNDATION JUNE 2024

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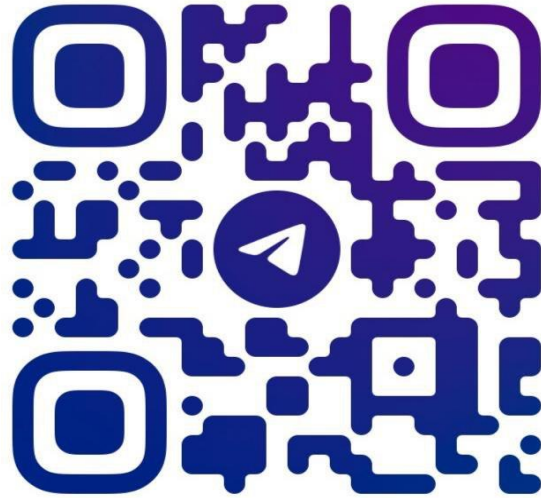
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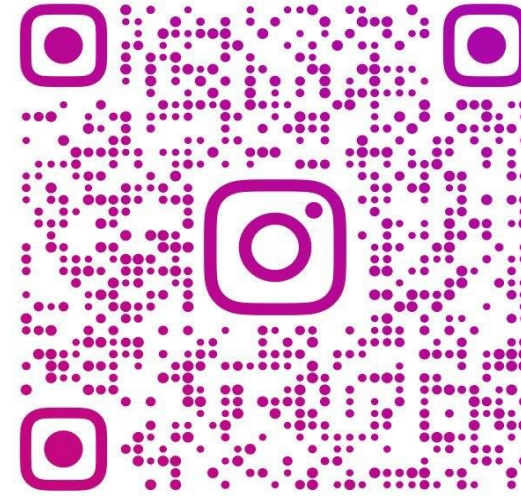


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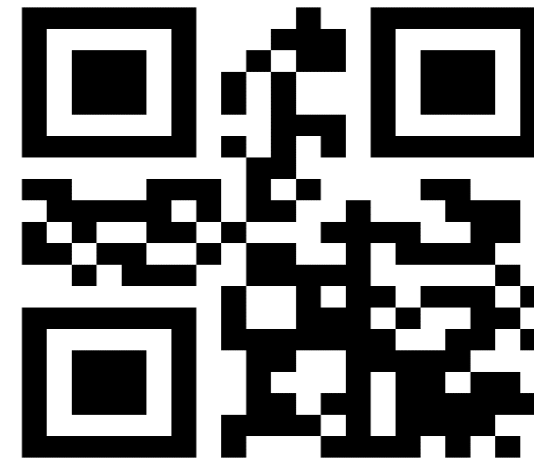
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MTP April 2021

1 | Which of the following is not a demerit of Capitalism?

- a) The pattern of demand does not represent the real need of the society.
- b) Strikes and lockdown are very common under capitalism
- c) Capitalism usually functions in a democratic framework.
- d) None of these

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		MTP April 2021
2	Scarcity of resources of occurs due to:	
a) High demand of resources		
b) Absence of Substitutes		
c) Mismanagement and inequality		
d) All of these		

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MTP April 2021

3

Administered price are determined in socialism by:

- a) Market Forces
- b) Government
- c) Both (a) and (b)
- d) None of these



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MTP March 2021

4 Rational decision making requires that

- a) one's choice be arrived at logically and without error.
- b) one's choice be consistent with one's goal.
- c) one's choice never vary.
- d) the consumer plans to attain the highest possible level of satisfaction.

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		MTP October 2020
5	Who expressed the view that "Economics is neutral between end"	
a) Robbins	→ Scarcity Definition	
b) Marshall	→ welfare	
c) Pigou		
d) Adam Smith.	→ wealth	

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		MTP October 2020
6	A capitalist economy uses _____ as the principal means of allocating resources.	
a) Demand		
b) Supply		
c) Efficiency		
d) Prices		

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MTP May 2020

7 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

Giving
Suggestion

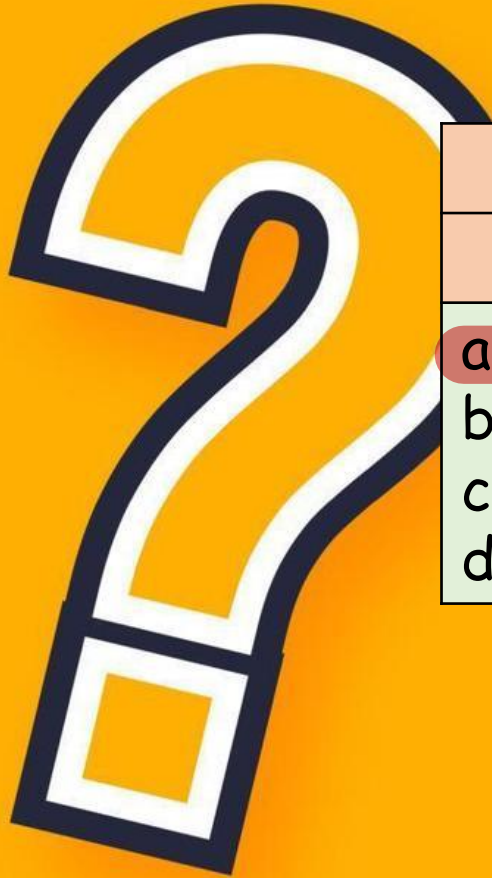
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MTP May 2020

8 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.

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MTP April 2019	
9	In Economics, the central economic problem means:
a) Output is restricted to the limited availability of resources	
b) Consumers do not have as much money as they would wish	
c) There will always be certain level of unemployment	
d) Resources are not always allocated in an optimum way	

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MTP April 2019

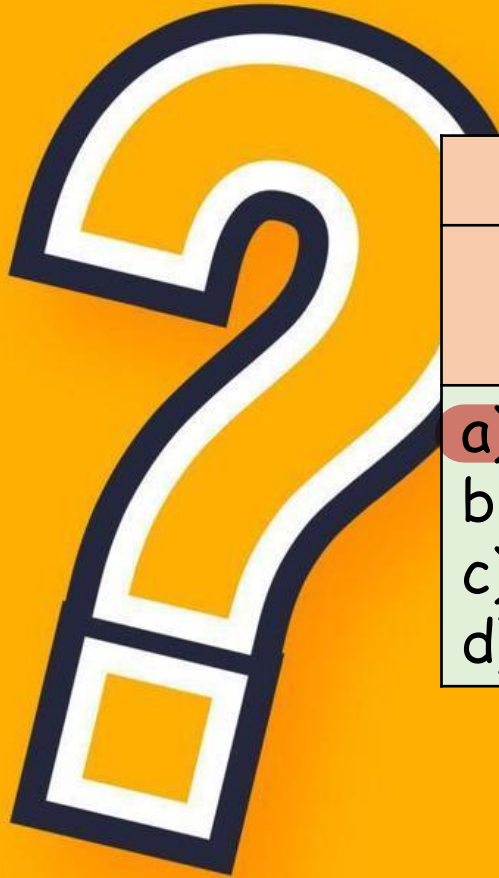
10

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

(last point given in demerits of Socialistic)

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		MTP March 2018
11	When we study why <u>saving rates</u> are high or low, we are studying :	
a) Macro Economics		
b) Micro Economics		
c) Econometrics		
d) Both (a) and (b)		

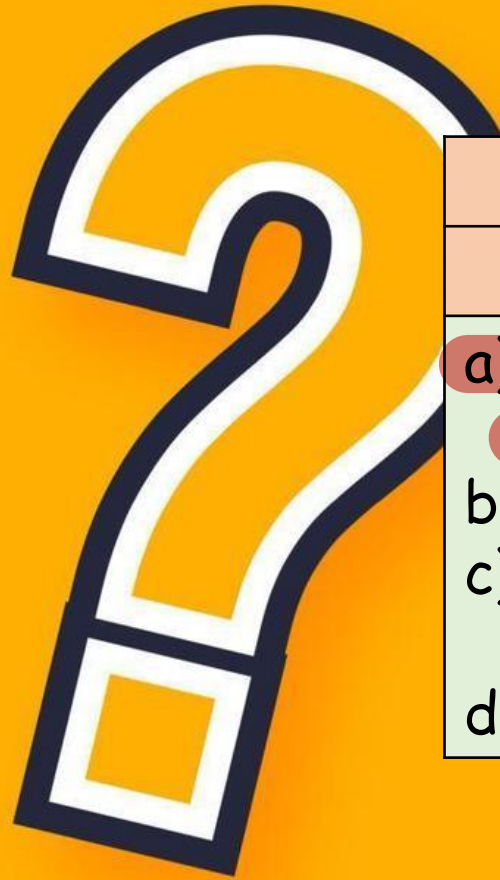
economy as
a whole
ke point se
bol rahe savings
ke bare mei
→ ye hi assume
karna.

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MTP April 2021

12 In case of inferior goods:

- a) Income effect and substitution effect work in opposite direction
- b) Income effect and substitution effect work in same direction
- c) It leads consumer to purchase less of a good and more of the substitute
- d) None of these



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MTP April 2021

13 If $MU_x = 30$, $P_x = 5$ $MU_y = 60$ the value of P_y will be

- a) 6
- b) 15
- c) 10
- d) None of these

$$MU_m = \frac{MU_x}{P_x} = \frac{MU_y}{P_y}$$

$$\Rightarrow \frac{30}{5} = \frac{60}{P_y}$$

$$\Rightarrow P_y = 10$$

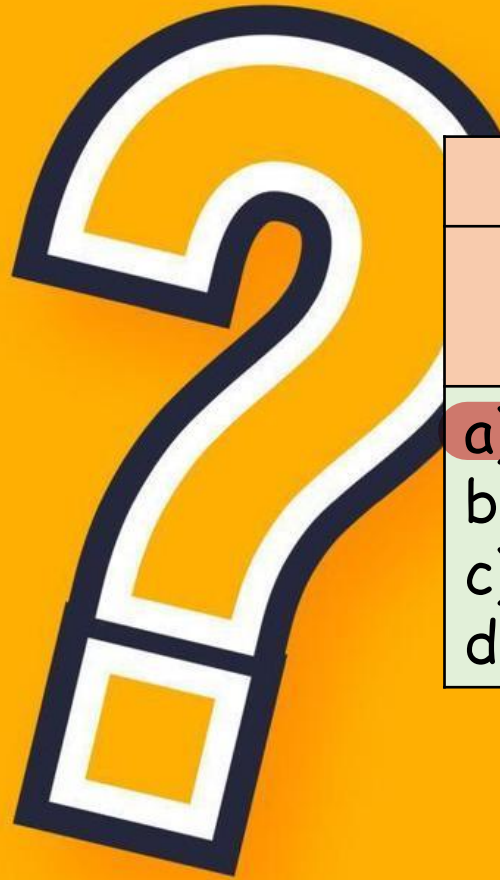
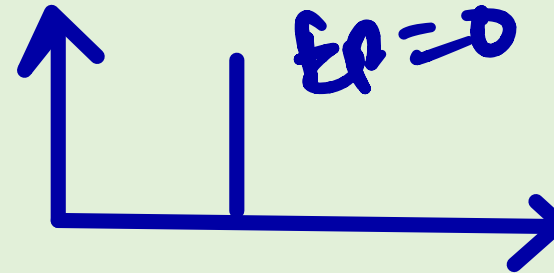
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MTP April 2021

14

When the demand curve is parallel to Y axis the elasticity of demand will be ___

- a) Zero
- b) Unity
- c) Less than Unity
- d) None of these



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MTP April 2021

15

If price of both goods fall how would the budget line is affected?

- a) The budget line will shift to left.
- b) The budget line will shift to right
- c) The budget line will not change
- d) The new budget line will have the same slope as the original so long as the price of both goods change in the same proportion.

proportion

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MTP April 2021

16

If the Price of Thumps Up increase the demand curve of Pepsi will:

- a) Remain at the same level
- b) Shift towards right
- c) Shift towards left
- d) None of those



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MTP April 2021

17

What will be the shape of indifference curve in case of two perfect substitutes:

a) C Shaped → ⊗

b) L Shaped

c) U Shaped → ⊗

d) Straight line

→ Perfect complementary Goods.



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MTP March 2021

18 | A rise in price will -

- a) increase in consumer surplus
- b) decrease in consumer surplus
- c) no change in consumer surplus
- d) none of these

$$CS = MU - Price$$

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MTP March 2021

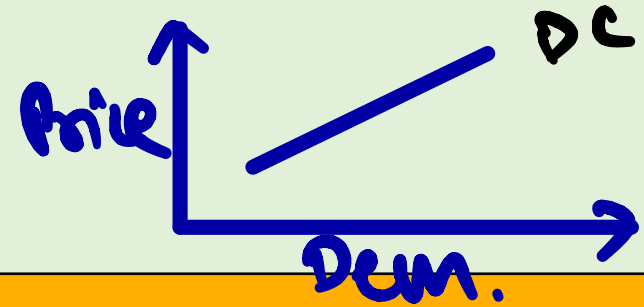
19 When violation of law of demand occurs:

- a) substitution effect is negative
- b) income effect is negative
- c) negative income effect is less than substitution effect
- d) negative income effect is greater than substitution effect

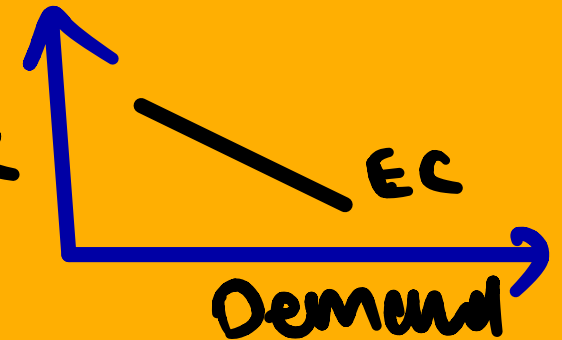
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MTP October 2020	
20	In the case of Giffen good, the demand curve will be -
a) Horizontal b) Downward sloping to the right c) Upward sloping to the right d) Vertical	



Giffen goods } Engel curve } Income



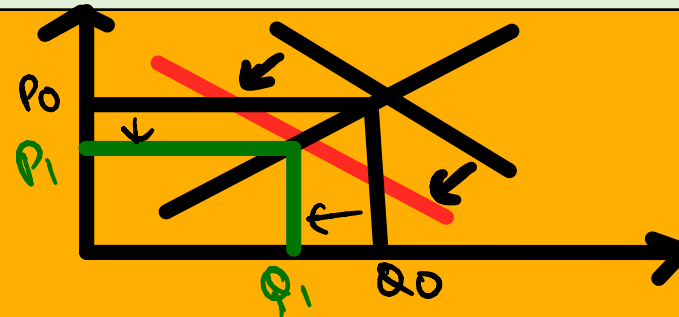
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MTP October 2020

21 A decrease in the demand for mobiles, other things remaining the same will

- a) Increase the number of mobiles bought
- b) Decrease the price but increase the number of mobiles bought
- c) Increase the price of mobiles
- d) Decrease the price and decrease in the number of mobiles bought



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Similar Q in MTP October 2020

22

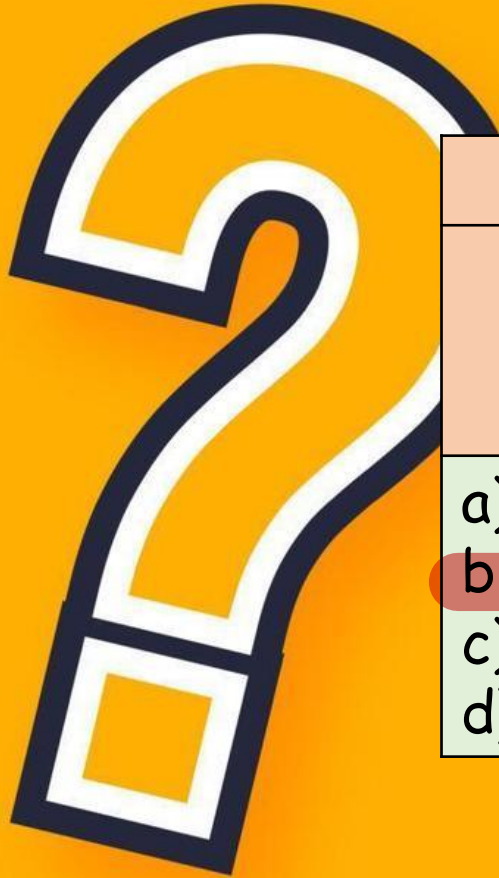
The supply function is given as $Q = -80 + 12P$. Find the elasticity using point method, when price is Rs. 15.

- a) 3
- b) -1.50
- c) -5
- d) 1.80

$$Q = -80 + 12(15) = 100 \text{ units}$$

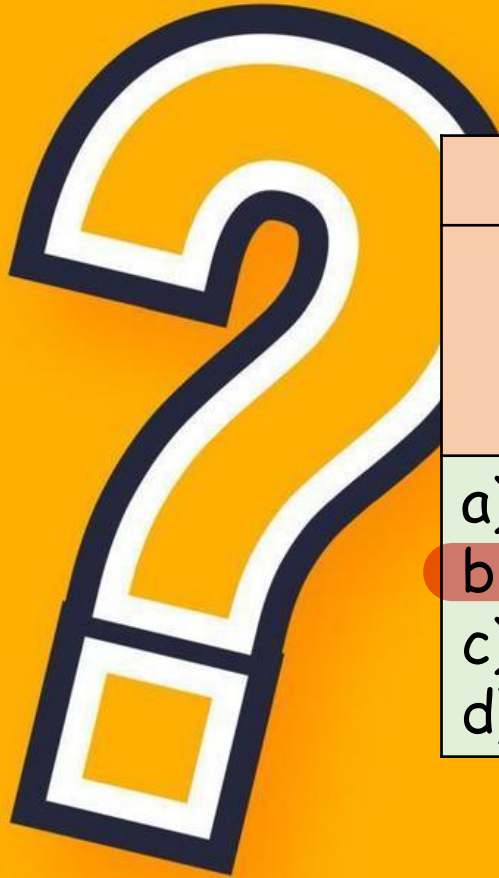
$$E_s = \frac{dQ}{dP} \times \frac{P}{Q} = 12 \times \frac{15}{100} = 1.80$$

CA Foundation June 2024 Economics Top 150 MCQs inelastic dem



		MTP October 2020
23	A firm learns that the own price elasticity of a product it manufactures is 0.5. What would be the correct action for this firm to take if it wishes to raise its total revenue?	
a) Lower the price because demand for the good is elastic.		
b) Raise the price because demand for the product is inelastic.		
c) Raise the price because demand is elastic.		
d) We need information in order to answer this question.		

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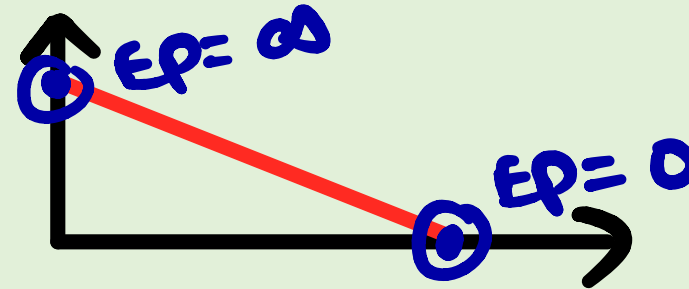


MTP October 2020

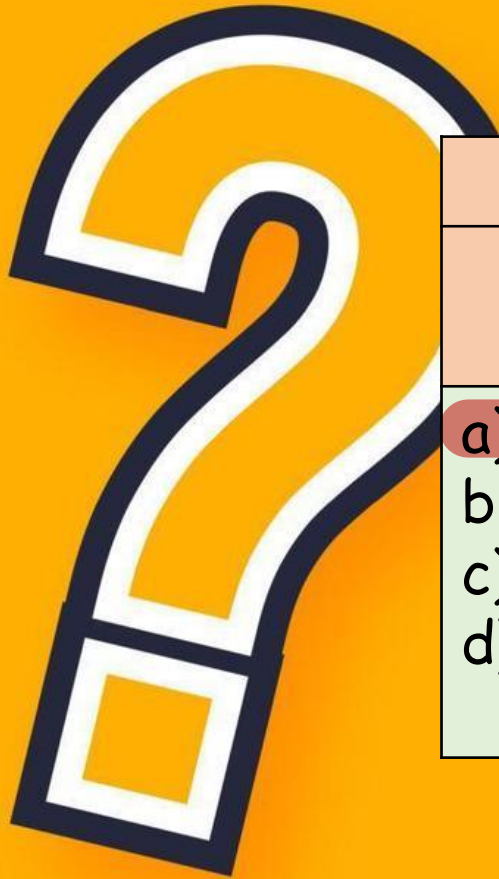
24

In the case of a straight line demand curve meeting the two axes, the price elasticity of demand at Y axis of the line would be equal to-

- a) 1
- b) Infinity**
- c) 3
- d) 1.25



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MTP May 2020

25

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

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Economics Top 150 MCQs



MTP May 2020

26

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

$$\begin{aligned}
 E_p &= \frac{Q_2 - Q_1}{Q_2 + Q_1} \times \frac{P_2 + P_1}{P_2 - P_1} \\
 &= \frac{20,000 - 30,000}{50,000} \times \frac{400 + 300}{400 - 300}
 \end{aligned}$$

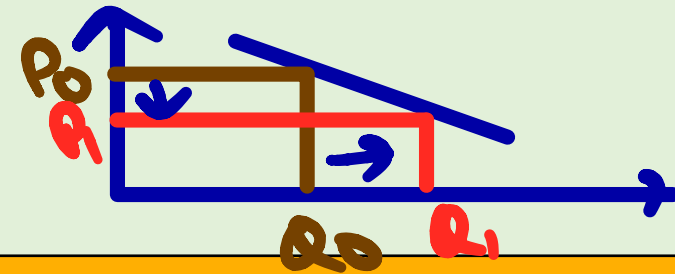
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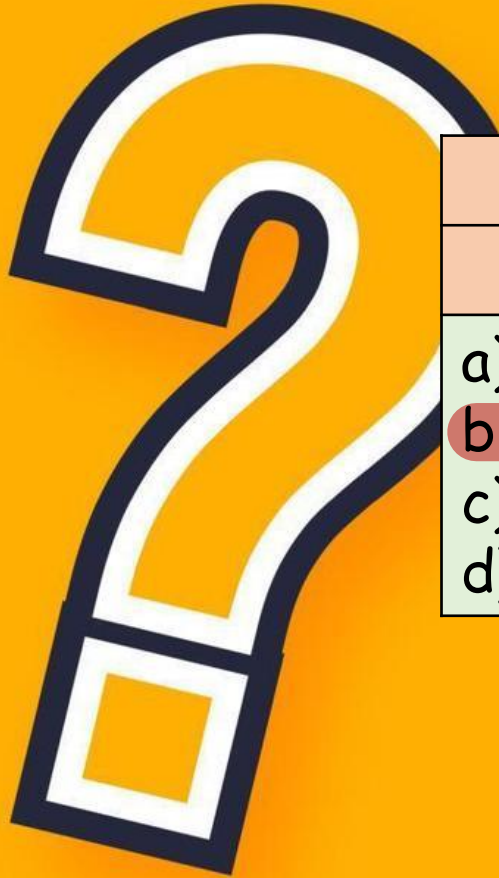
MTP October 2019

27 A downward movement along a demand curve indicate-

- a) Increase in demand
- b) Decrease in demand
- c) Contraction of demand
- d) Expansion of Demand

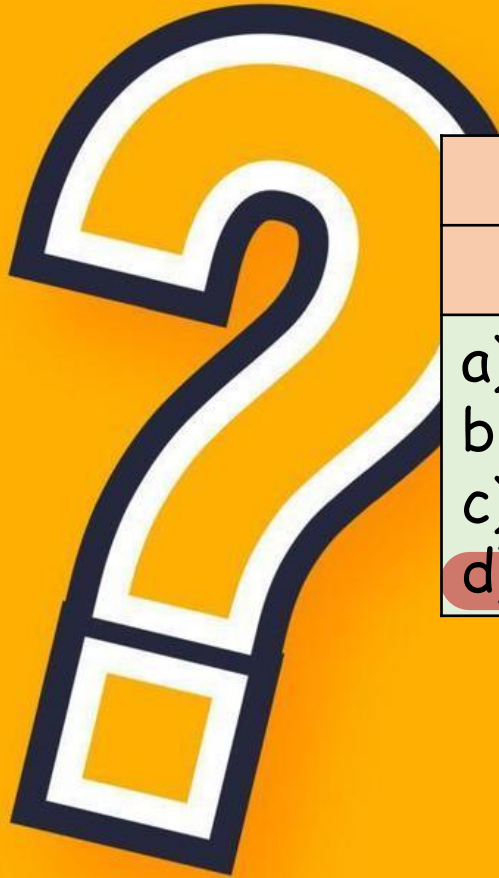


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MTP October 2019	
28	Availability of close substitutes makes the demand-
a) Less elastic	
b) More elastic	
c) Parallel to X axis	
d) Parallel to Y axis	

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MTP October 2019

29 The supply curve for perishable commodities is-

- a) elastic
- b) inelastic
- c) perfectly elastic
- d) perfectly inelastic $(E_p = 0)$

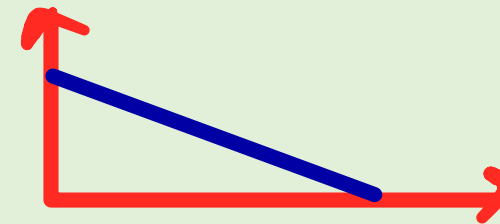
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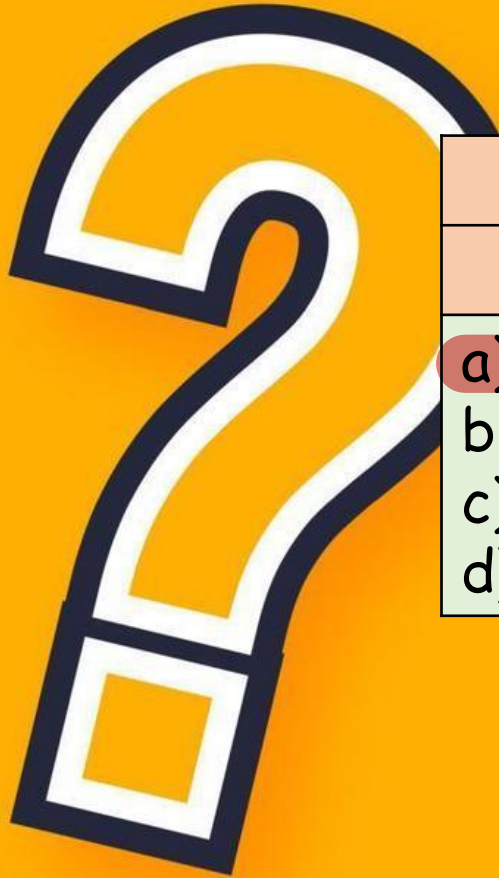
MTP October 2019

30 The slope of consumer's budget line is -

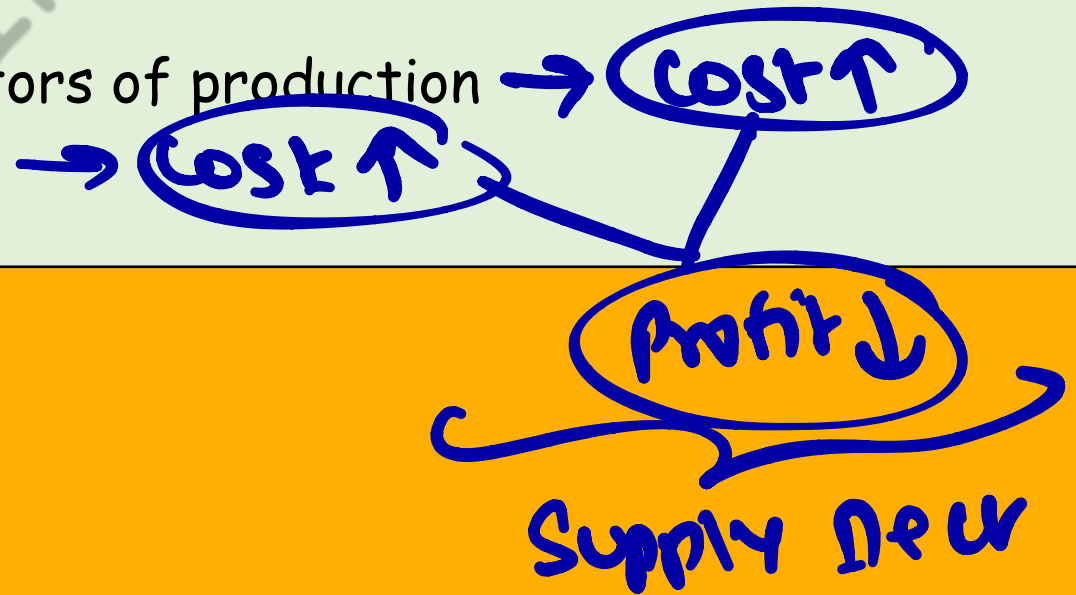
- a) Positive and constant
- b) Negative and decreasing
- c) Negative and constant**
- d) Positive and increasing



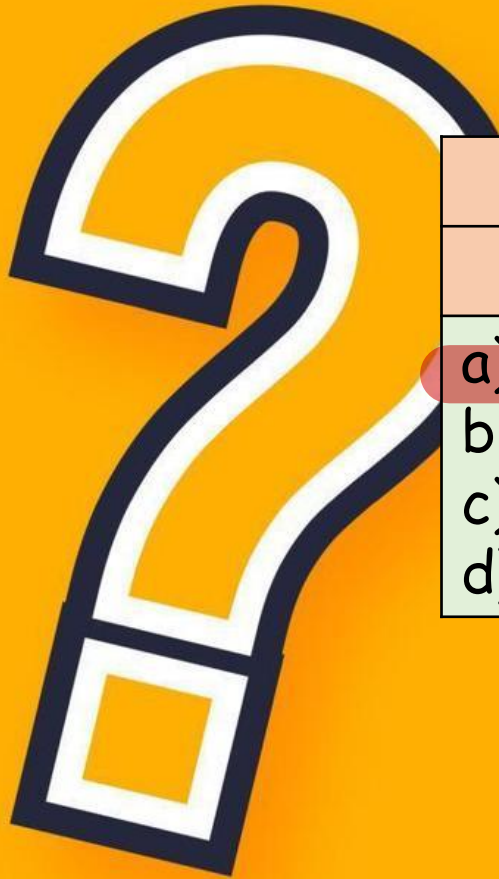
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MTP October 2019	
31	The supply curve shifts to the right because of
a) Improved technology	
b) Increased price of factors of production	
c) Increased excise duty	
d) All of the above	



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MTP April 2019

32 An expansion in the supply of a good is caused by a:

- a) Rise in the price of good
- b) Fall in the prices of other goods
- c) Fall in the prices of factors of production
- d) All of the above

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MTP April 2019

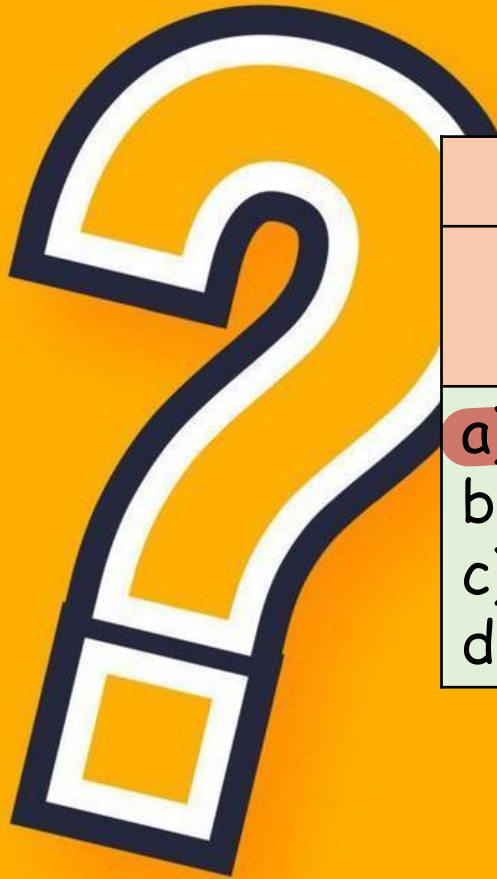
33

Which of the following has the lowest price elasticity of supply?

- a) Luxury
- b) Necessities
- c) Salt
- d) Perishable goods



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MTP March 2019

34

In case of **necessaries** 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

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MTP March 2019

35 _____ depicts complete picture of consumer tastes and preferences.

- a) Budget line
- b) Average cost curve
- c) Indifference map
- d) Marginal revenue curve

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MTP October 2018

Read the following data and answer

A shopkeeper sells gel pen at Rs. 10 per pen. At this price he can sell 120 per month. After some time, he raises the price to Rs. 15 per pen. Following the price rise:

- Only 60 pens were sold every month
- The number of refills bought were down from 200 to 150.
- The number of ink pen customers bought went up from 90 to 180 per month

36

The price elasticity of demand when gel pen's price increases from Rs.10 per pen to Rs.15 per pen is equal to: (use arc elasticity)

- a) 2.5
- b) 1.0
- c) 1.66**
- d) 2.66

Price of
₹ 10
₹ 15

Qd
120
60

$$E_p = \frac{60-120}{60+120} \times \frac{15+10}{15-10} = -1.66$$

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MTP October 2018

Read the following data and answer

A shopkeeper sells gel pen at Rs. 10 per pen. At this price he can sell 120 per month. After some time, he raises the price to Rs. 15 per pen. Following the price rise:

- Only 60 pens were sold every month
- The number of refills bought were down from 200 to 150.
- The number of ink pen customers bought went up from 90 to 180 per month

37

The cross elasticity of monthly demand for refills when the price of gel pen increase from Rs. 10 to Rs. 15 is equal to: Use arc elasticity

- a) -0.71
- b) +0.25
- c) -0.1
- d) +0.38

P_{GP}	Q_{RF}
₹ 10	200
₹ 15	150

$$E_p = \frac{150 - 200}{150 + 200} \times \frac{15 + 10}{15 - 10}$$

$$= -0.71$$

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MTP October 2018

38 | A buyer's willingness to pay is that buyer's:

- a) minimum amount he is willing to pay for a good.
- b) producer surplus.
- c) consumer surplus
- d) maximum amount he is willing to pay for a good

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MTP August 2018

39

If an increase in the price of blue jeans leads to an increase in the demand for tennis shoes, then blue jeans and tennis shoes are ____

- a) Complements.
- b) Inferior goods
- c) Normal goods.
- d) Substitutes

$P_{BJ} \uparrow$

$Q_{TS} \uparrow$

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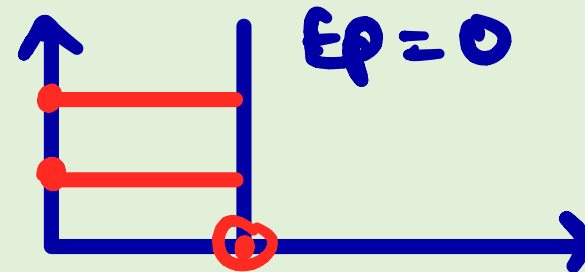


MTP August 2018

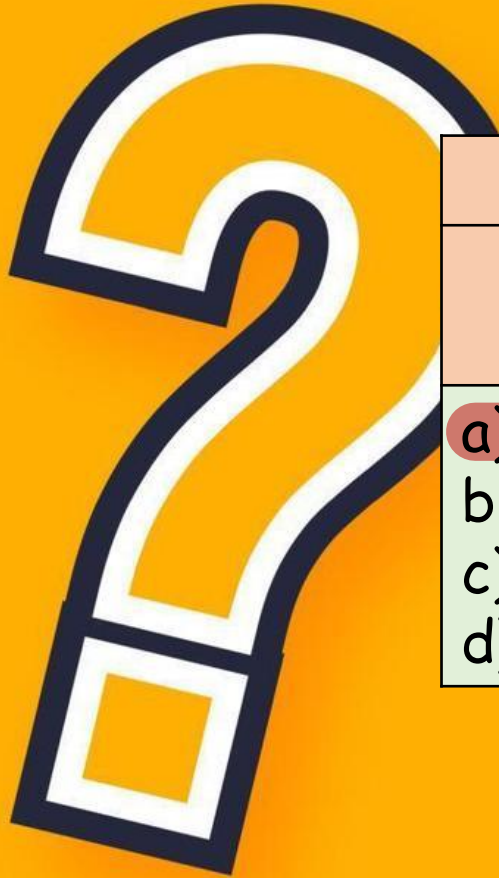
40

If a fisher man must sell all of his daily catch before its spoils for whatever price he is offered, once the fish are caught the fisherman's price elasticity of supply for fresh fish is

- a) Zero
- b) Infinite
- c) One
- d) Unable to determine

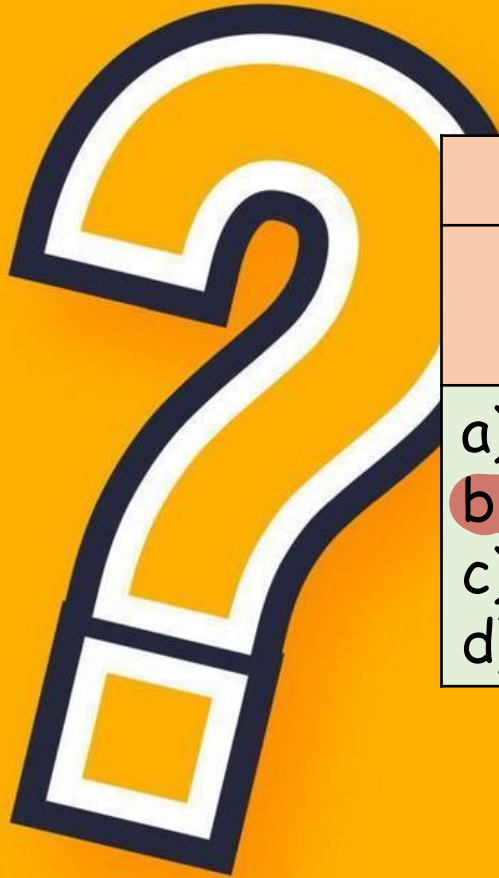


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	MTP March 2018
41	If distribution of income is more equal, then the propensity to consumer of the country is
a) Relatively High	
b) Relatively Low	
c) Unaffected	
d) None of the above	

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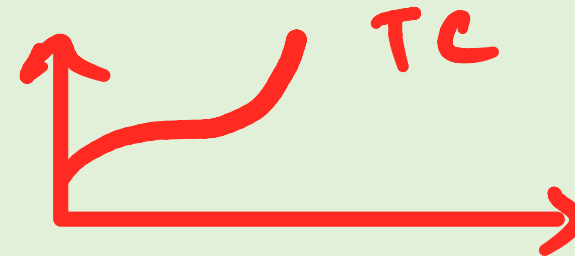
MTP March 2018	
42	When the price of a substitute of X commodity falls, the demand for X _____
a) Rises	
b) Falls	
c) Remains unchanged	
d) Any of the above.	

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MTP April 2021

43 | The Shape of TC Curve of the monopolist is _____

- a) U Shape
- b) S Shape
- c) Inverse S Shape**
- d) None of these



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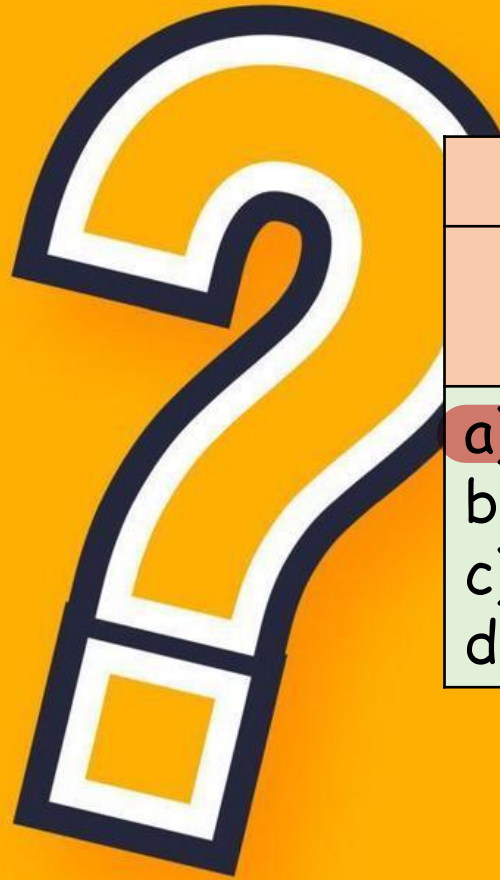
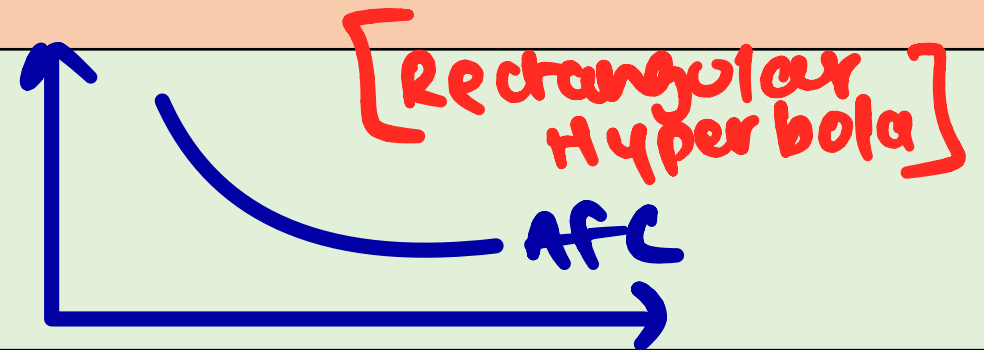
	→ CRS	MTP April 2021
44	Linear homogeneous function means:	
	a) Input and output increases by same proportions. [CRS]	
	b) Input increases by some proportions and output increase more than proportionately	
	c) Input increase by some proportion and output less than the proportionately	
	d) None of these	

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MTP April 2021

45 When output of a firm increases in the short run, its average fixed cost:

- a) Decreases
- b) Increases
- c) Remain constant
- d) First rises then decline



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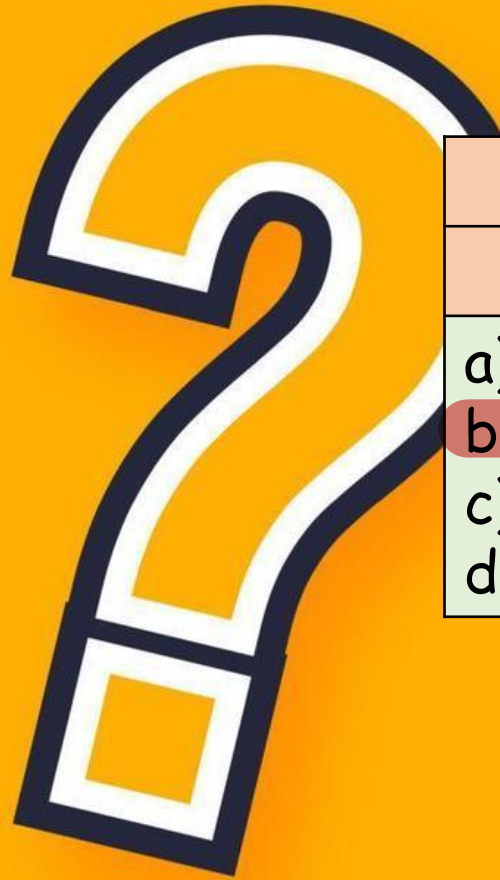
MTP May 2020 April 2021	
46	If a very small factory were to expand its scale of operations in the long run it is likely that it would initially experience:
a) Constant returns to scale b) Diseconomies of scale c) Economies of scale d) None of these	

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MTP April 2021

47 | The firm's Cost function is not a determinant of:

- a) The price of the labour
- b) The price of the firm's output (Selling Price)
- c) Taxes
- d) The production functions

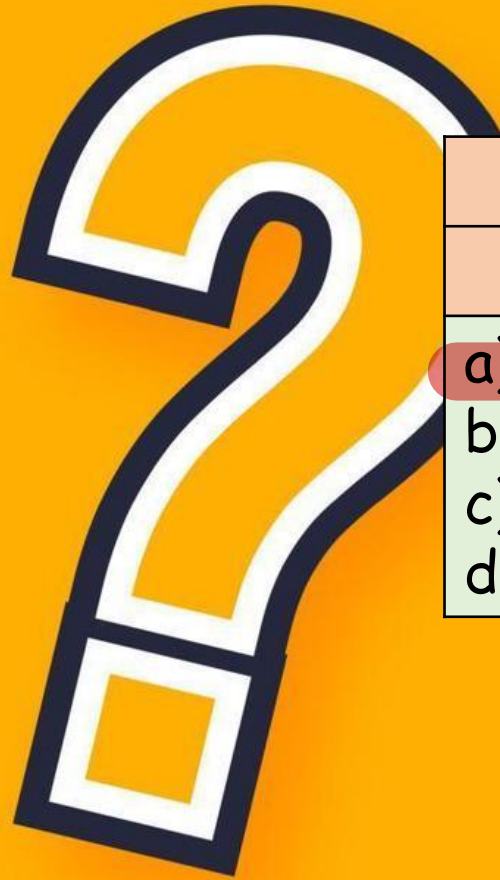


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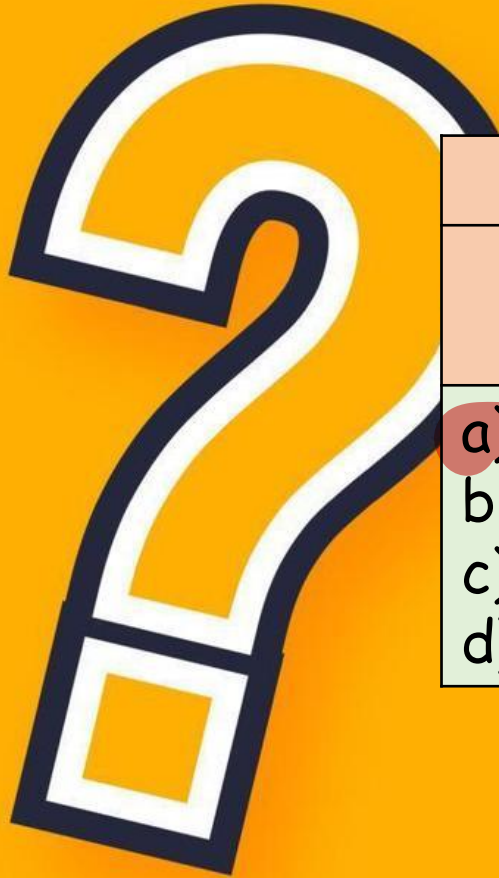
48 Normal profit is part of :

- a) Implicit Costs
- b) Average Cost
- c) Explicit Cost
- d) None of these



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MTP March 2018

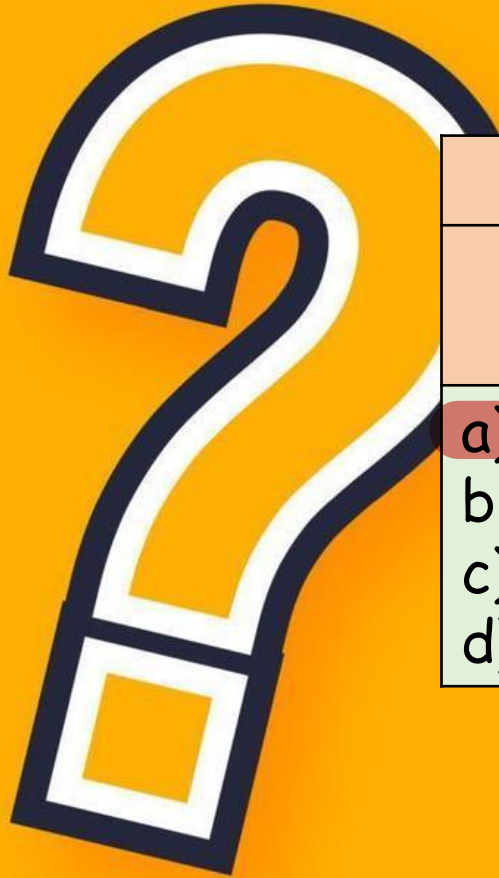
49

In the long run, normal profits are included in the _____ curve.

- a) LAC
- b) LMC
- c) AFC
- d) SAC

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[Cobb - Douglas]		MTP April 2021
50	Suppose production function is given by $Q = 15 \sqrt{LK}$ what type of return does it exhibit?	
<ul style="list-style-type: none"> a) Constant return b) Increasing return c) Decreasing return d) None of these 		

$$Q = 15 \sqrt{L \cdot K}$$

$$L^{(1/2)} \cdot K^{(1/2)}$$

$$a + b = \frac{1}{2} + \frac{1}{2}$$

$$= 1 \rightarrow \text{CRS}$$

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MTP April 2021

51 | The slope of Isocost line is

- a) w/r
- b) r/w
- c) $r \times w$
- d) None of these

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MTP April 2021

52 A mfg. company has TFC = 120 lakhs,
TVC = $100Q + 7Q^2 + 0.25Q^3$ → **Equation form**
Calculate the MC?

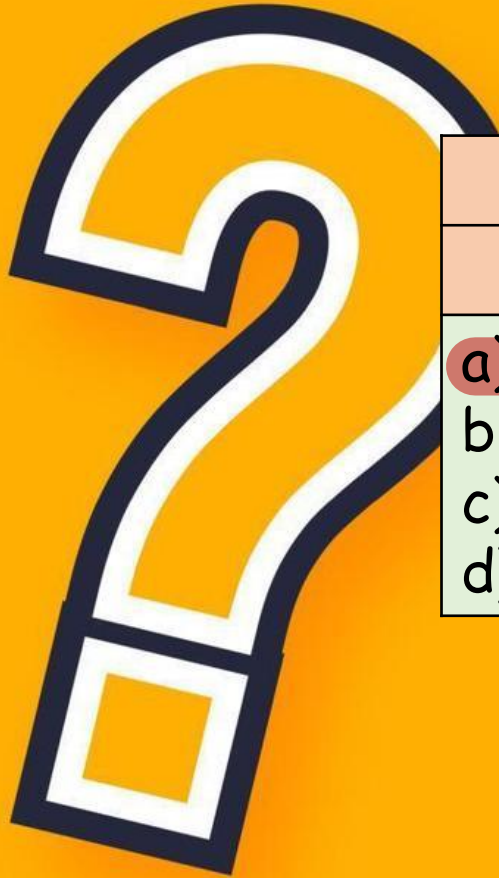
- a) $100 + 14Q + 0.75Q^2$
- b) $120 + 7Q^2 + 0.25Q^3$
- c) $100 + 7Q^2 + 0.25Q^3$
- d) None of these

$$MC = \frac{d(TVC)}{dQ}$$

$$= \frac{d(100Q + 7Q^2 + 0.25Q^3)}{dQ}$$

$$= 100 + 14Q + 0.75Q^2$$

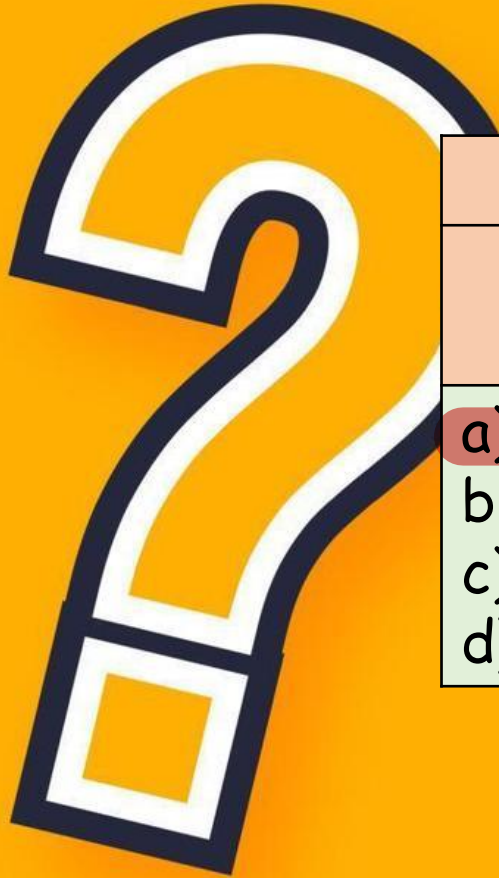
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		MTP March 2021
53	The Interest on own capital is:	
a) implicit cost		
b) future cost		
c) explicit cost		
d) past cost		

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MTP March 2021

54

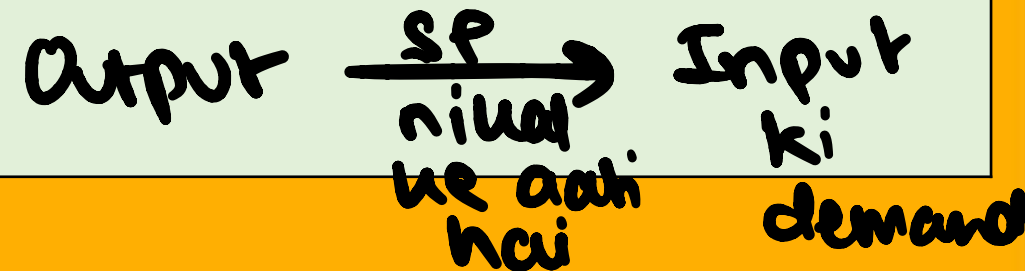
The distinction between selling cost and production cost was made by:

- a) Chamberlin
- b) Sweezy
- c) Mrs Joan Robinson
- d) None of these

CA Foundation June 2024 Economics Top 150 MCQs



MTP March 2021	
55	Demand for factor of production is
a) supplementary demand	
b) intermediate goods	
c) derived demand	
d) complementary demand	



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MTP March 2021	
56	The producer's demand for a factor of production is governed by the ____ of that factor
a) Price	
b) Marginal productivity	
c) Availability	
d) Profitability	

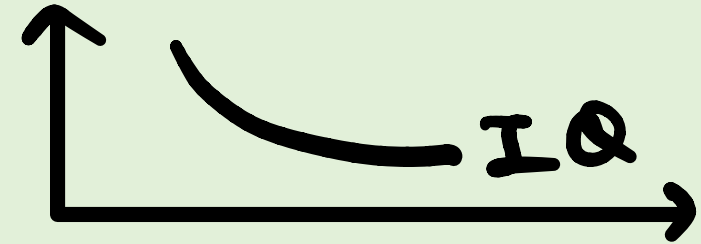
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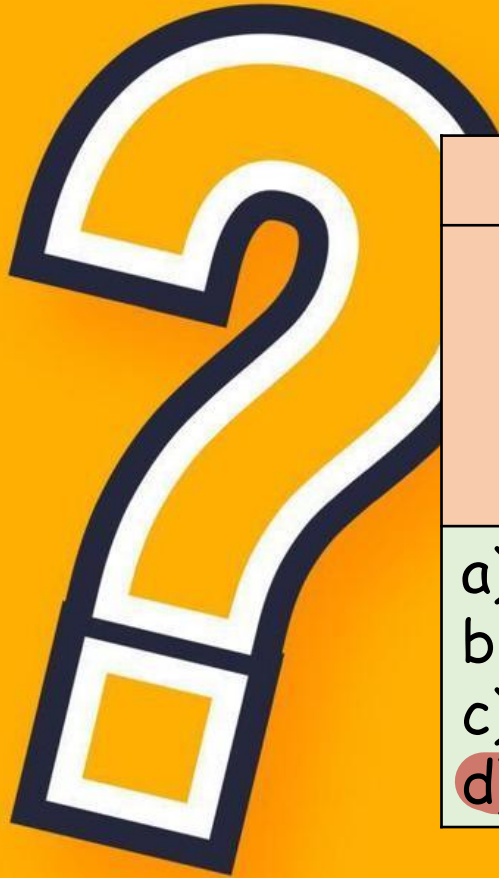
MTP March 2021

57 | The slope of isoquant is :

- a) upward to the left
- b) downward to the right**
- c) downward to the left
- d) upward to the right



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Similar Q in MTP October 2020	
58	A firm producing 8 units of output has an average total cost of Rs. 150 and has to pay Rs. 560 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) 100 c) 410 d) 80	$ATC_8 = 150$ $TFC = 560$ $\rightarrow AFC_8 = \frac{560}{8} = 70$ $\therefore AVC_8 = ATC_8 - AFC_8 = 80$

$$\therefore AVC_8 = ATC_8 - AFC_8 = 80$$

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	MTP March 2018	April 2019	October 2020
59	Suppose that an owner is earning total revenue of Rs. 1,00,000 and is increasing explicit cost of Rs. 60,000. If the owner could work for another company for Rs. 30,000 a year, we would conclude that:		
	a) The firm is earning economic profit or Rs. 10,000 b) The firm is earning accounting profit or Rs. 40,000 c) The firm is earning economic profit of Rs. 40,000 d) Both (a) and (b)		

$$\begin{array}{r}
 \text{TR} \rightarrow 1,00,000 \\
 (-) \text{ Explicit} \rightarrow (60,000) \\
 \hline
 \text{Acc. Profit} \rightarrow 40,000 \\
 (-) \text{ Implicit} \rightarrow (10,000) \\
 \hline
 \text{EW Profit} \rightarrow 30,000
 \end{array}$$

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MTP May 2020

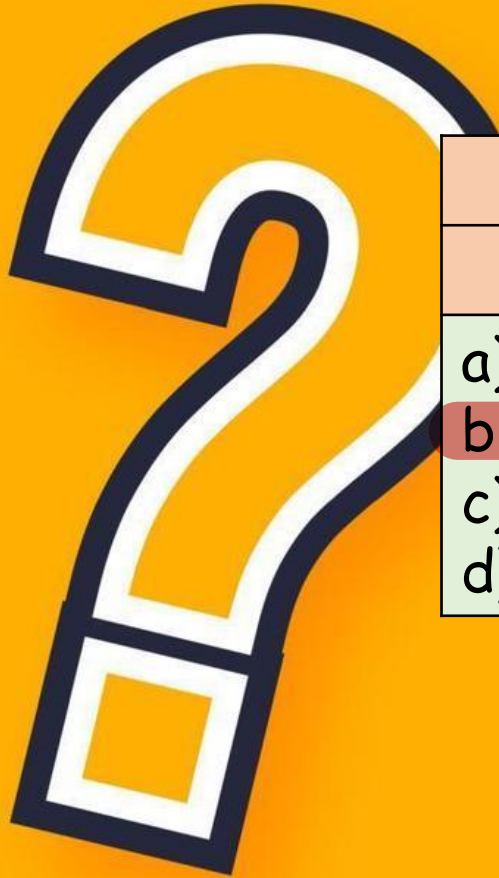
60

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

implicit cost

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MTP August 2018, May 2020

61 | 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

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		MTP May 2020
62	Diminishing marginal returns imply	
a) decreasing average variable costs		
b) decreasing marginal costs		
c) increasing marginal costs		
d) decreasing average fixed costs		

CA Foundation June 2024 Economics Top 150 MCQs



		MTP October 2019
63	Long run production function related to-	
a) Returns to a factor	→ Short Run →	Law of variable Prop.
b) Returns to scale		
c) Both a and b		
d) None of these		

CA Foundation June 2024 Economics Top 150 MCQs



MTP October 2019

64

In the production of wheat, all of the following are variable factors that are used by the farmer except-

- a) The seed and fertilizer used when the crop is planted
- b) The field that has been cleared of trees and in which the crop is planted
- c) The tractor used by the farmer in planting and cultivating not only wheat but also corn and barley
- d) The number of hours that the farmer spends in cultivating the wheat fields

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		MTP October 2019
65	Which of the following cost curve is termed as a rectangular hyperbola-	
a) TVC curve		
b) AVC Curve		
c) TFC curve		
d) AFC curve		

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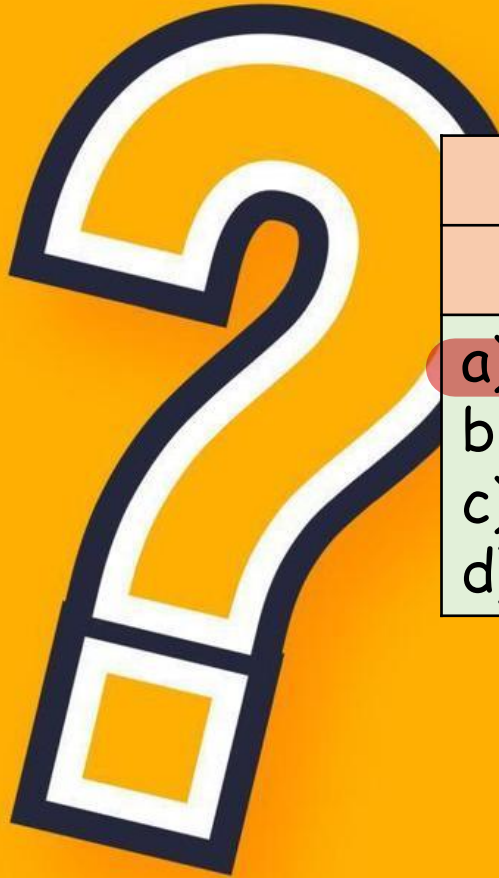
MTP April 2019

66 Marginal cost is defined as:

- a) The change in total cost due to a one unit change in output
- b) Total cost divided by output
- c) The change in output due to a one unit change in an input
- d) Total product divided by the quantity of input

$$MC = \frac{\Delta TC}{\Delta Q}$$

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MTP March 2019

67 | Marginal costs are closely associated with:

a) Variable cost

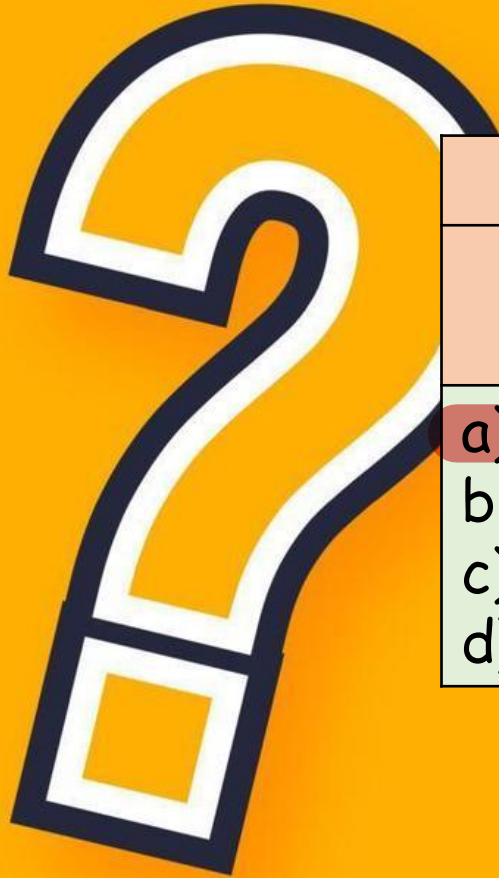
b) Total fixed cost

c) Average cost

d) Total cost

→ MC is independent of F.C.

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MTP March 2019

68

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%

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MTP October 2018

Read the following paragraph and answer question

Nicole owns a small pottery factory. She can make 1,000 pieces of pottery per year and sell them for Rs. 100 each. It costs Nicole Rs. 20,000 for the raw materials to produce the 1,000 pieces of pottery. She has invested Rs. 1,00,000 in her factory and equipment: Rs. 50,000 from her savings and Rs. 50,000 borrowed at 10 percent. (Assume that she could have loaned her money out at 10 per cent too.) Nicole can work at a completing pottery factory for Rs. 40,000 per year.

MTP October 2018

69 The economic profit at Nicole's factory is:

a) Rs. 75,000	$TR = 1,000 \times 100 = 1,00,000$ (-) <u>Explicit cost</u> RM $\rightarrow 20,000$ Int on loan $\rightarrow 5,000$ <hr/> Acc. Profit $75,000$	$\begin{matrix} \text{Acc Profit} \\ (-) \text{Implicit cost} \\ \hline \text{Salary} \rightarrow 40,000 \\ \text{Int on own money} \rightarrow 5,000 \\ \hline \text{Eco. Profit} \end{matrix}$	75,000
b) Rs. 35,000			(45,000)
c) Rs. 80,000			
d) Rs. 30,000			30,000

Amr which could have been earned.

CA Foundation June 2024 Economics Top 150 MCQs

MTP August 2018

Read table and answer question

Labour Input	Output	Average Product	Marginal Product
0	0	-	-
2	?		25
4	90		
6	120		
8	150		
10		14	
12		10	

70

At a labour of 2, output is:

- a) 25
- b) 30
- c) 50
- d) 75

$$MP = \frac{\Delta TP}{\Delta Q} \Rightarrow 25 = \frac{\Delta TP}{2}$$

$$\Rightarrow \Delta TP = 50$$

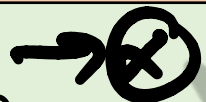


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Similar Q in MTP August 2018

71	A firm's average total cost is Rs. 200 at 5 units of output and Rs. 250 at 6 units of output the marginal cost of producing the 6th unit is:
a) Rs. 50 b) Rs. 300 c) Rs. 420 d) Rs. 500	$\begin{array}{ccc} Q & \text{ATL} & \frac{TC}{Q} \\ 5 & 200 & \\ 6 & 250 & \end{array}$ $TC_5 = 1000 \quad \left. \begin{array}{l} \\ \\ \end{array} \right\} \frac{MC}{500}$ $TC_6 = 1500$



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MTP March 2018	
72	Suppose the short run cost function can be written as $TC = 250 + 10Q$. Average Variable cost equals:
a) $250/Q$ b) 250 c) 10 d) $250/Q + 10$	

$\underbrace{250}_{TFC}$ $\underbrace{10Q}_{TVC}$
 ↓ ↓
 Not dependent on Qty Dependent on Qty

$$\begin{aligned}
 AVC &= \frac{TVC}{Q} \\
 &= \frac{10Q}{Q} \\
 &= 10.
 \end{aligned}$$

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MTP April 2021

73 Unique supply curve in monopoly is not due to _____

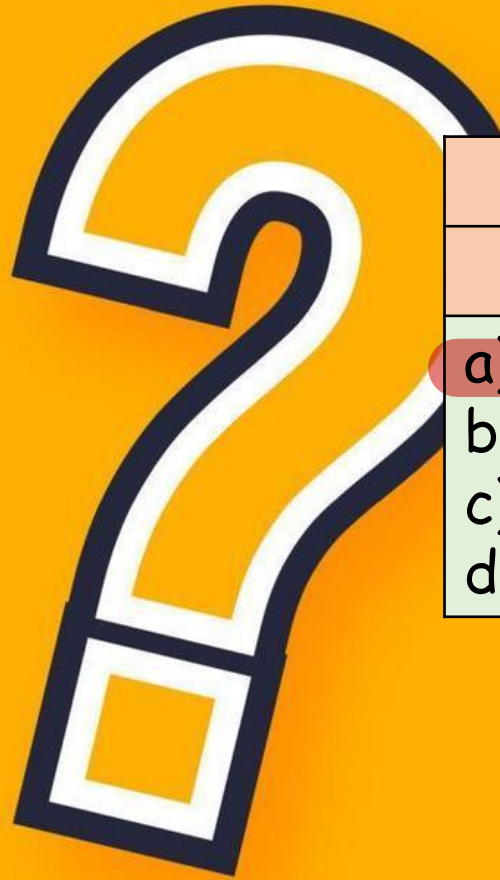
a) $P > MC$

b) $P < MC$

c) $P = MC$

d) None of these

→ Allocative Inefficiency



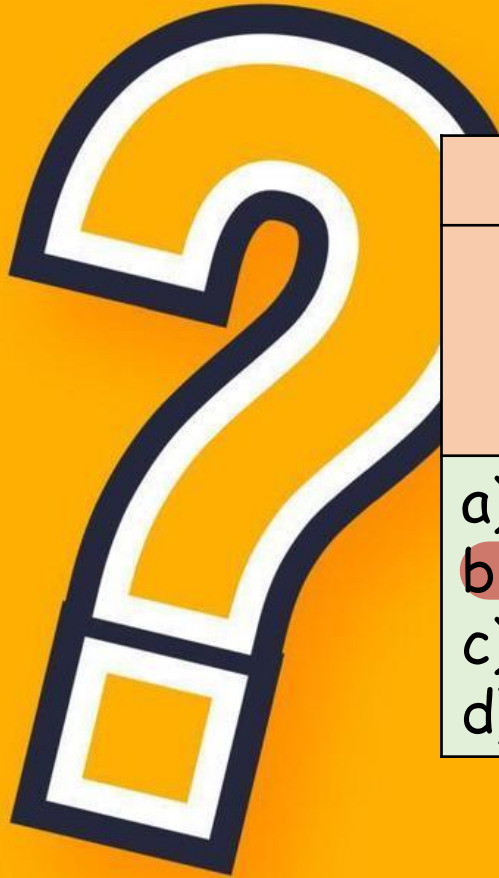
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MTP April 2021

74

Raw materials and other factors of production is not monopolised, and labour is not unionised in which form of market structure:

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



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MTP April 2021

75

Wild Animals had destroyed the entire crops of a farmer what effect it will have on the price in perfect competition:

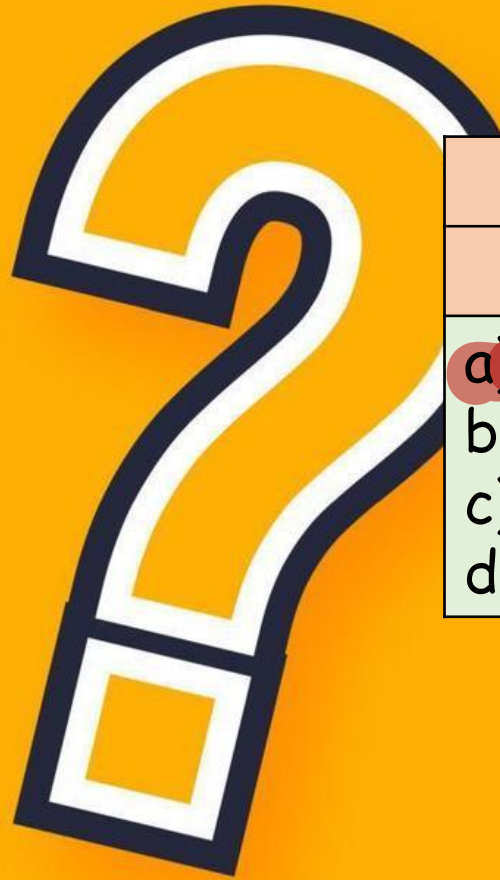
- a) Price will remain constant
- b) Price will decrease
- c) Price will increase
- d) None of these

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MTP April 2021

76 Cross elasticity of Product in Monopoly is:

- a) Zero or very small
- b) High
- c) Infinity
- d) None of these



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problem
↑

		MTP April 2021
77	The dilemma faced by a Monopolistic is setting ____.	
a) Price b) Output c) Both a and b d) Either a or b		

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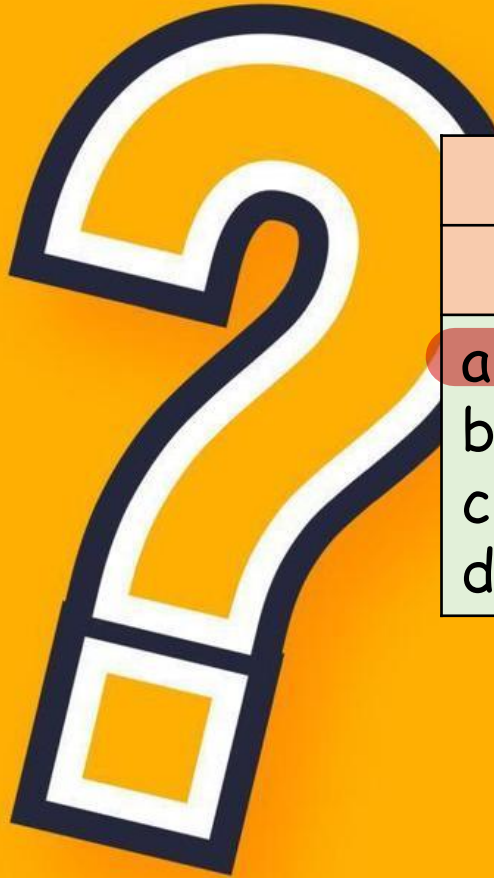
monopoly firm.



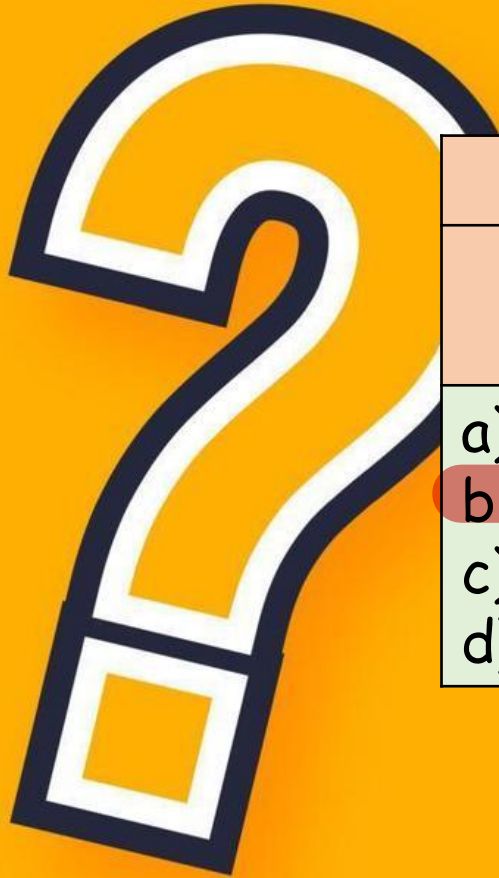
MTP April 2021

78 In the absence of competition the monopolist:

- a) The monopolist need not produce at the optimal level
- b) Produce at the optimal level
- c) Either a or b
- d) None of these



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MTP August 2018

79 The sale of **branded articles** is common in a situation of _____

- a) Excess capacity
- b) Monopolistic competition**
- c) Monopoly
- d) Pure competition

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MTP April 2021

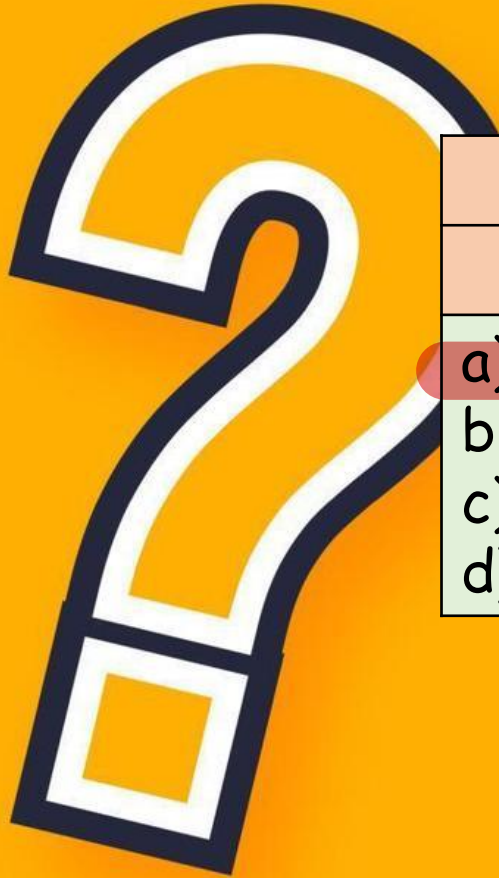
80 Monopolistic Competition theory architect was :

- a) Roden
- b) Marx
- c) J R Hicks
- d) Chamberlin



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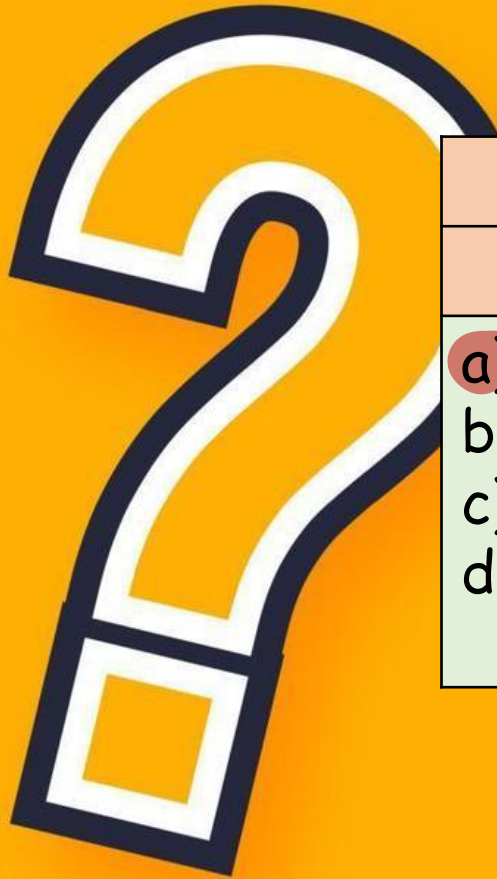


MTP April 2021

81 Cinema Halls, Telephone bills etc. are following

- a) Differential Pricing
- b) Full cost pricing
- c) Marginal Cost Pricing
- d) None of these

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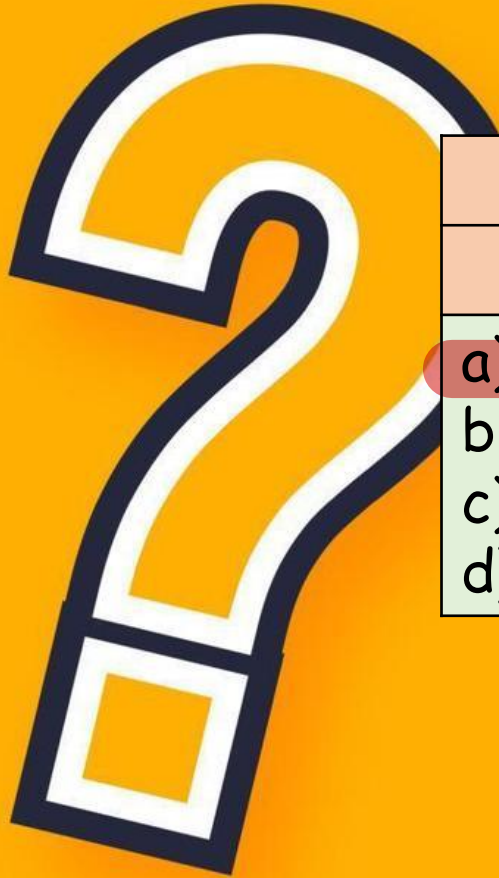


MTP August 2018

82 If a competitive firm doubles its output, its total revenue:

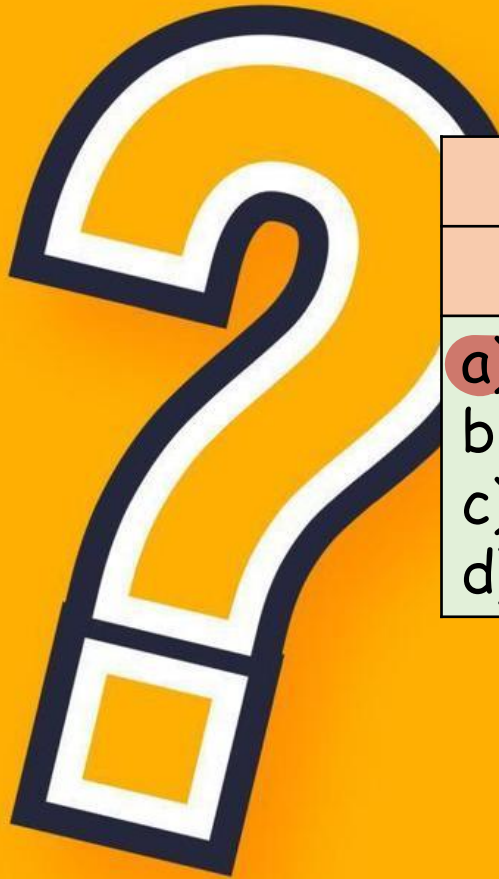
- a) Doubles. *y since price constant*
- b) More than doubles.
- c) Less than doubles.
- d) Cannot be determined because the price of the good may rise or fall.

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		MTP March 2021
83	Foreign Exchange market is an example of -	
	a) perfect competition	
	b) oligopoly	
	c) monopoly	
	d) monopolistic competition	

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MTP March 2021	
84	The Price elasticity for Monopolistic Firm is :
a) $e > 1$	
b) $e < 1$	
c) $e = 1$	
d) none of these	

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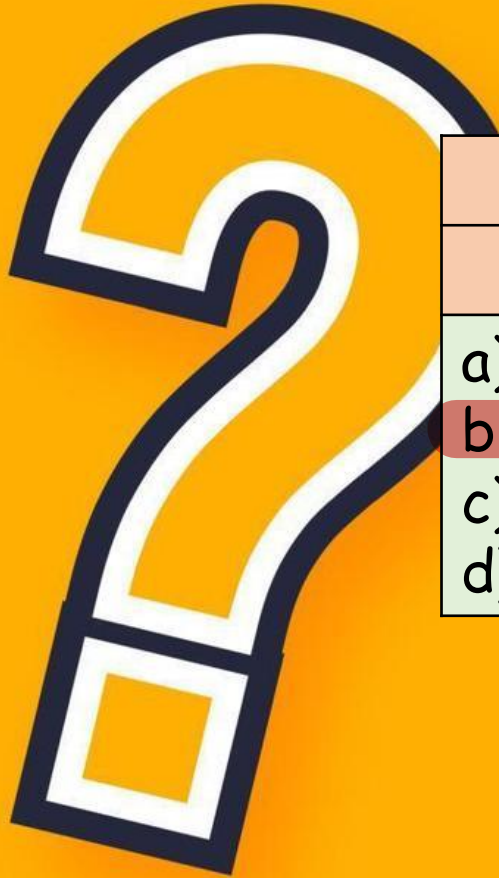


MTP March 2021

85 Dynamic fare charged by Indian railways is an example of :

- a) pure monopoly
- b) discriminating monopoly
- c) perfect competition
- d) none of these

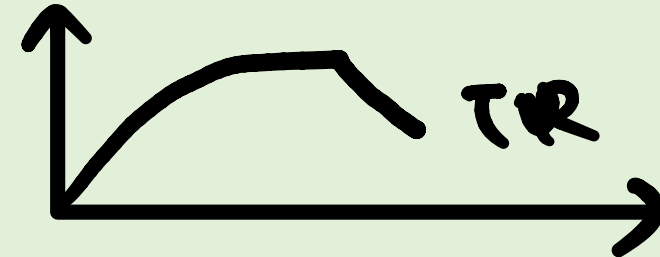
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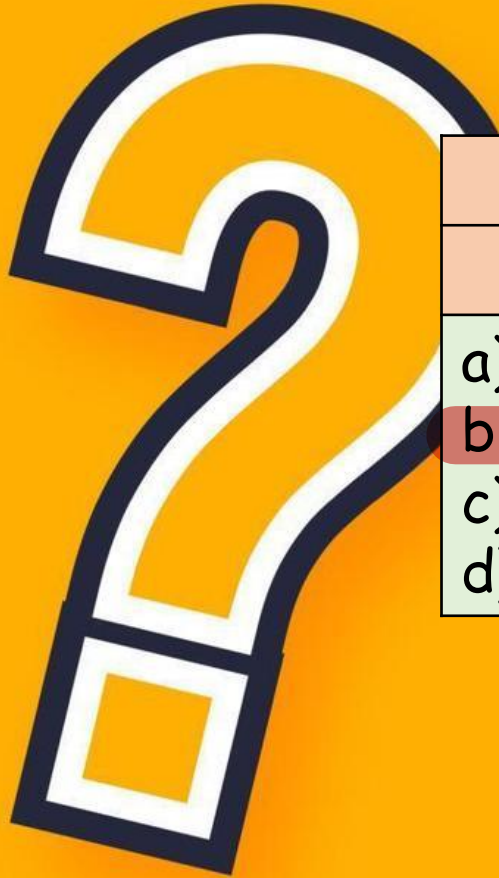
MTP March 2021

86 | The shape of TR curve of the monopolist is :

- a) u shaped
- b) inverted u shaped**
- c) downward sloping
- d) none of these



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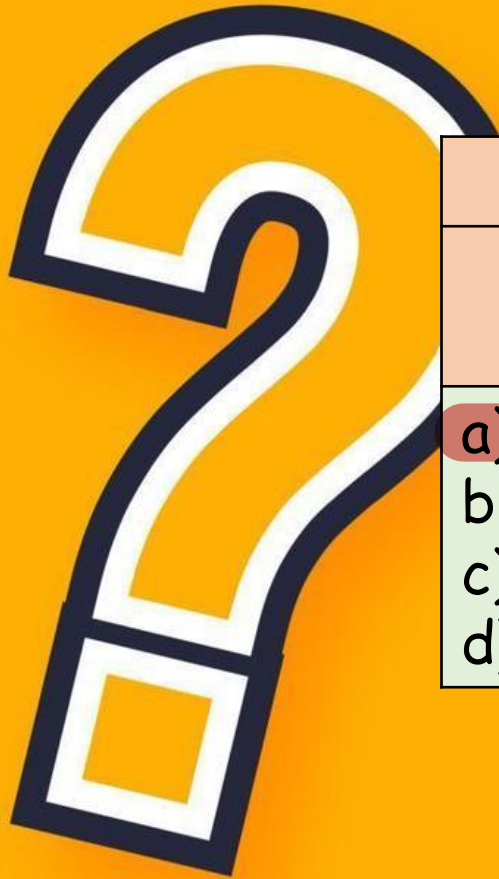
MTP March 2021

87 | The firm and industry are same in :

- a) duopoly
- b) monopoly
- c) perfect competition
- d) none of these



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MTP March 2021

88

Under perfect competition the supply curve is derived from :

- a) MC curve **above AVC curve**
- b) AC curve
- c) TC Curve
- d) none of these.

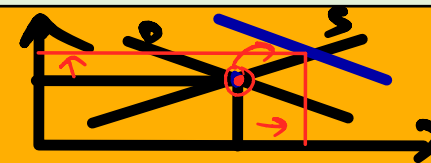
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MTP August 2018

89 Suppose consumer tastes shift toward the consumption of apples. Which of the following statements is an accurate description of the impact of this event on the market for apples?

- a) There is an increase in the quantity demanded of apples and in the supply for apples
- b) There is an increase in the demand and supply of apples.
- c) There is an increase in the demand for apples and a decrease in the supply of apples.
- d) There is an increase in the demand for apples and an increase in the quantity supplied.

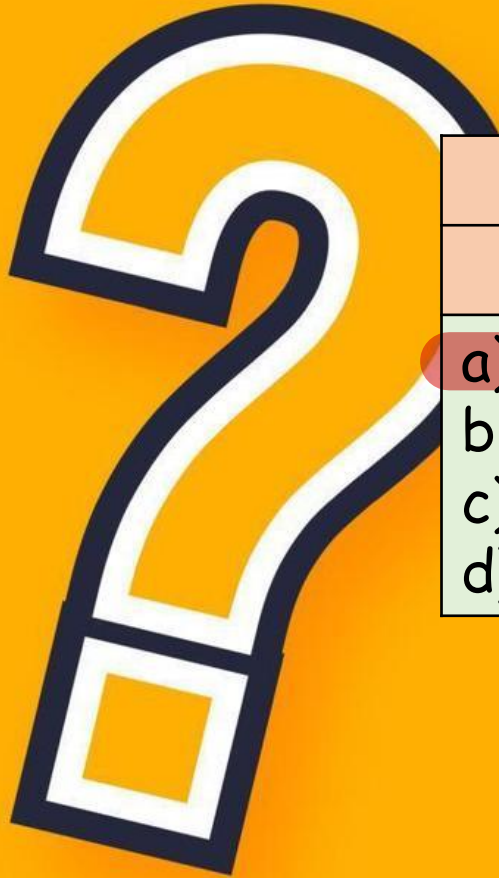


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		MTP August 2018
90	In monopolistic competition, a firm is in long run equilibrium ____	
a) At the minimum point of the LAC curve		
b) In the declining segment of the LAC curve		
c) In the rising segment of the LAC curve		
d) When price is equal to marginal cost		

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MTP October 2018 October 2021

91 | Marginal revenue will be negative if elasticity of demand is

- a) Less than one
- b) More than one
- c) Equal to one
- d) Equal to Zero

$$MR = AR \times \left(1 - \frac{1}{e}\right)$$

or

$$AR \times \left(\frac{e-1}{e}\right)$$

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(Qty)	(P)	(TC)	(ATC)	(MC)	(TR)	(MR p.u)
0	250	500				
1	240	730				
2	230	870				
3	220	950				
4	210	1010				
5	200	1090			1000	
6	190	1230			1140	
7	180	1470			1260	
8	170	1850			1360	
9	160	2410				

The following Table provides cost and price information for a firm called Comfy Cushions (CC). The firm produces and sells cushions using a fixed amount of capital equipment but can change the level of inputs such a labour and materials. Read the Table and answer question

MTP March 2018

92 To maximize its profit or minimize its loss, what level of production should CC choose?

- a) 7 units → $MR = 120$, $MC = 240$
- b) 6 units → $MR = 140$, $MC = 140$
- c) 4 units
- d) 8 units

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(Qty)	(P)	(TC)	(ATC)	(MC)	(TR)	(MR p.u)
0	250	500				
1	240	730				
2	230	870				
3	220	950				
4	210	1010				
5	200	1090				
6	190	1230			1140	
7	180	1470				
8	170	1850				
9	160	2410				

The following Table provides cost and price information for a firm called Comfy Cushions (CC). The firm produces and sells cushions using a fixed amount of capital equipment but can change the level of inputs such a labour and materials. Read the Table and answer question

MTP March 2018

93 Calculate CC's maximum profit or minimum loss.

- a) Loss of Rs. 100
- b) Loss of Rs. 60
- c) Profit of Rs. 90
- d) Loss of Rs. 90

At 6 units,

$$TR - TC = 1140 - 1230 = \underline{-90}$$

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		MTP October 2018
94	If a seller realizes Rs. 10,000 after selling 100 units and Rs. 14,000 after selling 120 units. What is the marginal revenue here?	
a) Rs. 4000		
b) Rs. 450		
c) Rs. 200		
d) Rs. 100		

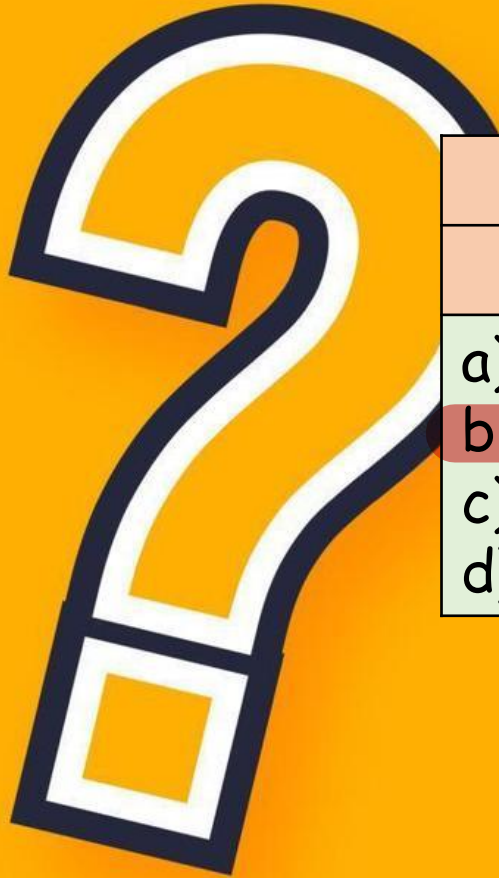
Handwritten calculation showing a table of Quantity (Q) and Total Revenue (TR):

Q	TR
100	10,000
120	14,000

A handwritten arrow labeled '20' points from Q=100 to Q=120. A bracket on the right side of the TR values indicates a change of 4,000.

$$MR = \frac{\Delta TR}{\Delta Q} = \frac{4000}{20} = \underline{\underline{₹ 200}}$$

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MTP October 2021	
95	Pure oligopoly is based on the ____ products
a) Differentiated	
b) Homogeneous	
c) Unrelated	
d) None of the above	

CA Foundation June 2024 Economics Top 150 MCQs



MTP October 2021

96

Assume that in the market for good Z there is a simultaneous increase in demand and the ~~quantity supplied~~.
The result will be: **Supply**

- a) An increase in equilibrium price and quantity.
- b) A decrease in equilibrium price and quantity.
- c) An increase in equilibrium quantity and uncertain effect on equilibrium price
- d) A decrease in equilibrium price and increase in equilibrium quantity.

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MTP October 2021

97

If a firm's average variable cost curve is rising, its marginal cost curve must be -

- a) Constant
- b) Above the total cost curve
- c) Above the average variable cost curve
- d) All of the above

CA Foundation June 2024 Economics Top 150 MCQs



MTP October 2021	
98	When the products are sold through a centralized body, oligopoly is known as
a) Organized oligopoly b) Partial oligopoly c) Competitive oligopoly d) Syndicated oligopoly	

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MTP October 2018

99 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

CA Foundation June 2024 Economics Top 150 MCQs



MTP October 2018	
100	In the short run if a perfectly competitive firm finds itself operating at a loss, it will:
a) Reduce the size of its plant to lower fixed costs	
b) Raise the price of its product	
c) Shut down	
d) Continue to operate as long as it covers its variable cost.	

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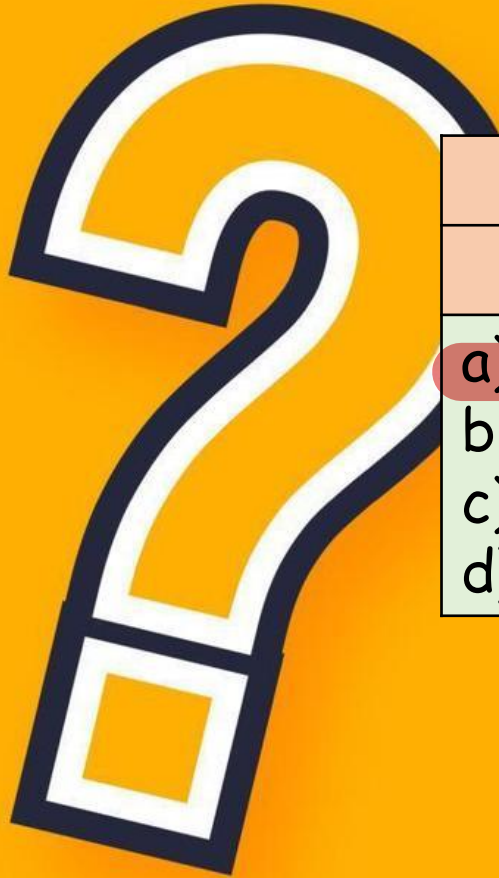


APPEARING STUDENTS

  **28TH JUNE, 9:00 PM** 

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CA Foundation June 2024 Economics Top 150 MCQs



MTP October 2018

101 | The AR curve and industry demand curve are same:

- a) In the case of monopoly
- b) In the case of oligopoly
- c) In the case of perfect competition.
- d) None of the above

CA Foundation June 2024 Economics Top 150 MCQs



		MTP May 2020
102	Suppose a firm is producing a level of output such that $MR > MC$, what should be 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.		

up till $MR = MC$

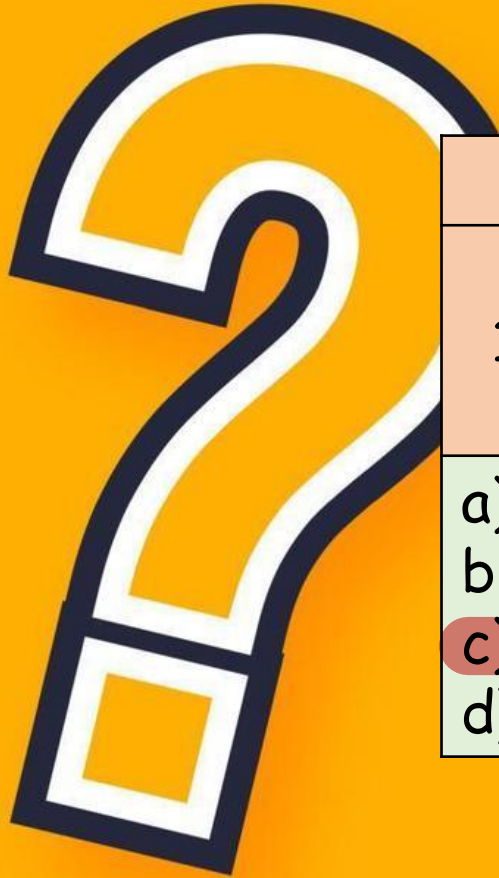
CA Foundation June 2024 Economics Top 150 MCQs



	MTP	March 2018	March 2019	May 2020
103	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				

	Price	Q	TR	MR
	20	15	300	-
	18	16	288	-12

CA Foundation June 2024 Economics Top 150 MCQs



MTP May 2020

104

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.

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MTP October 2019	
105	The Average revenue and price are always equal under-
a) Monopoly	
b) Monopolistic competition	
c) Perfect competition	
d) All market forms	

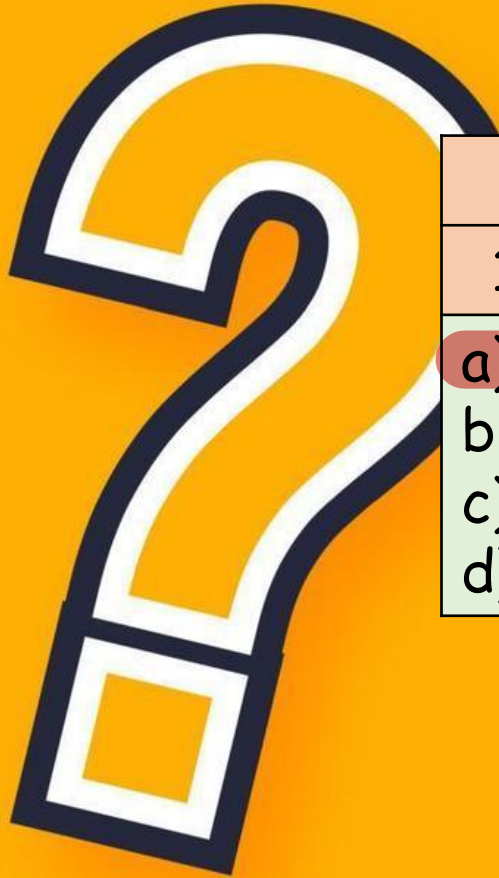
$$\underline{AR = Price}$$

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MTP October 2019	
106	Which of the following is not an essential condition of pure competition?
a) Large number of buyers and sellers	
b) Homogeneous product	
c) Freedom of entry	
d) Absence of transport cost	

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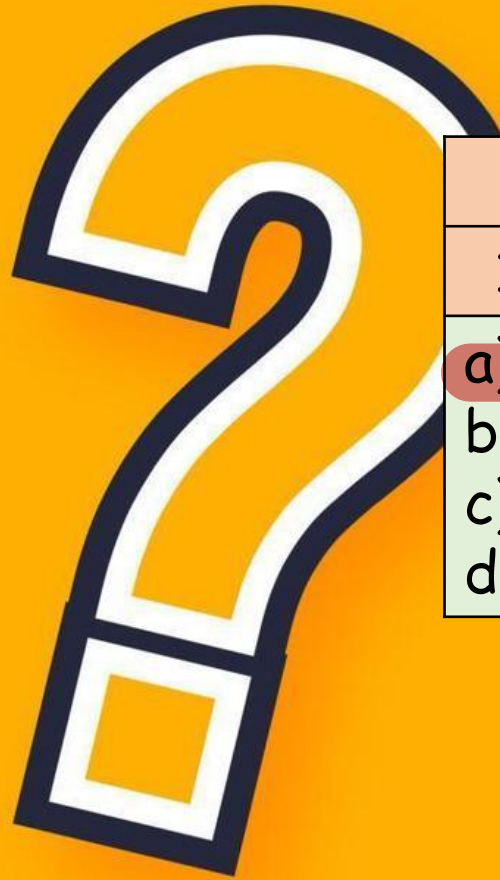
		MTP October 2019
107	In a very short period market-	
a) The supply is fixed		
b) The demand is fixed		
c) Demand and supply are fixed		
d) None of the above		

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MTP April 2019

108 | In Imperfect competition:

- a) Excess capacity always exists
- b) Excess capacity never exists
- c) Excess capacity may or may not exist
- d) None of the above



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In PC
 $AR = MR = ₹100$



Qty	TVC	TFC	TC	AVC	ATC	MC
0	0	300				
5	25					
10	470					
15	700					
20	980					
25	1350					
30	1850					
35	2520					
40	3400					
45	4530					
50	5950					

500
500

Use following table to answer question
A firm operating in perfect competition sells as much as of its products as it chooses at a market price of Rs. 100 per unit. Its Fixed cost is Rs. 300 and its Variable cost for different levels of production are shown in the above table.

MTP August 2018 April 2019

109 To maximize profit the firm should produce:

- a) 15 units
- b) 30 units → $MR = MC = ₹100$
- c) 35 units
- d) 50 units

$$MC_{30} = \frac{500}{5} = 100$$

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Qty	TVC	TFC	TC	AVC	ATC	MC
0	0					
5	25					
10	470					
15	700					
20	980					$\frac{280}{5} = 56$
25	1350					
30	1850					
35	2520					
40	3400					
45	4530					
50	5950					

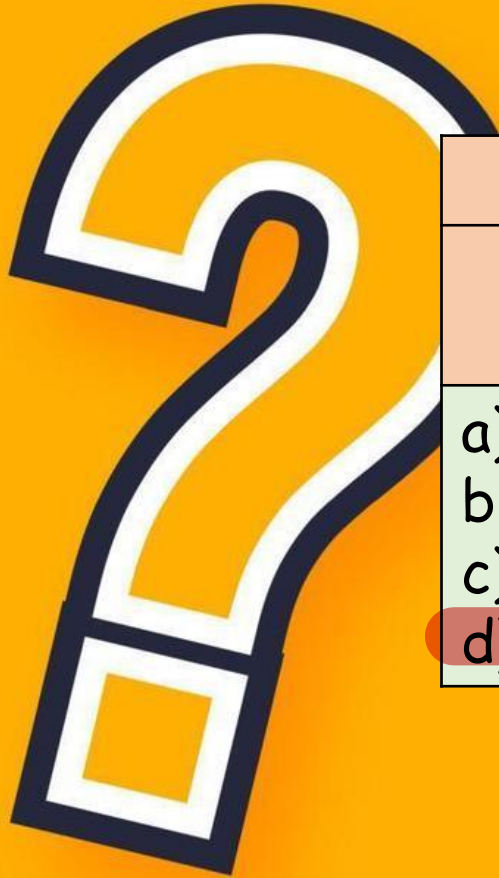
Use following table to answer question
A firm operating in perfect competition sells as much as of its products as it chooses at a market price of Rs. 100 per unit. Its Fixed cost is Rs. 300 and its Variable cost for different levels of production are shown in the above table.

MTP August 2018 April 2019

110 If the market price drops from Rs. 100 to Rs. 56 per unit, the firm's short run response should be

- a) Shut down
 - b) Produce 5 units
 - c) Produce 20 units
 - d) Continue to produce the same number of units as before the drop in price
- When,
 $AR = 56 = MR$
 at 20 units
 $MR = MC = 56$

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		MTP March 2019
111	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		

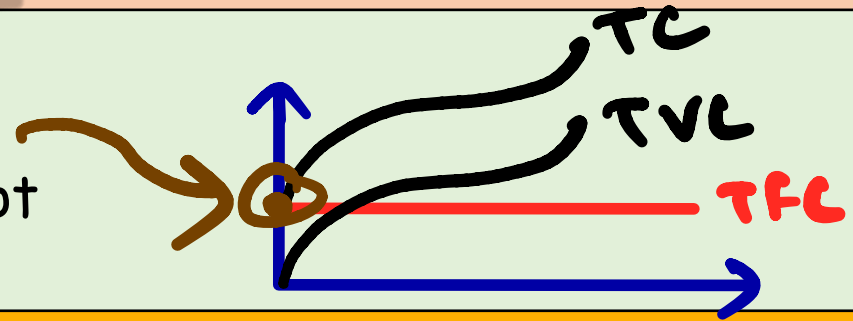
$$\text{Slope of MR} = 2 \times \text{Slope of AR}$$

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MTP Nov 2023

112 In the short run, total cost curve starts from:

- a) Origin
- b) Positive vertical intercept
- c) Positive horizontal intercept
- d) None of these



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MTP March 2019

113

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

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Keynes	Business Cycles are caused due to fluctuations in aggregate effective demand / investments	MTP April 2021	
Pigou	Business Cycles are caused due to anticipations of business firms & are affected by waves of optimism or pessimism	114	Innovation theory is propounded by :
Schumpeter	Business Cycles are caused due to innovation theory.		a) Schumpeter b) Nicholas Kaldor c) Keynes d) None of these
Nicholas Kaldor	Business Cycles are caused due to cobweb theory - present prices substantially influence production at some future date .		
Hawtrey	Business cycle is purely monetary phenomenon. Unplanned changes in supply of money may cause business fluctuation.		

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MTP April 2021

115 | External causes of business Cycle are:

- a) Money Supply
- b) Fluctuations in Investment
- c) Technological Shock
- d) None of these

Causes Of Business Cycles

Internal or Endogenous Causes

Fluctuations in Effective Demand

Fluctuations in Investment

Variations in government spending

Macroeconomic policies

Money Supply

Psychological factors

External or Exogenous Causes

Wars

Post War Reconstruction

Technology shocks

Natural Factors

Population growth



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MTP April 2021

116

A rise in sale of which type of good is expected in the case of recession:

- a)Luxury
- b)Necessity
- c)Inferior**
- d)Normal

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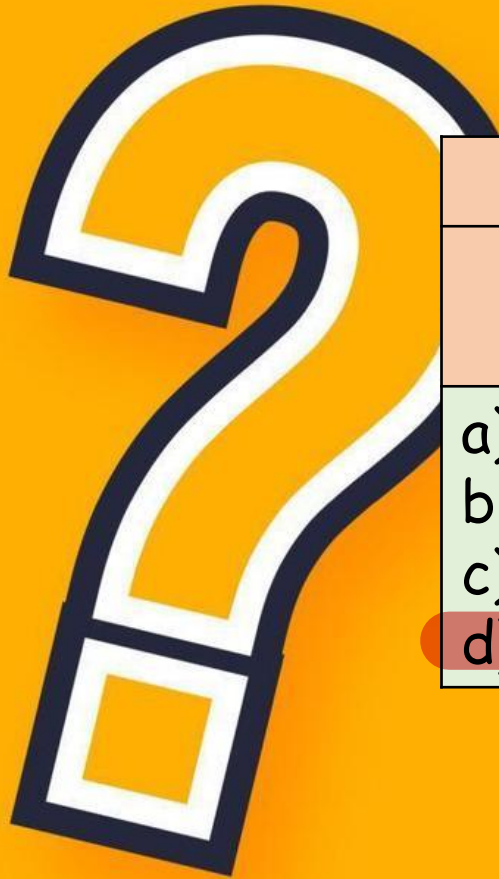


MTP October 2020 March 2021

117 | Which of the following describe a typical business cycle?

- a) economic expansions are followed by contractions.
- b) inflation is followed by rising income and unemployment.
- c) economic expansion are followed by economic growth and development.
- d) stagflation is followed by Inflationary growth.

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MTP October 2020	
118	Which of the following is not an example of coincident indicator?
a) Industrial production	
b) Inflation	
c) Retail sales	
d) New orders for plant and equipment	

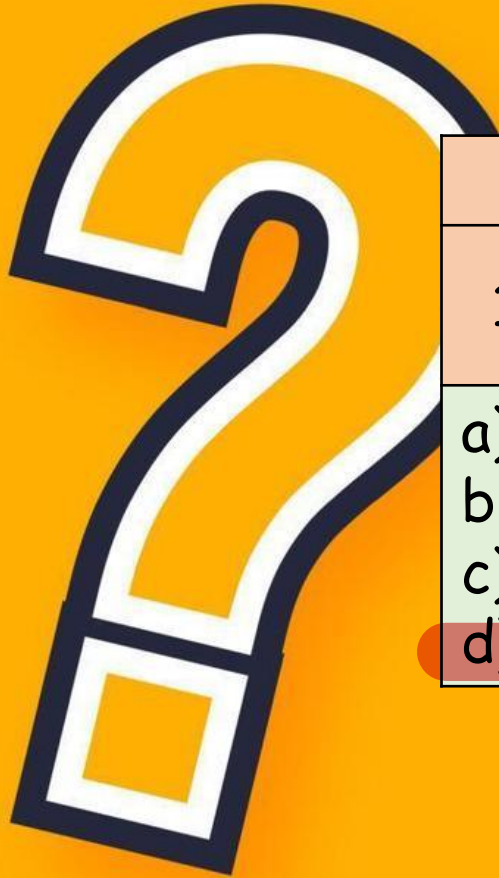
→ Leading Indicator

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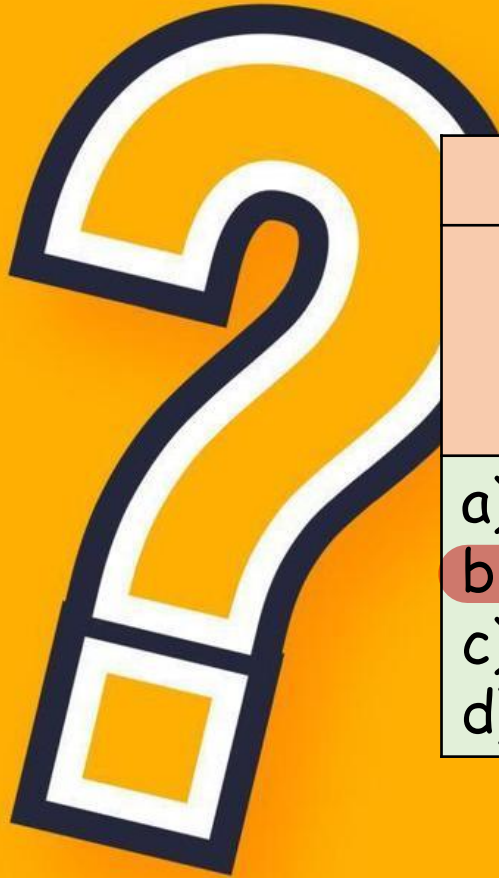
MTP October 2020	
119	The most probable outcome of an increase in the money supply is
	a) Interest rates to rise, investment spending to rise, and aggregate demand to rise
	b) Interest rates to rise, investment spending to fall, and aggregate demand to fall
	c) Interest rates to fall, investment spending to rise, and aggregate demand to rise
	d) Interest rates to fall, investment spending to fall, and aggregate demand to fall

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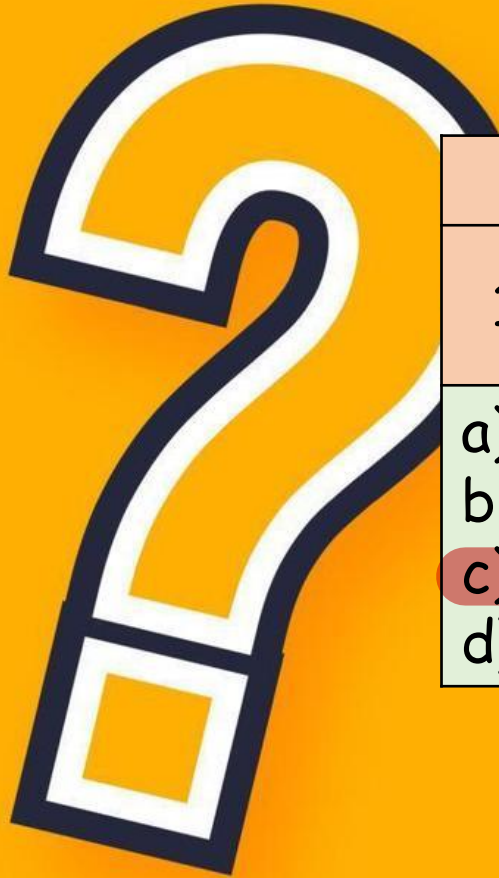
		MTP May 2020
120	If demand for goods and services is more than their supply, the resultant inflation is :	
a) Cost push inflation. b) stagflation c) deflation. d) demand pull inflation.		

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MTP May 2020	
121	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	

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MTP May 2020

122 | A variable that tends to **move later** than aggregate economic activity is called

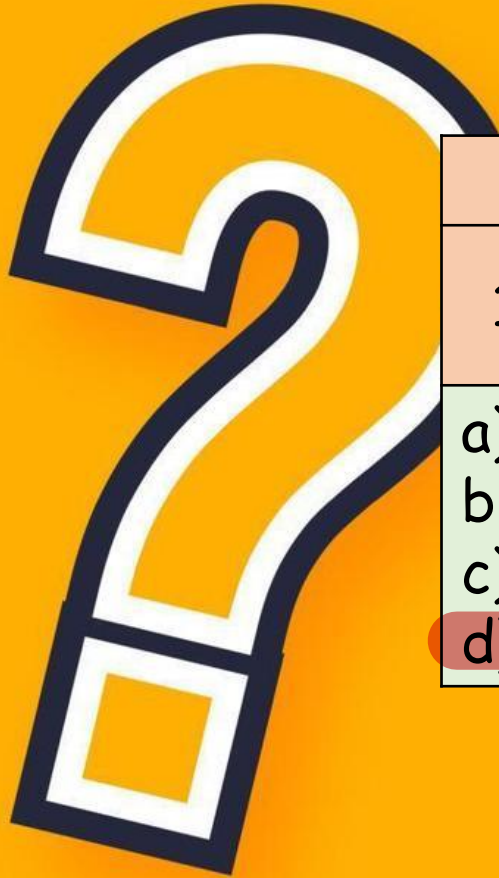
- a) a leading variable.
- b) a coincident variable.
- c) a lagging variable.**
- d) a cyclical variable

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		MTP May 2020
123	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.		

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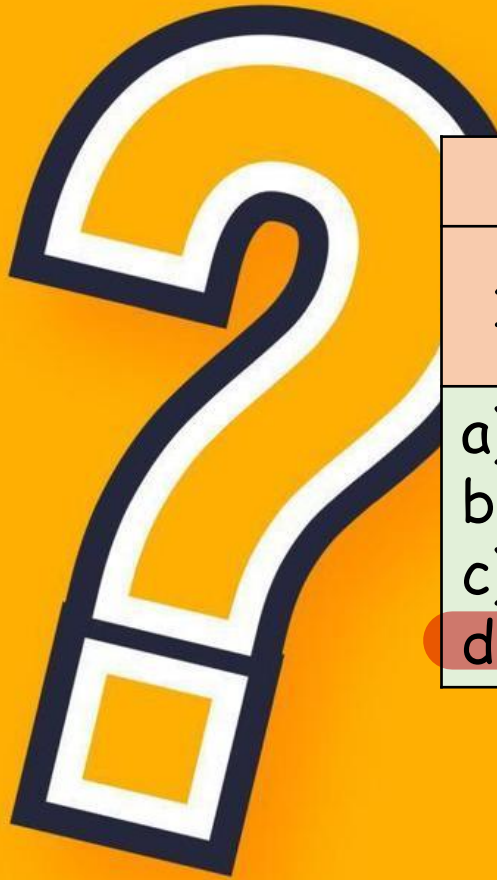
MTP March 2018

124

Which of the following statements is false with respect to Business Cycles:

- a) They occur periodically.
- b) They generally originate in free market economies.
- c) They are international in character.
- d) They do not affect capitalist economies.**

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MTP March 2019

125

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 → lagging indicator.

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MTP April 2019

126 Most of the economic problems are of _____
nature and are affected by _____.

- (a) Complex, Several forces
- (b) Simple, Several forces
- (c) Simple, single factor
- (d) Complex, Single factor

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MTP April 2019

127

The substitution effect works to encourage a consumer to purchase more of a product when the price of that product is falling because-

- (a) The consumer's real income has increased.
- (b) The consumer's real income has decreased.
- (c) The product is now relatively less expensive than before.
- (d) Other products are now less expensive than before.



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MTP April 2019

128 | Marshallian theory of consumer's behavior is based on

- (a) Hypothesis of additive utilities.
- (b) Hypothesis of independent utilities.
- (c) Both (A) and (B)
- (d) Weak ordering



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MTP April 2019

129

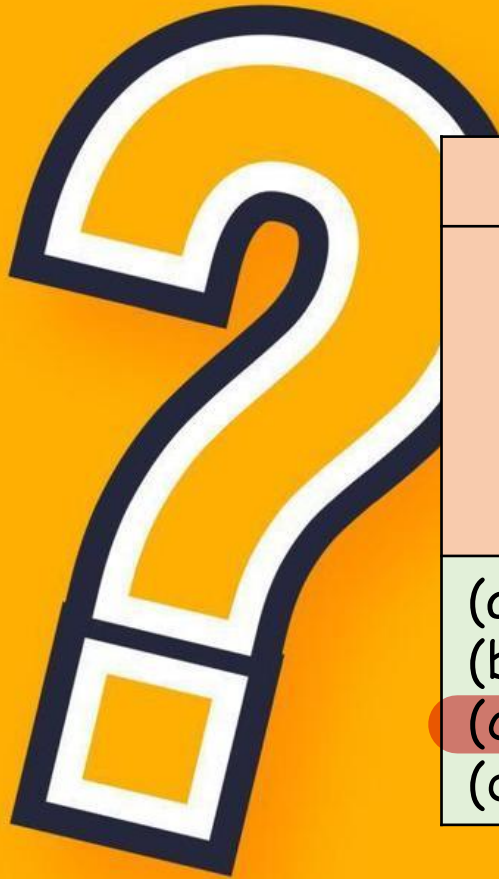
Let slope of supply curve is 0.6, calculate elasticity of demand when initial price is \$ 30 per unit and initial quantity is 100 units of the commodity

- (a) 0.5
- (b) 5.55
- (c) (-) 0.5
- (d) (-) 0.18

$$\begin{aligned}
 E_p &= \frac{1}{\text{Slope}} \times \frac{P}{Q} \\
 &= \frac{1}{0.60} \times \frac{30}{100} = \frac{30}{60} \\
 &= 0.50
 \end{aligned}$$



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MTP April 2019

130

Consider the following statements and select the correct answer from the given options.

Assertion (A): Demand curve is vertical when elasticity of demand is zero.

Reason (R): Marginal utility of a product is increasing

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
- (c) (A) is true but (R) is false
- (d) (A) is false but (R) is true

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MTP April 2019

131

Which one of the following statements is **true** regarding Indifference Curve?

- (a) Two ICs can never be parallel to each other
- (b) Two ICs are always parallel to each other
- (c) Two ICs may not intersect each other
- (d) Two ICs may be parallel to each other**

2 ICs $\begin{cases} \rightarrow \text{can } \underline{\text{NEVER}} \text{ intersect} \\ \rightarrow \underline{\text{may or may not be parallel}} \end{cases}$

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~~MTP April 2019~~

132

The oldest approach to the theory of demand is _____.

- (a) the total utility approach
- (b) the cardinal utility approach**
- (c) the ordinal utility approach
- (d) None of these



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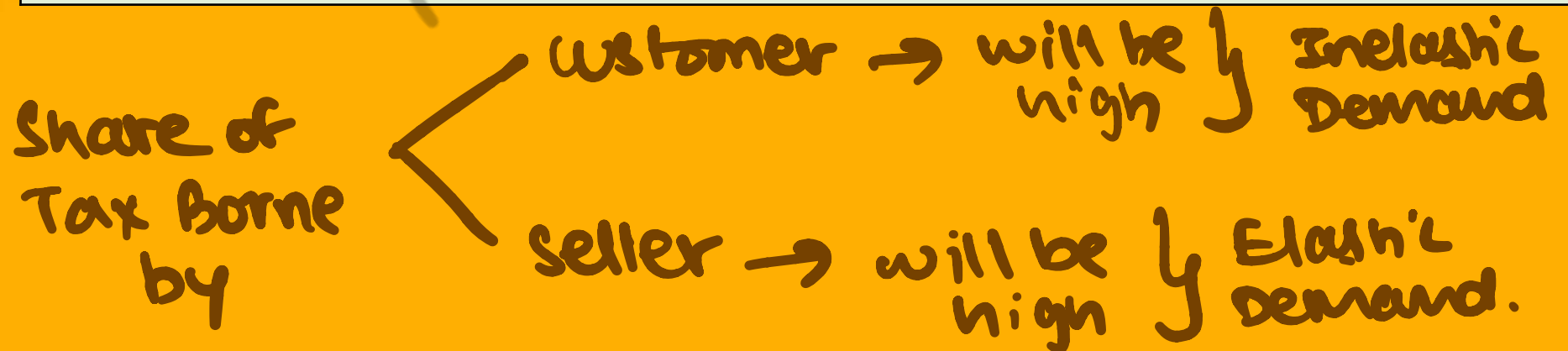
MTP April 2019	
133	Isoquant word is made up of two words i.e., Iso & Quant. Where Iso means equal then Quant means-
<p>(a) Quantity sold</p> <p>(b) Output</p> <p>(c) Quantity demanded</p> <p>(d) Quantity supplied</p>	

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MTP April 2019

134 The share of the tax borne by seller will be larger

- (a) If the demand for the product is less elastic.
- (b) If the demand for the product is inelastic.
- (c) If the demand for the product has greater elasticity.
- (d) If the elasticity of supply of the product is larger.



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MTP April 2019

135 The market demand curve for a perfectly competitive industry is: $Q_d = 12 - 2P$ and the market supply curve is: $Q_s = 3 + P$. The market will be in equilibrium if

- (a) $P = 6$ and $Q = 9$
- (b) $P = 5$ and $Q = 2$
- (c) $P = 4$ and $Q = 4$
- (d) $P = 3$ and $Q = 6$

$$Q_d = Q_s$$

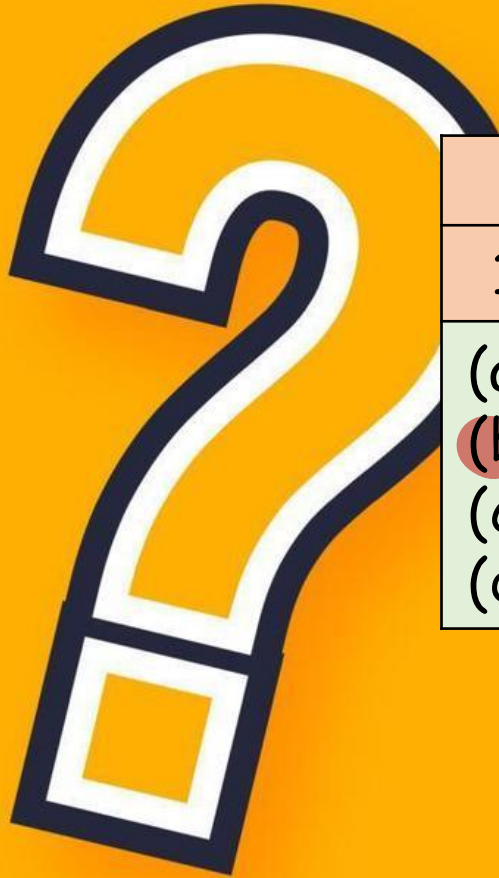
$$\Rightarrow 12 - 2P = 3 + P$$

$$\Rightarrow 9 = 3P$$

$$\Rightarrow P = \text{₹} 3$$

then, $Q \rightarrow 3 + P = 6$ units

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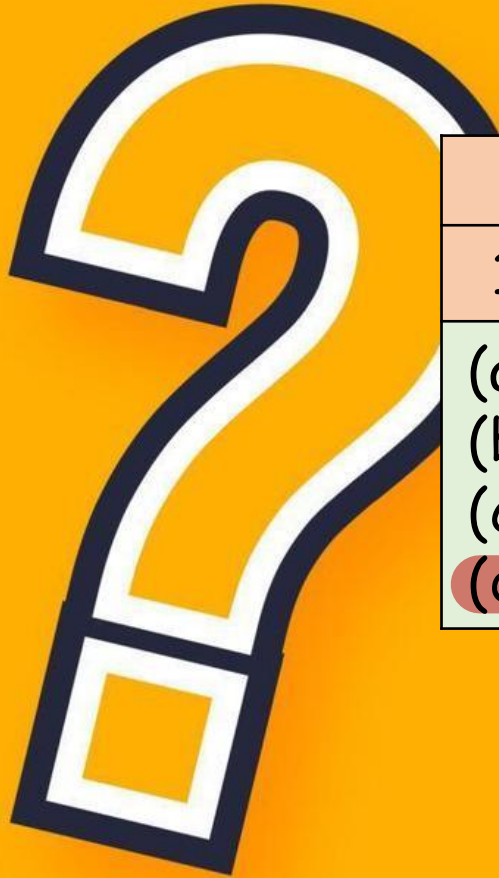


MTP April 2019, Dec 2023

136 | Taxation involves which aspects of normative economics:

- (a) Incidence
- (b) Fairness**
- (c) Incentive to work
- (d) All of the above

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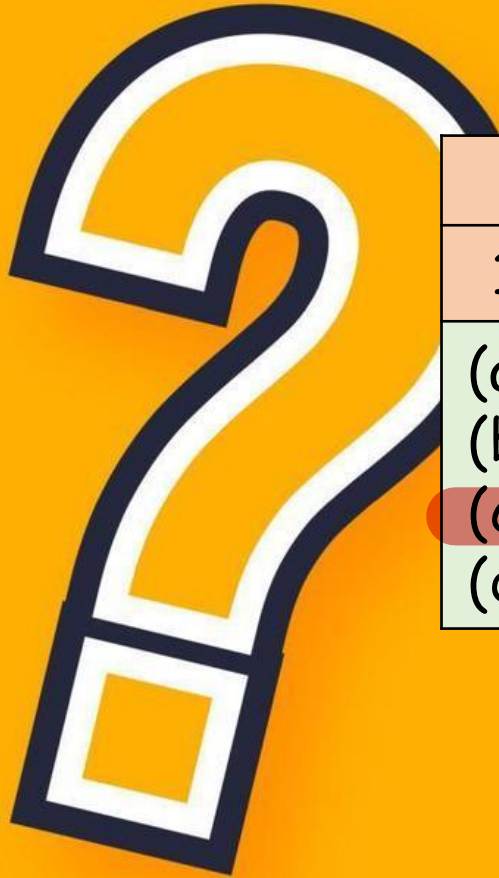
MTP April 2019, June 2024

137 For Giffen good the Engel curve is:

- (a) Positive sloped
- (b) Vertical
- (c) horizontal
- (d) Negative sloped

↓
Income - Demand
Relationship

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MTP April 2019	
138	A theory is :
<p>(a) An assumption (b) A hypothesis (c) A validated hypothesis (d) None of these</p>	

Not in syllabus
(But given in
MTP)

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MTP April 2019

139

"Supply creates its own demand" statement is given by

- (a) Marshall
- (b) J B Say
- (c) Ricardo
- (d) Kuznets

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MTP April 2019

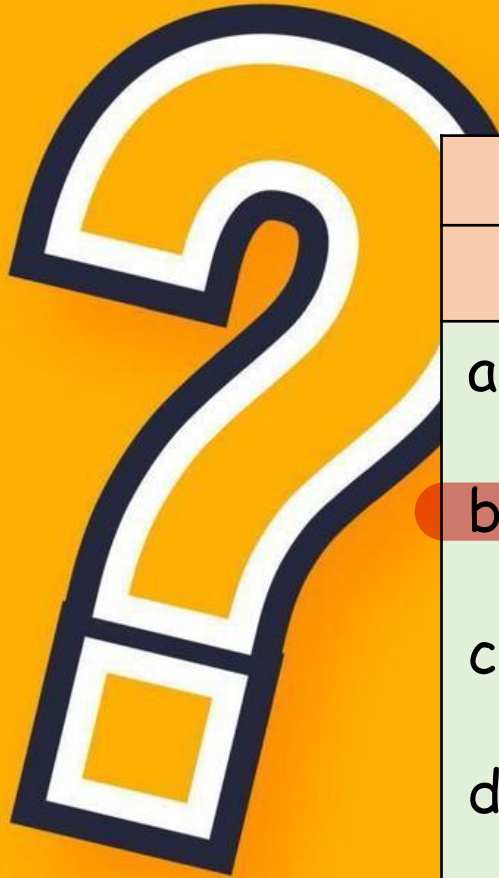
150

Net domestic expenditure is consumption expenditure plus _____

- (a) Net foreign investment
- (b) Net foreign investment plus net domestic investment
- (c) Net domestic investment
- (d) Replacement expenditure

$$AD = C + I$$

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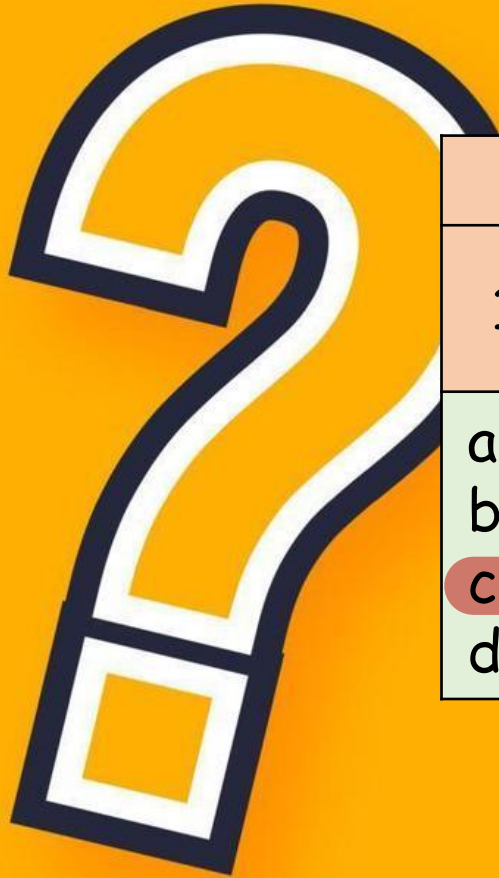
MTP Nov 2023, ICAI SM

141

The kinked demand curve model of oligopoly assumes that:

- a) Response to a price increase is less than the response to a price decrease
- b) Response to a price increase is more than the response to a price decrease
- c) Elasticity of demand is constant regardless of whether price increases or decreases
- d) Elasticity of demand is perfectly elastic if price increases and perfectly inelastic if price decreases

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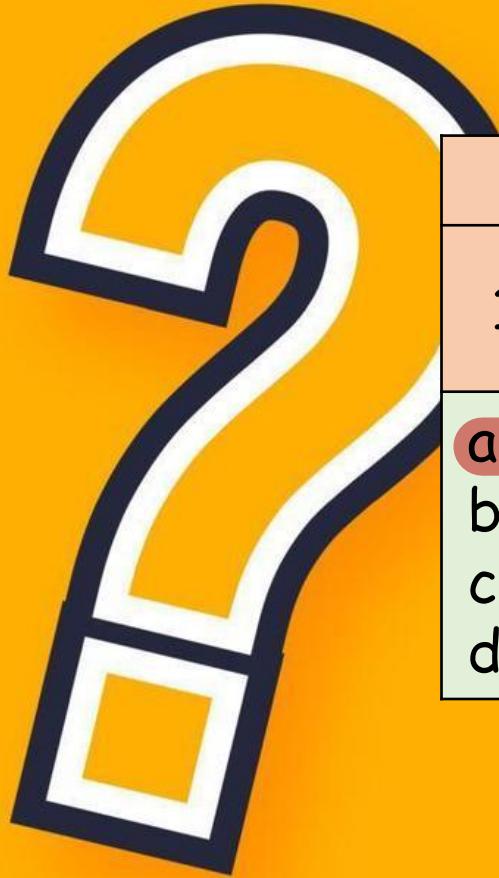
MTP Nov 2023

142

If a resource can be put only to a particular use, then opportunity cost is:

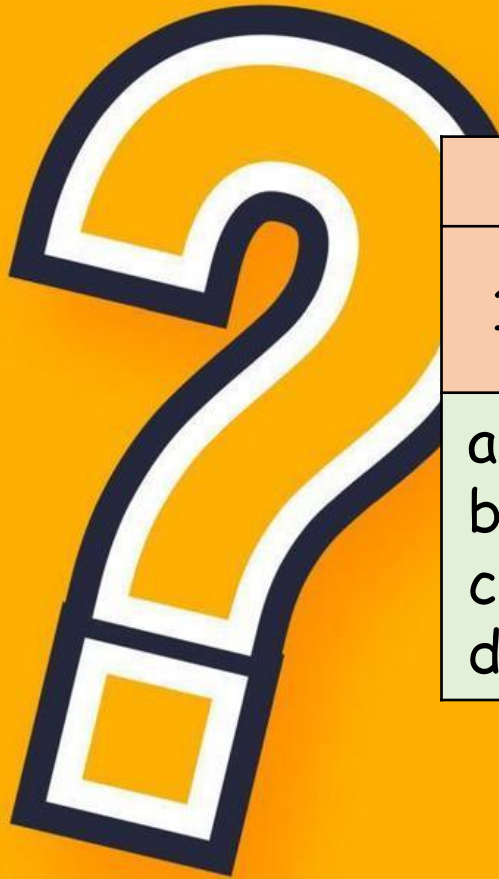
- a) Applicable and quantifiable
- b) Applicable but not quantifiable
- c) Not applicable at all
- d) None of these

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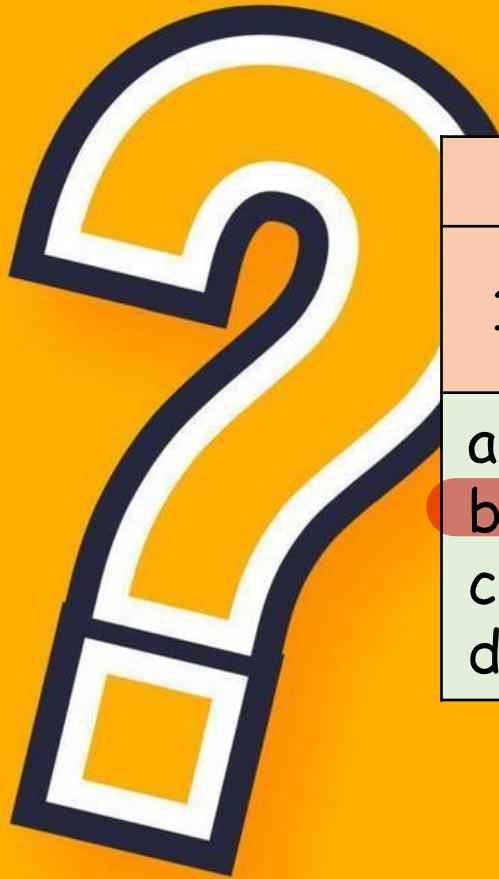
		MTP Nov 2023
143	The objective of advertisement and all other sales promotion activities by any firm is to :	
	a) Shift the demand curve to the right.	& reduce elasticity of demand.
	b) Shift the demand curve to the left	
	c) will not influence the demand curve	
	d) None of these	

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		MTR Nov 2023
144	The objective of advertisement and all other sales promotion activities by any firm is to :	
	a) Shift the demand curve to the right. b) Shift the demand curve to the left c) will not influence the demand curve d) None of these	

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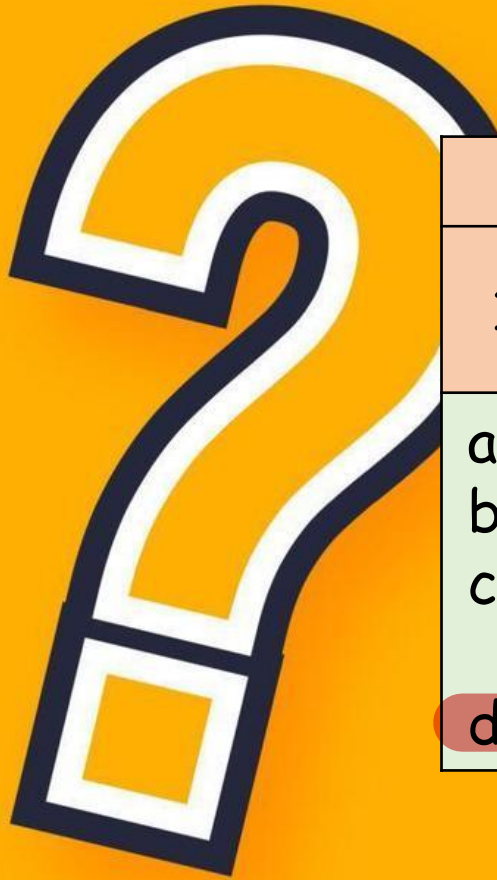
MTP Nov 2023

145

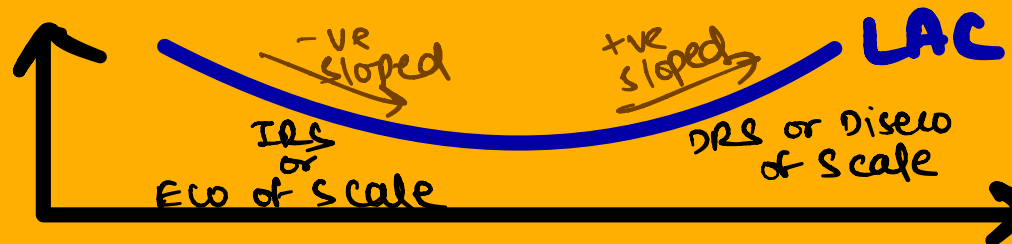
If the firms are not working to full capacity the supply will be:

- a) inelastic
- b) elastic**
- c) constant
- d) None of these

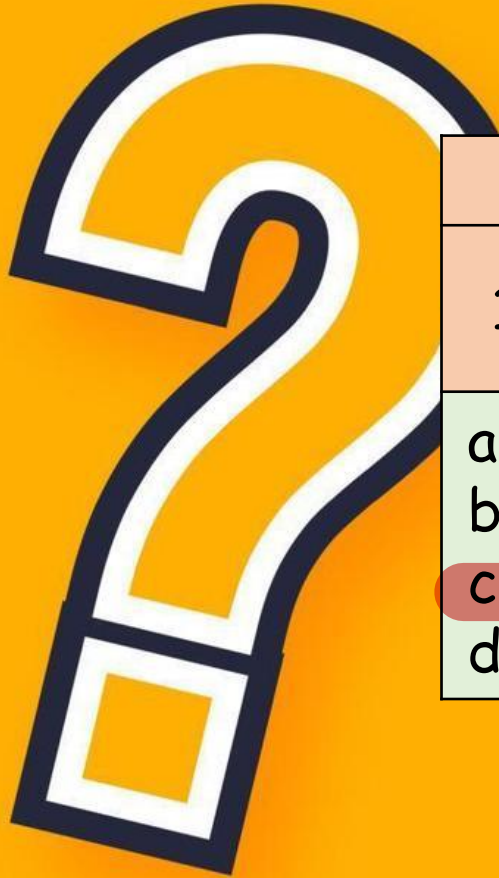
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MTP Nov 2023	
146	The negatively sloped part of the long run average total cost is due to which of the following:
a) Diminishing return	
b) Diseconomies of scale	
c) the difficulties encountered in coordinating the many activities of a large firm.	
d) The increase in productivity that results from Specialization	



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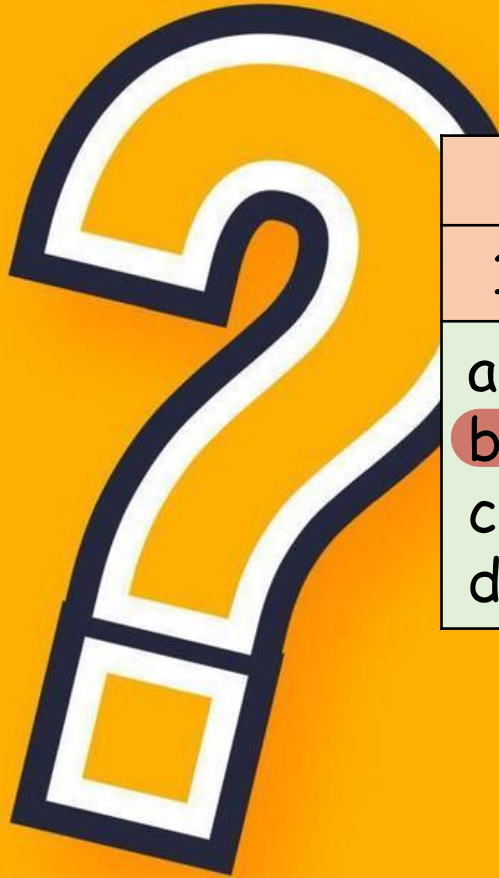
MTP Nov 2023

147

The efficient scale of production is the quantity of output that minimizes:

- a) Average variable cost
- b) Average fixed cost
- c) Average total cost (LAC minimum)
- d) None of these

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MTP Dec 2023	
148	Who gave the theory of price discrimination?
a) Marshall	
b) Pigou	
c) Cournot	
d) Simon	

CA Foundation June 2024 Economics Top 150 MCQs



MTP Dec 2023	
149	Which of the following policy measures is typically used by central banks to manage the business cycle?
a) Fiscal policy	
b) Monetary policy	
c) Trade policy	
d) Industrial policy	

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		MTP Dec 2023
150	At the Point of Inflection:	
a) Total Product is maximum		
b) Average Product is maximum		
c) Marginal Product is maximum		
d) Marginal Product is zero		

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INTERMEDIATE **MAY'25**



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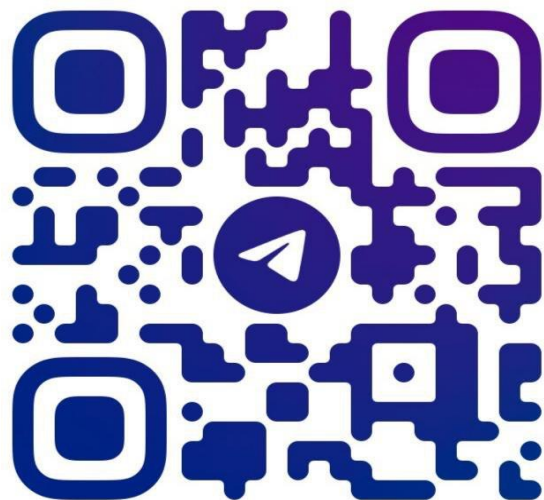
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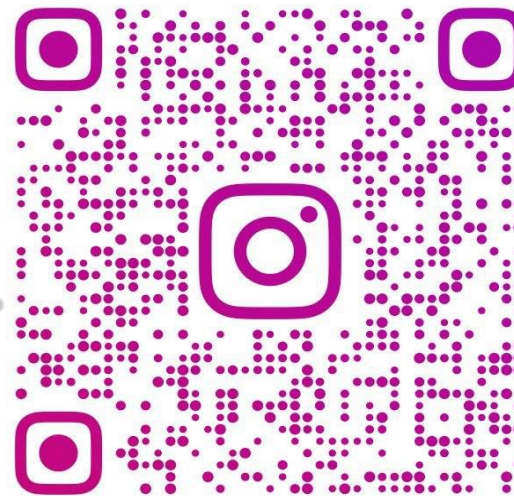


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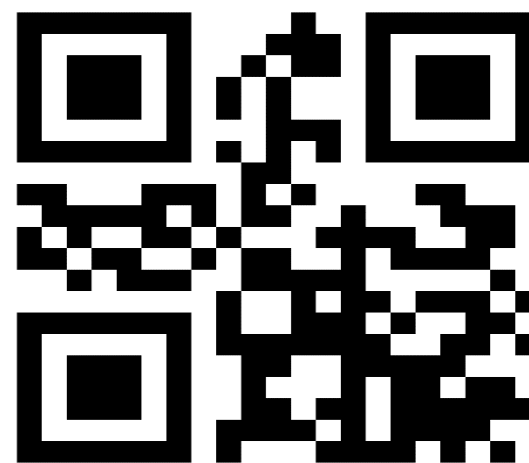
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Website
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CA Foundation June 2024 Economics Bonus MCQs (From new MTPs)



		MTP Apr 24
151	Who defined Business economics in terms of the use of economic analysis in the formulation of business policies?	
a) Adam Smith		
b) Robbins		
c) Joel Dean		
d) Alfred Marshall		

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		MTP Apr 24
152	Which of the following is true of an imperfect market structure?	
a) Participants in the market have little or no control over outcome in the market.		
b) Consumer surplus is maximized.		
c) The maximization of producer surplus may lead to a loss of net benefit for society.		
d) Imperfect market structures include monopolies but not cartels.		

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MTP Apr 24	
153	By way of an optimal choice, a consumer tends to:
a) save money	
b) purchase large quantity	
c) maximize satisfaction	
d) maximize satisfaction subject to constraints like tastes and preference	

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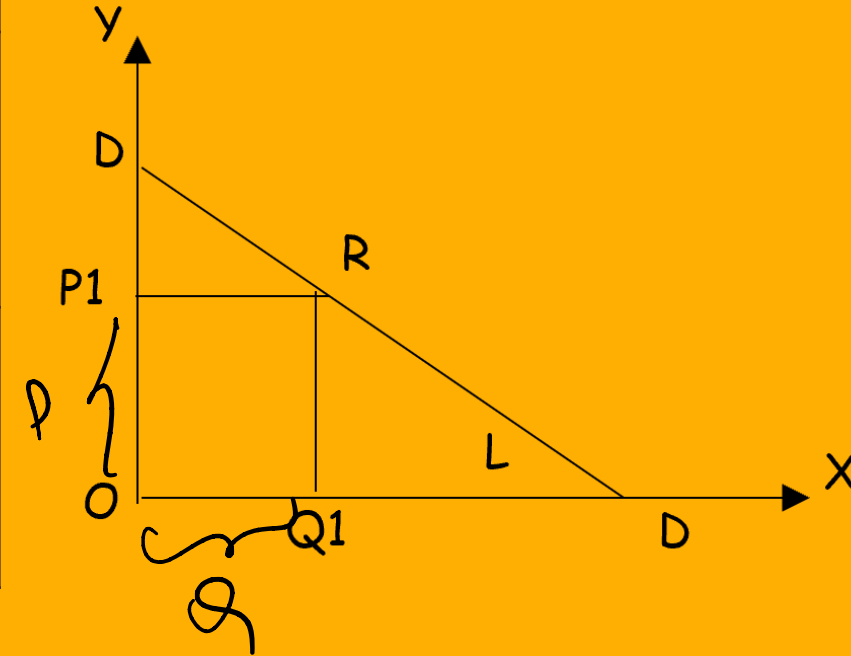


		MTP Apr 24
154	A consumer's preferences are monotonic if and only if between two bundles, the consumer prefers the bundle which has _____	
a) more of one of the goods b) less of at least one of the goods. c) more of at least one of the goods and less of the other good. d) more of at least one of the goods and no less of the other good.		

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MTP Apr 24	
155	In the below figure, if DD is the demand curve and R is the given point on it then area of shaded portion OP1 RQ1 is _____
<p>a) Total Revenue (TR) $\rightarrow [P \times Q]$</p> <p>b) Marginal Revenue (MR)</p> <p>c) Total Cost (TC)</p> <p>d) None of these</p>	



CA Foundation June 2024 Economics Bonus MCQs (From new MTPs)



MTP April- 24	
156	The concept of diminishing marginal returns implies that:
a) output cannot decrease as long as labour is substituted for capital	
b) output decreases if either labour or capital is decreased	
c) output increases but at a decreasing rate as the amount of labour is increased and the amount of capital remains fixed	
d) if the capital stock is kept constant, output cannot increase even if more labour is available	

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MTP Apr 24

157 Which of the following statements is correct?

- a) When the slope of the demand curve is zero, demand is infinitely elastic and when the slope is infinite, elasticity is zero.
- b) When the slope of the demand curve is zero, the elasticity is also zero and when the slope is infinite, elasticity is also infinite.
- c) When the slope of the demand curve is zero, the elasticity is unity and also when the slope is infinite, elasticity is unity.
- d) None of these


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MTP May 2024	
158	In a capitalist economy, profit is socially desirable because it:
a) reallocates wealth from small firms to large firms.	
b) attracts resources to the most desirable types of production.	
c) allows firms to operate at higher levels of cost.	
d) permits firms to hire more workers and thereby reduces the unemployment rate.	

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		MTP May 2024
159	If we notice that an increase in the price of product X causes reductions in the demand for product Y, then we can conclude that these two products are:	
	a) complements in consumption. b) substitutes in consumption. c) complements in production. d) substitutes in production.	

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MTP May 2024	
160	If we assume the following scenario: as the average income of the consumer increases the demand for "fast" food decreases, then we can assume that "fast" food is:
a) a normal good. b) an inferior good. c) None of the above is correct. d) Either of these	

CA Foundation June 2024 Economics Bonus MCQs (From new MTPs)



MTP May 2024	
161	The tendency for managers to operate a firm in a way that maximizes their personal utility rather than the firm's profits is referred to as the:
a) consumer utility incentive. b) principal-agent problem. c) hidden agenda scenario. d) Modigliani hypothesis.	

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MTP May 2024	
162	By using computers to design and manufacture products, firms are able to:
a) reduce production costs. b) reduce the optimal lot size. c) reduce the time required to introduce new products. d) All of the above are correct.	

CA Foundation June 2024 Economics Bonus MCQs (From new MTPs)



MTP May 2024	
163	Some economists have suggested that oligopolists tend to maintain stable prices when there are changes in the demand for their products or in their costs of production. Which of the following models provides an explanation for this type of behavior?
a) Price leadership b) Centralized cartel c) Prisoners' dilemma d) Kinked demand curve	

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MTP June 2024	
164	The Characteristics of Production Possibility Curve:
a) Slopes downwards from left to right b) PPC is concave to the origin c) Both A and B d) None of these	

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MTP June 2024	
165	The regulatory mechanism of the market system is:
a) Self interest b) Private property c) Competition d) Specialization	

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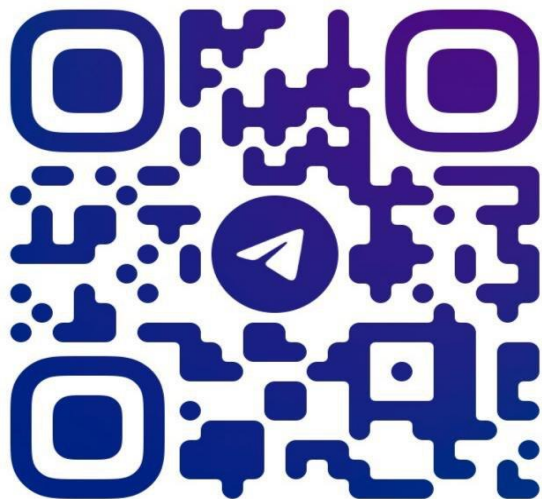
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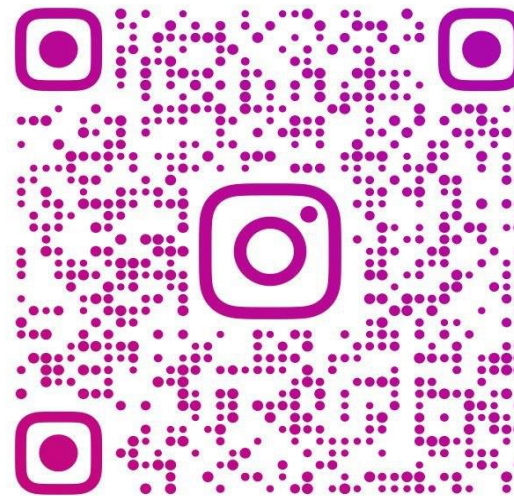


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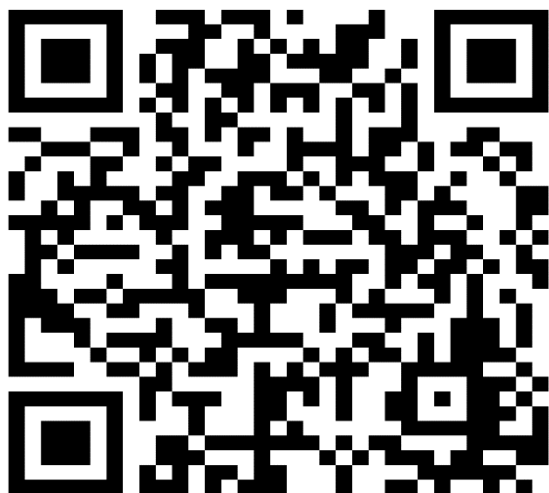
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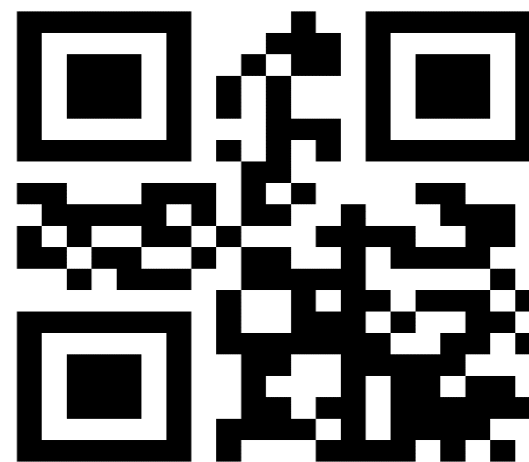
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