CA WALLAH

CA FOUNDATION

CA PRACTICE LEAGUE

BUSINESS ECONOMICS

T-20

By- LOVE KAUSHIK SIR

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Prize

Delhi
Patna
Jaipur
⇒ Top 50

Registration

No fee

→ Study → Quiz → 1 lakh Prizes

→ Notes

→ Fun

→ Gift

→ Food

2 days

→ Internship Free

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Question

a
b
c
d

once

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Prodⁿ , Cost

Chapter - 3

$$Q = A \cdot L^{a} \cdot K^{1-a}$$

$$Q = A \cdot L^{a} K^{b}$$

$1 \rightarrow$ CRS

$>1 \rightarrow$ IRS

$<1 \rightarrow$ DRS

QUESTION

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#Q. In the Cobb-Douglas production function given as :

$Q = A.\ L^{a}.K^{(1-a)}$

share of labour in total production is

(MTP Nov. 22, May 23)

$Q = A.\ L^{a}\ K^{1-a}$

Q → Labour's share

A) a A

B) $1 - a$

C) A

D) a L

QUESTION

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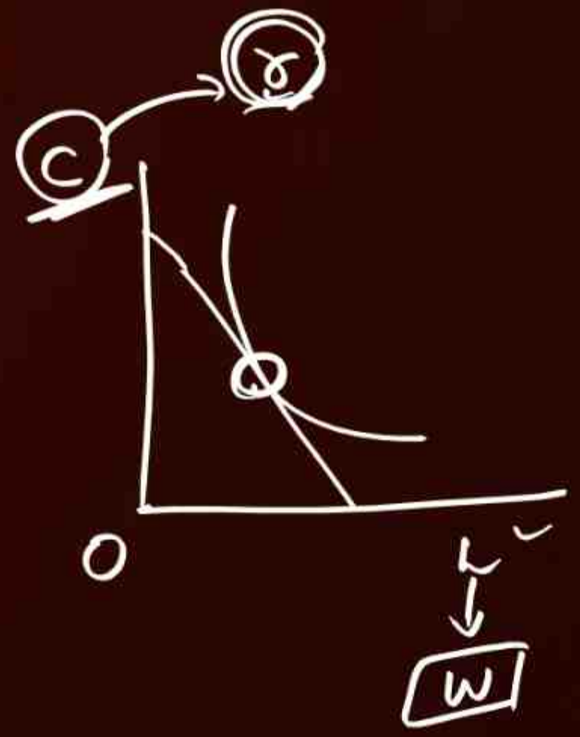
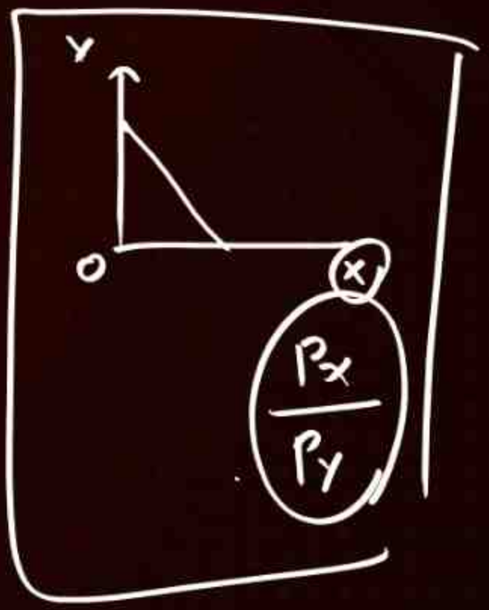
#Q. The slope of Iso-cost line is

(MTP Apr 21)





A. $\bar{w}/\bar{r}$ (A)

B. r/w

C. r × w

D. None of these

QUESTION

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#Q. Total economic costs = explicit costs + Implicit cost + _____ (PYQ Jun 22)

A/c

Normal Profit

A Super normal profit

B Super normal loss

C Normal profit (C)

D Economic profit ⇒ TR-TC

QUESTION

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#Q. Suppose the short run cost function can be written as

$$TC = 250 + 10Q.$$

Average Fixed cost equals :

(MTP Mar 18)

$$AFC = \frac{TFC}{Q}$$

$$\frac{TFC}{Q} = \frac{250}{Q} = AFC$$

A) 250/Q ✓ ✓ A

B) 250

C) 10

D) 250/Q + 10

QUESTION

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#Q. Which curved is not affected by fixed cost?

(MTP May 23)

A MC Curve $= \frac{\Delta TVC}{\Delta Q} = TVC_n - TVC_{n-1}$

B TC Curve $= TFC + TVC$

C AC Curve $= AFC + AVC$

D AFC Curve $= \frac{TFC}{Q}$

QUESTION

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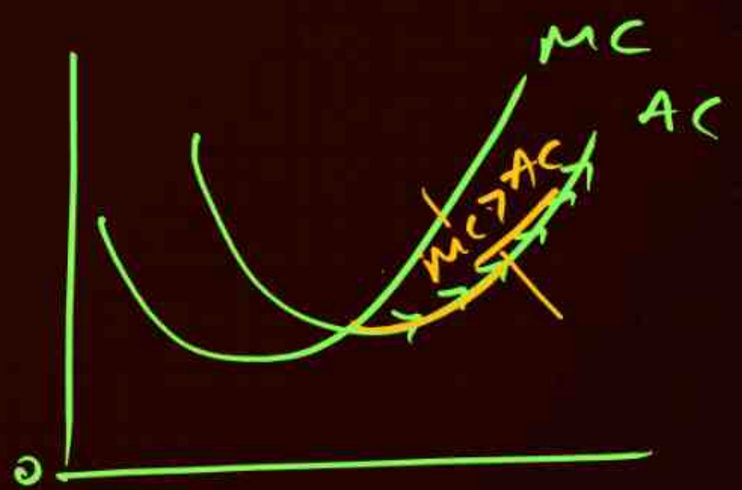
#Q. When average cost curve is rising then, marginal cost

(MTP Apr. 19)



A. Must be decreasing

B. Must be above the average cost curve

C. Must be constant

D. Must be equal to average cost

Name.
Contact No.
→ Marathon → D, J, P

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Story

QUESTION

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

(MTP Apr. 21)

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

Maths = ?

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

A. $100 + 14Q + 0.75\,Q^2$ (A)

B. $120 + 7Q^2 + 0.25\,Q^3$

C. $100 + 7Q^2 + 0.25Q^3$

D. 107.25

QUESTION

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#Q. X, Y and Z are confused with the formula for defining TC

(a) X Says : $TC = TVC + TFC$

(b) Y Says : $TC = AC \times Output$

(c) Z Says : $TC = \Sigma MC + TFC$

Identify who amongst them is correct

(MTP May 23)

A X

B Y

C Z

D All of them

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Chapter - 4

QUESTION

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#Q. Price taker firms: ⟹ Perfect compt^n

(MTP Oct 18, Oct 21)

A. Advertise to increase the demand for their products ✗

B. Do not advertise because most advertising is harmful for the society ✗

C. Do not advertise because they can sell as much as they want at the current price ✓

D. Who advertise will get more profits than those who do not

QUESTION

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#Q. A firm encounters its "shutdown point" when:

(MTP Oct 19, Oct 21, SEQ, ICAI SM, MTP Mar 18, Apr 19)

P = ATC , P = AVC

A. Average total cost equals price at the profit-maximizing level of output

P = ATC

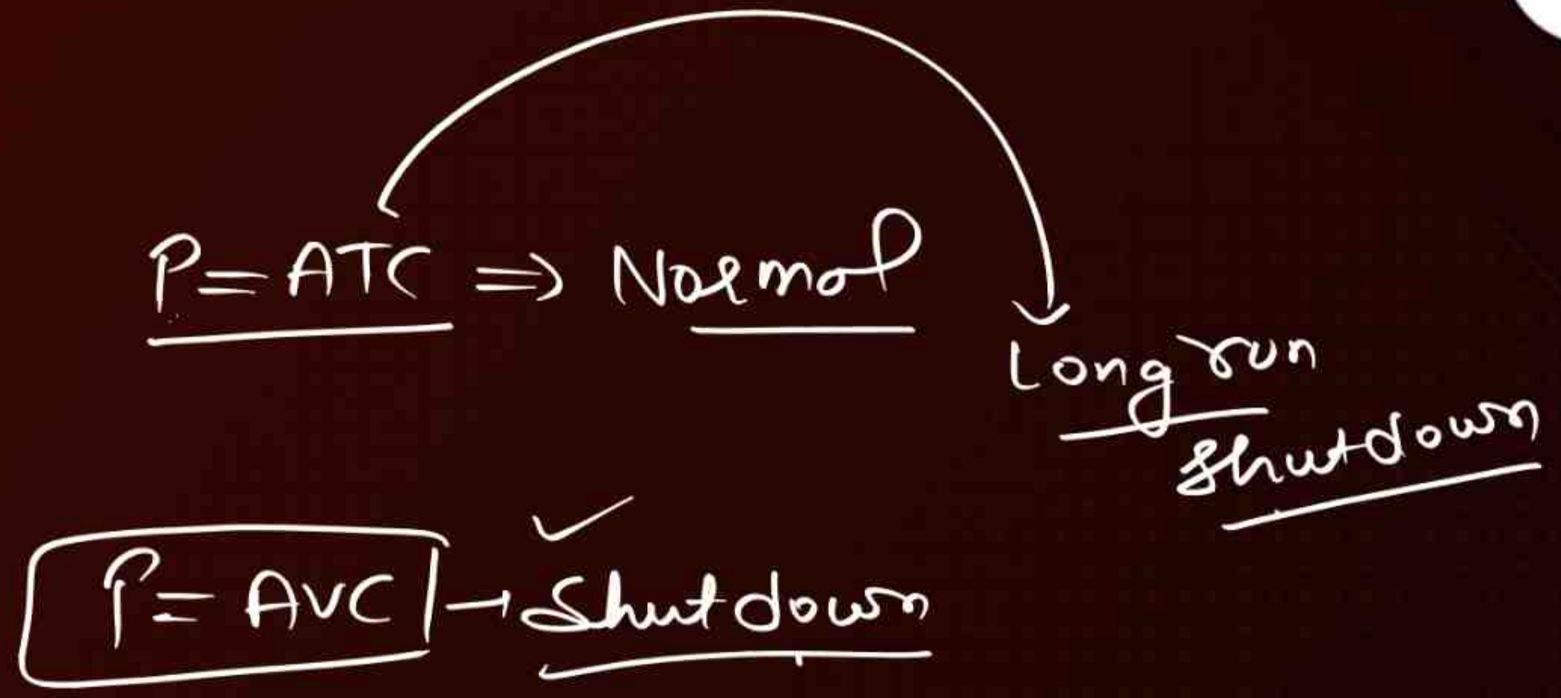
B. Average variable cost equals price at the profit-maximizing level of output

P = AVC

B

C. Average fixed cost equals price at the profit-maximizing level of output

D. Marginal cost equals price at the profit-maximizing level of output



QUESTION

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#Q. In the long run normal profits are included in the _____ curve.
(MTP Mar 18, MTP Mar 19)

A. LAC

B. LMC

C. AFC

D. SAC

QUESTION

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#Q. In the short run level of output the firm at the optimum will be : (MTP Mar 22)

Best

A Minimizing total losses

B Maximizing total profit

C Either maximum total profit or minimizing total losses C

D None of these

QUESTION

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#Q. When firm is in long run equilibrium in perfect competition, which of following is not true ?

(MTP Mar 21)

false

MR = MC = AC = P

A AC = MR

B TR = TC

C Firm will earn supernormal profit

C.

D None of these

QUESTION

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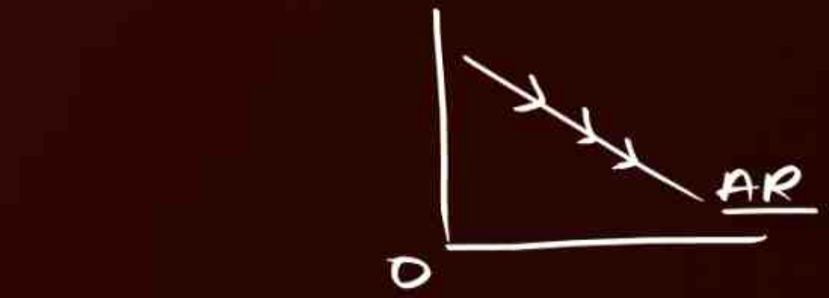
#Q. If the market demand curve for a commodity has a negative slope then the market structure must be:

(PYQ Jun 22)



A Perfect competition

B Monopoly

C Imperfect competition

D The market structure cannot be determined as the information is insufficient

QUESTION

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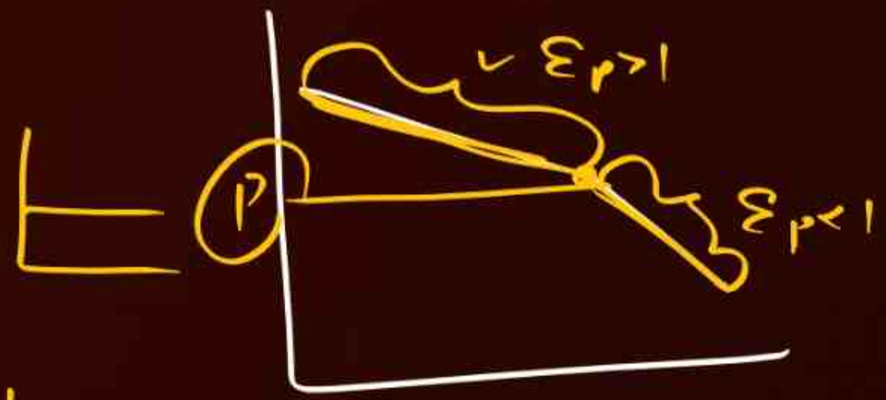
#Q. The elasticity of demand on the upper segment of a kinked demand curve will be _____.

(PYQ Jun 22)



A Infinite ∞

B Equal to one 1

C Greater than one $E_p > 1$

D Less than one $E_p < 1$

QUESTION

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#Q. Cross elasticity of demand for the monopolist's product or any other product is _____.

(MTP Mar 22)

Cross $> 0 \Rightarrow$ Subs.

$< 0 \Rightarrow$ Comp.

$0 \rightarrow$ (X)

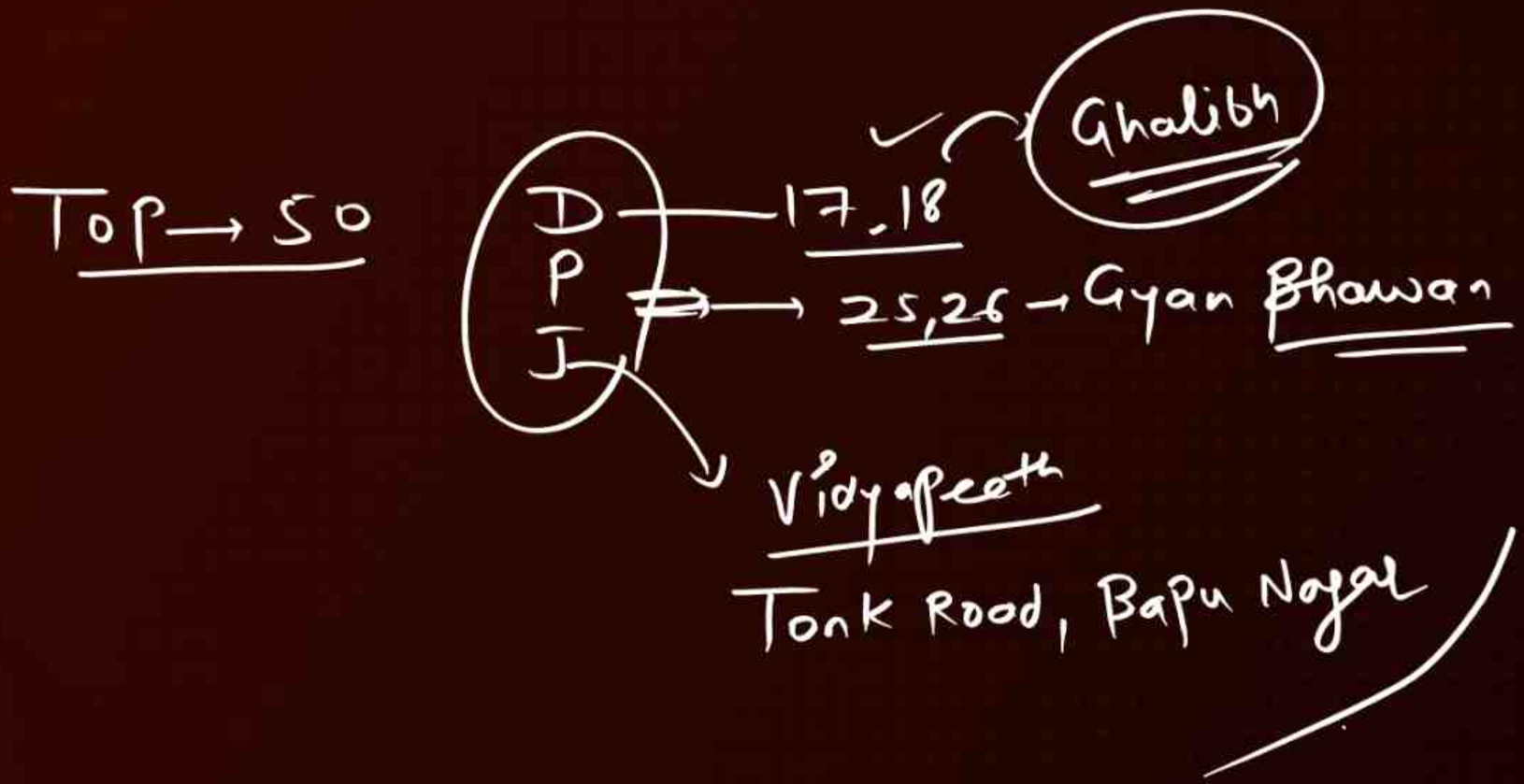
A. Zero

B. Very small

C. High

D. Either (A) or (B)

D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25,26 → Gyan Bhawan
Vidyapeeth
Tonk Road, Bapu Nagar

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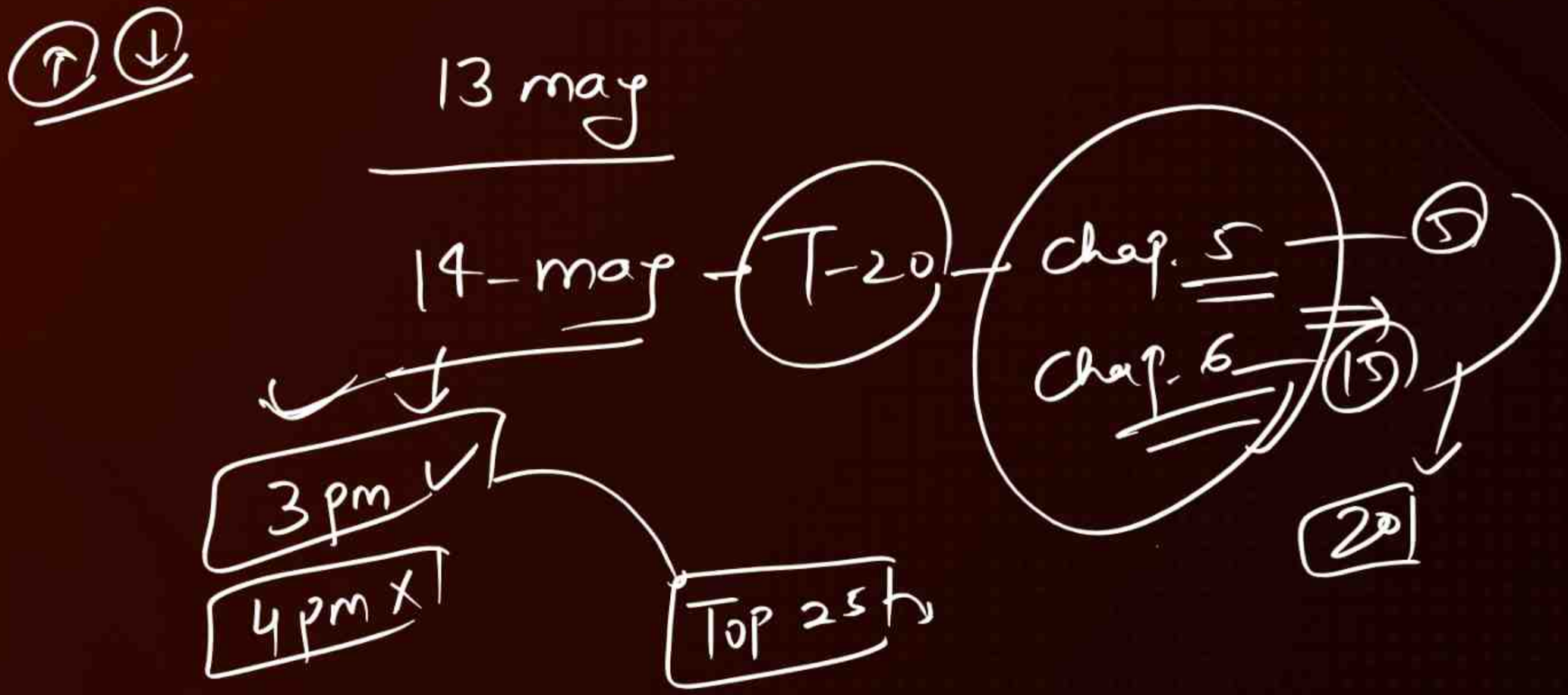
Before 8pm

Contact
Name
Location

I'g → DM → (X)

Screenshot

Story Tag



QUESTION

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#Q. Dynamic fare charged by Indian railways is an example of : (MTP Mar 21)

A Pure monopoly

B Discriminating monopoly (B)

C Perfect competition

D None of these

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Confusing – chatpate


THANK
You
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