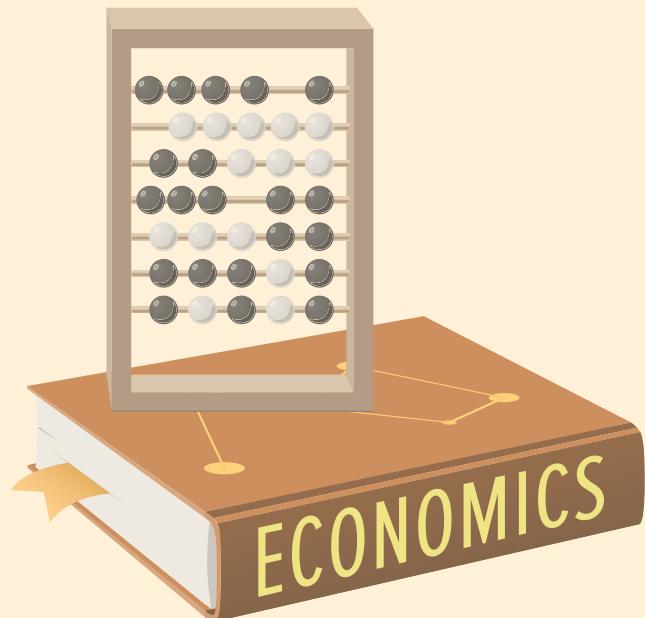


Economics

CA Foundation



PYQs
2018-2025

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NOV 2018

01. Human wants are _____ in companion to means to satisfy them.
 - (a) Finite
 - (b) Unlimited
 - (c) **Unlimited**
 - (d) Limited
02. The economy which makes use of both markets and government:
 - (a) Mixed economy
 - (b) Socialistic economy
 - (c) Capitalistic economy
 - (d) None of the above
03. The practical application of economic theory in business decisions is called.....
 - (a) Macro economics
 - (b) Micro economics
 - (c) **Business economics**
 - (d) Normative Economics
04. Price mechanism is a feature of.....
 - (a) Capitalism
 - (b) Socialism
 - (c) Mixed economy
 - (d) All of the above
05. Micro economic theory deals with the issues.....
 - (a) Product pricing
 - (b) Consumer behavior
 - (c) Factor pricing
 - (d) **All of the above**
06. Nature of business economics is:
 - (a) Theory of markets and private enterprises
 - (b) Normative in nature
 - (c) Incorporates elements of macro analysis
 - (d) **All of the above**
07. Business economics is also called
 - (a) Micro economics
 - (b) Macro economics
 - (c) Welfare economics
 - (d) **Managerial economics**
08. Issues requiring decision making in the context of business are:
 - (a) How much should be the optimum output at what price should the firm sell?
 - (b) How will the product be placed in the market?
 - (c) How to combat the risks and uncertainties involved?
 - (d) **All of the above**
09. Consider the following statement about Capitalism:
 - (i) It works through price mechanism
 - (ii) It increase human welfare
 - (iii) It operates on profit motive
 - (a) (i) & (ii)
 - (b) (i) & (iii)
 - (c) (ii) & (iii)
 - (d) None of the above
10. Business economics uses elements of:
 - (a) Micro economics
 - (b) Macro economics
 - (c) **Both micro & macro economics**
 - (d) None of the above
11. Consumer surplus in case of necessary commodities:
 - (a) Zero
 - (b) One
 - (c) **Infinite**
 - (d) None of these

12. When price increases from Rs. 200 to Rs. 300 and supply increases from 2000 units to 5000 units, then calculate elasticity of supply?

(a) 3 (b) 0.3
(c) 4 (d) 0.4

13. The consumer is in equilibrium when the following condition is satisfied:

(a) $\frac{MU_x}{MU_y} > \frac{P_x}{P_y}$ (b) $\frac{MU_x}{MU_y} < \frac{P_x}{P_y}$
(c) $\frac{MU_x}{MU_y} = \frac{P_x}{P_y}$ (d) None of these

14. In an indifference curve analysis, the consumer attains equilibrium at a point where the marginal rate of substitution is the price ratio $\frac{P_x}{P_y}$.

(a) Greater than (b) less than
(c) Equal to (d) Not related to

15. Which of the following statement is not true?

(a) MU is the slope of TU curve (b) MU is the rate of change of TU
(c) MU cannot be negative (d) MU can become zero

16. Which of the following statements about indifference curve is not true?

(a) Indifference curve shows price of 2 commodities
(b) Indifference curve is convex to origin
(c) Indifference curve can't touch either of the axis
(d) Two indifference curves can't touch each other

17. An indifference curve shows.....marginal rate of substitution between two commodities

(a) increasing (b) decreasing
(c) constant (d) zero

18. Forecasting of demand is the art and science of predicting the

(a) Actual demand for a product at some future date
(b) Probable demand for a product at some future date
(c) Total demand for a product at some future date
(d) None of these

19. Normally, when the price of a commodity increases its demand:

(a) Remains constant (b) Increases
(c) Decreases (d) Zero

20. Additional made to the total utility by the consumption of an additional unit of a commodity is called:

(a) Total utility (b) Average utility
(c) Marginal utility (d) All of the above

21. Which one of the following is not a method of demand forecasting?

(a) Mathematical method (b) Statistical method
(c) Expert opinion method (d) Barometric method

22. In case of inferior commodity the rise in income will result in demand curve:

(a) Upward (b) Downward
(c) No change (d) Initially downward but ultimately upward

23. According to law of supply, the supply of commodity normally depends on:

(a) Price of related commodity (b) Price of commodity
(c) Price of factors of production (d) Demand for the product

(25-26): From the following information:

Hours of labour	Total output	Marginal Product
0	—	—
1	200	200
2	—	180
3	480	—

35. On the basis of law of variable proportions, average product is at its maximum, when average product is marginal product.
 (a) Greater than (b) Less than
 (c) Equal to (d) None of these

36. The price of a commodity express its:
 (a) Cost of production (b) Profit earning level
 (c) Exchange value (d) Variable cost

37. Product differentiation is an important feature of :
 (a) Monopoly (b) Imperfect competition
 (c) Perfect competition (d) Discriminating monopoly

38. Price leadership is used to explain firm's behavior under:
 (a) Monopoly (b) Oligopoly
 (c) Perfect competition (d) Discriminating monopoly

39. A market which has single buyer and single seller is called.....
 (a) Monopoly (b) Bilateral monopoly
 (c) Duopoly (d) Monopsony

40. Which one of the following is not a feature of oligopoly?
 (a) Inter dependence (b) Selling cost
 (c) Group behavior (d) Free entry

41. If the supply of a commodity does not change then with every increase in demand price will.....
 (a) Remain same (b) Increase
 (c) Decrease (d) Becomes zero

42. If there is a increase in supply without any change in demand, equilibrium price will.....
 (a) Increase (b) Decrease
 (c) Remain unchanged (d) Becomes zero

43. The structure of tooth paste industry in India is best described as a.....market.
 (a) Perfectly competitive (b) Monopolistic
 (c) Monopolistically competitive (d) Oligopolistic

44. Under the first degree of price discrimination the monopolist charges different prices,
 (a) From different persons (b) For different quantity sold
 (c) At different markets (d) In all of the above situations

45. In a monopoly market which of the following is not found?
 (a) Single seller (b) barriers to entry
 (c) Close substitutes (d) All of the above

46. A monopolist average revenue curve:
 (a) Falls from left to right (b) Is parallel to x-axis
 (c) Is parallel to y-axis (d) Rise from left to right

47. In long run a perfectly competitive firm earns
 (a) Normal profits (b) super normal profits
 (c) Losses (d) Neither profits nor losses

48. Under perfect competition demand curve for individual firm is:
 (a) In elastic (b) Unitary elastic
 (c) Perfectly elastic (d) Perfectly inelastic

49. Which of the following is not a feature of perfect competition?
 (a) Homogenous (b) Large number of buyers & sellers
 (c) Free entry & exit (d) Selling cost

50. **Marginal revenue curve of a firm under perfect competition:**
(a) Falls from left to right (b) Rises from left to right
(c) Parallel to y - axis (d) Parallel to x - axis

51. **A typical business cycle has distinctive phases.**
(a) 2 (b) 4
(c) 5 (d) Many

52. **Business cycles are contagious & in nature**
(a) Local (b) Regional
(c) National (d) International

53. **Which of the following is not correctly matched?**
(a) Keynes : Fluctuations in aggregate effective demand
(b) Hawtrey : Purely monetary phenomena
(c) Schumpeter : Innovations
(d) Pigou : Fluctuations in investment

54. **The world economy suffered the longest, deepest and the most widespread depression of the 20th century during :**
(a) 1930 (b) 1934
(c) 1996 (d) 1936

55. **Which one of the following is an important character of business cycles according to pigou?**
(a) Psychological factors (b) Natural factors
(c) Demographic factors (d) Monetary factors

56. **According to theory of business cycles once a peak is reached..... begins in the economy as the increase in demand and halts declining in certain areas.**
(a) Expansion (b) Contraction
(c) Depression (d) Recovery

57. **Which of the following is the internal cause of business cycles?**
(a) Fluctuations in investment (b) Natural factors
(c) Technology shocks (d) Population growth

58. **Which of the following is the external cause of business cycles?**
(a) Population growth (b) Variations in government spending
(c) Money supply (d) Macro economic policies

59. **Feature of business cycles are**
(a) Occurs periodically
(b) Have four different phases
(c) Generally originate in a free market economy
(d) All of the above

60. **Change in fashion retailing is an example of:**
(a) Sluggish fluctuation (b) Cyclical fluctuation
(c) Sunrise fluctuation (d) Seasonal fluctuation

61. **Which of the following is not characteristic of an economic activity?**
(a) Economics Activities are productive
(b) Economics Activities are Income generating
(c) Economics Activities are sentimental
(d) All of the above

62. A Hindu undivided family business..... formed by a group of people who do not constitute a family:
 (a) Can be (b) Should be
 (c) Cannot be (d) Normally

63. The logo of the institute from the Institute of chartered Accountants of India (ICAI) is suggestive ofexpected from CAs
 (a) Professional (b) Integrity
 (c) Vigilance (d) None of these

64. Under the income tax Act, A HUF cannot earn income from.
 (a) House property (b) Salary
 (c) Profits (d) Other Sources

65. Which of the following is not a merit of LLP
 (a) LLP is a separate legal entity
 (b) Designated partners should ensure control over compliances
 (c) Both a & b
 (d) None of the above

66. Minimum number of director for private company:
 (a) 10 (b) 15
 (c) 02 (d) 03

67. Which of the following is not correct about Business Environment:
 (a) Constantly changing (b) Simple
 (c) Multifaceted (d) Complex

68. Which of the following is an economic activity
 (a) Self Interest (b) Selfless concern
 (c) Social Interest (d) Sentimental

69.are important & specific occurrences taking place in different environmental sectors
 (a) Expectations (b) Events
 (c) Issues (d) Trends

70. Which environment affects the day to day business activities:
 (a) Internal (b) Micro
 (c) External (d) Macro

71. An inherent capacity which an organization can use to gain strategic advantage over its competitors' is called:
 (a) Weakness (b) Threat
 (c) Opportunity (d) Strength

72. Which of the following is not a part of Economic Environment of business
 (a) Family structure (b) Availability of Capital
 (c) Monetary Policy (d) Industrial Policy

73. Environmental Analysis helps in:
 (a) Providing input for strategic decision making
 (b) Turning threat's to firms advantage
 (c) Anticipate opportunities and to take optimal responses
 (d) All of the above

74. The term.....is used to describe a framework for analysis of macro environmental factors.
 (a) Global (b) Social
 (c) PESTLE (d) Legal

75. Business environment consist of
 (a) Macro Elements (b) Micro Elements
 (c) Both of the above (d) None of the above

76. Which of the following is Indian state owned company:
 (a) Coal India Ltd. (b) Cipla
 (c) HDFC (d) ITC

77. Good Food, Good Life is the Slogan of which company:
 (a) Wal-Mart (b) Cipla
 (c) Parle (d) Nestle

78. Wal-Mart is company.
 (a) Technology (b) food
 (c) Retailer (d) Finance

79. Product & segments of Apple are.....
 (a) Ipad & Ipad Pro (b) Mac book
 (c) Both (a) & (b) (d) None of these

80. Which of the following is not an American multinational company:
 (a) WIPRO (b) Microsoft
 (c) Intel (d) IBM

81. FEMA replaced FERA as legislation in:
 (a) 1991 (b) 1992
 (c) 1999 (d) 2006

82. NITI aayog has replaced which of the following:
 (a) MRTP Commission (b) Planning Commission
 (c) Financial Commission (d) Population Commission

83. Permission has been granted to non-residents Indians (NRI) & Overseas percent in high priority sectors:
 (a) 27 (b) 51
 (c) 49 (d) 100

84. In single hand retailing 100% FDI was allowed in the year:
 (a) 2012 (b) 2010
 (c) 1999 (d) 1997

85. The decrease in Government control and command in Indian business is.....
 (a) Liberalization (b) Privatization
 (c) Globalization (d) Delegation

86. Which one of the following is funding institute:
 (a) IFCI (b) RBI
 (c) IRDA (d) SEBI

87. Which of the following is not regulatory institution:
 (a) IRDIA (b) MIGA
 (c) RBI (d) SEBI

88. The business sphere of SIDBI consists of Micro, small & enterprises:
 (a) Tiny (b) Large
 (c) Cottage (d) Medium

89.represents the ratio of liquid Assets of Bank to meet liabilities & deposits:
 (a) SLR (b) CRR
 (c) Bank rate (d) None of these

90. Which is not true about Bank rate:

- (a) Bank rate is also known as Discount rate
- (b) It is a quantitative measure
- (c) It differs from repo rate
- (d) It influence credit availability to particular sector

91. The shares of a company that are traded on a stock exchange are

- (a) Hedge
- (b) Net worth
- (c) Listed Stocks
- (d) Dividends

92. The is something that makes trade between two countries difficult and expensive

- (a) Benchmarking
- (b) Barriers to trade
- (c) Barriers to entry
- (d) Cross selling

93. The share of large, well established and financially sound companies with an impressive record of earnings and dividends are called:

- (a) Bonds
- (b) Debentures
- (c) Blue chips
- (d) Commercial paper

94. What is initial public offering?

- (a) A company first issue of shares to general public
- (b) Right issue of shares by company
- (c) Both a & b
- (d) None of the above

95. Charging a relatively high price for a short time where a new, innovative, or much improved product is launched onto a market is called:

- (a) Sales Promotion
- (b) Price Skimming
- (c) Price sensitivity
- (d) Unique selling price

96. Reduction in the price of goods given to encourages sales on cash basis

- (a) Trade discount
- (b) Cash discount
- (c) Both a & b
- (d) None of the above

97. Assets that can be expected to turn into cash within a year or less is called as:

- (a) Current Assets
- (b) Fixed Assets
- (c) Intangible Assets
- (d) All of the above

98. Arbitrage means:

- (a) Simultaneous purchase and sales of two identical commodities
- (b) Only purchase of identical commodities
- (c) Sale of identical commodities only
- (d) None of the above

99. Total revenue from sales which exactly equal to expenses incurred is:

- (a) Breakeven Point
- (b) Shutdown point
- (c) Both (a) & (b)
- (d) None of these

100. What is brokerage:

- (a) Commission charge by the broker for his services
- (b) Commission charge by SEBI
- (c) Commission given by the broker for his services
- (d) None of the above

1	C	21	A	41	B	61	C	81	C
2	A	22	B	42	B	62	C	82	B
3	C	23	B	43	C	63	C	83	D
4	A	24	A	44	A	64	B	84	A
5	D	25	D	45	C	65	B	85	A
6	D	26	B	46	A	66	C	86	A
7	D	27	B	47	A	67	B	87	B
8	D	28	D	48	C	68	A	88	D
9	B	29	B	49	D	69	B	89	A
10	C	30	A	50	D	70	B	90	A
11	C	31	A	51	B	71	D	91	C
12	A	32	B	52	D	72	A	92	B
13	C	33	B	53	D	73	D	93	C
14	C	34	B	54	A	74	C	94	A
15	C	35	C	55	A	75	C	95	B
16	A	36	C	56	B	76	A	96	B
17	B	37	B	57	A	77	D	97	A
18	B	38	B	58	A	78	C	98	A
19	C	39	B	59	D	79	C	99	A
20	C	40	D	60	D	80	A	100	A

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JUNE 2019

CA Foundation – June 2019

Marks 100

Time : 2 Hours

"BUSINESS ECONOMICS"

01. Applied economics includes _____

- (a) Regression analysis and mathematical linear programming
- (b) Capital budgeting
- (c) Both a and b**
- (d) None

02. Macroeconomics include _____

(a) Product pricing	(b) Consumer Behavior
(c) External value of money	(d) Location of industry

03. Shyam : This year due to heavy rainfall my onion crop was damaged

Krishna : Climate affects crop yields. Some years are bad, others are good

Hari : Don't worry. Price increase will compensate for the fall in quantity supplied.

Radhe : The Government ought to guarantee that our income will not fall.

In this conversion, the normative statement is made by

(a) Shyam	(b) Krishna
(c) Hari	(d) Radhe

04. Socialism Ensures

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

05. A capitalist economy consists of _____

- (a) Central planning authority
- (b) A mechanism to decide as what, how and for whom to produce**
- (c) Both a & b
- (d) None of the above

06. Freedom of choice is the advantage of _____

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

07. Socialist economy is _____

- (a) Self regulating
- (b) Profit oriented
- (c) Command economy**
- (d) Allocation of resources as per market requirements

08. Exploitation and inequality will be more in _____

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

09. Business Economics is

(a) Normative in nature	(b) Interdisciplinary in nature
(c) Both	(d) None

10. If price decreases from Rs. 80 to Rs. 60 and elasticity of demand is 1.25 then
(a) demand increase by 25% (b) Demand decreases by 25%
(c) Remains Constant (d) None of the above

11. Which of the following is correct?
(a) Elasticity on lower segment of demand curve is greater than unity
(b) Elasticity on upper segment of demand curve is lesser than unity
(c) Elasticity at the middle of demand curve is equal to unity
(d) Elasticity decreases as one move from lower part of demand curve to upper part.

12. If maize has -0.30 as income elasticity of demand, then maize will be considered as ____
(a) Necessity (b) Inferior good
(c) Superior good (d) None

13. Contraction of supply implies ____
(a) Decrease in cost of production
(b) Decrease in price of the good concerned
(c) Decrease in price of related good
(d) Increase in price of the good concerned

14. Perishable commodities will have ____
(a) Perfectly elastic curve (b) Perfectly inelastic curve
(c) Elastic (d) Inelastic

15. Which of the following statement is correct?
(a) Supply is inversely related to its cost of production
(b) Price and quantity demand of a good have direct relation ship
(c) Taxes and subsidy has no impact on the supply of the product
(d) Seasonal changes have no impact on the supply of the commodity

16. In case of ____ goods, there is an inverse relationship between income and demand for a product.
(a) substitute goods (b) Complementary Goods
(c) Giffen Goods (d) None of the above

17. Which of the following will affect the demand for non-durable goods?
(a) Disposable Income (b) Price
(c) Demography (d) All of the above

18. When the price of tea decreases, people reduces the consumption of coffee. Then the goods are
(a) Complementaries (b) Substitutes
(c) Inferior goods (d) Normal goods

19. The price elasticity of demand at the midpoint of the straight line demand curve under point method is ____
(a) 0 (b) 1
(c) >1 (d) <1

20. Which of the following relation is true with MU?
(a) When MU is positive, Total utility rises at a diminishing rate
(b) When marginal utility is zero, total utility is maximum.
(c) When marginal utility is negative, total utility is diminishing
(d) All of the above

31. Diminishing marginal returns implies _____
 (a) Decreasing average fixed cost
 (c) Decreasing marginal cost
 (b) Decreasing average variable cost
 (d) Increasing marginal cost

33. Given the relation $MR = P \left(\frac{e-1}{e} \right)$ if the demand for a product is unitary elastic then _____
 (a) $MR = 0$
 (c) $MR < 0$
 (b) $MR > 0$
 (d) None of the above

34. Which of the following is true, when the firm is at a equilibrium ?
 (a) $MC < MR$
 (c) Both a & b
 (b) MC Curve cuts the MR curve from below
 (d) None of the above

35. If a Perfectly competitive firm earns supernormal profits then _____
 (a) $AR > MR$
 (c) $AR = MR$
 (b) $AR < MR$
 (d) None of the above

36. Kinked demand curve is _____
 (a) Highly elastic at above the prevailing price
 (b) Inelastic at below the prevailing price
 (c) both a & b
 (d) None of the above

37. Which is the characteristic feature of monopoly ?
 (a) Homogeneous goods
 (c) Perfect Competition
 (b) Strong barriers to entry
 (d) Perfectly elastic demand curve

38. Price discrimination is possible only in _____
 (a) Monopoly
 (c) Oligopoly
 (b) Perfect competition
 (d) Monopolistic competition

39. What is the characteristic of monopolistic competition?
 (a) Price elasticity is low for the product concerned
 (b) Large number of sellers
 (c) No degree of control over price
 (d) One buyer

40. When TR is at its peak then MR is equal to _____
 (a) Zero
 (c) Negative
 (b) Positive
 (d) None of the above

41. Market consists of _____
 (a) Buyer and seller
 (c) Both a and b
 (b) One Price for one product at a given time
 (d) None

42. According to behavioral Principles.
 (a) A firm should not produce at all its total variable costs are not met.
 (b) A firm will be making maximum profits by expanding output to the level where marginal revenue is equal to marginal cost.
 (c) Both (a) and (b)
 (d) None of these

42. Monopsony means
 (a) Where there are large firms
 (c) Small number of large buyers
 (b) There is a single buyer
 (d) Single seller and single buyer

43. A discriminating monopolist to reach equilibrium position, his decision on total output depends upon _____

(a) How much total output should be produced
 (b) How the total output should be distributed between the two sub-markets?
 (c) Both a & b
 (d) None of these

44. Demand curve is horizontal in the case of _____

(a) Monopoly
 (b) Perfect competition
 (c) Imperfect competition
 (d) Monopolistic Competition

45. Which is not the characteristic feature of expansion phase in business cycle?

(a) Increase in national output
 (b) Unemployment
 (c) Rise in price and costs
 (d) Boost in business confidence

46. Business Cycle occurs

(a) Periodically
 (b) In different phases
 (c) Both a & b
 (d) None of the above

47. Which of the following is not the phase of business cycles?

(a) Prosperity
 (b) Upswing
 (c) Reconstruction
 (d) Depression

48. "Modern business activities are based on the anticipations of business community and are affected by waves of optimism or pessimism", according to _____

(a) Pigou
 (b) Keynes
 (c) Hawtrey
 (d) Schumpeter

49. Economic activities will be declining in the phase of _____

(a) Expansion
 (b) Depression
 (c) Contraction
 (d) Peak

50. Due to recession, employment rate _____ and output _____ .

(a) Rises; rises
 (b) Falls; falls
 (c) Rises ; falls
 (d) Falls; rises

51. The internal causes of business cycle is

(a) Fluctuation in effective demand
 (b) Technology shocks
 (c) Both a & b
 (d) None

52. According to some economists, _____ are the prime causes of business cycles.

(a) Fluctuations in aggregate demand
 (b) Fluctuations in investments
 (c) Macroeconomic policies
 (d) All of the above

53. Boom and depression in business cycle are _____

(a) Turning points
 (b) Equilibrium points
 (c) Both a & b
 (d) None of the above

54. Which is not related to great depression of 1930?

(a) It started in USA
 (b) John Maynard Keynes regarded lower aggregate expenditure as the cause
 (c) Excess Money supply
 (d) Both a & b

55. Economic goods are considered as scarce resources because _____
 (a) Inadequate quantity to satisfy the needs of the society
 (b) Not Possible to increase in quantity
 (c) Limited hands to make goods
 (d) Primary importance in satisfying social requirements

56. Which of the following is true about leading indicators?
 (a) Measurable economic factors (b) Changes after real output
 (c) Both (a) and (b) (d) None

57.
 58.
 59.
 60.

"BUSINESS & COMMERCIAL KNOWLEDGE"

61. The attribute of a profession does not include
 (a) Rendering of specialized nature of services
(b) Certificate of service from government
 (c) Self imposed code of conduct
 (d) All of the above

62. The Companies Act, 2013 provides registration for
 (a) One person Company (b) Small Company
 (c) Defunct Company (d) **All of the above**

63. Which of the following is not a feature of LLP
 (a) Legal entity separate from its partners
 (b) No limit on maximum no of partners
 (c) Every Partner is agent of LLP
(d) Register of firm is the administering authority

64. Which of the following is organic objective of business
 (a) Economic Value added (b) **Fitness of Human resource**
 (c) Community Service (d) Effective waste handling and disposal

65. Business as institution is _____
 (a) Job Creator (b) Job seeker
 (c) Both (d) None of the above

66. Which of the following is part of HUF?
 (a) Hindu and Sikh family (b) Parsi Family
(c) Both a & b (d) None of the above

67. Which of the following statement is correct with respect to HUF
 (a) HUF earns income from salary
 (b) Four successive generations of an undivided
(c) HUF enjoys a separate entity status under Income tax act -1961
 (d) All of the above

68. PESTLE analysis does not include
 (a) Policy (b) Technology
 (c) Legal (d) Economic

69. What is not a characteristic of business environment
 (a) Complex (b) Static
 (c) Multi-faced (d) Far reaching

70. Macro Environment includes _____
 (a) Strength (b) Weakness
 (c) Opportunity (d) All of the above

71. Internal Environment includes _____
 (a) Customer (b) Economic
 (c) Demography (d) Mission & Objectives

72. Cost Structure of an industry is effected by _____ own bargaining power.
 (a) Consumer (b) Intermediary
 (c) Suppliers (d) Organizations

73. Opportunity is
 (a) Inherent capacity (b) Strategic disadvantage
 (c) Favourable condition (d) None of the above

74. Competition brings direct benefit to
 (a) Customers (b) Suppliers
 (c) Intermediaries (d) Government

75. Which of the following is not related to ITC Limited
 (a) Vishal Sikha (b) 1910
 (c) Kolkata (d) Yogesh Chander Deveshwar

76. Walmart slogan
 (a) Save money. Live better (b) Happy life. Good food
 (c) Better food. Low cost (d) Good Food. Good life

77. What happened in Microsoft in the year 2014
 (a) Satya Nadella succeeded on Steve Ballmer (b) Acquired Hardware division of NOKIA
 (c) Both (a) & (b) (d) None of the above

78. The Headquarter of Nestle is in
 (a) Vevey, Switzerland (b) Basel, Switzerland
 (c) Zurich, Switzerland (d) Interlaken, Switzerland

79. Who is chairman of Infosys?
 (a) Nandan Nilakani (b) Vishal Sikha
 (c) K.V. Kamath (d) Sudha Murthy

80. Who is the present MD & CEO of ICICI Bank
 (a) Chanda Kochhar (b) Shika Sharma
 (c) M.K. Sharma (d) Sandeep Bakshi

81. The first appeal of Securities Exchange Board of India
 (a) Supreme Court (b) High Court
 (c) Securities Appellate Tribunal (d) RBI

82. Which of the following body has been dissolved recently
 (a) Planning Commission
 (b) National Statistics Commission
 (c) Competition Commission of India
 (d) Foreign Institution Promotion board

83. Which of the following is not a function of RBI
 (a) Monetary Policy
(b) Fiscal Policy
 (c) Custodian of Foreign Exchange reserves
 (d) Controller of Credit

84. Who was the regulatory body for controlling financial affairs before SEBI
 (a) Controller of Capital Issues
 (b) Reserve Bank of India
 (c) Insurance Regulatory and Development authority of India
 (d) Government of India

85. Which of the following is not a subsidiary of Indian Oil Corporation Ltd.
 (a) Chennai Petroleum Ltd.
(b) Brahmaputra Cracker and Polymer Ltd.
 (c) Indian Oil – CREDA Biofuels Ltd.
 (d) Indian Catalyst Private Ltd.

86. Which of the following is Return on investment
 (a) Dividend
 (b) Interest
(c) Yield
 (d) None of the above

87. The opposite of bid is _____
 (a) Ask/Offer
 (b) Call
 (c) Purchase
 (d) None of the above

88. Personal selling is done through
 (a) Oral communication
 (b) Written communication
 (c) Social media
 (d) Sign language

89. Carry forward of a transaction from one settlement period to other is
 (a) Badla
 (b) Repo
 (c) open Interest
 (d) None of the above

90. Bull Market is Called _____
 (a) A market in which stock price is increasing consistently
 (b) A market in which stock price is decreasing consistently
 (c) Both a & b
 (d) None of the above

91. When two companies come together to expand their business operation in a newly created entity.
 (a) Joint Venture
 (b) Acquisition
 (c) Partnership
(d) Merger

92. SEBI, RBI & IRDA are
 (a) Regulatory Bodies
 (b) Cluster Bodies
 (c) Goal Sector bodies
 (d) None of the above

93. SEBI function consists of
 (a) Quasi Legislative
 (b) Quasi judicial
(c) both a & B
 (d) None of the above

**"BUSINESS ECONOMICS AND
BUSINESS & COMMERCIAL KNOWLEDGE"**

1	C	21	C	41	C	61	B	81	C
2	C	22	A	42	B	62	D	82	A
3	D	23	C	43	C	63	D	83	B
4	B	24	C	44	B	64	B	84	A
5	B	25	A	45	B	65	A	85	B
6	B	26	A	46	C	66	C	86	C
7	C	27	A	47	C	67	C	87	A
8	B	28	C	48	A	68	A	88	A
9	C	29	B	49	C	69	B	89	A
10	A	30	D	50	B	70	C	90	A
11	C	31	D	51	A	71	D	91	D
12	B	32	A	52	D	72	C	92	A
13	B	33	B	53	A	73	C	93	C
14	B	34	D	54	C	74	A	94	
15	A	35	C	55	A	75	A	95	
16	D	36	B	56	A	76	A	96	
17	D	37	A	57		77	C	97	
18	B	38	B	58		78	A	98	
19	B	39	A	59		79	A	99	
20	D	40	C	60		80	D	100	

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NOV 2019

1. The capitalist Economy uses as principle means of allocation of resources -
 - (a) Price
 - (b) Demand
 - (c) Supply
 - (d) None of the above

2. When Total Revenue (TR) is at the peak Marginal Revenue is equal to
 - (a) Zero
 - (b) Positive
 - (c) Negative
 - (d) More than one

3. Actual demand stagnates in which stage.
 - (a) Peak
 - (b) Trough
 - (c) Recovery
 - (d) Contraction

4. Large production of _____ goods would lead to higher production in future.
 - (a) Consumer Goods
 - (b) Capital Goods
 - (c) Agricultural Goods
 - (d) Public Goods

5. A study of how increases in the corporate income tax rate will affect the national unemployment rate an example of
 - (a) Macro-Economics
 - (b) Descriptive Economics
 - (c) Micro – economics
 - (d) Normative Economics

6. Which of the following statement does not apply to a market economy?
 - (a) Firms decide whom to hire and what to product
 - (b) Firms at maximizing profits
 - (c) Households decide which firms to work for and what to buy with their incomes
 - (d) Government policies are the primary forces that guide the decisions of firms and households.

7. Factors of production are owned by _____ in market economies.
 - (a) Govt.
 - (b) Investors
 - (c) Private
 - (d) None

8. Consumer sovereignty is the characteristic of which economy
 - (a) Capitalistic economy
 - (b) Socialistic Economy
 - (c) Mixed Economy
 - (d) None

9. Which of the following is used for allocation of resources?
 - (a) Micro – Economics



(b) Marco – Economics
 (c) Econometrics
 (d) Descriptive Economics.

10. Which book of economics is known as first book of modern economics?
 (a) An Inquiry into nation
 (b) An inquiry into wealth of nation
 (c) An inquiry into wealth
 (d) Wealth of nation.

11. In Economics, we use "scarcity" the term to mean:
 (a) Absolute scarcity and lack of resources in less developed countries.
 (b) Relative scarcity i.e. scarcity in relation to the wants of the society.
 (c) Scarcity during times of business failure and natural calamities.
 (d) Scarcity caused on account of excessive consumption by the rich.

12. Which statement is incorrect?
 (a) Depression of Severe form of trough
 (b) Depression causes fall in Interest rate
 (c) Peak is highest point
 (d) All of the above

13. It is known as electronic cash and digital cash, it uses computer, internet and other networks to execute transactions and transfer funds.
 (a) Cash \
 (b) E-Cash
 (c) E-commerce
 (d) None

14. Indifference curve slopes downwards as one product increase and another decreases because they give.
 (a) Equal satisfaction
 (b) Greater Satisfaction
 (c) Lesser Satisfaction
 (d) None

15. Supply of land is:
 (a) Elastic
 (b) Perfectly Elastic
 (c) Perfectly Inelastic
 (d) Inelastic

16. Income elasticity of luxury goods
 (a) Zero
 (b) Positive and greater than one
 (c) Positive and lesser than one
 (d) Negative and greater than – 1

17. Price elasticity of supply refers to change in responsiveness of quantity to change in:
 (a) Price
 (b) Price in substitute

(c) Income
(d) Preference

18. Elasticity of demand under perfect competition is.

(a) One
(b) Two
(c) Zero
(d) Infinite

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

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

20. Which of the following is a property of an indifference curve?

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

21. The supply of a good refers to:

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

22. Which of the following statements about price elasticity of demand is correct?

(a) Price elasticity of demand is a measure of how much the quantity demanded of a good respond to a change in the price of that good.
(b) Price elasticity of demand is computed as the percentage change in quantity demanded divided by the percentage change in price.
(c) Price elasticity of demand in the long run would be different from that of the short run.
(d) All of the above.

23. Which of the following statements is correct?

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

24. Marginal product is the slope of:

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

25. Which of the following is correct:

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

(c) $TFC = TC - TVC$
 (d) $TC = TFC + TVC$

26. Total Cost = Explicit cost + Implicit cost +

(a) Super Normal Profit
 (b) Normal Profit
 (c) Super Normal Losses
 (d) Average Fixed Cost

27. Large scale production is associated with

(a) Technical Economies
 (b) Managerial economies
 (c) Commercial Economies
 (d) Financial Economies

28. Output TP MP

0	—	—
1	10	10
2	—	8
3	24	—

What is the MP of 3rd unit of output?

(a) 6
 (b) 8
 (c) 10
 (d) 11

29. What is the total product of producing 2nd unit of output?

(a) 8
 (b) 10
 (c) 18
 (d) 24

30. What is the AP of 1st three units of output?

(a) 8
 (b) 10
 (c) 18
 (d) 72

31. If average variable cost of 5 units of output is 100 and fixed cost is 40. Find average cost at 5 units of output.

(a) 8
 (b) 100
 (c) 108
 (d) 540

32. Diminishing marginal returns implies:

(a) Decreasing average variable costs
 (b) Decreasing marginal costs
 (c) Increasing marginal costs
 (d) Decreasing average fixed costs

33. Average fixed cost for producing 8 units of output was 60, what is the average Fixed cost at 6 units of output

- (a) 40
- (b) 60
- (c) 80
- (d) 50

34. For 15 units of output, average cost was '250 and fixed cost per unit of output was 125, then the average variable cost per unit at 15 units?

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

35. Diminishing returns occur –

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

36. Which of the following curve is never U shape

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

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

- (a) The short run, but not the long run.
- (b) The long run, but not the short run.
- (c) Both the short run and the long run.
- (d) Neither the short run nor the long run.

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

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

39. Marginal Cost changes due to changes in _____

- (a) Total cost
- (b) Average cost
- (c) Fixed cost
- (d) Quantity of output

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

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

41. What is true about the perfect competition market

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

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

- (a) Shutdown
- (b) Expand its plant
- (c) Do nothing
- (d) Reduce productions

43. If in a short run perfect competition earn super normal profit then which condition satisfy.

- (a) $ATC > MC$
- (b) $ATC < MC$
- (c) $MR < AR$
- (d) $MR > AR$

44. Group behavior from which market belongs: –

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

45. In the long run Monopolistic comp. and perfect comp. are same because of

- (a) Normal Profit
- (b) Abnormal Production
- (c) Losses
- (d) None

46. Suppose that the demand curve for the XYZ Co. slopes downward to the right.

We can conclude

- (a) The firm operates in perfectly competitive market
- (b) The firm can sell all that it has at the established market price.
- (c) The XYZ Co. is not a price taker in the market because it must lower price to sell additional units of output.
- (d) The XYZ Co. will not be maximize profits because price and revenue are subject to change.

47. Diminishing marginal returns for the first four units of a variable input is exhibited by the total product sequence:

- (a) 50, 50, 50, 50
- (b) 50, 110, 180, 260
- (c) 50, 100, 150, 200
- (d) 50, 90, 120, 140

48. Extreme Product differentiation is found in which market?

- Monopolistic Competition
- Perfect Competition
- Oligopoly
- None

49. Monopoly firm faces which demand curve?

- Downward Sloping
- Horizontal
- Rising
- All of these

50. Assume that when price is '40, the quantity demanded is 15 units and when price is '38, the quantity demanded is 16 units. Based on this information, what is the marginal revenue resulting from an increase in output from 15 units to 16 units -

- 36
- 32
- 24
- 08

51. A market where there is no restrictions on the transactions is called as-

- Regulated market
- Unregulated market
- Spot market
- Future market

52. Under perfect competition, price elasticity of demand of a firm is -

- Large
- Slight
- Infinite
- Extreme

53. During recession the employment rate ----- and output----- -

- Rises-falls
- Rises-rises
- falls-rises
- Falls-falls

54. The internal cause of business cycle is -

- Technology shocks
- Fluctuation in effective demand
- Post war reconstruction
- Population Growth

55. An unemployment type cause due to structural changes in the economy is which of the following-

- Involuntary
- Ethical friction
- Full employment
- Structural

56. At 'trough' the production in the economy reaches at which of the following-

(a) High
 (b) Low
 (c) Constant
 (d) Negative

57. According to some economists which is not the prime cause of Business Cycles?
 (a) Fluctuations in investment
 (b) Micro Economic policy
 (c) Impact on aggregate economic activity
 (d) Psychological factors

58. The four phases of Business Cycle are -
 (a) Peak, Construction , Depression and Boom
 (b) Prosperity, Recession, Depression and Expansion
 (c) Boom, Downswing , Expansion and Prosperity
 (d) Peak, Recession , Trough and Recovery

59. Chinas recent slowdown causes -
 (a) Cycle of decline and panic across the world
 (b) Countries across the Globe were able to insulate themselves from the crisis
 (c) Stock markets in the Emerging Economics largely remained unaffected
 (d) Old technology fueled the economic decline

60. Friction unemployment is the characteristic of which of the following stages -
 (a) Expansion
 (b) Peak
 (c) Construction
 (d) Recovery

61. Who founded Wipro Limited
 (a) Mohamed Premji
 (b) Azim Premji
 (c) Champaklal H. Choksi
 (d) Chimanlal N. Choksi

62. Indane LPG is the product of which corporation in India?
 (a) IOCL
 (b) NTPC
 (c) ONGC
 (d) PGCIL

63. Which Bank provides the digital service PayZapp
 (a) Axis Bank Limited
 (b) ICICI Bank Limited
 (c) SBI
 (d) HDFC Bank Limited

64. Which of the following concern is related to business and commercial knowledge?
 (a) Sustainability
 (b) Sociology
 (c) Traditional

(d) Social At large

65. Which one is not a feature of LLP

- It is a legal entity separate from its member
- No limit on maximum no. of members
- Every partner is only agent of firm
- Registrar of firm is the administrating authority

66. Organic objective of business

- Sales profit
- Fitness of human resources
- Product usage and disposal
- All of the above

67. Dormant Company can be created for which purposes:

- For future projects
- Holding intellectual properties
- Both a and b
- Only for creating a dummy company to book insignificant transactions

68. Find odd one out. There can be partnership between

- Natural person
- Partnership firm
- Artificial Person
- Any Combination of natural and artificial

69. Which of the following is not within the scope of Business Economics?

- Capital Budgeting
- Risk Analysis
- Business Cycles
- Accounting Standards

70. A partnership may be formed to carry on;

- Any trade
- Profession
- Occupation
- Social Enterprise

71. As a price of Rs. 20 the quantity demanded is 10 units. With 5% decrease in price the demand increases by 10%. The marginal revenue for the 11th unit will be

- Rs. 20
- Rs. 9
- Rs. 9
- Rs. 11

72. Data which is useful in decision making is called?

- Database
- Resource
- Law
- information

73. Which factor affect demand for companies product?

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

74. Which analysis is used for proactive and strategic thinking in its decision making?

- (a) SWOT
- (b) TOWS
- (c) PESTLE
- (d) None

75 Which pharmaceutical company has the slogan caring for life?

- (a) Dr. Reddy's
- (b) Lupin Ltd.
- (c) Cipla Ltd.
- (d) Sun pharmaceutical Industries.

76. The RBI has been vested with extensive power to control and supervise commercial banking system under the –

- (a) Reserve Bank of India Act, 1934
- (b) The Banking Regulation Act, 1949
- (c) Both (a) and (b).
- (d) None of the above.

77. A stock the provides a constant dividends and stable earnings in the periods of economic downturn is

- (a) Defensive Stock
- (b) Cash Budget
- (c) Income Stock
- (c) Listed Stock

78. curtail all benefits in some particular issue.

- (a) Restrictive policies
- (b) Regulatory Policies
- (c) Facilitating policies
- (d) None of these

79. A reduction of 45 basis point will be equal to how much of the following?

- (a) 45%
- (b) 0.45%
- (c) 4.5%
- (d) 450%

80. In which of the following sector (s), FDI is prohibited under both routes

- (a) Nidhi Company
- (b) Media
- (c) Real Estate
- (d) Shell Company

81. A type of privatization where Government surrender partial ownership and responsibility and sells the majority stake to one or more entities is called as

- Delegation
- Divestment
- Displacement
- Disinvestment

82. Which is the leading telecom Company in India

- Airtel
- BSNL
- Vodafone-Idea
- Jio

83. Which of the following sets as an indicator of bank's liquidity and solvency

- Statutory liquidity ratio
- Bank Rate
- Repo rate
- Reserve repo rate

84. It is loan where the time and cash flow between a short loan and a long term loan is filled up.

- Debt financing
- Bridge financing
- Closure Time
- None of these

85. The lowest price at which an owner is willing to sell his securities.

- Sale
- Ask
- Auction
- None

86. According to Peter Drucker, the aim of the business is to -

- Create & Retain Customer
- Create and Retain consumer
- Retain Customers & create profit
- All the above

87. Personal selling is done through ?

- Oral communication
- Written communication
- TV & Media
- Hoardings

88. Which of the following are 4P's of marketing

- Product, Place, Price , Promotion
- Product, Place, Price , People
- Product, Place, Price , Physical Evidence
- Processes, Place, Price , Promotion

89. The exploitation of comparatively small market segments by businesses that decide to concentrate their efforts is called:

- (a) Niche Marketing
- (b) Mass Marketing
- (c) Market Positioning
- (d) Market Segmentation

90. SEBI, RBI and IRDA are:

- (a) Regulatory Institutions
- (b) Policy institutions
- (c) Satellite institutions
- (d) Satellite Institutions

91. Which of the following institution got converted into Commercial Bank

- (a) ICICI
- (b) NABARD
- (c) IFCI
- (d) All of the above

92. Carrying forward of transaction from one settlement period to the next payment is called _____.

- (a) Badla
- (b) Beta
- (c) Blue chips
- (d) None

93. A series of payments of an equal amount at fixed intervals for a specified period is called

- (a) Amortize
- (b) Annuity due
- (c) Annuity
- (d) Arbitrage

94. In a Bull market

- (a) Stock prices are decreasing consistently
- (b) Stock Prices are increasing consistently
- (c) Stock Prices are stable
- (d) Stock Prices are wildly fluctuating

95. Find the odd one

- (a) NABARD
- (b) SIDBI
- (c) SEBI
- (d) EXIM

96. Budget line is otherwise called as

- (a) Money line
- (b) Preference line
- (c) Income line
- (d) Price line

97. What is consolidation?

- (a) It is expense that is supposed to reflect the loss in value of a fixed asset.
- (b) Combination of two or more entities that occurs when the entities transfer all their net assets to a new entity created for that purpose.

(c) Costs that can be attributed clearly to the activity you are considering.
 (d) None

98. _____ is the simultaneous purchase and sale of two identical commodities or instruments. This simultaneous sale and purchase is done in order to take advantage of the price variations in two different markets.

(a) Cap
 (b) Term insurance
 (c) Arbitrage
 (d) Hedge

99. _____ is a combination of several companies working together for a particular purpose for example in order to buy something or build something.

(a) Consortium
 (b) Joints Venture
 (c) Co-opting
 (d) All of above

100. It is the amount of revenue from sales which exactly equals the amount of expense.

(a) Shut down point
 (b) Break –even Point
 (c) Profit point
 (d) None

1	A	21	D	41	A	61	A	81	B
2	A	22	D	42	B	62	A	82	D
3	A	23	B	43	B	63	D	83	A
4	B	24	A	44	D	64	A	84	B
5	A	25	C	45	A	65	D	85	B
6	D	26	B	46	C	66	B	86	A
7	C	27	A	47	D	67	C	87	A
8	A	28	A	48	A	68	B	88	A
9	A	29	C	49	A	69	D	89	A
10	B	30	A	50	D	70	A	90	A
11	B	31	C	51	B	71	C	91	A
12	D	32	C	52	C	72	D	92	A
13	B	33	C	53	D	73	C	93	C
14	A	34	C	54	B	74	C	94	B
15	C	35	B	55	D	75	C	95	C
16	B	36	C	56	B	76	C	96	D
17	A	37	A	57	B	77	A	97	B
18	D	38	C	58	D	78	A	98	C
19	D	39	A	59	A	79	B	99	A
20	A	40	C	60	A	80	A	100	B

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DEC 2020

CA Foundation – December 2020

Marks 100

Time : 2 Hours

"BUSINESS ECONOMICS"

1. When the price of petrol decreases, people reduce the consumption of diesel, then the goods are

(a) Mixed	(b) Complementary
(c) Superior	(d) Substitutes
2. When price of apple is Rs. 120 per kg. Ram buys one kg of apples at that price. Now, other things remains the same, the price of apples falls to Rs. 90 per kg. Now Ram buys 2kg of apples. It is called as

(a) Contraction of demand	(b) Expansion of demand
(c) Market demand	(d) Demand schedule
3. To know the base price and quantity, which method of elasticity is used?

(a) Arc elasticity	(b) Cross elasticity
(c) Point elasticity	(d) Zero elasticity
4. The price elasticity of demand for X is 1 and the original quantity demand of X is 90 units. If the price of X decreases from Rs. 300 to Rs. 180 per unit, calculate the new quantity demand of X.

(a) 126 units	(b) 36 units
(c) 144 units	(d) 120 units
5. If quantity supply changes substantially in response to small changes in price of the good then it is

(a) Relatively greater elastic supply	(b) Relatively less elastic supply
(c) Unitary elastic	(d) Perfect elastic
6. If indifference curve is L shaped, it means two goods will be

(a) Perfect Complementary Goods	(b) Perfect Substitute goods
(c) Perfect inferior goods	(d) Perfect superior goods
7. Lets assume that at OY-axis we have good A and at OX-axis good B. If the price of good B increases by Rs. 1 but the price of good A remains constant and income also remains unchanged, the budget line will shift

(a) Right on OY axis	(b) Right on OX axis
(c) Left on OY axis	(d) Left on OX axis
8. Purushotam wanted to buy laptop by paying Rs. 60,000 but the actual price is Rs. 55,000, then consumer surplus is

(a) 60,000	(b) 55,000
(c) 5,000	(d) 6,500
9. The concept of "innovative entrepreneurship" was given by

(a) Marshall	(b) Schumpeter
(c) JK Mehta	(d) Adam smith

10. Which activity is the base of all production activities
 (a) Production (b) Exchange
 (c) Investment (d) Consumption

11. When output increases more than the increase in input, it occurs due to
 (a) External and internal diseconomies
 (b) External and internal economies
 (c) External diseconomies and internal economies
 (d) External economies and internal diseconomies

12. A functional relationship between inputs and output is called _____
 (a) Cost function (b) Revenue function
 (c) Consumption function (d) Production function

13. Among the following statements which is incorrect in relation to isoquants
 (a) Isoquants are negatively (b) Isoquants are concave to origin
 (c) Isoquants are not intersecting (d) Isoquants are convex to origin

14. External economies can be achieved through
 (a) Technological external economies (b) External assistance
 (c) Development of unskilled labour (d) Superior managerial efficiency

15. Marginal product will be _____ at the point of inflexion
 (a) Maximum (b) Minimum
 (c) Negative (d) Zero

16. Use the table and answer for the following questions

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

 The average fixed cost of 4 units of output is
 (a) 80 (b) 90
 (c) 25 (d) 350

17. The average variable cost of 5 units of output
 (a) 84 (b) 64
 (c) 420 (d) 104

18. The marginal cost of 5th unit of output is
 (a) 60 (b) 70
 (c) 540 (d) 90

19. The total cost is Rs. 4200 and fixed cost is Rs. 1200 then find the variable cost
 (a) 5,450 (b) 1,200
 (c) 4,200 (d) 3,000

20. If a seller obtains Rs. 6,000 after selling 50 units and Rs. 6,204 after selling 53 units, then marginal revenue will be
 (a) Rs. 204 (b) 68
 (c) 120 (d) 118

21. On the basis of nature of transaction, a market may be classified into
 (a) Regulated and unregulated market
 (b) Wholesale and retail market
 (c) Cash and forward rate
 (d) National and international market

22. When a firm produces 7 units of production and the TR is Rs. 42 after raising the production to 8 units TR reached Rs. 46. Marginal revenue will be
 (a) Rs. 6 (b) Rs. 4
 (c) Rs. 5 (d) Rs. 8

23. A market where goods are exchanged for money payable either immediately or within short span of time
 (a) Forwarded market (b) Regulated market
 (c) Spot market (d) Wholesale market

24. ABC Ltd. realizes total revenue of Rs. 6,000 by the sale of 120 units and Rs. 6050 by the sale of 121 units
 What is the average revenue when ABC Ltd. Sells 121 units
 (a) 6,000 (b) 6,050
 (c) 50 (d) 100

25. When ABC Ltd. Sells 130 units then total revenue will be
 (a) 18,550 (b) 12,050
 (c) 6,000 (d) 6,500

26. Answer the following questions

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

Find the marginal revenue at 5th unit is
 (a) 60 (b) 55
 (c) 45 (d) 40

27. Kinked demand hypothesis is designed to explain the _____ under oligopolistic market
 (a) Collusion between firms (b) Price and output determination
 (c) Rigidity of price (d) Price leadership

28. _____ is the best example of oligopoly
 (a) SAARC (b) WTO
 (c) GATT (d) OPEC

29. Alluminium industry is the example of which type of oligopoly
 (a) Open oligopoly (b) Full oligopoly
 (c) Pure oligopoly (d) Syndicated oligopoly

30. In which market prices are determined by the market forces of demand and supply?
 (a) Pure Competition (b) Perfect Competition
 (c) Monopolistic Competition (d) Oligopoly

31. Railways charges comparatively cheaper fares from senior citizens. This is an example of
 (a) Price discrimination (b) Market analysis
 (c) Profit discrimination (d) Demand forecasting

32. Smart phones market is an example of
 (a) Monopoly (b) Monopolistic Competition
 (c) Oligopoly (d) Perfect competition

33. Collusion is impossible if an industry has
 (a) Large number of firms (b) Only few numbers of firms
 (c) Only two firms (d) Limited number of firms

34. When the industry is dominated by one large firm it is called
(a) Partial oligopoly (b) Full oligopoly
(c) Organized oligopoly (d) Closed oligopoly

35. Choose the incorrect statement regarding the barometric price leadership
(a) Live and let live philosophy is followed
(b) Old and experienced firm acts as a leader
(c) Price decided by assessing market conditions
(d) Price decided by leader is generally accepted by the rest of all

36. "Competition among few" is described in
(a) Monopoly (b) Oligopoly
(c) Duopoly (d) Monopsony

37. Which of the following phase occurs after threat and before peak?
(a) Expansion (b) Depression
(c) Boom (d) Recessation

38. Which indicators coincide or occur simultaneously with the business cycle movements ?
(a) Lagging (b) Leading
(c) Concurrent (d) Legal

39. What is the most visible sign of recession in an economy
(a) Fall in the level of employment (b) Rise in the inventory cost
(c) Fall in price level (d) Weakening stock market

40. Taxation policy of government is the part of
(a) Monetary policy (b) Fiscal policy
(c) EXIM policy (d) Industry policy

41. During the phase of trough of business cycle, the growth rate became—
(a) High (b) Low
(c) Negative (d) Zero

42. ___ is measurable economics factor that changes before economy starts to follow a particular pattern of trend
(a) Lagging indicators (b) Coincident indicators
(c) Leading indicators (d) Concurrent indicator

43. Which of the following is an internal cause of business cycles
(a) Wars (b) Natural factors
(c) Fluctuations in the effective demand (d) Population growth

44. Phases of business cycles are
(a) Peak, recession, depression and recovery
(b) Bottom, recession, trough and boom
(c) Peak, depression, trough and boom
(d) Peak, depression, bust and boom

45. Which is not an example of coincident indicator
(a) Inflation (b) GDP
(c) Interest rate (d) Financial Market trend

46. During _____ there is fall in level of investment and employment
(a) Contraction (b) Depression
(c) Boom (d) Recovery

47. The most important feature of business cycles

(a) Pervasive nature	(b) Regular length
(c) Periodic intensity	(d) None

48. "Modern business activities are based on the anticipations of business community and are affected by waves of optimism (or) pessimism" is said by

(a) Hawtrey	(b) Pigiou
(c) Keynes	(d) Schumpeter

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

(a) Alfred Marshall	(b) Adam Smith
(c) Robbins	(d) Paul A. Samuelson

50. A Socialistic economy is also called as

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

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

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

52. In capitalistic economy _____ and _____ will be more

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

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

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

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

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

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

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

56. The nature of business economics is

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

57. _____ are responsible for all economic problems

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

58. Demand forecasting by means of asking customer what they are going to buy comes under

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

59.

61. Which of the following is not an economic activity
 (a) Land owner compensate the tiller of land in form of food grain
 (b) Doctor consulting his own family
 (c) Online teaching
 (d) Consumption of food items

62. Intellectual property rights and copyrights is an example of which of the following key factor of PESTLE Matrix?
 (a) Social (b) Technological
 (c) Economic (d) Political

63. According to Incomes tax Act, which of the following cannot be a source of income for HUF?
 (a) Income from Salary
 (b) Income from house property
 (c) Income from business and profession
 (d) Income from other sources

64. What is popular psychological motive in case of profession as an economic occupation?
 (a) Service to clients (b) Economic achievement
 (c) Source of livelihood (d) Membership of professional body

65. Limited liability partnership is _____
 (a) Non mutual agency
 (b) Hybrid form of business organization
 (c) Social & Environment concern
 (d) Public Sector

66. _____ is a framework for macro environment analysis.
 (a) Global (b) Political
 (c) PESTLE (d) Social

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

68. Which of the following is the recently introduced form of business organization in INDIA wide companies Act 2013?
 (a) LLP (b) Sole proprietorship
 (c) OPC (d) Private limited company

69. Which of the following is not an example of socio-cultural environment?
 (a) Role of women in society (b) Raising income
 (c) Family structure (d) Educational levels

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

 (a) Environment analysis (b) Environmental scanning
 (c) Environmental inference (d) Environmental response

71. Which of the following is not an important characteristic of business environment?
 (a) Image building (b) Continuous learning

(c) Giving direction for shrinking (d) Opportunities and threats

72. ABC company is aiming towards Joint venture and partnership with other firms to manage uncertainty. This is an example of following type of Organizational response to the environment ?
(a) Collective response (b) Competitive response
(c) Micro environmental response (d) Administrative response

73. Who has the vision "To attain world class excellency by demonstrating value added products to customers" ?
(a) IBM Corporation (b) Intel Corporation
(c) Bajaj Auto Limited (d) Bharti Airtel Limited

74. Which of the following is a multinational financial service corporation ?
(a) IBM Corporation (b) Walmart
(c) Microsoft Corporation (d) American Express

75. In 1981, 7 engineers in Pune, Founded the following company:
(a) L & T (b) Infosys
(c) Wipro (d) TCS

76. Which of the following company ranked first in fortune 500 company list 2019?
(a) Walmart (b) Microsoft
(c) Intel (d) American Express

77. To help individuals and business realize their full potential. Is the vision of
(a) Cognizant (b) Apple
(c) Microsoft (d) Walmart

78. A security which has a solid record of dividend payments and offer the dividend higher than the common stock is _____
(a) Hedge (b) Holding period
(c) Index (d) Income stock

79. Above the balance available in the account of the payer is called _____
(a) Overdraft (b) Maturity
(c) Market Value (d) Mortgage

80. The effect of change in price will have on customers is _____
(a) Price Discrimination (b) Price Skimming
(c) Price sensitivity (d) Pre-emptive Pricing

81. A strongly motivated and long standing decision of the customer to purchase a particular product or service is referred as _____
(a) Buying behavior (b) Brand Recognition
(c) Brand Loyalty (d) Customer satisfaction

82. _____ is a measurement of relationship between stock price of any particular stock and the movement of whole market.
(a) Call Option (b) Bids and Offer
(c) Beta (d) Break – even Point

83. Bid is the.....
(a) Lowest value the which the seller is willing to sell
(b) Highest value which the buyer is willing to pay
(c) Highest value which the seller is willing to sell
(d) Lowest value which the buyer is willing to pay

84. Government keeps hold of responsibility and private enterprise handle fully or partly the delivery of product and service. Such type of concept of privatization is known as
(a) Divestment (b) Displacement

(c) Disinvestment (d) Delegation

85. The formation of National Skills Development Corporation (NSDC) is an example of which of the following type of public policy ?
 (a) Restrictive (b) Social
 (c) Facilitating (d) Regulatory

86. Organizing of immunization camps by government is an example of which policy?
 (a) Restrictive (b) Social
 (c) Distributive (d) Regulatory

87. Taking off restrictions in exports and imports of goods is _____
 (a) Liberalization (b) Privatization
 (c) Globalization (d) Socialization

88. Gradual decrease in government command and control over economic policies is called _____
 (a) Socialization (b) Liberalization
 (c) Globalization (d) Capitalization

89. Selling of a portion of ownership from public enterprise to private parties is called
 (a) Disinvestment (b) Divestment
 (c) Delegation (d) Deregulation

90. In which of the following FDI is prohibited under both the Government Route as well as the Automatic Route.
 (a) Atomic energy (b) Solar Energy
 (c) Wind energy (d) Biomass Energy

91. Controller of capital Issues was replaced by which of the following Regulatory authority ?
 (a) IRDAI
 (b) Competition Commission of India(CCI)
 (c) RBI
 (d) SEBI

92. Which of the following is not an objective of establishing the Competition commission of India (CCI)?
 (a) To Prevent practices having adverse effect on competition
 (b) To preserve and sustain competition in markets
 (c) To protect the interest of the customers
 (d) To ensure restriction of the customers other participants in markets

93. SEBI was setup to regulate the _____
 (a) Insurance market (b) Security Market
 (c) Money market (d) Capital market

94. Which of the following is not a regulatory body?
 (a) SIDBI (b) SEBI
 (c) RBI (d) CCI

95. IRDAI full form is:
 (a) Industrial Regulatory Development Authority of India
 (b) Institutional Regulatory Development Authority
 (c) Insurance Regulatory Development Authority of India
 (d) Insurance Ruling Development Authority

96. Which of the following financial institution is known for dealing in SHG bank linkage program ?

(a) NABARD (b) IRDAI
(c) SBI (d) SEBI

KEY

1	2	3	4	5	6	7	8	9	10
D	B	A	A	A	A	D	C	B	D
11	12	13	14	15	16	17	18	19	20
B	D	B	A	A	C	B	A	D	B
21	22	23	24	25	26	27	28	29	30
C	B	C	C	D	D	C	D	C	B
31	32	33	34	35	36	37	38	39	40
A	C	A	A	A	B	A	C	C	B
41	42	43	44	45	46	47	48	49	50
C	C	C	A	C	A	A	B	D	C
51	52	53	54	55	56	57	58	59	60
C	A	A	A	D	B	C	A		
61	62	63	64	65	66	67	68	69	70
B	B	A	A	B	C	C	C	B	B
71	72	73	74	75	76	77	78	79	80
C	A	C	D	B	A	C	D	A	C
81	82	83	84	85	86	87	88	89	90
C	B	B	D	C	C	A	B	A	A
91	92	93	94	95	96	97	98	99	100
D	D	D	A	C	A				

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- 1) Suppose the demand for automobile decreases due to increase in price of petrol. Both the goods are:
 - a) Normal
 - b) Substitute
 - c) Perishable
 - d) Complementary
- 2) Goods which are inferior, with no close substitutes easily available and which occupy a substantial place in consumer's budget are called _____ goods:
 - a) Giffen
 - b) Speculative
 - c) Conspicuous
 - d) Prestige
- 3) By 'Change in demand' represents which of the following?
 - a) Shift of the demand curve to the right or left.
 - b) Movement upward and downwards on the same demand curve.
 - c) Change in budget line with change income.
 - d) Shift in the indifference curve.
- 4) A group of people decrease or altogether stop consumption of a common product due to which of the following effect?
 - a) Veblen effect
 - b) Demonstration effects
 - c) Bandwagon effect
 - d) Snob effect
- 5) Highly priced goods are consumed by status seeking rich people to satisfy their need for conspicuous consumption. This is called:
 - a) Veblen effect
 - b) Demonstration effect
 - c) Snob effect
 - d) Bandwagon effect
- 6) For which of the following product elasticity of demand is highly elastic?
 - a) Salt
 - b) Jewellery
 - c) Life saving medicines
 - d) Water
- 7) Assume that Wheat have (-) 0.4 as income elasticity. By this, we can say:
 - a) Wheat is a normal good
 - b) Wheat is an inferior good
 - c) Wheat is a superior good
 - d) Wheat is a luxurious good
- 8) The demand for a generic good like soap is _____ the demand for Lux soap is _____.
 - a) Inelastic, elastic
 - b) Elastic, inelastic
 - c) Inelastic, inelastic
 - d) Elastic, elastic
- 9) The quantity demanded of coffee increases by 2% when the price of tea increases by 8%, the cross-elasticity of demand between two products are _____?
 - a) -0.30
 - b) +0.30
 - c) +0.25
 - d) -0.25

10) The price of a commodity decreases from ₹200 to ₹120 per unit. If the price elasticity of demand for this commodity is 2 and the original quantity demanded is 60 units, calculate the new quantity demanded.

- a) 48 units
- b) 100 units
- c) 120 units
- d) 108 units

11) Marshall defined the concept of consumer surplus as the:

- a) Area covered in between the average revenue and marginal revenue curves.
- b) Difference between the maximum amount a person is willing to pay for a good and the amount he actually pays.
- c) Area inside the budget line.
- d) Difference between the minimum amount a person is willing to pay for a good and its market price.

Quantity Consumed	Total Utility
0	0
1	300
2	500
3	650
4	750
5	830
6	890
7	930
8	960

12) What is marginal utility when consumption increases from 4 units to 5 units? (Refer to table)

- a) 130
- b) 80
- c) 160
- d) 100

13) What is marginal utility when consumption increases from 7 units to 8 units? (Refer to table)

- a) 60
- b) 100
- c) 40
- d) 30

14) Indifference Curve analysis is based on which approach?

- a) Nominal
- b) Cardinal
- c) Marginal
- d) Ordinal

15) The Indifference curve for two perfect complementary goods is

- a) Z-shaped
- b) L-shaped
- c) U-shaped
- d) Straight line

16) Which one of the following is not a necessary function of an entrepreneur?

- a) Risk and uncertainty bearing.
- b) Initiating a business enterprise.
- c) Innovations.
- d) Supervision of day to day production activities.

17) Which of the following is not a passive factor of production?

- a) Land
- b) Building
- c) Labour

d) Machine

18) 'Zero economic profit' emerges due to which of the following condition?

- a) Average revenue is more than average total cost.
- b) Marginal revenue is just equal to average total cost.
- c) Marginal revenue is just equal to marginal cost.
- d) Average revenue is just equal to average total cost.

19) The difference between TFC and TC is equal to:

- a) Zero
- b) TVC
- c) MC
- d) AFC

Output	0	1	2	3	4	5	6
Total cost (?)	360	495	615	720	810	915	1035

20) The average fixed cost of 3 units of output is : _____ (Refer to table)

- a) 1180
- b) 1225
- c) 1120
- d) 1134

21) The marginal cost of the fifth unit of output is : _____ (Refer to table)

- a) 1174
- b) 1225
- c) 1675
- d) 1105

22) Diminishing marginal returns starts to occur between:

- a) 4 and 5
- b) 3 and 4
- c) 5 and 6
- d) 1 and 2

23) Which of the following is the price at which the quantity demanded of a commodity is equal to the quantity supplied of the commodity and there is no unsold stock or no unsupplied demand?

- a) Selling price
- b) Market clearing price
- c) Asking price
- d) Future price

24) Which of the following is not an element of a market?

- a) Knowledge about market conditions
- b) No bargaining for a price
- c) A product or service
- d) Buyers and seller

25) On the basis of nature of transactions, market can be classified as

- a) Wholesale market and retail market
- b) Future market and spot market
- c) Regulated market and unregulated market
- d) Money market and Future market

26) The equilibrium quantity increases but the change in equilibrium price is uncertain, when

- a) Both demand and supply decrease
- b) Demand increases and supply decreases

c) Both demand and supply increase
d) Demand decreases and supply increases

27) Marginal revenue will be positive where price elasticity of demand is _____
a) Zero
b) More than one
c) Less than one
d) Equal to one

28) A seller realizes ₹25,000/- after selling 15 units and he realizes ₹35,000/- after selling 25 units, what is the marginal revenue here?
a) ₹ 2,500/-
b) ₹ 100/-
c) ₹ 1,000/-
d) ₹ 3,500/-

29) The _____ is the market where the commodities are bought and sold in bulk or large quantities.
Transactions generally take place between trades.
a) Wholesale market
b) Regulated market
c) Local market
d) Retail market

30) Which of the following is an example of monopolistic competition?
a) DeBeers and Diamonds
b) Hotels and pubs
c) Microsoft and Window
d) Dell and Lenovo

31) Which of the following is not a feature of the monopoly market?
a) Large seller of the product
b) No close - substitutes
c) Market power
d) Single seller of the product

32) Who propounded the price rigidity under kinked demand curve model of oligopoly?
a) Adam Smith
b) Karl Marx
c) Keynes
d) Paul A. Sweezy

33) A firm, to attain the equilibrium position under perfect competition has to satisfy which of the following conditions?
a) $MR > MC$
b) $MR = MC$
c) MR curve should cut MC curve from below
d) MC curve should cut MR curve from below

34) Which one of the following is not a characteristic of Oligopoly?
a) Strategic interdependence
b) Large number of firms selling close substitutes
c) Importance of selling cost
d) Group behaviour

35) A group of firm that explicitly agree (collude) to coordinate their activities is called a/an
a) Oligopsony
b) Duopoly

c) Monopsony
d) Cartel

36) Electricity companies sell electricity as a cheaper rate for power consumption in rural areas than for industrial consumptions. This is an example of
a) Product discrimination
b) Perfect competition
c) Price discrimination
d) Price taker

37) Non-price competition is observed in which type of following market?
a) Monopoly
b) Monopolistic Competition
c) Duopoly
d) Oligopoly

38) Which phase of business cycle is characterised by increase in national output, employment, aggregate demand, capital and consumer expenditure sales, profits etc.?
a) Depression
b) Contraction
c) Trough
d) Expansion

39) Coincident economic indicators are also called as
a) Leading Indicators
b) Concurrent Indicators
c) Headed Indicators
d) Capacity Indicators

40) According to whom "Business fluctuations are the outcome of some psychological states of mind of business community".
a) Marshall
b) A.C. Pigou
c) J.K. Hicks
d) Schumpeter

41) Which of the following is not a feature of business cycle?
a) Business cycles are contagious and are international in character.
b) Business cycles have uniform characteristics and causes.
c) Business cycles have serious consequences on the well-being of the society.
d) Business cycles generally originate in free market economies.

42) Variables that change before the real output changes are called as
a) Trade cycle
b) Business cycle
c) Leading indicators
d) Lagging indicators

43) In which of the following phase of a business cycle, actual demand stagnates?
a) Expansion
b) Peak
c) Contraction
d) Recovery

44) In a typical business cycle, in which phase 'Supply exceeds demand'.
a) Expansion
b) Peak

c) Contraction
d) Recovery

45) The rhythmic fluctuations in aggregate economic activity that an economy experiences over a period of time is called.
a) Business cycle
b) Recessions
c) Contraction phase
d) Recovery

46) Variables that change after real output changes are known as
a) Leading indicators
b) Cyclical indicators
c) Lagging indicators
d) Coincident indicators

47) Internal cause of Business cycles is
a) Fluctuations in investments
b) Natural factors
c) Technology shocks
d) Population growth

48) Which business cycle phases are known as Turning Points?
a) Trough and Depression
b) Peak and Trough
c) Expansion and Contraction
d) Peak and Boom

49) The famous book abbreviated as "The Wealth of Nations", which is also considered as the first modern work of Economics, was written by
a) Frederic Engels
b) Karl Marx
c) David Ricardo
d) Adam Smith

50) The economic system in which production and distribution of goods are aimed at maximizing the welfare of the community as a whole is known as:
a) Capitalism
b) Socialism
c) Mixed economy
d) Communist Economy

51) Study of the behaviour of different individuals and organizations within an economic system is called?
a) Industrial Economics
b) Macro Economics
c) Micro Economics
d) Welfare Economics

52) Which one of the following is not the scope of business economics?
a) Cost standards
b) Cost analysis
c) Demand analysis
d) Inventory management

53) Which of the following statement is correct?
a) Mixed economy is not always a 'golden path' between capitalism and socialism.
b) Socialistic economy is not always a 'golden path' between mixed and capitalism.

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

54) The concept of Socialist economy was propounded by
 a) Karl Marx and Adam Smith
 b) Frederic Engels and Adam Smith
 c) Frederic Engels
 d) Karl Marx and Frederic Engels

55) Business economics is pragmatic in its approach because?
 a) It tackles practical problem which the firm faces in real world.
 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

56) The 'Central Economics Problem' does not deal with which of the following economic problems?
 a) What to produce?
 b) How to produce?
 c) For whom to produce?
 d) Where to produce?

57) Business Economics is essentially a component of Applied Economics as it includes application of selected quantitative techniques. Which technique is not included in it?
 a) Regression analysis
 b) Capital budgeting
 c) Economic analysis
 d) Linear programming

58) Which of the following is not a study of Macro economics?
 a) Consumer behavior
 b) National Income
 c) General price level
 d) Level of employment

59) The central economic problem of an economy arises due to:
 a) Scarcity of resources relative to the wants
 b) Co-existence of private and public sector
 c) Govt. interference in economic activities
 d) Federal structure of Constitution

60) Of the following, who developed the Delphi technique of demand forecasting?
 a) Olaf Helmer
 b) David Richardson
 c) Michael Porter
 d) J.M. Keynes

61) Which of the following is not a feature of Private Company?
 a) There are no restrictions on transfer of shares.
 b) Minimum number of directors are 2.
 c) Private companies are exempted from fitting various committees of Board of Directors.
 d) It can start business upon incorporation.

62) In Business and Commercial knowledge (BCK) vocabulary, 'strategy' is originally belongs to which discipline?
 a) Animal psychology
 b) Military
 c) Biology

d) Economics

63) Human activities distinguishable by presence of the livelihood motives are known as:
 a) Economic activities
 b) Non-economic activities
 c) Emotional activities
 d) Sentimental activities

64) A company created for a future project and has no significant accounting transaction is called.
 a) Shell company
 b) Commercial Company
 c) One Person Company
 d) Dormant Company

65) Which of the following is not a feature of Limited Liability Partnership?
 a) Incorporation is mandatory
 b) It is a legal entity
 c) Limited liability
 d) Autonomy of being one's own boss

66) Which one of the following is an organic objective of business?
 a) Fitness of human resources
 b) Economic value added
 c) Sanitation
 d) Water and soil quality

67) Under which act a HUF enjoys a separate entity status?
 a) Partnership Act
 b) Companies Act
 c) Income Tax Act
 d) GST Act

68) An organization is planning to create a Joint Venture to cope up with environmental uncertainty. This is an example of the following type of organizational response to its environment.
 a) Administrative Response
 b) Collective Response
 c) Competitive Response
 d) Micro Environmental Response

69) Which of the following capability a company require to survive in long term?
 a) Frequent change in work force
 b) The ability to change
 c) Vision to acquire profit
 d) Expansion in territory of business

70) While scanning environment, events are which of the following?
 a) Group of similar events
 b) Current concerns on events
 c) Demand made by interested groups
 d) Observed and tracked

71) A strategic response where businesses are very passive in their behaviour is called as
 a) Least resistance
 b) Proceed with caution
 c) Dynamic response
 d) Strategic action

72) The event of conducting Common Wealth Games in India is an example of the following element of Macro Environment:

- Political-Legal Environment
- Socio-Cultural Environment
- Technological Environment
- Global Environment

73) What are the three classes of organization's internal responses that business can opt?

- Automatic Response, Comprehensive Response and Collective response.
- Administrative Response, Comprehensive Response and Collective Response.
- Administrative Response, Competitive Response and Collective Response.
- Automatic Response, Competitive Response and Collective Response.

74) An effective organizational strategy includes which of the following activities?

- Capitalizes on the opportunities through the use of threats.
- Neutralizes the threats by minimizing the impact of weaknesses.
- Neutralizes the opportunities by minimizing the impact of weaknesses.
- Capitalizes on the weaknesses through the use of threats.

75) Dividing consumer into groups based on different consumer characteristics, to deliver specially designed advertisements that meet these characteristics as closely as possible, is known as.

- Mass Marketing
- Market Targeting
- Market Segmentation
- Marketing Plan

76) The simultaneous purchase and sale of two identical commodities or instruments are called as

- Amortize
- Annuity
- Arbitrage
- Asset

77) The price of a security at the beginning of the trading days is called.

- Basket trading
- Base price
- Bid
- Book value

78) What is Hedge?

- It is a statistical measurement of change in the economy.
- It is used to reduce the risk of a particular investment and maximize the returns of an investment.
- It is a trading platform.
- It is a security which has a solid record of dividend payments.

79) Which of the following code consists of black squares arranged in a square grid on a white background, which can be read by an imaging device such as a camera until the image can be appropriately interpreted?

- Universal Product Code
- One Dimensional BarCode
- Black and White Code
- Quick Response Code

80) Amount which are owned to a company that need not to be paid back is called

- Assets
- Bad debts
- Bears
- Current Assets

81) 'Hunger to win customers for life' is the mission of which of the following company?
 a) Adani Ports and Special Economic Zones Limited
 b) Asian Paints
 c) Bharti Airtel Limited
 d) Cipla Limited

82) Which of the following Company have its headquarters in California, U.S.?
 a) Walman
 b) Intel Corporation
 c) American Express
 d) Microsoft

83) Which company was founded by 7 Engineers from Pune in 1981?
 a) Wipro
 b) Infosys
 c) ITC
 d) L & T

84) Management consultants advise business leads in which of the following area?
 a) Improve efficiency
 b) Increase sales
 c) reduce human resources
 d) Increase cost of inputs

85) Financial analysis are also called among which of the following?
 a) Management consultants
 b) Mutual fund analysis
 c) Financial guru
 d) Security analysis

86) "Caring for Life" is the slogan of which pharmaceutical company of India?
 a) Cipla Ltd.
 b) Dr. Reddy's Laboratories Ltd.
 c) Ranbaxy Ltd.
 d) Glaxo Ltd.

87) Which of the following is not a subsidiary of NTPC Limited?
 a) Kanti Bijlee Utpadan Nigam Limited
 b) Bharatiya Rail Bijlee Company Limited
 c) Patratu Vidyut Utpadan Nigam Limited
 d) Powerlink Transmission Limited

88) Who from the following helps a budding business to quickly launch a product and put it in the first lane of commercial success?
 a) Business incubator
 b) Freight forwarder
 c) Business accelerator
 d) Merchandiser

89) The Competition Commission of India was established on
 a) 14th August, 2003
 b) 14th September, 2003
 c) 14th October, 2003
 d) 14th November, 2003

90) MRTP Act, 1969 stands repealed with the enforcement of the following Act:
 a) Foreign Exchange Regulation Act, 1973

- b) Foreign Exchange Management Act, 1999
- c) Competition Act, 2002
- d) IRDAI Act, 1999

91) Which of the following Institution has a portfolio of Natural Resource Management Programmes involving diverse fields like Watershed Development, Tribal Development etc., through dedicated funds set up for the purpose?

- a) SEBI
- b) RBI
- c) SBI
- d) NABARD

92) A company who organizes shipments for the business firms to get goods from the manufacturer to final point of distribution is called as:

- a) A merchandiser
- b) A freight forwarder
- c) A financial consultant
- d) A business incubator

93) Which authority regulates and develops the Indian capital market and protects the interest of investors in the capital market?

- a) National Stock Exchange (NSE)
- b) SEBI
- c) RBI
- d) Bombay Stock Exchange (BSE)

94) Which of the following is one of the most significant macro policy indicator that impact business?

- a) Trade policy
- b) International trade
- c) Tax rates
- d) Rural policy

95) Type of privatization, where Government keeps hold of responsibility and private enterprise handles fully or partly the delivery product and services through franchise, grant, etc., is known as:

- a) Divestment
- b) Disinvestment
- c) Displacement
- d) Delegation

96) In which of the following sector, FDI is prohibited in India?

- a) Retail
- b) Nidhi Company
- c) Pharmaceutical
- d) Electronics

97) FIIs prefer to park their funds in which type of market?

- a) Stock
- b) Bullish
- c) Money
- d) Commodity

98) Which policies are meant for specific segments of society, it can be in the area of public distribution to people below poverty line, justice for women etc?

- a) Financial
- b) Distributive
- c) Facilitating
- d) Economic

99) Which of the following is an example of facilitating policy?

- a) Companies Act 2013
- b) Income Tax Policy
- c) Monetary Policy
- d) Micro-Small-Medium enterprises

100) Which of the following is not a source of infusion of foreign funds in India?

- a) Listing of a company in NSE through IPO.
- b) Non-Resident Indians.
- c) Foreign Institutional Investors.
- d) Overseas Citizens of India.

Q. No.	Ans						
1	D	26	C	51	C	76	C
2	A	27	B	52	A	77	B
3	A	28	C	53	A	78	B
4	D	29	A	54	D	79	D
5	A	30	B	55	A	80	B
6	B	31	A	56	D	81	C
7	B	32	D	57	C	82	B
8	D	33	D	58	A	83	B
9	C	34	B	59	A	84	A
10	D	35	D	60	A	85	D
11	B	36	C	61	A	86	A
12	B	37	B	62	B	87	D
13	D	38	D	63	A	88	C
14	D	39	B	64	D	89	C
15	B	40	B	65	D	90	C
16	D	41	B	66	A	91	D
17	C	42	C	67	C	92	B
18	D	43	B	68	B	93	B
19	B	44	C	69	B	94	C
20	C	45	A	70	D	95	D
21	D	46	C	71	A	96	B
22	A	47	A	72	D	97	B
23	B	48	B	73	C	98	B
24	B	49	D	74	B	99	D
25	B	50	B	75	C	100	A

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ECO

1. The demand for a firm's product when expressed as a percentage of industry demand it signifies the _____ of the firm
 - Product share
 - Market share
 - Demand
 - Supply
2. The substitution effect will be what when the price of the product falls/
 - Zero
 - Negative
 - Positive
 - Lower cost
3. In case of Veblen goods, the demand curve is
 - Horizontal
 - Vertical
 - Upward sloping to the right
 - Downward sloping to the right
4. Which of the following statements is not correct?
 - Geffen goods exhibit negative relationship between price and demand
 - Conspicuous goods exhibit positive relationship between price and demand
 - Incomplete information and irrational behaviour of consumer is one of the reasons of exception to the law of demand
 - Law of demand states inverse relationship between price of a commodity and its quantity demanded
5. Due to increase in price of coffee, the demand for tea increases. The two commodities under consideration are
 - Substitute goods
 - Complementary goods
 - Unrelated goods
 - Producers goods
6. Which of the following is not an exception to the law of demand?
 - Giffen goods
 - Speculative goods
 - Conspicuous goods
 - White goods
7. The demand for petrol decreases due to increase in its price, it is termed as
 - A decrease in demand
 - A change in demand
 - A contraction in demand
 - An increase in demand
8. Advertising elasticity of demand is typically _____
 - Negative
 - Zero
 - Infinity

(d) Positive

9. The demand for the commodity is _____ when a consumer is a habitual consumer.
 - (a) Relative elasticity
 - (b) Inelastic
 - (c) Unit elasticity
 - (d) Perfectly elastic
10. If the advertisement expenditure on X commodity increase by 20% and demand for it increases only by 5%. The advertisement elasticity of demand for X commodity is
 - (a) 0.25
 - (b) (-) 0.25
 - (c) 4
 - (d) (-) 4
11. If the proportionate change in price is greater than the proportionate change in quantity demanded of a commodity, the price elasticity of demand will be
 - (a) Zero
 - (b) Inelastic
 - (c) Elastic
 - (d) Infinite
12. A situation where after a price decrease, more units are sold causing increase in revenue is called as which of the following?
 - (a) Price effect
 - (b) Quantity effect
 - (c) Income effect
 - (d) Substitution effect
13. The price of X commodity decreases from 10 to 8, owing to which its demand increases from 100 to 120 units. Calculate the price elasticity of demand
 - (a) (-) 1
 - (b) 1
 - (c) 0.8
 - (d) 1.2
14. When elasticity is measured at a given point on the supply curve is called as which of the following?
 - (a) Unit elasticity
 - (b) Point elasticity
 - (c) Supply elasticity
 - (d) Limited elasticity
15. If the price of sugar increases from 8,000/- to 10,000/- per tonne and due to that quantity supplied of sugar increases from 2000 to 2500 tonnes. Compute the elasticity of supply
 - (a) (-) 1
 - (b) 1
 - (c) (-) 0.4
 - (d) 0.4
16. A vertical supply curve parallel to the Y-axis exhibits that the elasticity of supply is
 - (a) Zero
 - (b) Infinite

(c) Elastic
(d) Inelastic

17. Consumer's surplus = what the consumer is ready to pay minus _____?
 (a) What is actual price of the product
 (b) What is income of the consumer
 (c) What he actually pays
 (d) What is actual surplus

18. The indifference curve for two perfect complementary goods is _____
 (a) Slopes downward
 (b) L-shaped
 (c) U-shaped
 (d) Straight line

19. When total utility is diminishing, the marginal utility is
 (a) Diminishing
 (b) Zero
 (c) Negative
 (d) Increases

20. 'Land is heterogeneous' implies which of the following?
 (a) Two lands are alike
 (b) Two lands are not alike
 (c) Two lands are fixed
 (d) Two lands are mobile

21. Profit is income from which of the following?
 (a) Labour
 (b) Business
 (c) Land
 (d) Investment

22. Total economic costs = Explicit costs + Implicit cost + _____
 (a) Super normal profit
 (b) Super normal loss
 (c) Normal profit
 (d) Economic profit

23. Which cost decreases continuously with increase in production?
 (a) Average fixed cost
 (b) Average variable cost
 (c) Marginal cost
 (d) Average total cost

24. Which of the following is an example of a leading indicator?
 (a) Change in stock prices
 (b) Change in unemployment rate
 (c) Change in GDP
 (d) Change in commercial lending activity

25. Which of the following is not correct about the business cycles?
 (a) Business cycles have distinct phase of expansion, peak, contraction and 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 proportion

26. _____ sector cannot be included as 'cyclical' businesses.

- Electric goods
- House builder
- Agriculture
- Restaurants

27. Expansion phase of business cycle depicts characteristics except _____

- Consumer spending on goods and services tend to rise
- Business confidence tends to rise
- Interest rates and profits tend to rise
- Unemployment tends to rise

28. A typical feature of depression is _____ in the interest rate.

- Rise
- Constant
- Fall
- Infinity

29. Coincident economic indicators are also called as which of the following?

- Leading indicators
- Concurrent indicators
- Headed indicators
- Capacity indicators

30. Which of the following statement is correct for a business cycle?

- A Typical feature of depression is the rise in the interest rate
- A typical feature of depression is the constant interest rate
- Recession is the severe form of depression
- Depression is the severe form of recession

31. Which of the following statement is correct?

- No economy follows a perfectly timed cycle
- Economy follows a perfectly timed cycle
- Most of the economy follows a perfectly timed cycle
- Capitalist economy follows a perfectly timed cycle

32. Those variables that change after the real output changes are called as _____

- Lagging indicators
- Leading indicators
- Concurrent indicators
- Coincident indicators

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

- Expansion
- Peak
- Contraction
- Recovery

34. In which stage of the business cycle involuntary unemployment is almost zero?

- Expansion
- Peak
- Contraction
- Recovery

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

(a) Command economy
 (b) Military economy
 (c) Behaviouralist economy
 (d) Applied economy

36. Which of the following economic system is self-regulating and run by in available hands?
 (a) Mixed economic system
 (b) Socialistic economic system
 (c) Capitalist economic system
 (d) Planned economic system

37. Normative science suggests which of the following?
 (a) What should be
 (b) What to produce
 (c) How to produce
 (d) When to produce

38. _____ involves the predominance of bureaucracy and resulting inefficiencies and delays
 (a) Socialistic economy
 (b) Capitalist economy
 (c) Mixed economy
 (d) Free market economy

39. Which of the following statements is not correct?
 (a) Scarcity of resources is the key problem of all economies
 (b) Economic inequalities lead to wide difference in economic opportunities to people
 (c) Economic instability is very common under capitalism
 (d) Freedom of enterprise is one of the main characteristic of command economy

40. Which of the following statement is correct?
 (a) Mixed economy is not always a 'golden path' between capitalistic and socialistic economy
 (b) Socialistic economy is not always a 'golden path' between mixed economy and capitalism
 (c) Capitalistic economy is not always a 'golden path' between mixed economy and socialism.
 (d) Local economy is not always a 'golden path' between internal and international economy

41. Which of the following is the central problem of the economy?
 (a) Unemployment
 (b) Poverty
 (c) Scarcity of resources
 (d) Inflation

42. Business Economic is pragmatic in approach because of which of the following cause?
 (a) Based on assumptions
 (b) Tackles practical problems
 (c) Considers profit only
 (d) Considers internal value

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

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

44. Which of the following is not a subject matter of micro economics?
 (a) Behavior of firms
 (b) Location of industry
 (c) Consumer behavior
 (d) Foreign exchange rate

45. Which of the following is not a correct statement?
 (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

46. Assume that at price 100/- per unit, the quantity demanded is 900 units. When price falls to 90/- the quantity demanded increases to 100 units. Compute the marginal revenue.
 (a) 0
 (b) Rs. 10
 (c) Rs. 90
 (d) Rs. 100

47. When commodities are sold in small quantities are called as which of the following?
 (a) Wholesale market
 (b) Regulated market
 (c) Spot market
 (d) Retail market

48. It will be profitable for a firm to expand output till which of the following conditions?
 (a) Marginal revenue is greater than Marginal Cost
 (b) Marginal revenue is less than Marginal Cost
 (c) Marginal Cost is greater than Marginal Revenue
 (d) Marginal Revenue is equal to Marginal Cost

49. Very short period market is suitable for which of the following products?
 (a) Gold and silver
 (b) Vegetable and fruits
 (c) Bricks and sand
 (d) Supply of capital

50. A market is a network of dealings between which of the following?
 (a) Dealers and wholesalers
 (b) Buyers and sellers
 (c) Owners and channel partners
 (d) Sales man and competitors

51. Under monopoly market conditions MR is _____ than the AR
 (a) Less
 (b) Greater
 (c) Equal
 (d) Variable

52. Which of the following statement is not correct?

- Marginal revenue is the revenue of an additional unit sold of a commodity
- Total revenue is obtained by multiplying the total number of units sold with the price per unit of a commodity
- Average revenue is the revenue earned per unit of an output
- Total revenue is the sum total of average revenue

53. Another name of demand curve is

- MR curve
- AR curve
- TR curve
- MC curve

54. Non-price competition are observed in which type of following market?

- Monopoly
- Monopolistic competition
- Dupopoly
- Oligopoly

55. Price under monopoly is higher than price under _____

- Perfect competition
- Monopolistic competition
- Oligopoly
- Dupopoly

56. Product differentiation is the condition of which of the following market?

- Perfect competition
- Monopoly
- Monopolistic competition
- Oligopoly

57. Price rigidity concept is related to _____

- Dupopoly
- Monopoly
- Oligopoly
- Mono politic competition

58. Pure oligopoly occurs when _____

- The product is homogeneous
- The product is differentiated
- The industry is dominated by one large firm
- The absence of price leadership

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

- Infinite
- Equal to one
- Greater than one
- Less than one

60. Which of the following product market is close to perfect competition?

- Mobile phones
- Car
- Utensils
- Agricultural products

61. Which of the following is a correct statement?

- Firms have to incur a good deal of costs on advertising and other sales promotion measures in oligopoly market.
- A monopolist always earns supernormal profit
- Identical products are not found in a competitive market.
- Close substitute are available under monopoly

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

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- 1) Ram and sons are going for heavy advertisement campaign to enhance their sales. When analysed it was realised that the expenditure on advertisement by the company has gone up from ₹2,00,000 to ₹3,00,000 and the sales of this product increased from 10 lakh units to 20 lakh units. What is the advertising elasticity of demand? a) -1 b) 4 c) 2 d) 3
- 2) If the quantity demanded of mutton increases by 5% when the price of chicken increases by 20%, the cross-price elasticity of demand between mutton and chicken is: a) 0.25 b) -4 c) 4 d) -0.25
- 3) The households income rises by 20% in a year. The consumption of TV sets rises by 30%. What is income elasticity of demand? a) 1.5 b) 0.5 c) 0.4 d) 5
- 4) Which of the following methods calculates elasticity of demand by using formula: (lower segment of demand curve / upper segment of demand curve)? a) The arc elasticity method b) Cross elasticity method c) The income elasticity method d) The point elasticity method
- 5) When marginal utility is zero then total utility is: a) Maximum b) Lower c) Negative d) Increasing
- 6) _____ economic system is self regulating and run by invisible hands. a) Mixed b) Socialistic c) Capitalistic d) Planned
- 7) The basic problem of scarcity gives rise to: a) Technological problems b) Social problems c) Cultural problems d) Economic problems
- 8) Which of the following is NOT a basic problem of an economy? a) Whether to produce more of consumer goods or capital goods b) Whether to produce for rich people or for poor people c) Whether to lay emphasis on labour intensive techniques or on capital intensive techniques d) Whether to accept foreign direct investment in the economy
- 9) _____ involves the predominance of bureaucracy and resulting in inefficiencies and delays. a) Socialistic economy b) Capitalist economy c) Mixed economy d) Free market economy
- 10) Capitalist system offers incentives for: a) Efficient government decisions b) Efficient business decisions c) Efficient non-governmental decisions d) Efficient economic decisions
- 11) Peaks and troughs of the business cycle are known collectively as: a) Volatility b) Turning points c) Real business cycle event d) Equilibrium points
- 12) Which of the following characteristics does not belong to expansion path of business cycles? 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
- 13) The rhythmic fluctuations in aggregate economic activity that an economy experiences over a period of time are called: a) Inflation b) Unemployment c) Business cycles d) Growth rate
- 14) The phase of business cycle in which growth rate becomes negative and the level of national income and expenditure declines rapidly resulting in widespread unemployment: a) Contraction b) Recessions c) Depression d) Recovery

15) Trade cycles occur as a result of mismatch between aggregate demand function and aggregate supply functions. Who said this? a) Pigou b) Schumpeter c) Hawtrey d) Keynes

16) According to _____, trade cycles are occur due to onset of innovations. a) Hawtrey b) Adam Smith c) J.M. Keynes d) Schumpeter

17) _____ are the variables that change after the real output changes. a) Leading indicators b) Lagging indicators c) Coincident indicators d) Concurrent indicators

18) Which one of the following factors is an external cause or exogenous factor which may lead to boom or bust? a) Economical factor b) Social factor c) Natural factor d) Industrial factor

19) A firm producing 7 units of output has an average total cost of rupees 150 and has pay rupees 350 to its fixed factors of production whether it produces or not. How much of the average total cost is made up of variable costs? a) 100 b) 200 c) 50 d) 300

20) Total profits are maximized when: a) TR equals TC b) The TR curve and the TC curve are parallel c) TC exceeds TR d) TR exceeds TC

21) The marginal product of a variable input is described as: a) The additional output resulting from one unit increase in both the variable and fixed inputs b) The additional output resulting from one unit increase in fixed inputs c) The additional output resulting from one unit increase in the variable inputs d) The additional output resulting from all units increase in variable inputs

22) Which of the following statements is correct? a) Price rigidity is an important feature of monopoly b) Selling costs are possible under perfect condition c) Under perfect competition factors of production do not move freely as there are legal restrictions d) An industry consists of many firms

23) One of the leading companies in Paint Industry, Asian Paints, was incorporated in the year: a) 1962 b) 1942 c) 1868 d) 1980

24) Which bank provides the digital service Payzapp? a) Axis Bank Limited b) HDFC Bank Limited c) ICICI Bank Limited d) SBI

25) Which one of the following is NOT the strategic response to the environment? a) Administrative response b) Competitive response c) Collective response d) Political response

26) Indane LPG is the product of which corporation in India? a) ONGC b) IOC c) BPCL d) HPCL

27) The vision, "Be a model corporate entity with social responsibility committed to energizing lives through sustainable development," belongs to: a) IOCL b) NTPC c) ONGC d) PGCIL

28) Which of the following is not an example of cyclical business? a) Fashion retailers b) House Builders c) Restaurants d) Washing powder

29) Recent example of the Business cycle is 'the housing bubble' of the US economy. This bubble got bust in: a) 1930 b) 1998 c) 2000 d) 2007

30) Which of the following is not the correct feature of partnership? a) Agreement b) Two or more person c) Profit sharing d) Working together

31) Regulation of forex transactions is done by the: a) RBI b) Ministry of Finance c) SEBI d) World Bank

32) When was Reliance Industries Ltd incorporated? a) 1965 b) 1966 c) 1978 d) 1959

33) "To be the leading provider of financial services in India and a major global Bank" is the vision of which Indian Commercial Bank? a) State Bank of India b) Axis Bank Limited c) HDFC Bank d) ICICI Bank

34) Which of the following is NOT a regulatory institution? a) SEBI b) RBI c) IRDA d) ARC

35) "My customer is first" is the vision of which Bank? a) SBI b) Axis Bank c) HDFC Bank |d) Bank of Baroda

36) Which of the following sectors do not allow FDI in India? a) Textiles b) Automobiles c) Atomic Energy d) Insurance

37) NABARD is a: a) Commercial Bank b) Development Bank c) Universal Bank d) Investment Bank

38) Which one of the following is not a type of government policy from the perspective of the impact on business? a) Developmental b) Protective c) Regulatory d) Anti-trafficking

39) Which of the following is NOT meant by liberalisation? a) Decontrol b) Disinvestment of PSUs c) Freedom to do business d) Deregulation

40) Monetary policy does NOT concentrate upon: a) Interest rate b) Credit control c) Liquidity adjustment d) Disposable income

41) Domain in simpler terms means: a) An Object b) An Area c) A Subject d) A Knowledge

42) In PESTLE analysis 'P' stands for: a) Period b) Process c) Political d) Punctuality

43) National Water Mission is related to: a) Environmental Aspect b) Legal cause c) Social welfare d) Economic planning

44) Which of the following is not a fast-moving consumer goods? a) Groceries b) Bakery c) Confectioneries d) Automobile

45) The Companies Act, 2013 also provides for the incorporation of such a company that may be created for a future project or to hold an asset or intellectual property and has no significant accounting transaction. Name the company: a) Small company b) One Person Company

(OPC) c) Dormant company d) Banking company

46) Which of the following does not fall in the category of macro environment? a) Big Bazaar b) Fiscal policy c) Consumer Protection Act d) Type of government

47) Business and technology are: a) Interrelated b) Interdependent c) Interrelated and Interdependent d) Independent

48) Emergence of strong new competitors in the industry is an example of: a) Opportunity b) Threat

49) Which of the following is not a correct statement? a) 'Make in India' campaign is an example of political-legal environment b) Changes in corporate tax is an example of political-legal environment c) Increase in GDP is an example of economic environment d) Reliance Jio as a competitor of BSNL is an example of internal environment

50) Which one of the following is NOT a part of Economic policies? a) Industrial policy b) Technological policy c) Monetary policy d) Fiscal policy

Q. No.	Ans						
1	C	14	B	27	B	40	D
2	A	15	D	28	D	41	B
3	A	16	D	29	D	42	C
4	D	17	B	30	D	43	A
5	A	18	C	31	A	44	D
6	C	19	A	32	B	45	C
7	D	20	B	33	A	46	A
8	D	21	C	34	D	47	C
9	A	22	D	35	A	48	B
10	B	23	B	36	C	49	D
11	B	24	B	37	B	50	B
12	D	25	D	38	D		
13	C	26	B	39	B		

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JUNE 2023

- 1) Which of the following is not an exception to the law of demand?
 - a) speculative goods
 - b) Giffen goods
 - c) Necessary goods d) normal goods
- 2) Price effect is described as which of followings
 - a) income effect + Veblen effect
 - b) substitution effect + veblen effect
 - c) income effect + substitution effect
 - d) veblen effect + demonstration effect
- 3) Increase in price of pulses leads to increase in demand of green vegetables
 - a) Substitutes
 - b) complimentary goods
 - c) normal goods
 - d) none of the above
- 4) Leftward shift of demand curve of coffee represents
 - a) Decrease in demand
 - b) Increase in demand
 - c) Contraction d) Expansion
- 5) If the demand of Bajra decreases due to decrease in its price, then Bajra is a
 - a) Superior good b) Inferior good
 - c) Necessary good d) Luxury good
- 6) Movement along the same demand curve represents
 - a) Change in demand
 - b) Change in Quantity demand
 - c) Increase in demand
 - d) Decrease in demand
- 7) When two goods are unrelated then cross elasticity of demand will be _____
 - a) 0 b) c) 1 d) (-)
- 8) Suppose there is an increase in income by 15%, which increases demand by 30% the income elasticity of demand will be
 - a) 0.67 b) 0.5 c) 2 d) 1.0
- 9) When oranges has — (0.58) income elasticity the commodity orange is called as
 - a) orange is a necessary good
 - b) orange is a inferior good
 - c) orange is a substitute good
 - d) none
- 10) If the price of a gel pen increases from Rs.40 to Rs.50 and in response to this the quantity demand decreases from 25 units to 20 units. The coefficient of price elasticity will be
 - a) 1.25 b) -1.25 c) 0.8 d) -0.8
- 11) Which of the following method is used to calculate Elasticity of demand when price and quantity demand are large
 - a) Zero elasticity b) Cross elasticity
 - c) Point elasticity d) Arc elasticity
- 12) There is decrease in price of LED TV after budget announcement from Rs. 60000 to Rs.50000. As a result of which demand for it has increases from 1500 units to 2000 units. Elasticity of demand for LED TV will be
 - a) 1.27 b) 1.57 c) 0.63 d) 0.67
- 13) Due to introduction of 5G mobiles in the market , the price of such mobiles have increased by 20% and there by supply increased by 40% the elasticity of supply will be which of the following?
 - a) 0.5 b) -0.5 c) -2 d) 2
- 14) When No. of tourists increase at a place for which the room rent of hostel also increases. Then the elasticity of supply of room will be
 - a) Zero b) <1 c) >1 d) =1
- 15) If indifference curve is 'L' shaped then two goods will be called as
 - a) perfect superior goods
 - b) perfect inferior goods
 - c) perfect quality goods
 - d) perfect complementary goods

16) Supposing that total utility is 100 at 10 units of consumption of a commodity. If consumer increases the consumption by one more unit and owing to that total utility increases to 108. The marginal utility of last units consumed will be
 a) 8 b) 100 c) 108 d) 101

17) The concept of innovative entrepreneurship was propounded by
 a) Joel dean b) Schumpeter
 c) Marshall d) Karl Marx

18) Which one of the following is not a characteristic of land?
 a) Land is immobile
 b) Land is active factor
 c) Land has multiple uses
 d) Land is heterogeneous.

19) Returns to scale occurs due to _____
 a) Cmoil run b) long run
 c) very-small run d) undetermined.

20) Technological relationship b/w inputs & output.
 a) production function
 b) marketing
 c) supply function d) social function

21) The stage of "Decreasing returns to scale" will occur when
 a) decrease in output is less than increase in input
 b) decrease in output is greater than increase in input.
 c) increase in output is greater than increase in input.
 d) increase in output is less than increase in input.

22) In which phase of Business Cycles levels of investment & employment falls
 a) peak b) recession
 c) expansion d) contraction

23) Not a phase of business cycle
 a) peak b) trough

c) expansion d) reconstruction

24) From the following variance that change after real output changes areas
 a) coincide indicator
 b) coincide economy indicator
 c) lagging indicator
 d) concurrent indicator

25) Which of the following is not an example of lagging indicator
 a) consumer price index
 b) labour cost price per unit
 c) commercial lending
 d) personal income

26) Which of the following is extreme or exogenous following that lead to boom or burst
 a) economic factor b) social factor
 c) natural factor d) industrial factor

27) Which of the following is not an internal factor
 a) Fluctuations in effective
 b) Fluctuations in investment
 c) Macro economic policies
 d) Post war reconstruction

28) Which of the following industries are less sensitive to business cycle?
 a) consume goods industry
 b) Durable consumer goods industry
 c) Travel and Tourism Industries
 d) Food Grain processing Industries

29) Those variables that change before the real output changes prior to large economic adjustments are called as
 a) Coincident indicator
 b) Leading indicator
 c) Concurrent indicator
 d) Lagging indicator

30) Coincident indicators are also called as
 a) Lagging indicator
 b) Leading indicator
 c) Concurrent indicators d) None

31) Increase in national output and other economic variables is a characteristic of _____ in Business Cycles

- a) Trough
- b) Depression
- c) Contraction
- d) Expansion

32) Which is a feature of business cycles

- a) Pervasive in nature
- b) Occurs in restrictive market economy
- c) Periodical regularity
- d) It has same reasons

33) Under which of the following economy the consumer have limited freedom of choice

- a) social
- b) mixed
- c) capital
- d) restricted

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

—————
 ∞ m—————

- a)
- b) political
- c) Mixed
- d) Managerial economy

35) Economic is classified into _____

- a) Normative & positive
- b) Micro & Macro
- c) Internal & External
- d) None of the above

36) Which of the following is not a correct statement?

- 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

37) Which of the below enables application of economic logic and analytical tools to bridge the gap between theory and practice?

- a) Macro economics
- b) Micro economics
- c) Business economics
- d) Traditional economics.

38) An economic system in which all means of production are owned and controlled by private individuals for profit is called as?

- a) Free economy

b) Capitalist economy

c) Normative economy

d) Socialist economy.

39) Which of the following is the central problem of economy.

- a) Scarcity of resources
- b) Unemployment
- c) Poverty
- d) Inflation

40) Which of the following refers to the sum total of arrangements for the product and distribution of goods and services in society?

- a) Economic System
- b) Business System
- c) Capitalist Economic System
- d) Socialist Economic System

41) Which of the following is not the subject matter of micro economics.

- a) Consumer Behaviour
- b) Foreign Exchange Rate
- c) Behaviour of Firms
- d) Location of Industry

42) Capitalist economy solve their economic problems through which of the following

- a) Central Planning Authority
- b) Price mechanism
- c) Administered Prices
- d) Voting done by customers

43) Which of the following is one of the merits of socialism

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

44) Price of goods expresses _____ value.

- a) exchange
- b) cost
- c) demand
- d) fair

45) Another name of average revenue curve is

- a) production possibility curve
- b) Demand curve

c) supply curve d) indifference curve

46) Which one of the following is not element of market
 a) buyer b) service
 c) firm
 d) bargaining for price

47) When demand for commodity is decreasing as a result of fall in income and it's supply remains constant, what will be the impact on it's price
 a) Price increases b) Price decreases
 c) No change
 d) Uncertain change in price

48) On the basis of nature of transaction a market can be classified into which of the following
 a) Cash and forward market
 b) National and international market
 c) Organized and unorganized market
 d) Retail and wholesale market

49) Suppose a seller realises Rs.100 by selling 10th unit of commodity and Rs.120 by selling 11th unit. What is the MR of 11th Unit
 a) 100 b) 120 c) 20 d) 10

50) Product differentiation is the essential feature of
 a) perfect competition
 b) Monopolistic competition
 c) oligopoly competition
 d) Duopoly competition

51) In which type of the following market product is homogeneous in nature _____
 a) pure oligopoly b) pure monopoly
 c) pure duopoly d) pure competition

52) Not an objective of price discrimination
 a) To enjoy economics of scale
 b) To dispose off surplus stock
 c) To escape foreign market

d) To secure equity through pricing

53) which of the following is supply curve of competitive firm in short run
 a) Average variable cost curve
 b) Total cost
 c) marginal cost curve
 d) average fixed cost curve

54) when new firm enter into the market and compete with the existing firm is a situation called
 a) pure oligopoly b) open oligopoly
 c) collusive oligopoly
 d) competitive oligopoly

55) Under which of the following market condition both average and marginal revenue are same
 a) perfect competition b) Monopoly
 c) Monopolistic competition
 d) Oligopoly

Kinked demand curve hypothesis explain which of the following concept.
 a) price leadership b) price rigidity
 c) Group behavior
 d) Independent pricing

57) In which of the following, prices are determined by market forces of demand and supply
 a) Duopoly Competition
 b) Perfect Competition
 c) Monopolistic Competition
 d) Natural market

58) Which of the following is the characteristics of Monopoly
 a) Industry is dominating by larger number of firms
 b) Freedom to entry and exit
 *) No close substitutes
 d) Only two firms in the market

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DEC 2023

1) Which of the following is an exception to the law of demand? a) Substitute goods b) Marginal utility c) Conspicuous goods d) Cross elasticity of demand

2) If the percentage change in demand of good X is -2.5% and the percentage change in income is 5%, then the income elasticity for good X is _____ and the good X will be treated as _____ a) - 0.5, normal goods b) - 0.5, inferior goods c) 0.5, normal goods d) 0.5, inferior goods

3) If both the total revenue of a product and price are moving in the same direction, then the demand is a) Elastic b) Perfectly inelastic c) Inelastic d) Unrelated

4) The price of a good decreases from ₹ 80 to ₹ 40 per unit. If the price elasticity of demand for the given product is 1.5 and the original quantity is 20 units, then the new quantity demanded will be a) 15 Units b) 18 Units c) 35 Units d) 48 Units

5) Price of 1 can of pepsi is Rs 25. At this price, 10 cans of pepsi is demanded. If the price of cocacola increases from Rs 20 to Rs 30 per can, then quantity demanded of pepsi rises from 10 cans to 16 cans. Find the cross-price elasticity of pepsi. a) 1.2 b) 1.25 c) 0 d) 1

6) Calculate the price elasticity of demand if the household increases his demand for commodity x from 80 units to 100 units and price of a product x decreases by 10%. a) 2.5 b) 0.4 c) 10 d) 1.25

7) Cross elasticity of commodity X is (-)1.5. it indicates that commodity X is a) Complementary Goods b) Suspicious Goods c) Industrial Goods d) Substitute Goods

8) Dinesh's annual income increases from ₹ 3,00,000 to ₹ 3,60,000. Accordingly, he increases his purchases of commodity X from 50 Nos to 60 Nos. what is the Dinesh's income elasticity of demand for commodity X? (use Arc elasticity method) a) 0.5 b) 1.0 c) 2.0 d) Zero

9) At Rs. 5 per unit Ram supplies 500 units of commodity X. At what price , 650 units of X should be supplied for at unit elasticity of supply? a) 3.5 b) 4.5 c) 6.5 d) 7.5

10) If the elasticity of Supply is 5 and the price of product Y increases by 15%, then what percentage of quantity supplied will increase? a) 10% b) 3% c) 75% d) 15%

11) The Price Of Good Increases From ₹ 200 To ₹300. The Quantity Supplied Increases From 200 To 2500 Units. The elasticity of supply will be a) Less than one b) Greater than two c) Equal to one d) Equal to two

12) More consumption of commodity of X and less consumption of commodity Y make indifference curve. a) Slope downwards from left to right b) Intersect with each other c) Touch two axes d) Concave at mid-point

13) From the information provided, what will be the Total utility of 2nd unit Table: Unit 1 (TU 200, MU -), Unit 2 (TU -, MU 150), Unit 3 (TU 480, MU -) a) 350 b) 380 c) 50 d) 330

14) BL is the budget line. What does the points 'K' and 'H' represents from the consumer's point of view? a) Point 'K' is not reachable of the consumer, point 'H' shows under spending by the consumer b) Point 'K' and 'H' shows equal consumer spending behaviour. c) Point 'K' shows under spending by the consumer and point 'H' shows beyond the reach of consumer d) Point 'K' and 'H' shows the price ratio.

15) Innovation theory of entrepreneurship is Propounded by a) Schumpeter b) Frank Knight c) John Stuart Mill d) Jeremy Bentham

16) Which of the following is not a characteristic of labour? a) Labour is perishable b) Labour is an active factor c) Labour power differs from one labour to labourer d) Labour is immobile

17) Consider the examples-seeds, fuel, raw material etc. These are a form of capital, performs its functions in production for single use and is not available for further use. a) Individual capital b) Social capital c) Circulating capital d) Human capital

18) The Cobb-Douglas production function explained _____ returns to scale in production. a) Decrease b) Fluctuate c) Increase d) Constant

19) It shows all those combinations of different factors of production which give the same output to the producer is called _____ a) Kinked demand curve b) Isoquant curve c) Marginal cost curve d) Short run cost curve

20) Money not paid out to the owners of the firm for self-owned factors employed in a business and therefore not entered in the books of accounts is considered as a) Explicit cost b) Implicit cost c) Sunk cost d) Incremental cost

21) Which one of the following is statement is correct in relation to the profit in accounting and economic sense a) Accounting profit considers explicit and implicit costs. b) Accounting profit is generally less than the economic profit. c) Economic profit includes opportunity cost related with self-owned factors. d) No difference between accounting and economic profit

22) The fixed cost of a firm is Rs.300. The average Total cost is Rs.3 and an average variable cost is Rs.2.50. the firm's output will be _____ a) 850 Units b) 600 Units c) 600 Units d) 150 Units

23) Fiscal Policies are associated with _____ a) Government Expenditure b) Reserve Equipment c) Inflation d) Supply of money

24) Consumer price index number belongs to which of the following indicator? a) Leading Indicator b) Lagging Indicator c) Coincident Indicator d) Stock market Indicator

25) Which of the following is an external cause of business cycle? a) Fluctuations of effective demand b) Microeconomic Policy c) Changes in government Spending d) Technological shocks

26) Which of the following is a coincident indicator. a) New order of plant and Equipment b) Corporate Profits c) GDP d) Labour Cost per Unit

27) Production of new and better goods and services using new technology a) Troughs in business cycle b) Loss of employment c) Expansion of employment d) Reduced need of investment

28) It is very important to understand the phase of business cycle and is relevant for new business because _____ a) It affects the demand for their product. b) It helps frame appropriate policies and planning. c) It helps to decide an entry into the market. d) It affects their profits.

29) Expansionary monetary policy of government directs towards a) Reduction in inflation b) Rising of aggregate demand c) Decline in employment rate d) Increase in interest rates

30) Which business cycles phase are collectively known as Turning points? a) Peak & trough b) Expansion & Contraction c) Peak & boom d) Trough & depression

31) A measurable economic factor that changes before the economy starts to choose a particular pattern is a) Coincident indicator b) Leading indicator c) Cyclical indicator d) Lagging indicator

32) Which of the following is not a feature of business cycles? a) Business cycles are contagious and international in character. b) The duration of these business cycles will vary. c) The intensity of fluctuation varies d) The length of each phase is definite

33) XYZ is an Advertisement Agency. Its future projects are closely related to the rate of economic growth. Then XYZ business referred to as a) Durable business b) Non Durable business c) Cyclical business d) Non Cyclical business

34) Which one of the following is not for expansion phase of business cycle? 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

35) The word economics owes its origin with the Greek word Oikonomia which means a) Commodity b) Price c) Household d) Consumer expectations

36) Which type of industries not primarily profit oriented but are set by state for the welfare of the community? a) Combined sector b) Private sector c) Independent sector d) Public sector

37) _____ wrote "An inquiry into the nature and causes of wealth of nations" a) Adam smith b) Marshall c) Pigou d) Hicks

38) 'The Communist Manifesto' published in 1848 by Karl Max and Federic Engles propounded the concept of _____. a) Capitalist economy b) Socialist economy c) Laissez-faire economy d) Free market economy

39) In which type of central economic problem, an economy must decide whether more Indian electric toys should be produced and how many units of each toy should be produced. a) How to produce b) What to produce c) For whom to produce d) What provision should be made for economic growth

40) What implications does the resource scarcity of economy have? a) Political problems b) Economic problems c) Geographical problems d) Cultural problems

41) Which one of the following is not a scope of business economics a) Demand forecasting & Analysis b) Cost and production analysis c) Profit Analysis d) Capital budgeting

42) Impact of balances of trade and balances of payments on GDP are studied as a part of _____ a) Microeconomics b) Consumer economics c) Trade economics d) Macro economics

43) Match the following Table: a) Capitalist economy -> i) Central Planning; b) Mixed economy -> ii) Price Mechanism Note: The options match the items on the left to items on the right. a) (a) - (i); (b) - (ii); (c) - (iii) b) (a) - (iii); (b) - (i); (c) - (ii) c) (a) - (i); (b) - (ii); (c) - (i) d) (a) - (ii); (b) - (iii); (c) - (i)

44) In a _____ the producer is free to set up any type of firms produce goods and services of his choice. a) Capitalist economy b) Command Economy c) Centrally planned economy d) Planned economy

45) The India's Employment rate has increased in march 2023 as compared to March 2022. The study of this aspect comes under _____ a) Microeconomics b) Macro Economics c) Price theory d) Market Economics

46) _____ is price at which quantity demand of a commodity = Quantity supply and there is no unsold stock or no excess demand. a) Market Clearance Price b) Disequilibrium price c) Psychological Price d) Skimming Price

47) Grains sold in the market and paid cash immediately. Which type of market belongs to according to the nature of the transaction. a) Spot market b) Forward market c) Wholesale market d) Regulated market

48) A firm will earn _____ at equality between MC and MR a) Maximum profit b) Minimum profit c) No (zero) profit d) Maximum loss

49) Rajesh realizes ₹ 6000 while he is selling 60 units of mats and ₹ 7,200 while selling 61 units. His marginal revenue is _____ a) ₹ 118 b) ₹ 1,200 c) ₹ 6,000 d) ₹ 7,200

50) When MR = 0, then TR =? a) Minimum b) Maximum c) Zero d) Infinity

51) MR of nth term a) TR_n / TR_{n-1} b) TR_n + TR_{n-1} c) TR_n - TR_{n-1} d) TR_n - TR_{n-1} (Note: This option is identical to C in the image)

52) When price is ₹ 200, quantity demanded is 10 units. Then price decreases by 3% and quantity demanded increased by 20%. The marginal revenue will be: a) ₹ 164 b) ₹ 328 c) ₹ 300 d) ₹ 160

53) The relationship between AR and MR of a monopoly firm or imperfect competition is: a) AR cannot be zero, but MR can be zero or negative b) AR can be zero, MR also be zero or negative c) AR cannot be zero, MR cannot be zero or negative d) AR can be zero, but MR cannot be zero or negative

54) A Market Structure in which there is only a single buyer and a single seller is known as a) Bilateral monopoly b) Duopoly c) Oligopsony d) Monopsony

55) Telecom Industry is an example of a) Monopoly b) Perfect competition c) Monopolistic Competition d) Oligopoly

56) XYZ deals with financial products. Its demand curve will be a) Horizontal axis; perfectly elastic b) Vertical Axis; perfectly inelastic c) Horizontal axis; inelastic d) Vertical axis; elastic

57) In which type of oligopoly the firm sell their product through a centralized body a) Open oligopoly b) Full oligopoly c) Organized oligopoly d) Syndicated oligopoly

58) In the perfect competition, an individual firm demand curve is a) Horizontal b) Vertical c) Downward sloping d) Upward sloping

59) A group of firms that explicitly agree (called) to coordinate their activities is called a _____ a) Cartel b) Mutual group c) Friendship group d) Agreement

60) Electricity commission sells electricity of cheaper rate for home consumption in rural areas than for industrial consumption this is an example of a) Perfect Competition b) Price discrimination c) Product discrimination d) Price taker

61) Which of the following is not a feature of the monopoly market. a) Single seller of the product b) Large sellers of the product c) No close substitutes d) Market power

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JUNE 2024

NATURE & SCOPE OF BUSINESS ECONOMICS

Q.1. Under pragmatic approach, micro economics is abstract and purely _____ in nature and takes _____ assumptions
 (a) Pragmatic, Unrealistic (b) Practical, Realistic
 (c) Theoretical, Unrealistic (d) Theoretical, Realistic

Q.2. Which of the following is the subject matter of macroeconomics?
 (a) Behavior of firms (b) Factor Pricing
 (c) Overall level of savings and investments
 (d) The economic condition of section of people

Q.3. Mr.X had been given a task to segregate normative and non-normative statements. Help him to identify which one of these is normative economic statement?
 (a) Pollution level is rising day by day because of urbanization
 (b) The part time working hours of students should be increased to 25 hours per week
 (c) Due to the increased number of cars on roads, people will be stuck in traffic jams
 (d) The government has allotted a major portion of revenue in defense.

Q.4. What is the nature of business economics, which is an applied branch of economics?
 (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.5. Which statement differentiates Business Economics from Economics?
 (a) It is abstract in nature
 (b) It is a narrower concept than Economics
 (c) It is no different from Economics
 (d) It is pragmatic in nature

THEORY OF DEMAND

Q.6 Consumption of highly priced goods by status seeking rich people for conspicuous consumption is called as
 (a) Snob effect (b) Bandwagon effect
 (c) Demonstration effect (d) Veblen effect

Q.7 If the quantity demanded of coffee increased by 8% the price of tea increase by 25% the cross elasticity of demand between coffee and tea is
 (a) -0.32 (b) 0.32 (c) 3.125 (d) -3.125

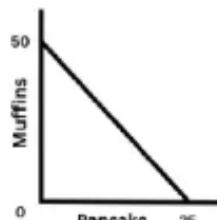
Q.8 Calculate the price elasticity of demand, when the price increases from Rs.20 to Rs22 and quantity demanded falls from 3000 to 2000 units (Midpoint method)
 (a) 4.2 (b) -4.2 (c) 4 (d) -4

Q.9 Mr. Z went to a stationery shop to buy pens. The price of pen decreased from ₹5 to ₹3 per unit. If the price elasticity of demand for pen is 2.5 and the original quantity demand for pen is 20, then how much is the new quantity of demanded
 (a) 10 (b) 40 (c) 30 (d) 20

THEORY OF CONSUMER BEHAVIOUR

Q.10 Ram wanted to purchase an Apple tab at Rs12,000/- . Actual price in the market(MRP) is Rs11,000/- and discount was given at 20%. Also there is an additional cash discount of Rs300, Find consumers surplus.
 (a) 3200 (b) 3500 (c) 1000 (d) 3300

Q.11 When the total income of a consumer is Rs.750 find out the prices of pancake & muffins respectively.



(a) 15,30 (b) 30,15 (c) 50,25 (d) 25,50

Q.12 A point above the budget line of a consumer represents
 (a) Represents costs less than the whole consumers income
 (b) Represents combination of goods which costs whole of consumers income
 (c) Represents a combination which is totally unattainable
 (d) Represents a combination that is attainable

THEORY OF SUPPLY

Q.13. When factors other than price changed causes the supply curve to shift to the left, then it is
 (a) Expansion of supply (b) Contraction of supply
 (c) Increase in supply (d) Decrease in supply

THEORY OF PRODUCTION

Q.14. Circulating capital means _____
 (a) Capital is durable source which gives returns for a specific period
 (b) Interest generated from capital and reinvested to earn more interest
 (c) Capital performs its production function in single use and not used further
 (d) Used for series of services over a period of time

Q.15. A person went to buy a land, and he thought one among the following is wrong feature with regarding to land
 (a) Homogeneous (b) Heterogeneous
 (c) Immobile (d) Limited in Supply

Production Analysis

L	TP	MP
1	200	200
2	380	180
3	-	160
4	680	-
5	-	120

Q.16. What is the marginal production of 4th unit?
 (a) 170 (b) 140 (c) 120 (d) 160

Q.17. What is the total output at 3rd unit?
 (a) 520 (b) 680 (c) 540 (d) 600

Q.18. What is the Average product of 5th unit?
 (a) 200 (b) 160 (c) 190 (d) 800

Q.19. Which of the following defines all those combinations of inputs which are capable of producing the same level of output is _____
 (a) Indifference curve (b) Iso quant
 (c) Iso cost (d) Budget line

THEORY OF COST

Q. 20. Which of the following is called envelope curve?
 (a) Average fixed cost curve (b) Short run average cost curve
 (c) Long run average cost curve (d) Average variable cost curve

Q.21. Find out A and B from the following table

Q	Total Cost	Fixed Cost	Variable Cost	Marginal Cost
10	1300	500	800	-
20	1900	500	1400	60
35	A	500	2100	B

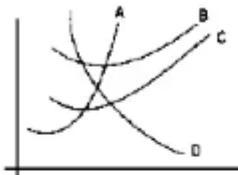
(a) 2600, 46.7 (b) 2600, 50 (c) 2660, 46.7 (d) 2660, 47

Q.22. The shape of long run average cost curve depends upon _____
 (a) Law of returns (b) Returns to scale
 (c) Diminishing returns (d) Law of variable proportions

Q.23. The normal returns on money capital invested by the entrepreneur himself in his own business is an example of _____
 (a) Explicit cost (b) External cost
 (c) Private cost (d) Implicit cost

Q.24. The money cost of production incurred by the firm such as wages, lightning, lease payment etc., are _____ cost.
 (a) Implicit cost (b) Opportunity cost
 (c) Outlay cost (d) Economic cost

Q.25. From the diagram answer the following:



- (a) A =MC, B =ATC, C =AVC, D =AFC
- (b) A =AC, B =MC, C =AVC, D =AFC
- (c) A =AFC, B =ATC, C =AVC, D =MC
- (d) A =MC, B =AVC, C =ATC, D =AFC

PRICE DETERMINATION IN DIFFERENT MARKET

Q.26. When the Marginal revenue = 0, then total revenue is _____ if the slope of TR is 0

- (a) Maximum
- (b) Minimum
- (c) Increasing
- (d) Decreasing

Q.27. Increase in demand and decrease in supply causes _____

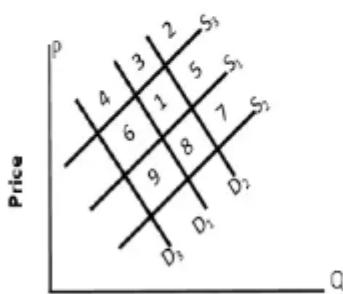
- (a) Equilibrium Price uncertain, Equilibrium quantity falls
- (b) Equilibrium Price rises, Equilibrium quantity falls
- (c) Equilibrium Price rises, Equilibrium quantity uncertain
- (d) Equilibrium Price falls, Equilibrium quantity uncertain

Q.28. Find the marginal revenue (MR) of markets A and B respectively. Where the AR in both the market is 21 and elasticities of demand and in market A and B are 3 and 7 respectively

- (a) 13.9, 17.9
- (b) 14, 18
- (c) 17, 18
- (d) 12,18

D1 & S1 are original demand and supply curve, D1, D3, D2, S2, S3 are possible new demand and supply curves. Starting for eq point (1), what is the new eq for each change.

Q.29. P visited supermarket for purchasing Jam. If the income of P increases and Prices of factor reduces, what is new eq price



Q.30. Heavy storm in Tamil Nadu caused damage to crops. What is new eq price & quantity.

(a) 4 (b) 3 (c) 2 (d) 6

Q.31. Edward expects a rise in price of motorcycles in next year. What is new eq price.

(a) 5 (b) 4 (c) 6 (d) 9

Q.32. In which market the price elasticity of demand is infinity?

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

Q.33. Strategic interdependence is a characteristic of which type of market?

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

Q.34. Relation between AR and MR in a monopoly is stated as

(a) AR can be zero, MR can be zero or negative
(b) AR and MR both are upward sloping
(c) AR curve lies halfway between MR and y-axis
(d) Slope of MR is twice that of AR

Q.35. In which form of market, patents and copyrights is given by the government to protect the intellectual property rights?

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

Q.36. Which feature of monopolistic competition differs from perfect competition?

(a) Larger number of sellers (b) Freedom of entry and exist
(c) Product differentiation (d) Differentiation activity

Q.37. If electricity department is charging Rs.3 per unit to farmers and Rs.7 per unit to industries it is described as

(a) Product differentiation (b) Price discrimination
(c) Monopoly (d) Differentiation activity

Q.38. When few firms of the oligopolistic market come to a common understanding with each other in fixing price and output, it is called _____

(a) Syndicate oligopoly (b) Collusive oligopoly
(c) Perfect oligopoly (d) Open oligopoly

BUSINESS CYCLES

Q.39. Which is the external cause of business cycle?

(a) Variations in government spending
(b) Macroeconomic policies
(c) Psychological factors (d) Technological shocks

Q.40. The variable that changes after the real income changes is known as _____ indicator.

(a) Leading (b) Lagging
(c) Coincident (d) They do not indicate anything

Q.41. Find the correct option

1) Hawtrey	a) Innovation		
2) Pigou	b) Money supply		
3) Schumpeter	c) Psychological factors		
4) Keynes	d) Effective aggregate demand		
(a) a,b,c,d	(b) b,c,a,d	(c) a,b,d,c	(d) b,a,d,c

DETERMINATION OF NATIONAL INCOME

Q.42. When NFIA is positive, then

(a) $GNP_{mp} < GDP_{mp}$	(b) $GNP_{mp} < GDP_{mp}$
(c) $GDP_{mp} < GNP_{mp}$	(d) $GDP_{mp} > GNP_{mp}$

Q.43. GDP at Market Price =

(a) GDP at Factor cost plus net indirect taxes
(b) NNP at market price minus indirect taxes
(c) GNP at market price plus net factor income from abroad
(d) None

Q.44. Gross Value added at market price (GVAmP) =

(a) Value of Output + Change in stock
(b) Value of Output + Intermediate consumption
(c) Value of Output + Change in stock - Intermediate consumption
(d) Value of Output - Intermediate consumption

Q.45. Disposable personal Income

(a) Total personal income left after tax deduction at source
(b) Personal Income - Direct Taxes paid by individual - indirect taxes paid by individual
(c) Personal income - personal income taxes - non tax payments
(d) Personal income - indirect taxes paid by individual

Using the following information

Q.46. Calculate the GDP Deflator for the year 2022 and 2023

Year	Nominal GDP in crores (Rs)	Real GDP in Crores (Rs)
2020	600	600
2021	1050	650
2022	1250	850
2023	1500	940

(a) 147.06 & 159.57	(b) 100 & 161.54
(c) 68 & 62.67	(d) 400 & 560

Q.47. The inflation rate between the years 2022 and 2023 is _____

(a) -7.84	(b) -8.51	(c) 8.51	(d) 7.84
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Q.48. Income received by household sector including non-profit institution serving household is called _____

(a) Per capita income	(b) Personal income
(c) National income	(d) Disposal income

Q.49. Joseph had a shoe company in US. The profits earned from its manufacturing unit operating in India will come under

(a) GDP of India and GNP of US	(b) GDP of US and GNP of India
(c) GNP of US and GNP of India	(d) GDP of US and GDP of India

Q.50. If nominal GDP and real GDP for the year 2015 are Rs.5000 crores and Rs.6700 crores respectively, then what will be the impact on change in prices with respect to base year?

(a) Prices will fall (b) Prices will rise
 (c) Not defined as base is year not given
 (d) No effect on prices

Q.51 Which of the following is not a reason for leakages?

(a) Part of an increment in income used for payment of debts
 (b) Distributed profits of corporation
 (c) High liquidity preference
 (d) Progressive rate of taxation

Q.52 Find the aggregate demand, when consumption is Rs.2000 crores, investment is Rs.700 Crores, Government Spending is Rs.750 Crores, total exports is Rs.150 Crores and total expenditure on imports are 50 Crores.

(a) 3550 Cr (b) 3300 Cr (c) 3600 Cr (d) 3350 Cr

Q.53 $C = 200 + 0.8Y_d$; $G = T = 150$; $I = 200$; $TR = 75$. Find equilibrium income.

(a) 625 (b) 2450 (c) 2250 (d) 800

Q.54 Which of the following is true for MPC?

(a) It is always greater than one
 (b) It is always less than unity but greater than zero
 (c) It can be even less than zero
 (d) It can attain any value depending upon the disposable income

Q.55. Investment multiplier is the _____

(a) Rate of change in investment due to increase in income
 (b) Rate of increase in the national income due to increase in the investment
 (c) Rate of change in the investment due to increase in the savings
 (d) Rate of change in savings due to increase in the investment

Q.56. If aggregate demand for an amount of output is less than the full employment level of output in the economy, then it gives rise to

(a) Inflationary Gap (b) Deflationary Gap
 (c) Potential Gap (d) Excess Demand

Q.57 Increase in investment by Rs500 crores will increase the national income by Rs.1500 crores. Can we find marginal propensity to consume?

(a) 3 (b) 0.75 (c) 0.70 (d) 0.66

PUBLIC FINANCE

Q.58. Allocative and Distributive functions of a government is a economic function.
(a) Micro (b) Macro (c) Both (d) None

Q.59. Who is responsible for the economic stabilization and the income redistribution in an economy?
(a) State government (b) Central government
(c) Central and state (d) Central, state, local bodies

Q.60. When smoking is completely banned by the government in public places like bus stand, schools, parks etc., then it is an example of
 (a) Direct control on negative production externality.
 (b) Direct control on positive production externality.
 (c) Command solution
 (d) Direct control on positive consumption externality

Q.61. Externalities leads to market failure because
 (a) They always result in negative outcomes for markets causing market failure
 (b) They represent cost or benefit which are not reflected in the market price
 (c) They are always associated with public goods and services
 (d) They prevent the production of private goods harming mankind.

Q.62. Fiscal federalism in India is maintained by?
 (a) Central Government (b) State government
 (c) RBI (d) Finance Commission

Q.63. The policy designed to restrain the level of economic activities of the economy during the inflationary phase is known as
 (a) Expansionary fiscal policy (b) Contractionary fiscal policy
 (c) Taxation policy (d) Budgetary policy

Q.64. In the period of sluggish economic activities, when the rate of utilization of resources is less, fiscal policy aims to compensate the deficiency in by boosting
 (a) Demand, private investment
 (b) Supply, export activities
 (c) Effective demand, aggregate spending
 (d) Production, supply

MONEY MARKET

Q.65. If Velocity=20, Average Price =120 and volume of transactions T = 150Cr then money supply will be
 (a) 2500 Cr (b) 25 Cr (c) 900 Cr (d) 1000 Cr

Q.66. Which of the following is a fiat money?
 (a) Gold Coins (b) Silver Coins
 (c) Currency Notes
 (d) Gold coins, Silver Coins as well as currency notes

Q.67. The transactionary demand for money is directly proportional to and is a positive function of
 (a) Level of price (b) Level of income
 (c) Level of demand (d) Level of interest rate

Q.68. People's desire to hold cash in order to be equipped to exploit any attractive investments opportunity requiring cash expenditure reflects
 (a) Transaction Motive (b) Speculative motive
 (c) Precautionary motive (d) Personal and business exchange

Q.69. What does the concept of liquidity trap mean?

- (a) Liquidity trap is a situation where the desire to hold bonds is very low and approaches zero; and the demand to hold money in liquid form as an alternative approaches infinity
- (b) Even if the public fear adverse events (deflation, war), then they prepare to hold only bonds at a given rate of interest.
- (c) The speculative money demand curve becomes parallel to the Y axis
- (d) None

Q.70. Calculate broad money M3?

- (a) Currency with public + demand deposits with banks
- (b) Currency with public + demand deposits with banks + net time deposits with the banking system
- (c) Currency with public + Savings with government banks
- (d) Currency with public + Demand Deposits with banks + Other deposits with RBI

Q.71. Calculate currency with public

Particulars	(in crores)
Notes with public in circulation	23,26,500
Currency of small coins in circulation	500
Currency of rupee coins in circulation	34,500
Cash in hand with banks	80,615

- (a) 22,80,885 Crores
- (b) 24,42,115 Crores
- (c) 22,45,885 Crores
- (d) 23,62,000 Crores

Q.72. Money Multiplier means

- (a) It decreases the total money supply for a given monetary base
- (b) It dictates interest rates set by RBI
- (c) The ratio of money supply to monetary base
- (d) It controls amount of gold reserves held by bank

Q.73. Which of the following is not a channel of monetary transmission mechanism?

- (a) Savings & investments channel
- (b) Cash Flow Channl
- (c) Exchange rate channel
- (d) International Trade Channel

Q.74. Open Market purchases of government securities by RBI will

- (a) Reduce the Money Supply
- (b) Reduce the reserves
- (c) Increase reserves
- (d) Reduce the reserves and there by reduces the money supply

Q.75. Theory of Comparative cost advantage is _____ in nature and it _____ take into account of factor price difference

- (a) Positive; does
- (b) Normative; does not
- (c) Positive; does not
- (d) Normative; does

INTERNATIONAL TRADE

Q.76. Mercantilism advocates

- Aggressive exports over imports to accumulate wealth
- Comparative advantage
- Absolute cost advantage
- Factor endowment

Q.77. GATT was established in the year

- 1945
- 1948
- 1995
- 2014

Q.78. Under WTO agreements, the countries cannot normally discriminate between their trading partners. This is referred to as

- National Treatment (NT)
- Most Favoured Nation (MFN)
- Promoting Fair Competition (PFC)
- Free Trade through negotiation (FTN)

Q.79. Group of countries that have a free trade agreement between themselves and may apply a common external tariff to other countries is referred as

- Trading Block
- Free-trade area
- Customs union
- Economic and monetary union.

Q.80. A total ban imposed by the government on imports or export of some or all commodities to particular country or regions for a specified or indefinite period is termed as

- Embargos
- Safeguard measure
- Distribution restrictions
- Restrictive measures

Q.81. Which of the following is levied as a fixed/constant percentage on the money value of an imported or exported good?

- Advalorem Tariff
- Compound Tariff
- Specific Tariff
- Bound Tariff

Q.82. Which of the following is not a negative outcome of tariff?

- Decreases revenue to the government
- Producers of the importing country increases the well being
- Domestic consumers suffer a loss in consumer surplus
- By ignoring comparative advantage, tariffs discourage efficient production in the rest of the world

Q.83. An increase in Real Effective Exchange Rate indicates

- A loss in trade competitiveness
- An increase in trade competitiveness
- Exports become more cheaper
- Imports become more costlier

Q.84. Number of units of a foreign currency can be exchanged for one unit of local currency is referred to as

- Direct Quote
- Indirect Quote
- European Currency
- Cross Quotes

Q.85. Not a component of FDI according to IMF:

(a) Equity capital	(b) Reinvestment earnings
(c) Portfolio investments	(d) Intra company loans

INDIAN ECONOMY

Q.86. E-amrit is related to

(a) One-stop destination for all information on electric vehicles
(b) Facilitates and improve access to Indian government data
(c) Improves air quality in India by accelerating the deployment of electronic vehicles.
(d) Provides a stimulus to exports and economic growth

Q87. Which revolution was materialized by innovative farm technologies including high yielding seed varieties and intensive use of water, fertilizers & pesticides?

(a) The Green revolution	(b) The Kisan revolution
(c) The Agriculture revolution	(d) The Fasal revolution

Q.88. PM Gati Shakti is related to

(a) Empowerment of MSMEs
(b) Data based decisions related to integrated planning of multimodal infrastructure thereby reducing the logistic cost.
(c) Manufacturing of electric and hybrid vehicle technology
(d) Automatic route for FDI

Q.89. Which of the following Sector contributes maximum to India's Gross Value Added?

(a) Primary sector	(b) Secondary sector
(c) Tertiary sector	(d) All of the above

Q.90. APEDA- full form

(a) Agricultural Product Export Development Agency
(b) Agricultural Produce Economic Development Association
(c) Animal Product Export Development Authority
(d) Agricultural & Processed Food Export Development Authority

Q.91. What does the E-NAM (Electronic National Agriculture Market) aim to achieve?

(a) Increase farm productivity
(b) Create a unified national market for agricultural commodities
(c) Provide financial support to farmers
(d) Promote organic farming

Q.92. Which of the following cause is reducing the ability of Indian agriculturalists to participate in domestic as well as export market?

(a) Low farming productivity and subsistence farming.
(b) Large amount of marketable surplus with farmers
(c) Dominated by big farmers and farm productivity
(d) Big landholdings by small farmers

Q.93. What is the main cause attributed to the immediate need for economic reforms in 1991?

- (a) Fiscal deficit was financed by huge amounts of domestic and external debts
- (b) Forex reserves touched the highest point
- (c) Persistent huge deficit led to declining public debt
- (d) Government's revenue expenditure consistently lowering revenue receipts.

Q.94. The Government of India has allowed 100% FDI in marketing of food products and in food product E-commerce under the route.

- (a) Automatic
- (b) Green channel route
- (c) Priority route
- (d) Trade route

Q.95. To develop the mechanism to formulate credible plans at village level and aggregate these progressively at higher level of government is an objective of

- (a) Ministry of rural development
- (b) NITI Aayog
- (c) Commission of policy and planning
- (d) Planning commission

Q.96. MRTP act, 1969, is aimed at regulation of which had relatively market power.

- (a) Large Firms, large
- (b) Large firms, small
- (c) Small firms, small
- (d) Small firms, medium

ANSWER SHEET
JUNE 2024

1.C	2. C	3. B	4. B	5. D	6. D	7. B	8. B	9. B	10. B
11.B	12.C	13.B	14.C	15.A	16.B	17.C	18.B	19.B	20.C
21.A	22.B	23.D	24.C	25.A	26.A	27.C	28.B	29.D	30.B
31.C	32.A	33.D	34.D	35.B	36.C	37.B	38.B	39.D	40.B
41.B	42.C	43.A	44.D	45.C	46.A	47.C	48.B	49.A	50.A
51.B	52.A	53.B	54.B	55.B	56.B	57.D	58.A	59.B	60.C
61.B	62.D	63.B	64.C	65.C	66.C	67.B	68.B	69.A	70.D
71.A	72.C	73.D	74.C	75.B	76.A	77.B	78.B	79.A	80.A
81.A	82.A	83.A	84.A	85.C	86.A	87.A	88.B	89.C	90.D
91.B	92.A	93.A	94.A	95.B	96.A				

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SEP 2024

1. Real money refers to: (A) Money demanded at given rate of interest (B) Real national income (C) Nominal GNP divided by price level (D) Nominal money adjusted to the price level
2. As of 1st February 2021, how many Regional Trade Agreements (RTAs) were in force worldwide? (A) 339 RTAS (B) 239 RTAS (C) 439 RTAS (D) 539 RTAS
3. Which of the following is the correct formula to calculate Excess Reserves? (A) Excess Reserves = Total reserves + Required reserves (B) Excess Reserves = Total reserves - Required reserves (C) Excess Reserves = Total reserves / Required reserves (D) Excess Reserves = Total reserves - Required reserves
4. What does RBI publish every six months, providing explanations of the sources of inflation and forecasts for the upcoming period of six to eighteen months? (A) Financial Stability Report (B) Economic Outlook Report (C) Monetary Policy Report (D) Inflation Targeting Framework
5. Reverse Repo rate is linked to repo rate in the following way: (A) Reverse Repo Rate = Repo Rate - 1 (B) Reverse Repo Rate = Repo Rate + 1 (C) Reverse Repo Rate = Repo Rate × 0.1% (D) Reverse Repo Rate = Repo Rate 0.01%
6. What does TRIPS stand for? (A) Trade-Related Aspects of Intellectual Property Rights (B) Trade-Related Agreements on Investment Policies (C) Transnational Regulations for International Product Standards (D) Trade Regulations for International Patent Systems
7. Suppose the exchange rate between INR and EUR changes from 1 EUR=80 INR to 1 EUR=85 INR. What can be said about the change in the value of the INR relative terms to the EUR? (A) INR has depreciated against the EUR. (B) INR has appreciated against EUR. (C) EUR has no effect against INR. (D) EUR has depreciated against INR.
8. What does the principle of Absolute Advantage refer to? (A) The ability to produce a greater quantity of a goods using the same amount of resources as competitors (B) The ability to produce a greater quantity of a goods using fewer resources (C) The ability to produce a lesser quantity of a goods using the same amount of resources as competitors (D) The ability to produce a greater variety of goods than competitors
9. The North American Free Trade Agreement (NAFTA), is a trade agreement signed between: (A) United States of America, Canada, and Mexico (B) United States of America and Canada (C) United States of America and Mexico (D) Canada and Mexico
10. A tariff which a WTO member binds itself with a legal commitment not to raise tariff rate above a certain level is known as: (A) Bound tariff (B) Applied tariff (C) Specific tariff (D) Most-favoured nation tariffs
11. Which of the following is covered under Technical Barriers to Trade (TBT)? (A) Only non-food traded products. (B) Only food products. (C) Only technical standard products. (D) Both food and non-food traded products.
12. What term is used for the rate between currencies Y and Z, which is derived from the given rates of another set of two pairs of currency (say, X and Y, and, X and Z)? (A) Ask rate (B) Bid rate (C) Spot rate (D) Cross rate
13. What is the main difference between Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI)? (A) FDI involves financial assets, while FPI creates physical assets. (B) FDI creates physical assets, while FPI involves only financial assets. (C) Both FDI and FPI create physical assets. (D) Both FDI and FPI involve only financial assets.
14. Foreign corporations invest in India to benefit from the country's particular investment privileges such as tax breaks and comparatively lower salaries. This type of investment is an example of: (A) Joint Venture (B) Foreign Portfolio Investment (C) Foreign Direct Investment (D) Strategic Alliance
15. On which date was the apex policy-making body, the Planning Commission, replaced by the National Institution for Transforming India (NITI) Ayog? (A) 1st July 2015 (B) 1st April 2015

(C) 1st January 2015 (D) 1st July 2016

16. Which government scheme supports and promotes organic farming, as well as the improvement of soil health? (A) Rashtriya Krishi Vikas Yojana (RKVY) (B) National Rural Employment Guarantee Act (NREGA) (C) Pradhan Mantri Fasal Bima Yojana (PMFBY) (D) Paramparagat Krishi Vikas Yojana (PKVY)

17. Which initiative aims at the empowerment of Micro Small and Medium Enterprises (MSMEs)? (A) Start-up India (B) Udyami Bharat (C) Make in India (D) Digital India

18. Transportation and storage, real estate service, public administration and education are the activities in India which are covered by: (A) Secondary sector (B) Primary sector (C) Tertiary sector (D) Private sector

19. Which of the following is a feature of green revolution? (A) Use of soil friendly green manure to preserve fertility of soil (B) Grow more crops by redistributing land to landless people (C) Diversification to horticulture (D) Use of high yielding varieties of seeds and scientific cultivation

20. On which date was the 'New Industrial Policy' announced by Government of India? (A) 24th July 1991 (B) 15th August 1947 (C) 26th January 1950 (D) 5th September 1992

21. Which of the following statement is true in relation to the object of The National Data and Analytics Platform (NDAP)? (A) To facilitate and improve access to Indian government data. (B) To ensure data security. (C) To convert all government data in electronic form. (D) To formulate a national cyber security law.

22. The India Development Update (IDU) report published in November 2022 is published by: (A) International Monetary Fund (IMF) (B) United Nations Development Programme (UNDP) (C) World Bank (D) Asian Development Bank (ADB)

23. What is the full form of DPIIT? (A) Department for Promotion of Industrial and Internal Trade (B) Department for Promotion of Industry and International Trade (C) Directorate for Promotion of Industry and Internal Trade (D) Department for Promotion of Industry and Internal Trade

24. Which of the following is not the aim of 'Methanol Economy' programme? (A) Reducing Greenhouse gas (GHG) emissions. (B) Converting coal reserves and municipal solid waste into methanol. (C) Reducing India's oil import bill. (D) Converting industrial waste into methanol.

25. Which of the following is related with the total arrangements for the production and distribution of goods and services in a society? (A) Economic Choice (B) Economic Problem (C) Economic System (D) Economic Institution

26. Business Economics is basically concerned with: (A) Managerial Economics (B) Applied Economics (C) Micro Economics (D) Macro Economics

27. Suppose the price elasticity of demand of a firm for its product is -1.2. If the price of the product is increased by 5%, then it is most probable that: (A) Both total revenue and profit would decrease. (B) Both total revenue and profit would increase. (C) Total revenue would decrease but profit may increase. (D) Total revenue would increase but profit may decrease.

28. Price in capitalist economy is determined by: (A) Big corporates (B) Small private firms (C) Market forces of demand and supply (D) Government

29. Sarah, runs a lemonade stall, her decision-making process involves assessing the demand for her lemonade, pricing strategies, and maximizing her profit within the limited scope of her small business. Which level of the economy does Sarah's lemonade stall represent? (A) Global Economy (B) Macro Economy (C) Micro Economy (D) National Economy

30. In which economy, the material means of production i.e. factories, capital, mines, etc. are owned by the whole community represented by the State? (A) Capitalist Economy (B) Socialist

Economy (C) Mixed Economy (D) Communist Economy

31. Mr. X and Mr. Y are rich rivals and, in a party, Mr. X wears an expensive dress and on seeing it Mr. Y who also has the same dress decided to reject the use of the same dress further. Rather Mr. Y will try to use an even more expensive one. Which effect affects Mr. Y? (A) Demonstration Effect (B) Bandwagon Effect (C) Snob Effect (D) Veblen Effect
32. If the income elasticity of a specific types of goods is greater than one, what does it suggest about the goods? (A) It is a normal goods. (B) It is an inferior goods. (C) It is a necessity goods. (D) It is a luxury goods.
33. The demand function of a product X (in kg.) is expressed as $Q=1000-50P$ where Q is the quantity demanded and P is the price of the product. When price of X is 10 per kg., its price elasticity will be: (A) 1 (B) -1 (C) -2 (D) 2
34. With respect to the properties of indifference curve which of the following statement is false? (A) Indifference curve is a negatively sloped line. (B) Higher indifference curve represents higher level of satisfaction. (C) Intersecting point of two indifference curves represents highest level of satisfaction. (D) An indifference curve is convex to the origin.
35. The price of a commodity is 10 per unit. At this price quantity supplied is 500 units. Price elasticity of supply of the commodity is 1.25. At what price the quantity to be supplied would be 20% more? (A) 11.60 (B) 8.40 (C) 12.50 (D) 7.50
36. If change in quantity demanded is 60% and change in advertisement expenditure is 20% then what will be the advertisement elasticity? (A) 0.33 (B) 3 (C) 6 (D) 20
37. At higher levels of output average total cost curve and average variable cost curve come closer because: (A) Average variable cost remains constant. (B) Average fixed cost remains constant. (C) Average fixed cost accounts for relatively smaller percentage of average total cost. (D) Average variable cost accounts for relatively smaller percentage of average total cost.
38. An increase in consumer surplus is likely to occur when: (A) There is a fall in price of goods. (B) There is a rise in price of goods. (C) Demand decreases. (D) Supply increases.
39. Which tool does the ordinal utility approach uses to analyse consumer behaviour and is based on consumer preferences? (A) Law of Diminishing Marginal Utility (B) Indifference Curve Analysis (C) Elasticity of Demand (D) Consumer Surplus
40. The price of 1 kg. of tea is 50. At this price, 10 kg. of tea is demanded. If the price of coffee rises from 30 to 40 per kg., the quantity demanded of tea rises from 10 kg. to 15 kg. What will be the cross price elasticity of tea? (A) -1.5 (B) +1 (C) +1.5 (D) -1
41. How is production in the economic sense distinguished from non-market activities performed within a household? (A) Exchange in the market (B) Involvement of love and affection (C) Voluntary nature of the activity (D) Intangible outputs
42. A firm produces 5 units of output at average fixed cost of 4 per unit. For production of 10 units of output average cost is 7 per unit. Average variable cost for producing 10 units of output is: (A) 5 (B) 4 (C) 6 (D) 10

Questions 43-44 refer to the following table:

Hours 1: Total Product 20, Average Product 20

Hours 2: Total Product 50, Marginal Product 30

Hours 3: Total Product 90

43. What is the average product for the third hour of labour? (A) 30 (B) 25 (C) 35 (D) 40

44. What is the marginal product of the second hour of labour? (A) 20 (B) 10 (C) 30 (D) 40

45. Which of the following expenses is included in cost of production and termed as accounting cost? (A) Expenses incurred on Research & Development. (B) Wages paid to workers employed in the factory. (C) Expenses incurred on advertising. (D) Common costs incurred for general operation of business.

46. What will be the total amount of sunk cost on the basis of following information?

1. Fuel and power: 1000
2. Research and development: 150
3. Rent: 9
4. Wages: 10
5. Advertisement: (A) 155 crores (B) 1,150 crores (C) 159 crores (D) 164 crores

47. When does the Law of Variable Proportions, or the Law of Diminishing Returns, become relevant? (A) In the short run (B) In the long run (C) In both the short and long run (D) Only when all factors are variable

48. What is the primary characteristic of Decreasing Returns to Scale? (A) Total output increases at a decreasing rate (B) Total output increases at an increasing rate (C) Total output remains constant (D) Total output decreases

49. What term is used to describe costs that remain fixed over a certain range of output but suddenly jump to a new higher level when output goes beyond a given limit? (A) Semi-variable cost (B) Variable cost (C) Stair-step variable cost (D) Sunk cost

50. Which market covers a wider area such as a few adjacent cities, parts of states, or a cluster of states? (A) National Market (B) Regional Market (C) International Market (D) Local Market

51. When should a competitive firm consider shutting down its operations? (A) When the price is below Average Variable Costs (AVC). (B) When the price is above Total Variable Costs (TVC). (C) When the price is equal to Total Revenue (TR). (D) When the price is constant.

52. The supply curve of a perfectly competitive firm in the short run is: (A) the portion of the Marginal Cost curve which lies above the minimum point of Average Variable Cost curve. (B) the portion of the Marginal Cost curve which lies below the minimum point of Average Variable Cost curve. (C) the portion of the Average Cost curve which lies below the minimum point of Average Variable Cost curve. (D) the part of the Average Cost curve which lies above the Marginal Cost curve.

53. Three major smartphone manufacturers, Alpha Tech, Beta Mobile, and Gamma Gadgets, dominate the smartphone market. These companies are in constant competition for market share and innovation. Which type of the market structure has been described in this scenario? (A) Oligopoly (B) Monopoly (C) Perfect Competition (D) Monopolistic Competition

54. If Marginal Revenue (MR) for Unit 1 is 10, for Unit 2 is 5, and for Unit 3 is 3 then what will be the amount of Total Revenue (TR)? (A) 10 (B) 15 (C) 8 (D) 18

55. Talcum powder market is an example of which of the following market? (A) Imperfect Oligopoly (B) Collusive Oligopoly (C) Open Oligopoly (D) Close Oligopoly

56. A software company engages in price discrimination for its product. The company identifies different market segments and charges different prices based on perceived differences in willingness to pay. This is possible under which situation? (A) A Monopoly (B) Monopolistic competition (C) Perfect competition (D) Oligopoly competition

57. What happens to the equilibrium price when there is a decrease in supply with no change in

demand? (A) Equilibrium price remains constant. (B) Equilibrium price goes down. (C) Equilibrium price goes up. (D) Equilibrium quantity increases.

58. In the case of demand decreasing and supply increasing, what is the expected impact on equilibrium price? (A) Equilibrium price falls (B) Equilibrium price rises (C) Equilibrium price remains constant (D) Equilibrium price remains uncertain

59. In Ricardo's view, what does "Exchange Value represent? (A) The subjective preferences of individuals (B) The cost of production of a commodity (C) Power in exchange over purchasable commodities in general (D) The quantity of labour embodied in a commodity

60. Condition for equilibrium of firm under perfect competition: (A) Where Average Revenue (AR) is equal to the Average Cost (AC). (B) Where Marginal Revenue (MR) is equal to the Marginal Cost (MC). (C) MC curve cuts MR curve from below. (D) Where MR = MC and also MC curve cuts MR curve from below.

61. A market structure in which all firms individually are price takers is known as: (A) Monopoly (B) Monopolistic competition (C) Perfect competition (D) Oligopoly

62. According to the Kinked demand curve hypothesis, why does the demand curve facing an oligopolist have a 'Kink' at the prevailing price level? (A) To make the demand curve visually interesting (B) To create confusion among competitors (C) The segment above price is highly elastic, and below it is inelastic (D) It is a graphical error in the representation

63. A market structure in which there is only a single buyer and a single seller is known as: (A) Bilateral Monopoly (B) Monopsony (C) Oligopoly (D) Duopoly

64. Monopolistic Competition is characterized by: (A) Many sellers selling differentiated products to many buyers. (B) Many sellers selling identical products to many buyers. (C) Few sellers selling identical products to many buyers. (D) Few sellers selling competing products to selective buyers.

65. Suppose the consumption of an economy is given by $C=30+0.5Y$ and investment $I=12+0.15Y$. What will be the equilibrium level of National Income? (A) 115 (B) 120 (C) 105 (D) 112

66. Which of the following refers to the mixed income of the self-employed? (A) Wages due to non-economic activities (B) Combined factor payments which are not distinguishable (C) Net profits received by self-employed (D) Outside wages received by self-employed

67. What does Disposable Personal Income (DPI) represent? (A) The income individuals have for consumption or saving (B) The total income earned by individuals before taxes (C) The total savings accumulated by individuals (D) The total income of a country's government

68. The ratio between nominal GDP and real GDP is known as: (A) Gross Domestic Product deflator (B) Inflation Rate (C) Gross National Product (D) Net National Product

69. If the GDP Deflator of a country in the year 2020 is 140.75 and in the year 2021 is 157.33, then what is the inflation rate in the year 2021? (A) 10.97% (B) 9.09% (C) 11.78% (D) 12.34%

70. If GDP at market price is 6,700 crore and depreciation is 530 crore, then what will be the NDP at market price? (A) 6,170 crore (B) 6,200 crore (C) 7,230 crore (D) 6,690 crore

71. In the three-sector model of a closed economy (neglecting foreign trade), what are the three components of aggregate demand? (A) Consumption, Exports, and Government Spending (B) Consumption, Savings, and Investment (C) Consumption, Investment, and Government Spending (D) Consumption, Imports, and Exports

72. According to the Keynesian theory of income and employment, national income depends upon: (A) Aggregate Effective Savings (B) Aggregate Effective Supply (C) Aggregate Effective Demand (D) Aggregate Effective Production

73. What are the phases included in the circular flow of income? (A) Production, Income and

Taxation (B) Production, Saving and Expenditure (C) Production, Distribution and Disposition
(D) Income, Saving and Investment

74. Which of the following is not the limitation in the computation of the national income? (A) Services of durable goods (B) Issue of transfer payments (C) Difficulty of incorporating the distribution of income (D) Quality improvements due to technological innovations

75. Which method measures the contribution of each producing enterprise in the domestic territory of a country over an accounting year by consolidating production of each industry less intermediate purchases from all other industries? (A) Value Added Method (B) Income Disposal Method (C) Income Method (D) Expenditure Method

76. What will be the GDP at market price (GDP_{MP}) on the basis of following information?

6. GNP_{MP}: 1100
7. Net Factor Income from Abroad: 200
8. Depreciation: 50
9. Net Indirect Tax: 100 (A) 1,050 crores (B) 1,000 crores (C) 900 crores (D) 1,300 crores

77. Which of the following is not a correct formula to calculate NNPMP? (A) NNPMP=NDPMP + Net Factor Income from Abroad (B) NNPMP=GNPMP - Depreciation (C) NNPMP=GDPMP + Net Factor Income from Abroad - Depreciation (D) NNPMP=NDPMP - Depreciation

78. The state-level estimates are typically prepared by the State Income Units of the respective states. Which organization is primarily responsible for this task? (A) Central Statistical Organization (CSO) (B) Directorates of Economics and Statistics (DESs) (C) Ministry of Finance (D) Reserve Bank of India

79. What will be the Total Income if the value of Average Propensity to Consume (APC) is 0.45 and Total Consumption = 900 crores? (A) 2,000 crores (B) 2,500 crores (C) 2,050 crores (D) 2,100 crores

80. During what time, the production of weapons and arms, etc. increase and most of the resources of the country are diverted for their production? (A) Pre-War (B) Post-War (C) War (D) Peace

81. In Recovery phase of business cycle, the process of reversal is initially felt in the: (A) Labour market (B) Capital market (C) Agriculture market (D) Financial market

82. Sarah is considering purchasing a used car from a private seller named John. John claims that the car is in excellent condition and has never been in an accident. However, John is aware that the car had significant damage in the past due to an accident, but he has repaired it without disclosing this information to Sarah. Based on the case described, what concept of economics does this scenario illustrate? (A) Lemons Problem (B) Moral Hazard (C) Market Power (D) Government Interventions

83. When there is fall in the levels of investment and employment, producers do not instantaneously recognise the pulse of the economy. What is indicated by this situation? (A) Expansion (B) Peak (C) Contraction (D) Trough and Depression

84. What is the term for the lowest point of economic activity in a business cycle, where unemployment is high, and production is at its lowest? (A) Trough and Depression (B) Prosperity (C) Peak (D) Expansion

85. Business whose fortune is closely linked to the rate of economic growth is referred to as: (A) Seasonal Business (B) Cyclical Business (C) Static Business (D) Dynamic Business

86. Under which Supreme Court verdict do the Union and State Legislatures have "equal, simultaneous and unique powers" to make laws on Goods and Services Tax (GST)? (A) July

2021 verdict (B) June 2020 verdict (C) Feb. 2022 verdict (D) May 2022 verdict

87. Under institutional responsibility for public debt management, external debt is the responsibility of: (A) Ministry of Finance (B) Reserve Bank of India (C) Department of Economic Affairs (D) State Government

88. If the primary deficit is 20,500 crores and the net interest liabilities of a country are 3,500 crores then what will be the fiscal deficit? (A) 21,500 crores (B) 17,000 crores (C) 19,500 crores (D) 24,000 crores

89. Which Articles of the Indian Constitution contain specific provisions regarding the distribution of finances among states? (A) Articles 248 to 257 (B) Articles 356 to 369 (C) Articles 268 to 281 (D) Articles 292 to 304

90. Richard Musgrave introduced a three-branch taxonomy describing the role of government in a market economy. What are these branches? (A) Resource allocation, income redistribution, and macro economic stabilization (B) Resource allocation, income generation, and price stability (C) Production efficiency, income equality, and fiscal sustainability (D) Price regulation, employment generation, and fiscal responsibility

91. All revenues received, loans raised and all moneys received by the government in repayment of loans are credited to the: (A) Contingency fund of India (B) Consolidated fund of India (C) Public provident fund of India (D) Public Account

92. What actions can be taken during Inflation? (A) Implement austerity measures and reduce government spending. (B) Introduce subsidies and reduce tax rates. (C) Levy new taxes and raise the rates of existing taxes. (D) Increase government borrowing and stimulate demand.

93. Which of the following are considered tools of fiscal policy? (A) Taxes, government expenditure, public debt and the budget (B) Taxes, subsidies and tariffs (C) Monetary policy, interest rates and inflation targeting (D) Exchange rates, capital controls and quantitative easing

94. The following figures relate to country A for a particular financial year:

10. Revenue deficit: 10,000

11. Fiscal deficit: 24,000

12. Net interest liability: 2,000

13. Borrowing: 6,000

14. Expenditure on revenue account: 3,000 What will be the primary deficit of country 'A'? (A) 22,000 crores (B) 8,000 crores (C) 18,000 crores (D) 21,000 crores

95. Which of the following is NOT a function of money? (A) Acting as a medium of exchange (B) Providing a common measure of value (C) Serving as a unit of account (D) Easily reproducible by people

96. The concept of "aversion of risk" is propounded by: (A) Milton Friedman (B) James Tobin (C) John Maynard Keynes (D) Alfred Marshall

97. What type of currency is issued by the central bank? (A) Digital money (B) Commodity money (C) Fiat money (D) Representative money

98. In an economy, the money supply (M) is 500 crores, the velocity of money (V) is 5 and the total number of transactions (T) is 10,000. Calculate the average price level (P) in the economy. (A) 25 lakhs (B) 25 thousand (C) 50 lakhs (D) 50 thousand

99. If the monetary base in an economy is 250 crores through an open market operation by the central bank, and the money supply is 1,000 crores, calculate the money multiplier. (A) 1 (B)



0.25 (C) 4 (D) 0.40

100. If the reserve ratio (R) is 0.10 and there is an increase in the reserves by 1,000, what will be the change in the money supply? (A) 1,000 (B) 10,000 (C) 100 (D) 10



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1. Nominal GDP is:
 (A) Same as real GDP
 (B) Real GDP less depreciation
 (C) GDP at current prices
 (D) GDP at constant prices

2. The investment multiplier is defined as the ratio of:
 (A) change in investment due to change in saving
 (B) change in demand due to change in investment
 (C) change in consumption due to change in investment
 (D) change in national income due to change in investment

3. The ratio of total consumption to total income is known as:
 (A) Average Propensity to Consume (APC)
 (B) Marginal Propensity to Consume (MPC)
 (C) Saving function
 (D) Income function

4. When entrepreneurs are pessimistic about future market conditions:
 (A) It does not impact the economy.
 (B) Expansionary phase may begin.
 (C) Economy faces contraction in economic activities.
 (D) Investments tend to increase.

5. While using the income method, which of the following income is included while calculating national income?
 (A) Capital gains
 (B) Windfall profits
 (C) Income from sale of second-hand goods
 (D) Commissions and brokerages

6. Calculate Gross value added at market price if sales = 750, opening stock = 300, closing stock = 200 and intermediate consumption is 250.
 (A) 400
 (B) 450
 (C) 600
 (D) 650

7. Changes in stock price, new orders for capital and consumer goods are examples of:
 (A) Leading indicators
 (B) Lagging indicators
 (C) Coincident indicators
 (D) Non-economic indicators

8. Variables that change after the real output changes are called:
 (A) Leading indicators
 (B) Lagging indicators
 (C) Coincident indicators
 (D) Non-economic indicators

9. Taxes on agriculture income is levied by:
 (A) Central government

(B) State government
 (C) Both central and state government as they are in concurrent list.
 (D) Local self-government

10. Government's direct production of an economic good e.g. electricity and public transportation services are example of:
 (A) Allocation function
 (B) Distribution function
 (C) Stabilization function
 (D) Protection function

11. Which of the following is not a characteristic of business cycle?
 (A) They occur periodically.
 (B) They are recurrent.
 (C) They occur at regular intervals.
 (D) They have distinct phases of expansion, peak, contraction and trough.

12. Which of the following is not an internal cause of business cycles?
 (A) Fluctuations in effective demand
 (B) Fluctuation in investment
 (C) Variations in government spending
 (D) Technology shock

13. When the outcomes of a policy are not visible for some time, it is called:
 (A) Recognition lag
 (B) Decision lag
 (C) Implementation lag
 (D) Impact lag

14. The excess of the government's total expenditure over its total receipts excluding borrowings is termed as:
 (A) Revenue deficit
 (C) Primary deficit
 (B) Fiscal deficit
 (D) Budgetary deficit

15. The receipts which neither create any liability nor cause any reduction in the assets of government are called:
 (A) Non-debt capital receipts
 (B) Debt capital receipts
 (C) Revenue receipts
 (D) Estimated receipts

16. Which of the following is applied on inter-state movement of goods and services and on imports and exports?
 (A) CGST
 (B) SGST
 (C) IGST
 (D) Income tax

17. A progressive direct tax system ensures:
 (A) Economic growth with stability because it distributes the burden of taxes unequally.
 (B) Those who have greater ability to pay contribute more and the tax is distributed fairly among the population.

(C) Uniform taxes for all.
(D) Luxuries are taxed heavily.

18. Non-debt capital receipts of government include
(A) Market loans for different purposes
(B) State provident fund (Net)
(C) Securities issued against small savings
(D) Recoveries of loans and advances

19. Which of the following is not a characteristic of money?
(A) Generally acceptable
(B) Effortlessly recognisable
(C) Easily transportable
(D) Easily reproducible by people

20. The currency issued by the Central Bank is known as by supporting reserves and its value is a sovereign guarantee and is backed
(A) Real money
(B) Credit money
(C) Fiat money
(D) Sovereign bonds

21. Considering that with a money multiplier of 1.5 there has been an increment of 600 cr of money supply.
Find out the monetary base.
(A) ₹800 cr
(B) ₹200 cr
(C) ₹400 cr
(D) ₹900 cr

22. Calculate Narrow Money M1 from the following data.

Currency with public	₹88,000 cr
Demand deposit with the banking system	₹2,20,000 cr
Time deposit with the banking system	₹2,40,000 cr
Other deposits with RBI	₹2,60,000 cr
Saving deposits with Post Office Saving Bank	₹50,000 cr

(A) ₹5,68,000 cr
(B) ₹6,18,000 cr
(C) ₹5,98,000 cr
(D) ₹6,38,000 cr

23. The cap and trade method used by government to ensure that pollution is minimized in the most cost effective way is an example of:
(A) Government intervention to correct externalities
(B) Government intervention in the case of merit goods
(C) Government intervention in the case of demerit goods
(D) Government intervention for correcting market failure

24. Which constitutional body maintains fiscal federalism in India?
(A) Central Government
(B) Parliament
(C) Reserve Bank of India
(D) Finance Commission

25. Liquidity Adjustment Facility (LAF) was introduced by RBI on the basis of the recommendation of the Committee on the reforms in banking sector.

- (A) Tandon
- (B) Narsimham**
- (C) Chore
- (D) Basel

26. Money created by the commercial banks is called

- (A) Real money
- (B) High powered money
- (C) Fiat money
- (D) Credit money**

27. Under the concept of money supply, the term 'public' do not include

- (A) Households
- (B) Institutions
- (C) Government and banking system**
- (D) Firms

28. Compute the total credit money created by the banking system if the required reserved ratio is 15% for every ₹12,00,000 deposited in the banking system?

- (A) ₹1,00,00,000
- (B) ₹ 80,00,000**
- (C) ₹1,25,00,000
- (D) ₹1,50,00,000

29. Calculate currency with the public from the following data:

Notes in circulation	₹45,000 cr
Circulation of rupee coins	₹1,500 cr
Circulation of small coins	₹ 750 cr
Cash on hand with banks	₹27,500 cr

- (A) ₹74,750**
- (B) ₹19,750
- (C) ₹73,250
- (D) ₹29,750

30. is a penal rate at which RBI lends money to banks, above the rate available under the rep policy.

- (A) Marginal standing facility rate**
- (B) Bank rate
- (C) Repo rate
- (D) Reverse repo rate

31. Which tariff is expressed either on the basis of the value of the imported goods or on the basis of a unit of measure of the imported goods depending on which generates the most income (or least income at times) for the country?

- (A) Ad valorem tariff
- (C) Mixed tariff**
- (B) Specific tariff
- (D) Compound tariff

32. The system wherein the nominal tariff rates on imports of manufactured goods are higher than the nominal tariff rates on intermediate inputs and raw materials is known as

- (A) Applied tariff
- (B) Escalated tariff**

(C) Bound tariff

(D) Preferential tariff

33. Which of the following is a measure to protect human, animal or plant life from risks arising out of additives, pests, toxins, etc. and to protect the biodiversity?

(A) Prohibited tariff

(B) Sanitary and phytosanitary measures

(C) Technical barriers to trade

(D) Anti-dumping duties

34. With regards to international trade the European Union can be categorised as a

(A) Trading bloc

(C) Bilateral agreements

(B) Free trade area

(D) Customs union

35. Factor Endowment Theory of trade is also known as

(A) Baumol and Tobin theory

(B) Adam Smith, Absolute Cost Advantage theory

(C) Heckscher - Ohlin theory

(D) Factor Price Equalisation theory

36. Which tariff is calculated on the basis of specific contents of the imported goods (duties are payable by its components or related items)?

(A) Compound tariff

(B) Mixed tariff

(C) Ad valorem tariff

(D) Technical tariff

37. A total ban imposed by the Government on imports or exports of some or all commodities to a particular country or regions for a specified or indefinite period is known as

(A) Prohibitive tariff

(B) Anti-dumping duties

(C) Embargo

(D) Rules of origin

38. The theory of Comparative Advantage in International Trade was presented by

(A) Adam Smith

(B) David Ricardo

(C) John Maynard Keynes

(D) Milton Friedman

39. ___ facilitates and improves access to Indian Government data.

(A) E-Amrit

(B) E-NAM

(C) NDAP

(D) MIDH

40. Which scheme is aimed at promoting manufacture of electric and hybrid vehicle technology and to ensure sustainable growth for the same?

(A) FAME India

(B) E-Amrit

(C) FIPB

(D) PDMC

41. Which Act was initially aimed for regulation of large firms which had relatively large market power?

- (A) RBI Act
- (B) FEMA
- (C) RERA
- (D) MRTP Act, 1969**

42. Which of the following country is not a member of the G20 economies?

- (A) Argentina
- (B) India
- (C) Tunisia**
- (D) Mexico

43. Investments which are reciprocal investments between countries are referred to as

- (A) Horizontal direct investment
- (B) Vertical direct investment
- (C) Two-way direct foreign investment**
- (D) Conglomerate foreign investment

44. Which policy was adopted to ensure world class industrial infrastructure which would attract cutting edge technology and boost FDI and local investment in the textile sector?

- (A) PM-MITRA**
- (B) PM Gati Shakti National Master Plan
- (C) National Logistic Policy
- (D) Production Linked Incentive (PLI) Scheme

45. During the British period modern industrial sector saw lopsided growth with the dominance of industries.

- (A) Wool and cotton
- (B) Nylon and silk
- (C) Cotton and jute**
- (D) Silk and cotton

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46. Statutory recognition was granted to to facilitate mobilization of adequate resources and their efficient allocation in the capital markets.

- (A) RBI
- (B) BSE
- (C) SEBI**
- (D) NSE

47. In which of the following sector FDI is not permissible ?

- (A) Telecom
- (B) Aviation
- (C) Atomic energy**
- (D) Defence

48. Production of milk is included in which sector?

- (A) Tertiary sector
- (B) Service sector
- (C) Primary sector**
- (D) Secondary sector

49. From which year onwards, India followed the managed floating exchange rate system?

- (A) 1990
- (B) 1991
- (C) 1995
- (D) 1993**

50. Minimum Support Price (MSP) is fixed by the Government of India at of the cost of production.

- (A) Two and a half times
- (B) Half
- (C) One and a half time**
- (D) Twice

51. Which of the following is not one of the four basic economic problems of an economy ?

- (A) What to produce?
- (B) Where to produce ?**
- (C) For whom to produce?
- (D) What provisions are to be made for economic growth?

52. Finance minister was discussing, balance of trade and balance of payments. This area comes under:

- (A) Micro Economics
- (B) Macro Economics**
- (C) Capitalist Economy
- (D) Mixed Economy

53. Which of the following is an example of normative statement?

- (A) The demand for a good will increase if its price decreases.
- (B) The government should increase taxes on liquor to reduce its consumption.**
- (C) A decrease in interest rates will lead to an increase in investment.
- (D) An increase in government spending will reduce the unemployment rate.

54. When some people start investing money in share market then many people start following the same without considering its advantages and disadvantages is an example of:

- (A) Veblen effect
- (B) Bandwagon Effect**
- (C) Snob Effect
- (D) Sheep Effect

55. Which of the following does not describe the nature of business economics?

- (A) It is normative in nature.
- (B) It is abstract and purely theoretical.**
- (C) It is an art.
- (D) It incorporates elements of Macro Analysis

56. "Buyers ultimately determine which goods and services will be produced and in what quantities." The given statement is the meaning of:

- (A) Planned economy
- (B) Consumer Sovereignty**
- (C) Freedom of economic choice
- (D) Freedom of enterprise

57. A shopkeeper sells two commodities A and B, which are close substitute of each other. It is observed that when the price of commodity A rises by 20% the demand for B increases by 30%, What is the cross price elasticity for commodity B against the price of commodity A ?

- (A) +1



(B) -1
 (C) +1.5
 (D) -1.5

58. "Excess of the price which a consumer would be willing to pay rather than go without a thing over that which he actually does pay", is called

(A) Consumers equilibrium
 (B) Consumers surplus
 (C) Change in demand
 (D) Change in price

59. With reference to the following indifference map, which of the following curve represents highest satisfaction level?

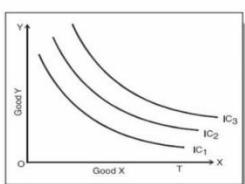


Fig. 2 : Indifference Map

(A) IC3
 (B) IC2
 (C) IC1
 (D) All the curves represent same satisfaction level.

60. 'Ceteris Paribus' is a Latin phrase that generally means:

(A) All other things being equal
 (B) An inverse relationship
 (C) Income of consumers
 (D) tastes and preferences of consumer

61. The slope of a demand curve is:

(A) $\Delta Q/\Delta P$
 (B) $\Delta P/\Delta Q$
 (C) $-\Delta Q/\Delta P$
 (D) $-\Delta P/\Delta Q$

62. In case of perfectly elastic supply:

(A) $Es > 1$
 (B) $Es = 1$
 (C) $Es = 0$
 (D) $Es = \infty$

63. The Supply function is given as when price is 10. Find the elasticity of supply, $q = 120 + 6p$

(A) $1/3$
 (B) $2/3$
 (C) $-2/3$
 (D) $3/4$

64. Which of the following is not a characteristic of land?

(A) Land is heterogeneous.
 (B) Land is an active factor.

(C) Supply of land is fixed.
(D) Land has multiple uses.

65. Cobb-Douglas production function is stated as:

(A) $Q = K^a \cdot L^a \cdot C^{1-a}$
(B) $Q = K^{1-a} \cdot L^a \cdot C^a$
(C) $Q = K^a \cdot L^{1-a} \cdot C^a$
(D) $Q = K^a \cdot L^a \cdot C^{1-a}$

66. Which of the following refers to the want satisfying power of goods and services? It is not absolute but relative. It is a subjective concept and it depends upon the mental attitude of people.

(A) Utility
(B) Consumers equilibrium
(C) Need
(D) Demand

67. If the price of Wheat increases from 1,800 per Quintal to 2,200 per Quintal and consequently the quantity supplied rises from 2,000 Quintal to 3,200 Quintal. Calculate the elasticity of supply

(A) +0.7
(B) +1.7
(C) +2.7
(D) +3.7

Based on the information given in the following table, answer the Question Nos.

68 to 70:

Quantity of labour	Total Product	Average product	Marginal product
1	10	-	-
2	-	-	11
3	-	11	-
4	-	-	11
5	52	-	-
6	-	-	8

68. What will be the total product when quantity of labour is 4? -8

(A) 38
(B) 40
(C) 42
(D) 44

69. What will be the average product when quantity of labour is 6?

(A) 9
(B) 10
(C) 11
(D) 12

70. What will be the marginal product when quantity of labour is 5?

(A) 8
(B) 9
(C) 10
(D) 11

71. Initially a firm enjoys ___ of scale and beyond a certain limit it suffers from ___ of scale.

(A) internal economies, internal diseconomies
 (B) external economies, external diseconomies
 (C) internal diseconomies, internal economies
 (D) external diseconomies, external economies

72. The long-run average cost curve is also called:
 (A) Kinked curve
 (B) Equal quantity curve
 (C) Envelope curve
 (D) Sharp curve

73. Who describes production function as the relationship between the maximum amount of output that can be produced and the input required to make that output?
 (A) Cobb-Douglas
 (B) Samuelson
 (C) Paul Sweezy
 (D) Alfred Marshall

74. In short-run, when average cost falls as a result of an increase in output, marginal cost is
 (A) greater than
 (B) less than
 (C) equal to
 (D) independent of

75. Many sellers offering differentiated products to many buyers is the characteristics of:
 (A) Perfect competition
 (B) Monopolistic competition
 (C) Oligopoly competition
 (D) Monopoly

76. Identify the correct relationship demand). among MR, AR & e (price elasticity of
 (A) $MR = AR \times e/(e-1)$
 (B) $AR = MR \times (e-1)/e$
 (C) $MR = AR \times e/(e-1)$
 (D) $MR = AR \times (e-1)/e$

77. Total revenue will be maximum, where elasticity is equal to:
 (A) 1
 (C) Greater than 1
 (B) Less than 1
 (D) Zero

78. When both demand and supply increase, the equilibrium quantity the change in equilibrium price is but
 (A) decreases, uncertain
 (B) increases, constant
 (C) increases, uncertain
 (D) decreases, constant

79. Identify the correct below mentioned condition/conditions for equilibrium of a firm under perfect competition:
 (I) $MR=MC$
 (II) $MR>MC$
 (III) $MR<MC$
 (IV) MC should have a positive slope.

(V) MC should have a negative slope.

- (A) (II) and (V)
- (B) (II) and (IV)
- (C) (III) and (V)
- (D) (I) and (IV)**

80. ___ are already incurred once and for all, and cannot be recovered.

- (A) Sunk costs**
- (B) Historical cost
- (C) Private costs
- (D) Social costs

81. Price elasticity of demand of a firm under perfect competition will be:

- (A) Very large
- (B) Infinite**
- (C) Large
- (D) Small

82. Downward sloping and highly inelastic demand curve is the feature of:

- (A) monopoly**
- (B) oligopoly
- (C) monopolistic competition
- (D) perfect competition

83. Market characterized by a single buyer of a product or service and is mostly applicable to factor markets in which a single firm is the only buyer of a factor is known as:

- (A) Oligopsony
- (B) Duopoly
- (C) Bilateral monopoly
- (D) Monopsony**

84. Assume that when price is 20, the quantity demanded is 9 units, and when price is 19, the quantity demanded is 10 units. Based on this information, what is the marginal revenue resulting from an increase in output from 9 units to 10 units?

- (A) ₹20
- (B) ₹19
- (C) ₹10**
- (D) ₹1

85. Average revenue curve is also known as:

- (A) Profit Curve
- (B) Demand Curve**
- (C) Average Cost Curve
- (D) Indifference Curve

86. With a decrease in demand there is

- (A) an overall decrease in price but an increase in equilibrium quantity.
- (B) an overall increase in price but a decrease in equilibrium quantity.
- (C) a decrease in the equilibrium price and quantity demanded and supplied.**
- (D) no change in overall price but a reduction in equilibrium quantity.

87. When a perfect competitive firm earns more than its average total cost, its average revenues are more

- (A) supernormal profits**
- (B) normal profits

(C) normal profits and supernormal profits
(D) Losses

88. Market for soaps and detergents are the appropriate example of:

(A) monopoly
(B) oligopoly
(C) monopolistic competition
(D) perfect competition

89. The consumption function is a functional relationship between aggregate consumption and:

(A) aggregate disposable income
(C) aggregate supply
(B) aggregate demand
(D) savings

90. The value of all final goods and services produced in the country within a given period is called:

(A) National Income
(B) Gross Domestic Product (GDP)
(C) Net National Product (NNP)
(D) Gross National Product (GNP)

91. If GDP MP is more than GNPMP it means:

(A) the aggregate amount that a country's citizens and companies earn abroad is greater than the aggregate amount that foreign citizens and overseas companies earn in that country.
(B) NFIA is negative.
(C) the aggregate amount that a country's citizens and companies earn abroad is equal to the aggregate amount that foreign citizens and overseas companies earn in that country.
(D) NFIA is positive.

92. If supply increases in a greater proportion than demand then

(A) The new equilibrium price and quantity will be greater than the original equilibrium price and quantity
(B) The new equilibrium price will be greater than the original equilibrium price but equilibrium quantity will be higher.
(C) The new equilibrium price and quantity will be less than the original equilibrium price and quantity.
(D) The new equilibrium price will be less than the original equilibrium price.

93. In oligopoly, when the industry is dominated by one large firm which is considered as leader of the group, then it is called:

(A) open oligopoly
(B) collusive oligopoly
(C) partial oligopoly
(D) syndicated oligopoly

94. Calculate average propensity to save when C = 300 and Y = 1200

(A) 0.25
(B) 0.50
(C) 0.75
(D) 0.80

95. Marginal propensity to consume is :

(A) zero when the income is zero.
(B) always less than unity but greater than zero.
(C) greater than one when income rises.
(D) it does not depend on income.

96. Product Method or Value-added method for calculation of National Income is also called:

- (A) Industrial Origin Method
- (B) Income Disposal Method
- (C) Factor Payment Method
- (D) Distributed Share Method

97. In a 3-sector model, suppose $C = 8 + 0.6Y_d$ $I = 60$ $G = T = 10$ where C is consumption, I is investment, Y_d is disposable income, G is government expenditure and T is tax. Find out the equilibrium level of national income.

- (A) 120
- (B) 150
- (C) 180
- (D) 200

98. In an economy investment expenditure is increased by ₹300 crores and marginal propensity to consume is 0.6. Calculate the total increase in income.

- (A) ₹300 crores
- (B) ₹100 crores
- (C) ₹650 crores
- (D) ₹750 crores

99. Find the real GDP if nominal GDP = 720 and price index = 120.

- (A) 864
- (B) 500
- (C) 600
- (D) 700

100. Which of the following is not true for personal income?

- (A) It is income received by household sector.
- (B) It includes Non-profit Institutions serving households.
- (C) It is a measure of actual current income receipts of persons only.
- (D) It excludes retained earnings.



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MAY 2025

PAPER – 4: BUSINESS ECONOMICS

All Question are compulsory.

Time: 2 Hours

Marks: 100

1. The microeconomic theory mainly does not deal with which of the following issues:
 - (A) Stage of business cycles
 - (B) Demand analysis and forecasting
 - (C) Production and Cost Analysis
 - (D) Inventory management
2. Which of the following is not correct about business economics with reference to economics?
 - (A) Business economics helps in proper decision making in a particular business entity.
 - (B) Business economics has a narrow scope in comparison to economics.
 - (C) Economics is an applied branch of business economics.
 - (D) Business economics includes the analysis of micro level issues like demand, supply etc.
3. Command Economy is another name for:
 - (A) Capitalist Economy
 - (B) Socialist Economy
 - (C) Mixed Economy
 - (D) Macro Economy
4. Which of the following is not a merit of Capitalist Economy?
 - (A) Faster economic growth
 - (B) Collective ownership
 - (C) High degree of operative efficiency

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- (D) Incentives for innovation and technological progress
5. An economy exists on which of the following two facts?
 - (A) Human wants are limited and the resources are unlimited.
 - (B) Human wants are limited and the resources are scarce.
 - (C) Human wants as well as resources are unlimited.
 - (D) Human wants are unlimited but the resources are relatively scarce.
6. Commodities for which the quantity demanded rises only up to a certain level of income and decreases with an increase in income beyond this level are called:
 - (A) Normal goods
 - (B) Inferior goods
 - (C) Essential goods
 - (D) Luxury goods
7. Highly priced goods are consumed by status seeking rich people to satisfy their need for conspicuous consumption. This is called:
 - (A) Demonstrative effect
 - (B) Bandwagon effect
 - (C) Snob effect
 - (D) Veblen effect
8. An expectation that price will fall in future will lead to:
 - (A) A downward movement along the same demand curve
 - (B) An upward movement along the same demand curve
 - (C) Rightward shift of demand curve
 - (D) Leftward shift of demand curve
9. A consumer buys 100 units of a goods at a price of 6 per unit. Suppose price elasticity of demand is -3. At what price will he buy 80 units?
 - (A) ₹ 5.8
 - (B) ₹ 6.2

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(C) ₹ 6.4
(D) ₹ 6.75

10. If total revenue of goods increases with an increase in its price, demand for the goods is said to be:
(A) Elastic
(C) Inelastic
(B) Unit elastic
(D) Infinitely elastic

11. Which of the following statement is not true while determining price elasticity of demand?
(A) Goods which have close or perfect substitutes, have highly elastic demand curves.
(B) The greater the proportion of income spent on a commodity; generally the lesser will be its elasticity of demand.
(C) Necessities are generally price inelastic.
(D) The more possible uses of a commodity, greater will be its price elasticity.

12. When two goods are complementary, the cross elasticity between them is:
(A) Infinite
(B) Positive and large
(C) Zero
(D) Negative

13. When total utility is increasing at decreasing rate:
(A) Marginal utility is equal to total utility.
(B) Marginal utility is decreasing but remains positive.
(C) Marginal utility becomes negative.
(D) Marginal utility is equal to zero.

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14. Due to an increase in price of product X from 100 to 110 quantity supplied increases from 150 units to 200 units. Calculate elasticity of supply using arc-elasticity method.
 - (A) 2.3
 - (B) 3
 - (C) 3.33
 - (D) 3.5
15. The rate at which a consumer is prepared to exchange goods X and Y, holding the level of satisfaction constant is called as _____.
 - (A) Indifference curve
 - (B) Marginal rate of substitution
 - (C) Diminishing marginal utility
 - (D) Consumer surplus
16. The form of capital which performs its function in production in a single use and is not available for further use is termed as:
 - (A) Fixed capital
 - (B) Circulating capital
 - (C) Real capital
 - (D) Intangible capital
17. Survival, growth and expansion come under which of the following objective of an enterprise?
 - (A) Organic objective
 - (B) Economic objective
 - (C) Social objective
 - (D) National objective
18. The minimum quantities of various inputs that are required to yield a given quantity of output is termed as:
 - (A) Demand function



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(B) Supply function
 (C) Production function
 (D) Investment function

19. Which of the following is not true about relationship between average product and marginal product?
 (A) When average product rises as a result of an increase in the quantity of variable input marginal product is more than the average product.
 (B) When average product is maximum, marginal product is equal to average product.
 (C) When average product falls, marginal product is less than the average product.
 (D) When average product is negative, marginal product becomes zero.

20. Total product starts declining in which stage of production?
 (A) Stage 1: The stage of increasing returns
 (B) Stage 2: The stage of diminishing returns
 (C) Stage3: The stage of negative returns
 (D) It may decline in any stage of production

21. Returns to scale refers to:
 (A) Changes in output as a result of proportionate change in one of the variable factors of production.
 (B) Changes in output as a result of proportionate change in all factors of production.
 (C) Changes in output as a result of proportionate change in any two variable factors of production.
 (D) Changes in output as a result of variation in factor proportions.

22. Linear Homogeneous Production function is another name for _____.
 (A) Law of variable proportion
 (B) Constant returns to scale
 (C) Increasing returns to scale

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(D) Decreasing returns to scale

23. Budget line or budget constraint line which shows the various alternative combinations of two factors which the firm can buy with given outlay is called:

(A) Isoquant
 (B) Indifference curve
 (C) Isocost line
 (D) Iso-product curve

Use the following data to answer question 24-25:

Output (Q)	0	1	2	3	4	5
Total cost (TC)	₹ 200	₹ 310	₹ 410	₹ 500	₹ 604	₹ 710

24. The Average Fixed Cost of 2 units of output is:

(A) ₹ 85
 (C) ₹ 110
 (B) ₹ 100
 (D) ₹ 205

25. Diminishing marginal returns start to occur between units:

(A) 1 and 2
 (B) 2 and 3
 (C) 3 and 4
 (D) 4 and 5

26. Calculate Marginal Revenue (MR) when Average Revenue (AR) = 45 and price elasticity of demand (e) = 3.

(A) ₹ 15
 (C) ₹ 30
 (B) ₹ 25
 (D) ₹ 135

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27. Which of the following is not a feature of perfect competition market?
 - (A) Very large number of sellers
 - (B) Homogeneous products
 - (C) Inelastic demand
 - (D) Firms are price takers
28. A firm should not produce at all if:
 - (A) AR is greater than minimum AVC
 - (B) AR is equal to ATC
 - (C) If its total variable costs are not met
 - (D) AR is greater than ATC
29. Which type of markets allocates productive resources to producers and helps ensure that those resources are used efficiently?
 - (A) Product markets
 - (B) Factor markets
 - (C) Local Markets
 - (D) Retail markets
30. The firm will be making maximum profits by expanding output to the level where:
 - (A) Marginal revenue is greater than marginal cost
 - (B) Marginal revenue is equal to marginal cost
 - (C) Marginal revenue is less than marginal cost
 - (D) Marginal revenue is equal to average cost
31. What will happen to the equilibrium price and equilibrium quantity when demand increases and supply decreases?
 - (A) The equilibrium price rises but change in equilibrium quantity is uncertain.
 - (B) Both equilibrium price and equilibrium quantity falls.
 - (C) Both equilibrium price and equilibrium quantity go up.

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(D) The equilibrium quantity increases but the change in equilibrium price is uncertain.

32. Suppose that a sole proprietor is earning total revenue of 120,000/- and is incurring explicit cost of 95,000/-. If the owner could work for another company for 30,000/- a year, which of the following statement is false?

(A) The firm incurred an economic loss of ₹ 5,000/-
 (B) The firm is having accounting profit of 25,000/-
 (C) Total economic costs are 30,000/-
 (D) The total accounting costs are ₹ 95,000/-

Use the following data to answer question 33 and 34:

Quantity	0	10	20	30	40
Total Cost (in ₹)	100	220	320	410	510

33. What is the average variable cost when 20 units are produced?

(A) ₹ 5
 (C) ₹ 11
 (B) ₹ 10
 (D) ₹ 16

34. Between 10 and 20 units, what is the marginal cost per unit?

(A) ₹ 10
 (B) ₹ 20
 (C) ₹ 100
 (D) ₹ 220

35. Which of the following is not a feature of the monopoly market?

(A) Single buyer of the products
 (B) Barriers to entry
 (C) No close substitutes
 (D) Market power

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36. Which of the following is not a condition for price discrimination?

- The seller should have price setting power.
- The seller should be able to divide his market into two or more sub markets.
- The price elasticity of the product should be different in different sub markets.
- It should be possible for buyers of low-priced market to resell the product to the buyers of high-priced market.

37. Under second degree price discrimination, different prices are charged for

- Each individual consumer
- Customer segment
- Location
- Different quantities sold

38. Kinked demand curve model of oligopoly is also called:

- Sweezy's Model
- McKinsey's Model
- Oskar's Model
- Neumann's Model

39. Assume that when price is 30 the quantity demanded is 19 units and when price is 28 the quantity demanded is 20 units, what is the marginal revenue resulting from an increase in output from 19 units to 20 units ?

- ₹ 10
- ₹ 10
- ₹ 20
- ₹ 20

40. The oligopoly market in which few firms come to a common understanding with each other in fixing price or output or both is called:

- Pure Oligopoly

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(B) Collusive Oligopoly
 (C) Partial Oligopoly
 (D) Syndicated Oligopoly

41. During the upswing phase of business cycle, the involuntary unemployment is _____.
 (A) Highest
 (B) Almost Zero
 (C) Lowest
 (D) Not affected

42. The level of national income and expenditure declines rapidly during which phase of the business cycle?
 (A) Upswing
 (B) Downswing
 (C) Recovery
 (D) Trough and Depression

43. In all kinds of businesses, the different phases of business cycle generally occurs as:
 (A) Having perfectly timed cycles
 (B) No fixed time cycles but are regular
 (C) Boom have longer period than Depression
 (D) Depression have longer period than Boom

44. An indicator which gives information about the rate of change of the expansion or contraction of an economy is called _____.
 (A) Leading Indicator
 (B) Lagging Indicator
 (C) Both Leading and Lagging Indicator
 (D) Co-incident Indicator

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45. There is a war going between Country A and Country B for last two years. Now in the current year both countries have signed a peace agreement and war has come to an end. Now both countries have started to rebuild the losses caused due to war out of their own funds. Which type of cause of change in business cycle is this for Country A?

(A) Internal Cause
 (B) External Cause
 (C) Both Internal and External Cause
 (D) This is not a cause of change in business cycle

46. Which of the following organisation is responsible for the compilation of National accounts statistics?

(A) Central Statistical Organisation (CSO)
 (B) Directorate of Economics and Statistics (DES)
 (C) Ministry of Finance of Central Government
 (D) Reserve Bank of India (RBI)

47. Which of the following is not a significance and usefulness of the National Income estimates?

(A) Businesses use it to forecast the future demand of their products
 (B) To identify the sector wise composition of national income
 (C) To assist in making policies related to inflation
 (D) To assist in making policies related to population growth

48. Considering the data given in the table below calculate the Inflation rate of year 3:

Year	Nominal GDP	Real GDP	GDP Deflator
0	900	900	100
1	1200	1000	120
2	1500	1200	125
3	1800	1250	144
4	2000	1600	125

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(A) 13.19%
 (B) 15.20%
 (C) 19%
 (D) -19%

49. Which of the following defines the Gross National Product (GNP) of a country under the concept of National Income?
 (A) It is market value of all final economic goods & services produced within the domestic territory of a country including Net Factor Income from abroad.
 (B) It is market value of all final economic goods & services produced within the domestic territory of a country excluding Net Factor Income from abroad.
 (C) It is production cost of all final economic goods & services produced within the domestic territory including depreciation.
 (D) It is production cost of all final economic goods & services produced within the domestic territory excluding depreciation.

50. The Gross Domestic Product at Factor Cost (GDP_{FC}) is calculated by which of the following formula (Here GDP_{MP} is Gross Domestic Product at market prices):
 (A) $GDP_{FC} = GDP_{MP} + \text{Net Factor Income from Abroad}$
 (B) $GDP_{FC} = GDP_{MP} + \text{Net Factor Income from Abroad} - \text{Depreciation}$
 (C) $GDP_{FC} = GDP_{MP} - \text{Indirect Taxes} + \text{Subsidies}$
 (D) $GDP_{FC} = GDP_{MP} + \text{Indirect Taxes} - \text{Subsidies}$

51. Which of the following is true about the basic price in the determination of National Income?
 (A) Basic Price = Factor Cost + Subsidy + Manufacturing Taxes + Manufacturing
 (B) Basic Price = Factor Cost - Depreciation
 (C) Basic Price = Factor Cost + Net Factor Income from Abroad
 (D) Basic Price = Factor Cost + Production Tax + Production Subsidy

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52. Which of the following is an indicator of the standard of living of a country under the concept of National Income?
 - (A) Personal Income
 - (B) Disposable Personal Income
 - (C) Per Capita Income
 - (D) GDP at factor cost
53. The amount of money in the hands of the individual that is available for their consumption or savings is known as
 - (A) Private Income
 - (B) Per Capita Income
 - (C) Disposable Personal Income
 - (D) Personal Income
54. Which of the following is included in the calculation of Personal Income under the concept of National Income?
 - (A) Unemployment Compensation
 - (B) Retained Earnings
 - (C) Indirect Business Taxes
 - (D) Contribution towards Social Security
55. Which of the following is true in relation with Private Income under the concept of National Income?
 - (A) It is personal income adjusted by inflation rate.
 - (B) It is personal income less personal income tax.
 - (C) It is the income (both factor & transfer income) accrued to private sector from all sources within the country only.
 - (D) It is income (both factor and transfer income) accrued to the private sector from all sources within and outside the country.
56. In the preparation of state income estimates, certain activities like railways, banking, insurance etc. that cut across state boundaries, and

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thus their economic contribution assigned to more than one state are known as _____.

(A) Central Sectors of economy
 (B) Supra Regional Sectors of economy
 (C) Tertiary Sectors of economy
 (D) Secondary Sectors of economy

57. Which of the following is not a sector to be included in the three sector model of Keynesian theory of Income determination?

(A) Household Sector
 (B) Business Sector
 (C) Foreign Sector
 (D) Government Sector

58. Under the Keynesian theory of National Income determination, which of the following term is given to the demand for money?

(A) Investment multiplier
 (B) Liquidity preference
 (C) Aggregate demand
 (D) Marginal Propensity

59. Under the Keynesian theory of determination of national income, the assumption is that the consumption increases with an increase in disposable income but the increase in consumption will be _____ the increase in disposable income.

(A) Equal to
 (B) Opposite to
 (C) Greater than
 (D) Less than

60. Which of the following is true in respect of relation of Marginal Propensity to Consume (MPC) and Marginal Propensity to Save (MPS) as per the Keynesian theory of determination of National Income?

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(A) MPC = MPS
 (B) MPC+MPS = 1
 (C) MPC+MPS = 0
 (D) No relation exists between MPC and MPS

61. Which of the following is one of the key functions of fiscal policy and aims at eliminating the macroeconomic fluctuations arising from sub optimal allocation of resources?
 (A) The Allocation Function
 (B) The Redistribution Function
 (C) The Stabilization Function
 (D) The Utilisation Function

62. Which of the following statement is true in respect of Social cost?
 (A) Social Cost = Private Cost + External Cost
 (B) Social Cost = Private Cost + External Cost - Total Negative Externalities
 (C) Social Cost = Private Cost + External Cost-Government Taxes
 (D) Social Cost = Private Cost + Total Negative Externalities - Government Taxes

63. Which of the following is not a characteristic of Public Goods?
 (A) Non-rival in consumption
 (B) Indivisibility
 (C) More vulnerable to externalities
 (D) Excludable

64. What does the term "lemon" means in the model of "Lemons problem" developed by "George Akeil of" in relation to used car market:-
 (A) Only good quality used cars
 (B) Both poor and good quality used cars
 (C) Average quality used cars

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(D) Scrapped used cars

65. The statutory disclaimer that "Mutual Fund investments are subject to market risks please read the offer documents carefully before investing" is which of the following type of government intervention?

- (A) Government intervention to correct externalities.
- (B) Government intervention for equitable distribution.
- (C) Government intervention to correct information failure.
- (D) Government intervention in case of public goods.

66. Article 112 of Indian Constitution provides that in respect of every financial year the President shall cause to be laid before both houses of the parliament a statement of estimated receipts and expenditure of the government of India for that year. This statement is referred as:

- (A) Budget
- (B) Annual Financial Statement
- (C) Statement of Income & Expenditure
- (D) Interim Budget

67. Which of the following information regarding the receipts and expenditure of the Government is not presented in the budget documents?

- (A) Budget estimates of Current financial year
- (B) Budget estimates of the Ensuing financial year
- (C) Revised estimates of the Ensuing financial year
- (D) Actual expenditure and Income of Current financial year

68. Which of the following is the nodal department for overseeing the public financial management system in the Central Government?

- (A) NITI Aayog
- (B) Department of Revenue under Finance Ministry
- (C) Department of Expenditure under Finance Ministry
- (D) Reserve Bank of India

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69. During the Budget proceedings, the speaker of Lok Sabha once the prescribed time is over, puts all the outstanding demand for grants, whether discussed or not, to the vote of the house, this process is known as:

- Cut Motion
- Presenting the appropriation bill
- Outcome Budget
- Guillotine

70. Which of the following is not true regarding the fiscal policy of Government?

- It is deliberate policy of Government.
- An economy producing full employment does not require Government action in the form of fiscal policy.
- Taxation policy is part of Fiscal policy.
- Fiscal Policy is supply side policy.

71. What is the term Y represent in the expression $Md = k PY$?

- Real National income
- Price level
- Money supply
- Interest rate

72. Banks availing Marginal Standing Facility Rate can use a maximum of how much percentage of Statutory Liquidity Ratio Securities?

- 1%
- 2%
- 3%
- 4%

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73. Calculate currency with Public from following Data (₹ in lakhs)

Notes in Circulation	2,59,121
Coins in Circulation	23,345
Cash on hands with Banks	19,009
Coin on hands with Banks	909

- (A) 3,02,384
- (B) 2,62,548
- (C) 2,53,876
- (D) 2,15,858

74. Liquidity trap occurs when:

- (A) Interest rates are high, and people prefer bonds over cash balances.
- (B) Interest rates are near zero, and people prefer holding cash over bonds.
- (C) Inflation rates are high, reducing purchasing power of money balances.
- (D) Central banks increase CRR drastically.

75. What is the likely impact of an increase in the Time Deposit to Demand Deposit (TD/DD) ratio on the banking system and monetary expansion?

- (A) It leads to higher availability of free reserves and consequent enlargement of volume of multiple deposit expansion and monetary expansion.
- (B) It reduces the availability of free reserves, thereby restricting the process of monetary expansion.
- (C) It has no impact on the banking system as time deposits and demand deposits are interchangeable.
- (D) It directly reduces the money supply as time deposits are not considered part of the money supply.



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76. Broad money includes currency deposits with an agreed maturity of up to _____ years, deposits redeemable at notice up to _____ months and repurchase agreements, money market fund shares/units and debt security up to _____ years.

(A) 3 years, 6 months, 3 years
 (B) 2 years, 6 months, 2 years
 (C) 3 years, 3 months, 3 years,
 (D) 2 years, 3 months, 2 years

77. Which of the following is NOT included in MI?

(A) Currency with the public
 (B) Demand deposits with banks
 (C) Time (term) deposits with banks
 (D) Other deposits with RBI

78. Which of the following is NOT one of the four determinants of the Friedman's demand for money?

(A) Nominal Demand for money is a function of total wealth.
 (B) It is positively related to price level P, if price level rises the demand for money increases.
 (C) Nominal demand for money falls if the opportunity costs of money holding declines.
 (D) Nominal Demand for money is influenced by inflation.

79. Which of the following is NOT a quantitative tool of monetary policy?

(A) Cash Reserve Ratio (CRR)
 (B) Statutory Liquidity Ratio (SLR)
 (C) Open Market Operations (OMO)
 (D) Liquidity Adjustment Facility (LAF)

80. Which of the following expressions is true?

(A) Reverse Repo Rate = Repo Rate - 1

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(B) Reverse Repo Rate = Repo Rate + 1
 (C) Repo Rate = Reverse Repo Rate - 1
 (D) Repo Rate = 1- Reverse Repo Rate

81. In the Theory of Comparative Costs, which of the following statements are true?

- I. It is based on money cost which is more realistic
- II. It is Positive in Nature
- III. It is Normative in nature
- IV. Do not take into account the factor price differences

(A) I and II are correct
 (B) III and IV are correct
 (C) II and IV are correct
 (D) I and IV are correct

82. The value of the product or service is enhanced as the number of individuals using it increases. What effect is this?

(A) Veblen Effect
 (B) Bandwagon Effect
 (C) Income Effect
 (D) Snob Effect

83. What is the Ad valorem tariff?

(A) The fixed amount of money per physical unit or weight of commodity imported or exported.
 (B) A fixed time period for tariff application per calendar year.
 (C) The duty levied as a fixed percentage of the value of the traded commodity.
 (D) A flat rate imposed regardless of the product's value.

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84. A tariff that is set so high that no imports can enter is known as _____
 (A) Prohibitive Tariff
 (B) Bound Tariff
 (C) Escalated Tariff
 (D) Variable Tariff

85. Which of these countries is part of the USMCA Agreement?
 (A) Mexico
 (B) Malta
 (C) Malaysia
 (D) Mongolia

86. Which one of these is the main reason why GATT lost its relevance by 1980?
 (A) Efforts at liberalising agricultural trade were successful.
 (B) International investments did not expand substantially.
 (C) GATT was a treaty.
 (D) There were inadequacies in institutional structure and dispute settlement system.

87. The most controversial topic for Doha Development Agenda was
 (A) The Labour Welfare
 (B) World Peace
 (C) Globalization
 (D) Agriculture Trade

88. Match the following:

Table A	Table B
(a) Has a long term interest and is invested for long	(i) Foreign Portfolio Investment
(b) Speculative in Nature	(ii) Foreign Direct Investment

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(c) Help developing countries benefit fully from global trading system	(iii) Free Floating exchange rate system
(d) Government and central banks do not participate in the market for foreign exchange	(iv) World Trade Organisation

(A) (a)(ii), (b) - (i), (c) - (iv), (d) - (iii)
 (B) (a)(i), (b) (ii), (c) - (iv), (d) - (iii)
 (C) (a)(ii), (b) - (i), (c) - (iii), (d) - (iv)
 (D) (a)(i), (b) (ii), (c) - (iii), (d) - (iv)

89. An investment in which one investor establishes a business activity in a foreign country which is different from investor's main business activity but in some way supplements its major activity is called _____
 (A) Horizontal direct investment
 (B) Vertical investment
 (C) Conglomerate type of FDI
 (D) Two way direct foreign investment

90. An appreciation of currency or strong currency makes the domestic currency more _____ therefore it can be exchanged for a _____ amount of foreign currency.
 (A) Weaker, smaller
 (B) Valuable, larger
 (C) Weaker, larger
 (D) Valuable, smaller

91. Which of the following are fiscal reforms?
 i. Ensuring better tax compliance
 ii. Reinvestment of funds in more profitable options
 iii. Encouraging private sector participation

SUGGESTED ANSWER

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iv. Thrust on curbing government expenditure

(A) Only i and iii
 (B) Only i, ii, iii
 (C) Only i, iii, iv
 (D) Only i, ii, iv

92. Which of the following best describes the pre-British Indian economy ?

(A) Dependent on imports for goods
 (B) Self-sufficient villages and cities which were centers of commerce
 (C) Focus on industrial production
 (D) Dominated by foreign trade

93. The trade policy reforms include _____.

(A) Inclusion of licensing restrictions for imports
 (B) Removal of licensing procedure for imports
 (C) Complication of tariffs.
 (D) Inclusion of quantitative restrictions on imports and exports

94. Which initiative by NITI Aayog aims to promote electric vehicles?

(A) E-Amrit
 (B) Shoonya Campaign
 (C) Methanol Economy Program
 (D) India Policy Insights (IPI)

95. The early liberalization and reforms started in India in _____.

(A) 1980s
 (B) 1970s
 (C) 1960s
 (D) 1990s

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96. What percentage of India's population depends on agriculture for livelihood as per latest estimates?
 - (A) 18%
 - (B) 25%
 - (C) 47%
 - (D) 60%
97. Which government scheme focuses on providing financial support to farmers suffering crop loss or damage?
 - (A) PM KISAN
 - (B) Pradhan Mantri Fasal Bima Yojana (PMFBY)
 - (C) Soil Health Card Scheme
 - (D) Paramparagat Krishi Vikas Yojana (PKVY)
98. Which regime replaced the Foreign Investment Promotion Board (FIPB)?
 - (A) SEBI
 - (B) FIF Portal
 - (C) NITI Aayog
 - (D) DPIHT
99. What was India's rank in 2022 as per Global Innovation Index?
 - (A) 81st
 - (B) 40th
 - (C) 63rd
 - (D) 25th
100. Which policy replaced the Merchandise Exports from India Scheme (MEIS) in 2021?
 - (A) NDAP
 - (B) GST
 - (C) PLI Scheme
 - (D) RoDTEP

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ANSWERS

MCQ	Correct Option	MCQ	Correct Option	MCQ	Correct Option	MCQ	Correct Option
1.	(A)	26.	(C)	51.	No correct option	76.	(D)
2.	(C)	27.	(C)	52.	(C)	77.	(C)
3.	(B)	28.	(C)	53.	(C)	78.	(C)
4.	(B)	29.	(B)	54.	(A)	79.	(D)
5.	(D)	30.	(B)	55.	(D)	80.	(A)
6.	(B)	31.	(A)	56.	(B)	81.	(B)
7.	(D)	32.	(C)	57.	(C)	82.	(B)
8.	(D)	33.	(C)	58.	(B)	83.	(C)
9.	(C)	34.	(A)	59.	(D)	84.	(A)
10.	(C)	35.	(A)	60.	(B)	85.	(A)
11.	(B)	36.	(D)	61.	(C)	86.	(D)
12.	(D)	37.	(D)	62.	(A)	87.	(D)
13.	(B)	38.	(A)	63.	(D)	88.	(A)
14.	(B)	39.	(B)	64.	(B)	89.	(B)
15.	(B)	40.	(B)	65.	(C)	90.	(B)
16.	(B)	41.	(B)	66.	(B)	91.	(C)
17.	(A)	42.	(D)	67.	(D)	92.	(B)
18.	(C)	43.	(B)	68.	(C)	93.	(B)
19.	(D)	44.	(D)	69.	(D)	94.	(A & B)
20.	(C)	45.	(B)	70.	(D)	95.	(A)
21.	(B)	46.	(A)	71.	(A)	96.	(C)
22.	(B)	47.	(D)	72.	(A)	97.	(B)
23.	(C)	48.	(B)	73.	(B)	98.	(B)
24.	(B)	49.	(A)	74.	(B)	99.	(B)
25.	(C)	50.	(C)	75.	(A)	100.	(D)

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SEP 2025

PAPER – 4: BUSINESS ECONOMICS

All Question are compulsory.

Time: 2 Hours

Marks: 100

1. Which of the following is NOT covered under Macro Economics?
 - (A) Balance of Payment
 - (B) The overall level of savings and investment
 - (C) The level of employment
 - (D) Behaviour of Firms
2. An ice cream company is planning to expand its business. Before making decisions, it studies various economic factors, such as consumer preferences, pricing strategies, employee wages and the ideal location for its outlets. Which level of the economy does the company analyze for expansion?
 - (A) Macro Economy
 - (B) Micro Economy
 - (C) International Economy
 - (D) National Economy
3. Which of the following statement is true in relation to the socialist economy?

Statement-I: Relative inequality of income distribution in the society.

Statement-II: Freedom from hunger is guaranteed, but consumers' sovereignty gets restricted.

Statement-III: Market forces have a major role in the allocation of resources.

Statement-IV: Buyers ultimately determine which goods and services will be produced and in what quantities.

- (A) Statement - II



SUGGESTED ANSWERS

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(B) Statement-IV
 (C) Statement- I
 (D) Statement – III

4. The important feature of a mixed economy is the:
 (A) Co-existence of both manufacturing and service sectors
 (B) Co-existence of both agriculture and industries
 (C) Co-existence of both private and public sectors
 (D) Co-existence of both small and large industries

5. Which one of the following is not the characteristic of a capitalist economy?
 (A) Profit motive
 (B) Competition
 (C) Freedom of enterprise
 (D) Collective ownership

6. What will happen to demand when a larger proportion of people belong to older age groups relative to younger age groups?
 (A) There will be increased demand for children's books.
 (B) There will be increased demand for geriatric care services, spectacles and walking sticks etc.
 (C) There will be increased demand for normal goods and services.
 (D) There will be decreased demand for goods and services.

7. Under ____conditions, supply will be more than that under ____ conditions.
 (A) Monopolized; Competitive
 (B) Competitive; Monopolized
 (C) Competitive, Oligopoly
 (D) Oligopoly, Monopolized

SUGGESTED ANSWERS

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8. Demand is said to be elastic, if:
 - (A) Elasticity is one ($E \rho = 1$)
 - (B) Elasticity is greater than one ($E \rho > 1$)
 - (C) Elasticity is less than one ($E \rho < 1$)
 - (D) Elasticity is zero ($E \rho = 0$)
9. The consumer is in equilibrium position at a point where the price line is:
 - (A) cutting an indifference curve
 - (B) below an indifference curve
 - (C) tangent to an indifference curve
 - (D) above an indifference curve
10. How does an increase in the income of consumers generally affect the demand for normal goods ?
 - (A) It decreases the demand.
 - (C) It increases the demand.
 - (B) It has no effect on the demand.
 - (D) It makes the demand more elastic.
11. If a company increases its advertisement expenditure by 20% and the quantity demanded increases by 40%, what is the advertisement elasticity of demand?
 - (A) $E_a = 0$
 - (B) $E_a = 1$
 - (C) $E_a = 0.5$
 - (D) $E_a = 2$
12. The condition for consumer equilibrium is given by:
 - (A) $MU_x P_x = MU_y P_y$
 - (B) $MU_x = MU_y$
 - (C) $MU_x / P_x = MU_y / P_y$

SUGGESTED ANSWERS

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(D) $MU_x/MU_y = P_y/P_x$

13. Which of the following statements is true about Giffen goods?

- All Giffen goods are inferior goods.
- All inferior goods are Giffen goods.
- Giffen goods are inferior goods with close substitutes.
- Giffen goods follow the law of demand.

14. The concept of consumer surplus is closely related to the for a product curve

- Supply
- Demand
- Cost
- Profit

15. The slope of the budget line is determined by the relative prices of the two goods and is equal to:

- Total expenditure of two goods
- The price ratio of two goods
- The income level of the consumer
- The marginal utility of the goods

16. When average product rises as a result of an increase in the quantity of variable input, marginal product is:

- less than the average product
- equal to the average product
- minimum
- more than the average product

17. Which of the following curve is known as 'plant curve'?

- Average total cost curve
- Average variable cost curve



SUGGESTED ANSWERS

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(C) Short run average cost curve

(D) Long run average cost curve

Based on the information given in the following table, answer the Questions Nos. 18 to 20:

Product Schedule

Quantity of labour	Total Product (TP)	Average Product (AP)	Marginal Product (MP)
0	0	-	-
1	-	-	20
2	-	-	26
3	66	-	-
4	-	19	-
5	-	-	4

18. What will be the average product when the quantity of labour is 3?

- (A) 22
- (B) 24
- (C) 20
- (D) 18

19. What will be the total product when the quantity of labour is 5?

- (A) 86
- (B) 84
- (C) 80
- (D) 92

20. What will be the marginal product when the quantity of labour is 4?

- (A) 26
- (B) 20
- (C) 10
- (D) 19



SUGGESTED ANSWERS

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21. If a firm adds more number of workers but total output starts to increase at a decreasing rate, the firm is experiencing:
 - (A) Increasing Returns to Scale
 - (B) Diminishing Marginal Returns
 - (C) Constant Returns to Scale
 - (D) Negative Marginal Returns
22. Which of the following statements are correct?

Statement-I: A period will be considered short-run period if the amount of at least one of the inputs used remains unchanged during that period.

Statement-II: The long run is a period of time in which all factors of production are variable.

Statement-III: In the short run all inputs are fixed.

Statement-IV: In the long run all inputs except one are fixed.

 - (A) Statement I and IV
 - (B) Statement II and III
 - (C) Statement I and II
 - (D) Statement III and IV
23. Which of the following factors or resources make it possible to produce goods and services?
 - (A) Land, Labour, Industrial policy and Capital
 - (B) Land, Labour, Fiscal policy and Capital
 - (C) Land, Labour, Capital and Entrepreneurial ability
 - (D) Land, Labour, Technology and Capital
24. In Cobb-Douglas production function, output is manufactured production and inputs used are:
 - (A) Entrepreneur and land
 - (B) Labour and capital
 - (C) Land and Labour
 - (D) Entrepreneur and capital

SUGGESTED ANSWERS

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25. After identifying the market, the enterprise has to make decision regarding 4 P's namely:
 - (A) Product, Promotion, Price and Purchase
 - (B) Product, Promotion, Profit and Place
 - (C) Product, Promotion, Price and Place
 - (D) Product, Purchase, Price and Placement
26. Under which of the following forms of market structure a firm cannot influence the price of its product?
 - (A) Monopoly
 - (B) Oligopoly
 - (C) Perfect competition
 - (D) Monopolistic competition
27. What is the Average Variable Cost (AVC) when the quantity produced is 100 units, the total cost is ₹1,000, and the fixed cost is 200?
 - (A) ₹ 5
 - (B) ₹ 8
 - (C) ₹ 10
 - (D) ₹ 12
28. In an increase in supply with unchanged demand:
 - (A) The equilibrium price will go down and the quantity demanded will go up.
 - (B) The equilibrium price will go up and the quantity demanded will go down.
 - (C) The equilibrium price will go up and the quantity demanded will remain constant.
 - (D) The equilibrium price will go down and the quantity demanded will also go down.

SUGGESTED ANSWERS

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29. Assuming that the supply of cars will remain constant and the prices of cars are expected to increase in future, then what will be its effect on Demand Curve?
 - (A) Demand curve will shift to right.
 - (B) Demand curve will shift to left.
 - (C) Demand curve will remain unchanged.
 - (D) Insufficient information to predict the effect on demand curve.
30. A competitive firm should shut down if:
 - (A) Its total revenues are less than the total cost.
 - (B) Its total revenues are less than the marginal revenues.
 - (C) Its total revenues are less than the average variable cost.
 - (D) Its total revenues are less than the fixed cost.
31. Aluminium industry is the example of:
 - (A) Competitive oligopoly
 - (B) Perfect oligopoly
 - (C) Collusive oligopoly
 - (D) Open oligopoly
32. Kinked Demand Curve is found under:
 - (A) Monopoly
 - (B) Monopsony
 - (C) Duopoly
 - (D) Oligopoly
33. Which one of the following is not the object of price discrimination?
 - (A) To earn maximum profit
 - (B) To enjoy economies of scale
 - (C) To hold excess stock
 - (D) To secure equity through pricing

SUGGESTED ANSWERS

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34. Which of the following is a fundamental cause for the creation of a monopoly?
 - (A) Barriers to entry
 - (B) Low startup costs
 - (C) High competition
 - (D) Equal distribution of resources
35. A fast-food chain introduces a new burger with a unique sauce to differentiate itself from competitors. Although many similar burger options exist in the market, customers perceive this product as distinct. Which type of market structure has been represented in given scenario?
 - (A) Perfect Competition
 - (B) Monopoly
 - (C) Monopolistic Competition
 - (D) Oligopoly
36. Identify the correct formula for Marginal Revenue (MR) when there is a one-unit change in output.
 - (A) $MR_n = TR_n - TR_{n-1}$
 - (B) $MR_n = TR_n + TR_{n-1}$
 - (C) $MR_n = TR_n \times TR_{n-1}$
 - (D) $MR_n = TR_n / TR_{n-1}$
37. When both demand and supply decrease, the equilibrium quantity ___ but the change in equilibrium price is ___.
 - (A) decreases, uncertain
 - (B) increases, constant
 - (C) increases, uncertain
 - (D) decreases, constant
38. Which type of firm has the market power to charge a price above marginal cost and earn a positive profit?
 - (A) A perfectly competitive firm
 - (B) A monopolistic competitive firm

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(C) A monopoly firm
 (D) A firm in an oligopolistic market

39. Suppose that the cost of producing 1,000 units of a product by a Firm is ₹ 15,000. The entrepreneur has invested ₹ 50,000 in the business and the normal rate of return in the market is 10%. What will be the implicit cost?
 (A) ₹ 5,000
 (B) ₹ 1,500
 (C) ₹ 6,500
 (D) ₹ 2,000

40. When there is a decrease in demand due to a fall in income, while supply remains the same, what happens to the demand curve?
 (A) It will shift to the right.
 (B) It will remain unchanged.
 (C) It will shift to the left.
 (D) It will become vertical.

Consider the following data and answer the Questions No. 41 to 43:

Financial Year (FY)	2020-21	2021-22	2022-23	2023-24
GDP Deflator	100	154.25	168.40	148.25

41. What will be the inflation rate in FY 2022-23 as compared to FY 2021-22?
 (A) 9.54%
 (B) 8.76%
 (C) 9.17%
 (D) 7.44%

42. In which FY the nominal GDP and real GDP are the same?
 (A) FY 2021-22
 (B) FY 2022-23
 (C) FY 2020-21
 (D) FY 2023-24



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43. In which FY the price level has fallen?

(A) FY 2020-21
 (B) FY 2023-24
 (C) FY 2022-23
 (D) FY 2021-22

44. If the consumption function $C=10+0.5Y$ and Investment is ₹ 200, then what will be the equilibrium level of Income?

(A) ₹ 510
 (B) ₹ 325
 (C) ₹ 420
 (D) ₹ 350

45. The maximum value of investment multiplier will be the infinity when the value of:

(A) MPC is 1.
 (B) MPC is -1.
 (C) APC is 1.
 (D) MPS is -1.

46. Calculate the consumption of fixed capital (depreciation) from the following data:

Particulars	Amount (₹) in crores
GDP_{MP}	8,000
NNP_{MP}	5,600
Indirect tax	400
Subsidy	300
Net factor income from abroad	200

(A) ₹ 1,700 crores
 (B) ₹ 5,200 crores
 (C) ₹ 7,600 crores



SUGGESTED ANSWERS

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(D) ₹ 2,600 crores

47. There are three different interlinked phases in a circular flow of income, namely:

- (A) Production, consumption and disposition
- (B) Production, consumption and investment
- (C) Production, disposition and distribution
- (D) Production, expenditure and disposition

48. Calculate the net factor income from abroad from the following data:

Particulars	Amount (₹) in crores
NDP _{MP}	10,000
NNP _{MP}	12,000
Net indirect tax	400
Depreciation	200

- (A) ₹ 2,400 crores
- (B) ₹ 2,000 crores
- (C) ₹ 3,600 crores
- (D) ₹ 1,800 crores

49. If the GDP deflator is greater than 100, it indicates that:

- (A) Real GDP is greater than nominal GDP.
- (B) Nominal GDP is greater than real GDP.
- (C) Price levels are lower as compared to the base year.
- (D) Real GDP is equal to nominal GDP.

50. Gamma Ltd., a South Korean company, earns profits from its manufacturing operations in India. How these profits will be reflected in the economic measures of both countries?

- (A) They will be included in India's GDP and South Korea's GDP.
- (B) They will be included in India's GDP but not in South Korea's GNP.
- (C) They will be included in India's GDP and South Korea's GNP.

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(D) They will be included only in India's GNP.

51. If national income increases from ₹ 500 crores to ₹ 2,500 crores due to an increase in investment of ₹ 200 crores, what will be the value of the Marginal Propensity to Consume (MPC)?

(A) 0.90
 (B) 0.85
 (C) 0.75
 (D) 0.95

52. The slope of the consumption function represents _____.
 (A) Average Propensity to Save (APS).
 (B) Marginal Propensity to Consume (MPC).
 (C) Marginal Propensity to Save (MPS).
 (D) Average Propensity to Consume (APC).

53. Who are the economists credited with pioneering National Income Accounting?
 (A) John Maynard Keynes and Milton Friedman
 (B) Simon Kuznets and Richard Stone
 (C) Adam Smith and David Ricardo
 (D) Paul Samuelson and Joseph Schumpeter

54. If a country has the following economic data: GDP_{MP} ₹ 2,000 billion, indirect taxes = ₹ 250 billion and subsidies = ₹ 100 billion, what is its GDP at Factor Cost?
 (A) ₹ 1,850 billion
 (B) ₹ 2,100 billion
 (C) ₹ 2,150 billion
 (D) ₹ 2,000 billion

55. If the Average Propensity to Save (APS) of a household is 0.4, and their total income is ₹ 25,000, what is the total saving?
 (A) ₹15,000

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(B) ₹10,000
 (C) ₹6,250
 (D) ₹12,500

56. Which of the following is an anti-inflationary measure that puts downward pressure on aggregate demand, causing the economy to slow down?
 (A) Reduction in government spending.
 (B) Increase in government spending.
 (C) Decrease in interest rates.
 (D) Decrease in taxes.

57. The advent of mobile phones, which led to a boom in telecom industry, exemplifies which external cause of business cycles?
 (A) Technology Disruptions
 (B) Technology Shocks
 (C) Technology Regulations
 (D) Technology Limitations

58. Which of the following best describes the economic conditions during bad trade in a business cycle?
 (A) Rising prices and low unemployment rate.
 (B) Falling prices and high unemployment rate.
 (C) High consumer confidence and rising wages.
 (D) Increasing demand and production.

59. Business cycles typically consist of which of the following phases?
 (A) Inflation, deflation, stagnation, growth
 (B) Expansion, peak, contraction, trough
 (C) Recession, depression, boom, stabilization
 (D) Peak, decline, recovery, boom

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60. Which of the following is true about the duration and intensity of business cycles?
 - (A) Business cycles have a fixed duration and intensity.
 - (B) Business cycles exhibit the same duration and intensity across all economies.
 - (C) Business cycles varies in duration and intensity, but they share common features.
 - (D) Business cycles do not vary in duration or intensity.
61. What does Article 275 of the Indian Constitution deal with?
 - (A) Surcharge on certain duties and taxes for purposes of the union.
 - (B) Statutory grants-in-aid from the union to certain states.
 - (C) Grants for any public purpose.
 - (D) Loans for any public purpose.
62. Who introduced the concept of 'collective consumption goods, which later came to be known as public goods?
 - (A) Milton Friedman
 - (B) John Maynard Keynes
 - (C) Paul A. Samuelson
 - (D) Adam Smith
63. If a government's revenue receipts for a year are ₹ 10,000 crore, capital receipts excluding borrowing are ₹ 2,000 crore, revenue expenditure is ₹ 12,000 crore and capital expenditure is ₹ 5,000 crore. What is the fiscal deficit?
 - (A) ₹ 5,000 crore
 - (B) ₹ 7,000 crore
 - (C) ₹ 10,000 crore
 - (D) ₹ 9,000 crore
64. Contractionary fiscal policy typically involves:
 - (A) Increasing government spending and reducing taxes.
 - (B) Reducing government spending and increasing taxes.

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(C) Increasing government spending and increasing taxes.
 (D) Reducing both government spending and taxes.

65. The government's use of proceeds from progressive taxes to supply essential food grains at highly subsidized prices to BPL households is an example of:
 (A) Allocation Function
 (B) Stabilization Function
 (C) Redistribution Function
 (D) Production Function

66. The Right of Children to Free and Compulsory Education Act, 2009, which mandates free and compulsory education for every child between the ages of six to fourteen years, is an example of:
 (A) Government Intervention in the case of Merit Goods.
 (B) Government Intervention in the case of Demerit Goods.
 (C) Government Intervention in the case of Public Goods.
 (D) Government Intervention to correct Externalities.

67. Alex has comprehensive car insurance, which covers the cost of repairs if his car is damaged in an accident. As a result, he drives more recklessly, knowing that his insurance will cover any damages. Over time, he gets into more accidents and files more insurance claims due to his careless driving. This scenario illustrates which of the following concepts?
 (A) Moral Hazard
 (B) Market Power
 (C) Lemon's Problem
 (D) Government Interventions

68. Under Article 266(1) of the Constitution of India, which of the following is used in relation to all fund flows where the government acts as a banker?
 (A) Public Account
 (B) Consolidated Fund
 (C) Contingency Fund

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(D) State Development Fund

69. _____ is defined as the excess of total estimated expenditure over total estimated revenue and is the difference between all receipts and expenditures, both revenue and capital.

(A) Fiscal Deficit
 (C) Budgetary Deficit
 (B) Revenue Deficit
 (D) Primary Deficit

70. The situation when the market does not supply products at all despite the fact that such products and services are wanted by the people is known as:

(A) Temporary market failure
 (B) Complete market failure
 (C) Partial market failure
 (D) Relative market failure

71. For initial deposit of ₹ 6,00,000, the credit creation is calculated at ₹ 50,00,000. What is Required Reserved Ratio (RRR)?

(A) 12%
 (B) 10%
 (C) 12.5%
 (D) 8%

72. Which of the following is not a quantitative tool as used by RBI to control the money supply in the entire economy?

(A) Open Market Operations
 (B) Statutory Liquidity Ratio
 (C) Selective Credit Control
 (D) Cash Reserve Ratio

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73. Which of the following statements are true in relation to the Cryptocurrency?

Statement-I: These have achieved significant legislative recognition.

Statement-II: These are not legally recognized in India as currency.

Statement-III: These are not categorized as money.

Statement-IV: In India, it serves as a legitimate form of payment for goods and services in the same way as traditional money does.

(A) Statement I and IV

(B) Statement I and II

(C) Statement I and III

(D) Statement II and III

74. If the money supply is ₹ 1,000 billion and the monetary base is ₹ 200 billion, what is the money multiplier (m)?

(A) 5

(B) 2

(C) 10

(D) 0.2

75. What is the primary objective of monetary policy in most countries, including India?

(A) To ensure a high level of government spending.

(B) To maintain a balance between price stability and economic growth.

(C) To promote export-led growth.

(D) To control exchange rates at all costs.

76. Marginal Standing Facility (MSF) Rate is the penal rate at which the Central Banks lend money to Banks, over the rate available under the Repo Policy. Which of the following are the correct options to calculate MSF Rate ?

Option (1): MSF Rate Repo Rate + 1 MSF Rate

Option (2): MSF Rate-Repo Rate-1 MSF Rate

Option (3): MSF Rate = Repo Rate + 1

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Option (4): MSF Rate Repo Rate - 1

- (A) Option (1) and (4)
- (B) Option (2) and (3)
- (C) Option (1) and (3)
- (D) Option (2) and (4)

77. According to Friedman, how does the price level, as a determinant, affect the nominal demand for money?

- (A) It has no effect.
- (B) It is negatively related to the demand for money.
- (C) A rise in the price level increases the demand for money and vice versa.
- (D) A rise in the price level decreases the demand for money.

78. When the speculative demand for money becomes perfectly elastic with respect to the interest rate, making the speculative money demand curve parallel to the X-axis, this situation is called a/an _____

- (A) Inflationary gap
- (B) Liquidity trap
- (C) Monetary expansion
- (D) Deflationary spiral

79. Calculate Broad Money (M3) from the following data:

Particulars	(₹ in Crores)
Currency with the public	2250
Demand Deposits with the banking system	630
Total post office deposits	478
Time deposits with banks	535
Savings deposits with Post office savings banks	312

- (A) ₹ 3,415 crores
- (B) ₹ 3,225 crores
- (C) ₹ 3,260 crores

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(D) ₹ 3,420 crores

80. Which monetary tool is used to check temporary liquidity mismatches in the market due to foreign capital flow?

- (A) Cash Reserve Ratio (CRR)
- (B) Statutory Liquidity Ratio (SLR)
- (C) Open Market Operations (OMO)
- (D) Marginal Standing Facility (MSF)

81. ABC Ltd., a company based in Country 'A', imports machinery from Country 'B'. Recently, Country 'A' introduced a measure that requires all importers to pay 25% of the total value of goods three months in advance before the goods arrive. Which measure has been adopted by Country 'A'?

- (A) Financial Measures
- (B) Price Control Measures
- (C) Measures affecting Competition
- (D) Government Procurement Policies

82. Which of the following consists of a group of countries that have a free trade agreement among themselves and may apply a common external tariff to other countries?

- (A) Free-trade area
- (B) Regional Preferential Trade Agreements
- (C) Economic and Monetary Union
- (D) Trading Bloc

83. Country 'X' has seen an increase in its Real Effective Exchange Rate (REER). As a result, Country 'X's goods are becoming more expensive for foreign buyers, and imports from other countries are becoming cheaper. What is the likely impact on Country 'X's economy?

- (A) Exports from Country 'X' will increase.
- (B) Imports to Country 'X' will become more expensive.

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(C) Exports from Country 'X' will become less competitive.
 (D) Imports to Country 'X' will decrease.

84. In which of the following forms of FDI, 100% investment is allowed under the automatic route for airport projects in India?
 (A) Greenfield investment
 (B) Brownfield investment
 (C) Joint venture
 (D) Subsidiary establishment

85. Who proposed that a country should export goods in which it has the greatest absolute advantage and import goods in which its absolute advantage is comparatively less?
 (A) Adam Smith
 (B) David Ricardo
 (C) Eli Heckscher and Bertil Ohlin
 (D) John Maynard Keynes

86. An anti-dumping duty is a protectionist tariff that a domestic government imposes on imports that it believes are priced below
 (A) Production cost
 (B) Export price
 (C) Fair market value
 (D) Import duty

87. Which of the following is NOT an example of Technical Barriers to Trade (TBT)?
 (A) Eco-labelling
 (B) Quality standards
 (C) Import quotas
 (D) Organic certification

SUGGESTED ANSWERS

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88. A U.S. based cell phone service provider expands its operations in India by offering the same telecommunication services as it does in the U.S. This type of investment is an example of:
 - (A) Horizontal direct investment
 - (B) Vertical investment
 - (C) Conglomerate Investment
 - (D) Two-way direct foreign investment
89. The government of India has imposed tariff on steel product as under: 5% ad valorem or 800 per tonne, whichever is higher. It is an example of:
 - (A) Mixed Tariff
 - (B) Compound Tariff
 - (C) Ad valorem Tariff
 - (D) Bound Tariff
90. Which of the following is not the advantage of a fixed exchange rate regime?
 - (A) An increase in speculation on exchange rate movements.
 - (B) Enhances international trade and investment.
 - (C) Avoids currency fluctuations and eliminates exchange rate risks.
 - (D) Enhances the credibility of the country's monetary policy.
91. Which of the following was NOT the focus of the monetary and financial sector reforms?
 - (A) Reducing the burden of non-performing assets on government banks.
 - (B) Restricting foreign investment in banks.
 - (C) Introducing and sustaining competition.
 - (D) Deregulating interest rates.

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92. What type of economy is described as prevalent in ancient and medieval India?
 - (A) A predominantly agricultural economy
 - (B) A self-reliant and prosperous economy
 - (C) A heavily trade-dependent economy
 - (D) A barter-based economy
93. Foreign Investment Promotion Board (FIPB) was abolished in May 2017 and which of the following replaced it?
 - (A) Foreign Investor Promotion Portal (FIPP).
 - (B) Foreign Investment Facilitation Portal (FIPP)
 - (C) Foreign Direct Investment Portal (FDIP)
 - (D) Foreign Direct Investment Promotion Portal (FDIPP)
94. The _____ includes a stable and transparent tax structure, better tax compliance, reduction of subsidies and encouragement of private sector participation.
 - (A) Fiscal Reforms
 - (B) Capital Market Reforms
 - (C) Trade Policy Reforms
 - (D) Monetary and Financial Sector Reforms
95. Which of the following sectors has recently been included under the PLI Scheme?
 - (A) Automobiles
 - (B) Textiles
 - (C) White goods (Air conditioners and LED lights)
 - (D) Pharmaceuticals
96. Which facility was provided to industry groups to allow flexibility and rapid changes in their product mix without requiring a fresh license?
 - (A) Open General License (OGL)

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(B) Broad-Banding
 (C) Special Economic Zones (SEZs)
 (D) Export Promotion Policy

97. Which scheme aims to increase water use efficiency at the farm level?
 (A) Agricultural Mechanization
 (B) Paramparagat Krishi Vikas Yojana (PKVY)
 (C) Per Drop More Crop (PDMC)
 (D) Agri Infrastructure Fund

98. What is the full form of PMI?
 (A) Prime Management Index
 (C) Purchasing Managers' Index
 (B) Purchase Management Index
 (D) Property Managers' Index

99. Which of the following is the aim of the National Manufacturing Policy?
 (A) To increase the share of manufacturing in GVA to 27% by 2027.
 (B) To increase the share of manufacturing in NDP to 27% by 2027.
 (C) To increase the share of manufacturing in NNP to 25% by 2025.
 (D) To increase the share of manufacturing in GDP to 25% by 2025.

100. The reason for introduction of 'Kisan Rail' is:
 (A) For taking initiative towards transportation of perishable goods to market.
 (B) For improvement in farm produce logistics.
 (C) For creation of start-up eco system in agriculture and allied sectors.
 (D) For taking initiative to formulate a comprehensive policy framework for logistics sector.



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Answer Key

1.	(D)	2.	(B)	3.	(A)	4.	(C)	5.	(D)
6.	(B)	7.	(B)	8.	(B)	9.	(C)	10.	(C)
11.	(D)	12.	(C)	13.	(A)	14.	(B)	15.	(B)
16.	(D)	17.	(C)	18.	(A)	19.	(C)	20.	(C)
21.	(B)	22.	(C)	23.	(C)	24.	(B)	25.	(C)
26.	(C)	27.	(B)	28.	(A)	29.	(A)	30.	(C)
31.	(B)	32.	(D)	33.	(C)	34.	(A)	35.	(C)
36.	(A)	37.	(A)	38.	(C)	39.	(A)	40.	(C)
41.	(C)	42.	(C)	43.	(B)	44.	(C)	45.	(A)
46.	(D)	47.	(C)	48.	(B)	49.	(B)	50.	(C)
51.	(A)	52.	(B)	53.	(B)	54.	(A)	55.	(B)
56.	(A)	57.	(B)	58.	(B)	59.	(B)	60.	(C)
61.	(B)	62.	(C)	63.	(A)	64.	(B)	65.	(C)
66.	(A)	67.	(A)	68.	(A)	69.	(C)	70.	(B)
71.	(A)	72.	(C)	73.	(D)	74.	(A)	75.	(B)
76.	(C)	77.	(C)	78.	(B)	79.	(A)	80.	(C)
81.	(A)	82.	(D)	83.	(C)	84.	(B)	85.	(B)
86.	(C)	87.	(C)	88.	(A)	89.	(A)	90.	(A)
91.	(B)	92.	(B)	93.	(B)	94.	(A)	95.	(C)
96.	(B)	97.	(C)	98.	(C)	99.	(D)	100.	(B)



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Studying from niraj sir was an amazing experience. He is unlike all the teachers who have taught me. Sir is always ready for help no matter what the problem is, no matter what time it is. He has given me personal guidance throughout the course and the general teacher-student relation has become more like friendship. The study material given by sir is fully exhaustive and second to none. In addition to the classroom teaching, sir also motivated us a lot and didn't only show us the dream of getting a rank but also helped us in every way possible as if it were a dream of his own. I would like to thank sir for everything and suggest everyone to take his classes to experience the excellence!

I'm quite grateful to be a part of NAE family where I got to meet many new people and learn from extremely qualified teachers. Niraj sir helped me to shape my dream of becoming an AIR. Without his support it would have been very difficult. At each and every moment he supported me and encouraged me to improve myself. I'm really thankful to him.



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Association with NAE was a great experience. Personal attention and doubt clearing (24x7) on any topic makes the faculty unique on its own. One feels good when you have a teacher as a friend. Focus on life examples supports in concept clarity and always motivating you to do more and better

Joining here was a very memorable experience for me. Niraj Sir was not only my teacher, but a mentor for life. He is more of a friend to me. The regular tests helped me to identify my weaknesses and work upon them. The conceptual clarity they provided, helped me to clear my CA foundation exam and secure an All India Rank.



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"An opportunity which everyone should capitalize on", that's what learning things from Niraj sir is. From late night calls to endless doubts I always knew that sir was available to help me get things back on track. With the overwhelming love I have got for the entire 6 months of my preparation time, I really discovered a friend in him more than a teacher. Dont know about others, but I will miss your classes and will keep cherishing the memories I have made there. To end things, I would just want to say that I'm thankful to sir because whatever I've achieved today is all because of the motivation I've been receiving from him throughout this journey.

Its been all in all a great experience learning from sir. He has been a great guide and mentor throughout my journey towards excellence. I am obliged to sir for all the contribution he has made. I will always keep learning something from you sir.



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Stepping into the line of a professional career was a very new and exciting experience. It seemed that the boards exams was just a trailer while the movie is about to come. He is mentor not just for exams but for life who were instrumental in shaping my career. He kept me motivated throughout the 6 months of preparation. From books to revision papers to mock tests and obviously there vast knowledge, all together are more than sufficient for the preparation. The best thing in his teaching was the references to the practical world, which was a bonus for us. After all, their faith and dedication for us helped me achieve an AIR which was earlier only a dream. I greatly express my gratitude towards him.

It was my great opportunity and experience to study in this institute. He is very friendly with the students. He provides proper guideline and notes for each and every chapter. As a result of his hard efforts while teaching and preparing me for CA Foundation exam, I got 48th All India Rank



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Niraj sir is the best sir I ever met. He is always ready to help in any situations 24x7. he makes our concept clear, base strong along with cheering up and removing up tension for exams by his motivation. #togetherwecan. he not only support in studies but support morally. At the exam time sir provide personal attention, important updates, voice notes and precise notes at last moment along with very imp. Pdfs which helped a lot. Even more effort for online and outsider students by giving his best and make them feel like offline only. Thank you so much sir. No words to thank you for what you did for me ...
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Well firstly, I am grateful to be a part of NAE. It is not just like any other institute or tution which we usually see in every area rather it is a family. Talking about the head of the Family Niraj sir he is a gem of person who was always there for you at 2:40 am. Honestly speaking Sir was there for us like a elder brother and a mentor from the day very first we met him and you can learn a lot from sir apart from the course. Lastly, One thing which I personally learned from sir was giving personal attention to everyone.

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A teacher like Niraj Sir was just a dream for me that come true. His teaching skills and knowledge about everything is just awesome. More than a teacher he is our true friend a guidance in life that guides you in every aspect and an inspiration too. NAE is not just an institution, It's like our second home. #NAE FAMILY

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Hello everyone, I am elated to share my experience with the NAE. It was always my dream to become a CA and I am on the halfway of my dream just because of the support and guidance from the Niraj sir. His commitment to providing every lecture with so much ease that it never feels like it was hard. The personalized attention and guidance I have received from Niraj Sir have been instrumental in my understanding of complex concepts, making the learning process not only insightful but also enjoyable.

His personality is so amazing that it always encourages the people around him to do the best thing in their life. He is like a role model to me, who always encouraged me through out this rigorous yet the most beautiful journey.

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Apart from being an excellent teacher, Niraj sir is also a great mentor. He is always available to listen to the student's grievances and guide them through it. I am extremely grateful to him. Best teacher no doubt

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I had a fantastic experience at NAE. Sir is highly knowledgeable and supportive, always going the extra mile to ensure students understood complex concepts. The study materials are comprehensive and well-structured, making exam preparation efficient. Additionally, the regular mock tests helps me gauge my progress and build confidence. The institute's conducive learning environment and the personalized attention provided by sir is instrumental in my success. I highly recommend NAE to anyone aspiring to excel in their CA foundation exam.



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Niraj Agarwal is a Chartered Accountant, Company Secretary, Cost & Management Accountant. He is an All India Rank Holder in all the 3 courses. He has graduated from St. Xavier's College, Kolkata and holds a Master's degree in Commerce too. He believes that learning is a continuous process and hence he is also a ICAI certified IFRS professional, UGC NET Qualified, an Associate from Insurance Institute of India and completed 5 papers of Actuarial Science. He is also a visiting Faculty and Student Counsellor at Institute of Chartered Accountants of India, Kolkata and Secretary at ICAS, Kolkata

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