



# दे दना दन

MCQ Series

BUSINESS ECONOMICS



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#Q. What is the nature of business economics, which is an applied branch of economics?

(June 2024)

SPAM  
MINT

- A It is positive in nature
- B It is normative in nature
- C It is neutral in nature
- D It is both positive as well as normative in nature

#Q. Which statement differentiates business economics from economics?

(June 2024)

SPAM  
MINT

- A It is abstract in nature
- B It is narrow concept than economics
- C It is different from economics
- D It is pragmatic in nature

#Q. Which of the following is subject matter of macroeconomics?

(June 2024)

- A Behaviour of firms
- B Factor Pricing
- C Overall level of savings and investments
- D The economic condition of section of people ✓

#Q. \_\_\_\_\_ wrote "An inquiry into the nature and causes of wealth of nations".

(De. 2023)

- A Adam Smith
- B Pigou
- C Marshall
- D Hicks

#Q. The word economics owes its origin with the Greek word Oikonomia which means:

(Dec. 2023)

- A Commodity
- B Household
- C Price
- D Consumer expectations

Oikonomia



**#Q. Which of the following is not a subject matter of micro economics?**

(June 2022)

- A** Behaviour of firms
- B** Location of industry
- C** Consumer behaviour
- D** Foreign exchange rate.



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External  
value  
of currency

#Q. Macro Economic is also called \_\_\_\_\_ <sup>?</sup> economics.

(Jan. 2021)

- A Applied
- B Aggregate
- C Micro
- D Experimental

Theory of lumping  
OR  
Income & Employment  
OR  
General Eq<sup>n</sup>.

**#Q. Impact of balances of trade and balances of payments on GDP are studied as a part of \_\_\_\_\_.**

(Dec. 2023)

- A** Microeconomics
- B** Consumer economics
- C** Trade economics
- D** Macro economics ✓ 

#Q. The India's Employment rate has increased in March 2023 as compared to March 2022. The study of this aspect comes under

(Dec. 2023)

- A Microeconomics ✗
- B Macro Economics **B**
- C Price theory ✓ ✗
- D Market Economics

Prescriptive  
#Q. Normative science suggests which of the following?

(June 2022)

Should be | ought to be | Determining

- A What should be A
- B What to produce
- C How to produce
- D When to produce

#Q. Which one of the area comes under macro-economics?

(Jan. 2021)

- A** Product pricing ✗
- B** Consumer behaviour ✗
- C** The general price level and interest rates ✓ **C**
- D** Economics conditions of a Section of people

#Q. Which one of the following is not the scope of business economics?

(July 2021)

- A Cost standards ✓ A
- B Cost analysis
- C Demand analysis
- D Inventory management ✓

#Q. Business Economic is pragmatic in approach because of which of the following cause?

(July 2022)

- A Based on assumptions *Abstract*
- B Tackles practical problems *B*
- C Considers profit only
- D Considers internal value



#Q. Which of the following is not a correct statement?

(June 2023)

false

- A** Business Economics is a normative science
  - B** Business Economics is an art
  - C** Business Economics is based largely on Micro Economics
  - D** Business Economics does not incorporate elements of Macro Economics
- Heart of Business Eco.*
- (D)*

**#Q. Which of the following is not a correct statement?**

(June 2022)

- A** Business economics is a normative science
- B** Business economics is an art
- C** Business economics is based largely on micro economics
- D** Business economics does not incorporate elements of macro economic analysis.

#Q. Business economics is pragmatic in its approach because?

(July 2021)

- A** It tackles practical problem which the firm faces in real world. A
- B** It tackles practical problem which the firm faces due to WTO policies
- C** It tackles practical problem which the firm faces due to lack of directors
- D** Business economics is abstracts and purely theoretical

**#Q. Which of the below enables application of economic logic and analytical tools to bridge the gap between theory and practice?**

(June 2023)

- A** Macro economics
- B** Micro economics
- C** Business economics ✓ 
- D** Traditional economics

#Q. Capitalist economy solve their economic problems through which of the following?

(June 2023)

- A Central Planning Authority
- B Price mechanism ✓ (B)
- C Administered Prices ✓
- D Voting done by customers



#Q. Which type of industries not primarily profit oriented but are set by state for the welfare of the community?

↓  
govt.

(Dec. 2023)

- A Combined sector
- B Private sector
- C Independent sector
- D Public sector **D**

#Q. In a socialistic economy the allocation of resources is done by:

(June 2022)

Karl Marx  
Engles

1848

- A Market prices
- B Consumer preferences
- C A central planning authority
- D The level of corporate profits

#Q. Which of the following economic system is self regulating and run by in available hands?

Invisible

(June 2022)

- A Mixed economic system
- B Socialistic economic system
- C Capitalist economic system
- D Planned economic system



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

(June 2023)

- A Social economy
- B Political
- C Mixed ✓ C
- D Managerial economy

#Q. Which of the following statement is correct?

(June 2022)

- ✓
- A** Mixed economy is not always a **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


#Q. The term business cycle refers to : ✓

(Jan. 2021)

- A The ups and downs in production of commodities
- B The fluctuating levels of economic activity over a period of time **(B)**
- C Decline in economic activities over prolonged period of time
- D Increasing unemployment rate and diminishing rate of savings

**#Q. Which of the following statement is correct for a business cycle?**

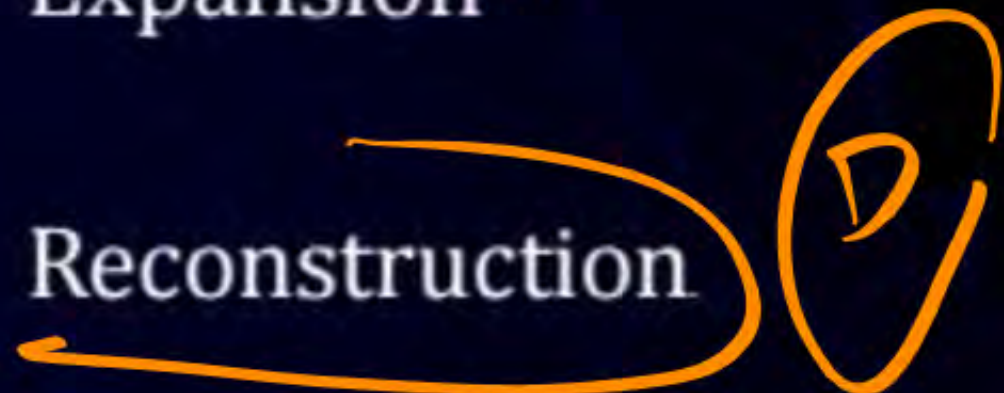
(June 2022)

- A** A Typical feature of depression is the rise in the interest rate
- B** A typical feature of depression is the constant interest rate
- C** Recession is the severe form of depression
- D** Depression is the severe form of recession ✓ 

#Q. Which one of the following is not a phase of business cycle?

(June 2023)

- A** Peak ✓
- B** Trough ✓
- C** Expansion ✓
- D** Reconstruction ✓



#Q. Which of the following is not correct about the business cycles?

(June 2022)

false

- A** Business cycles have distinct phase of expansion, peak, contraction & trough
- B** Business cycles generally originate in capitalist economies
- C** Business cycles are contagious and are internal in character
- D** All sectors of the economy are adversely affected in equal pro-portion **D**

#Q. Actual demand stagnates in which of the following stage of a business cycle?

(June 2022)

Slow  
AD ↓

- A Expansion
- B Peak
- C Contraction
- D Recovery

#Q. Which one of the following is not for expansion phase of business cycle?

(Dec. 2023)

- A** Involuntary unemployment is almost zero
- B** Price and costs also tend to rise faster
- C** Increase in capital and consumer expenditure
- D** Supply exceeds demand <sup>S > D</sup> × **(D)**

~~AD~~



#Q. Expansion phase of business cycle depicts characteristics except

(June 2022)

- A** Consumer spending on goods and services tend to rise
- B** Business confidence tends to rise
- C** Interest rates and profits tend to rise ✓
- D** Unemployment tends to rise. ✓ **D**

#Q. Production of new and better goods and services using new technology:

(Dec. 2023)

- A** Troughs in business cycle ✗
- B** Loss of employment ✗
- C** Expansion of employment **C**
- D** Reduced need of investment

#Q. A typical feature of depression is \_\_\_\_\_ in the interest rate.

(June 2022)

- A Rise
- B Constant
- C Fall
- D Infinity



#Q. Increase in national output and other economic variables is a characteristic of ✓ in Business Cycles.

(June 2023)

- A Trough
- B Depression
- C Contraction
- D Expansion ✓

D

Chap. 5



Business cycle

Nature

①

Phase

2-31

Indicator

1-2

#Q. From the following indicator variance that change after real output changes areas \_\_\_\_\_.

(June 2023)

Leading

- A Coincide indicator → Present
- B Coincide economy indicator
- C Lagging indicator → Past (C)
- D Concurrent indicator

#Q. Which of the following is not an example of lagging indicator?

(June 2023)

- A Consumer price index
- B Labour cost price per unit
- C Commercial lending
- D Personal income ✓ D

#Q. Coincident indicators are also called as:

(June 2023)

- A Lagging indicator
- B Leading indicator
- C Concurrent indicators
- D None



#Q. Which of the following is an external cause of business cycle?

(Dec. 2023)

- A Fluctuations of effective demand
- B Microeconomic Policy
- C Changes in government Spending
- D Technological shocks



#Q. Find the correct option

- |                       |   |                                       |
|-----------------------|---|---------------------------------------|
| (1) <u>Hawtrey</u>    | → | (a) Innovation                        |
| (2) <u>Pigou</u>      | → | (b) <u>Money supply</u>               |
| (3) <u>Schumpeter</u> | → | (c) Psychological factors             |
| (4) Keynes            | → | (d) <u>Effective aggregate demand</u> |

(A) a, b, c, d

(B) b, c, a, d **B**

(C) a, b, d, c

(D) b, a, d, c

b, c, a, d

(June 2024)

#Q. According to \_\_\_\_\_, Trade Cycle is a purely monetary phenomenon.

**A** Nicholas Kaldor

**B** Hawtrey ✓

**C** Adam Smith

**D** Schumpeter

Cobweb Theory

Innovation


#Q. Business cycle is contagious and \_\_\_\_\_ in character?

(CA CPT Nov. 2018, June 2024)

- A Local ✓
- B Regional ✓
- C National ✓
- D International

#Q. XYZ is an Advertisement Agency. Its future projects are closely related to the rate of economic growth. Then XYZ business referred to as

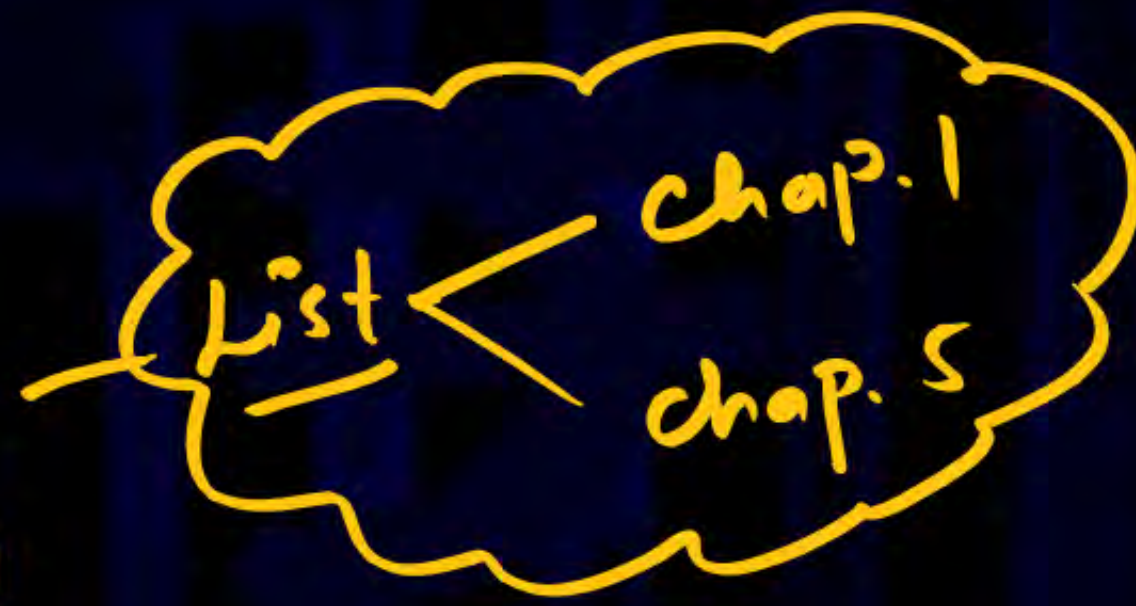
(Dec. 2023)

- A Durable business
- B Non-Durable business
- C Cyclical business 
- D Non-Cyclical business



# Homework

PyQ  
MTP  
Exam  
Oriented



① Now

② Practice

# Chapter — 1

**#Q. In the beginning the name of economics was \_\_\_\_\_**

**(MTP Apr. 23)**

- A** Economics of wealth
- B** Political economy
- C** Welfare economics
- D** None of these



**#Q. Most of the economic problems are of \_\_\_\_\_ nature and are affected by \_\_\_\_\_**

(MTP Jun 22)

- A** Complex, Several forces
- B** Simple, Several forces
- C** Simple, single factor
- D** Complex, Single factor

**#Q. Economic is classified into \_\_\_\_\_**

(PYQ Jun 22)

- A** Normative and positive
- B** Micro and macro
- C** Internal and external
- D** None of the above

**#Q. The regulatory mechanism of the market system is -**

(MTP Jun 22, Nov 22)

- A** Self interest
- B** Private property
- C** Competition
- D** Specialization

**#Q. 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

**#Q. The 'Communist Manifesto' was published in:**

(MTP May 23)

- A** 1848
- B** 1905
- C** 1952
- D** None of these

**#Q. \_\_\_\_\_ involves the predominance of bureaucracy and resulting inefficiencies and delays**

(PYQ Jun 22)

- A** Socialistic economy
- B** Capitalist economy
- C** Mixed economy
- D** Free market economy

#Q. Business economics is \_\_\_\_\_

(MTP Nov 22)

- A Science
- B An art
- C Both science and art
- D None of these

# Chapter – 5 ✓



**#Q. Increase in national output and other economic variable is a characteristic of in Business cycles**

(PYQ Jun 23)

- A** Trough
- B** Depression
- C** Contraction
- D** Expansion

**#Q. Peaks and troughs of the business cycle are known collectively as**

(PYQ Jun 23)

- A** Volatility
- B** Turning points
- C** Equilibrium points
- D** Real business cycle events

#Q. Peak is the \_\_\_\_\_ stage of expansion.

(MTP Jun 22, May 23)

- A Later
- B Earlier
- C Either (A) or (B)
- D None of the above

**#Q. Decrease in input demand \_\_\_\_\_.**

(MTP Nov 22, MTP Jun 22)

- A** Doesn't affect inputs prices
- B** Pushes inputs prices up
- C** Pulls inputs prices down
- D** Either (B) or (C)

**#Q. Expansion phase of business cycle depicts characteristics except**

\_\_\_\_\_.

(PYQ Jun 22)

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**#Q. A typical feature of depression is \_\_\_\_\_ in the interest rate.**

(PYQ Jun 22)

- A** Rise
- B** Constant
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- D** Infinity

**#Q. Actual demand stagnates in which of the following stage of a business cycle?**

(PYQ Jun 22)

**A** Expansion

**B** Peak

**C** Contraction ✓

**D** Recovery

**#Q. In which stage of the business cycle involuntary unemployment is almost zero?**

(PYQ Jun 22)

- A** Expansion
- B** Peak
- C** Contraction
- D** Recovery



