Q.1

When the marginal propensity to consume is given as 0.5. What is the tax multiplier?

1. 2
2. -2
3. 3
4. -1

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708758**
Option 1 ID : **2268952748094**
Option 2 ID : **2268952748095**
Option 3 ID : **2268952748096**
Option 4 ID : **2268952748097**
Status : **Answered**
Chosen Option : **4**

Q.2

Match **List-I** with **List-II**

List-I	List-II
(A) Payments by a firm for inputs.	(I) Cost of production
(B) Output sold by a firm in the market.	(II) Revenue
(C) Inputs are transformed into output.	(III) Production
(D) Objective of a firm to maximize.	(IV) Profit

Choose the **correct** answer from the options given below:

1. (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
2. (A) - (II), (B) - (I), (C) - (III), (D) - (IV)
3. (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
4. (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708725**
Option 1 ID : **2268952747962**
Option 2 ID : **2268952747963**
Option 3 ID : **2268952747964**
Option 4 ID : **2268952747965**
Status : **Answered**
Chosen Option : **1**

Q.3

The study of macroeconomics usually simplifies the analysis of how the country's total ouput and the level of employment are related to.

1. Production.
2. Variables.
3. Government Expenditure.
4. Consumption.

Options
1. 1
2. 2
3. 3
4. 4

Question Type :	**MCQ**
Question ID :	**226895708735**
Option 1 ID :	**2268952748002**
Option 2 ID :	**2268952748003**
Option 3 ID :	**2268952748004**
Option 4 ID :	**2268952748005**
Status :	**Answered**
Chosen Option :	**2**

Q.4

When the additional unit of input is 'crowded' in the production, the output is proportionally less and.....................

1. Total product begins to fall.
2. Marginal product begins to fall.
3. Average product begins to rise.
4. Total product begins to rise.

Options
1. 1
2. 2
3. 3
4. 4

Question Type :	**MCQ**
Question ID :	**226895708723**
Option 1 ID :	**2268952747954**
Option 2 ID :	**2268952747955**
Option 3 ID :	**2268952747956**
Option 4 ID :	**2268952747957**
Status :	**Answered**
Chosen Option :	**2**

Q.5

The Central Bank is a very important institution in the modern economy. What are the main characteristics of the Reserve Bank of India?

(A) India got its central bank in 1935.

(B) It is the custodian of the foreign exchange reserves of the economy.

(C) It controls the money supply of the country through various methods, like bank rate, open market operations etc.

(D) It also acts as a bank for the banking system.

Choose the ***correct*** answer from the options given below:

1. (A), (C) and (D) only
2. (A), (B) and (D) only
3. (A), (B), (C) and (D)
4. (B), (C) and (D) only

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708753**
Option 1 ID : **2268952748074**
Option 2 ID : **2268952748075**
Option 3 ID : **2268952748076**
Option 4 ID : **2268952748077**
Status : **Answered**
Chosen Option : **3**

Q.6

When goods and services are evaluated at some constant set of prices, it can also be defined as.

1. Real GDP.
2. GDP Deflator.
3. Constant Prices.
4. Nominal GDP.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708739**
Option 1 ID : **2268952748018**
Option 2 ID : **2268952748019**
Option 3 ID : **2268952748020**
Option 4 ID : **2268952748021**
Status : **Answered**
Chosen Option : **1**

Q.7

Choose the correct statements considering the relationship between marginal product and average product.

(A) Average product and marginal product curve are 'U'shaped.

(B) Average product and marginal product curve are inverse 'U'shaped.

(C) When the average product increases, the marginal product is greater than the average product.

(D) When the average product decreases, the marginal product is less than the average product.

Choose the ***correct*** answer from the options given below:

1. (A), (B) and (D) only
2. (A), (C) and (D) only
3. (A), (B), (C) and (D)
4. (B), (C) and (D) only

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708728**
Option 1 ID : **2268952747974**
Option 2 ID : **2268952747975**
Option 3 ID : **2268952747976**
Option 4 ID : **2268952747977**
Status : **Answered**
Chosen Option : **4**

Q.8

Rahul buys 90 kg of sugar and 5 pairs of shoes in a year. In the year 2000, the price of a kg of sugar was Rs 10 and a pair of shoes was Rs 100. Now suppose the prices of a kg of sugar and a pair of shoes have gone up to Rs 15 and Rs 120 in the year 2005. What is the Consumer Price Index?

1. 135.29
2. 1350
3. 600
4. 139.29

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708740**
Option 1 ID : **2268952748022**
Option 2 ID : **2268952748023**
Option 3 ID : **2268952748024**
Option 4 ID : **2268952748025**
Status : **Answered**
Chosen Option : **1**

Q.9

The sales of bread have increased from 10 units to 15 units. Suppose the government imposed a unit tax of Rs. 5 on current production, then the total tax that the firm must pay to the government is?

1. Rs. 50
2. Rs. 75
3. Rs. 25
4. Rs. 15

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708730**
Option 1 ID : **2268952747982**
Option 2 ID : **2268952747983**
Option 3 ID : **2268952747984**
Option 4 ID : **2268952747985**
Status : **Answered**
Chosen Option : **2**

Q.10

The Reserve Bank of India publishes four measures of money supply. Which one of the measures is the least liquid in them?

1. M_1 = CU + DD.
2. M_2 = M_1 + Savings deposits with Post Office savings banks.
3. M_3 = M_1 + Net time deposits of commercial banks.
4. M_4 = M_3 + Total deposits with Post Office savings organisations.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708752**
Option 1 ID : **2268952748070**
Option 2 ID : **2268952748071**
Option 3 ID : **2268952748072**
Option 4 ID : **2268952748073**
Status : **Answered**
Chosen Option : **4**

Q.11

Match **List-I** with **List-II**

List-I	List-II
(A) Fixed period to maturity.	(I) Intrinsic Value
(B) Currency notes and coins.	(II) M_3
(C) Gold or silver coin.	(III) Time Deposits
(D) Aggregate monetary resources.	(IV) Fiat Money

Choose the **correct** answer from the options given below:

1. (A) - (II), (B) - (I), (C) - (III), (D) - (IV)
2. (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
3. (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
4. (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708749**
Option 1 ID : **2268952748058**
Option 2 ID : **2268952748059**
Option 3 ID : **2268952748060**
Option 4 ID : **2268952748061**
Status : **Answered**
Chosen Option : **4**

Q.12

Match **List-I** with **List-II**

List-I	List-II
(A) Inventory	(I) Planned
(B) Consumption	(II) Actually happened
(C) Ex-ante	(III) Investment
(D) Ex-post	(IV) Household Income

Choose the **correct** answer from the options given below:

1. (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
2. (A) - (II), (B) - (I), (C) - (III), (D) - (IV)
3. (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
4. (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708744**
Option 1 ID : **2268952748038**
Option 2 ID : **2268952748039**
Option 3 ID : **2268952748040**
Option 4 ID : **2268952748041**
Status : **Answered**
Chosen Option : **4**

Q.13

Match **List-I** with **List-II**

List-I	List-II
(A) GNP_{MP} - Depreciation	(I) NNP_{MP}
(B) GDP_{MP} + NFIA	(II) GNP_{MP}
(C) NNP_{MP} - Net Product Taxes - Net Production Taxes	(III) GDP_{MP}
(D) GVA_{MP}	(IV) NNP_{FC}

Choose the **correct** answer from the options given below:

1. (A) - (II), (B) - (I), (C) - (III), (D) - (IV)
2. (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
3. (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
4. (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708738**
Option 1 ID : **2268952748014**
Option 2 ID : **2268952748015**
Option 3 ID : **2268952748016**
Option 4 ID : **2268952748017**
Status : **Answered**
Chosen Option : **3**

Q.14

In a simple economy, the circular flow between firms and households in terms of factor payments and services also represents as.

1. Goods and Services Market.
2. Factors of Production Market.
3. Product Market.
4. Financial Market.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708737**
Option 1 ID : **2268952748010**
Option 2 ID : **2268952748011**
Option 3 ID : **2268952748012**
Option 4 ID : **2268952748013**
Status : **Answered**
Chosen Option : **1**

Q.15

The cost of a firm has increased from Rs. 67 to Rs. 80 when the units of cotton production rose from 8 to 9. Calculate the marginal cost of a firm?

1. Rs. 80
2. Rs. 13
3. Rs. 536
4. Rs. 720

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708724**
Option 1 ID : **2268952747958**
Option 2 ID : **2268952747959**
Option 3 ID : **2268952747960**
Option 4 ID : **2268952747961**
Status : **Answered**
Chosen Option : **2**

Q.16

The relationship between an increase in variable input and output when all other inputs are held constant is referred to as.

1. Average Product.
2. Total Product.
3. Marginal Product.
4. Physical Product.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708722**
Option 1 ID : **2268952747950**
Option 2 ID : **2268952747951**
Option 3 ID : **2268952747952**
Option 4 ID : **2268952747953**
Status : **Answered**
Chosen Option : **3**

Q.17

To tackle the problem of corruption, black money, terrorism and the circulation of fake currency in the economy, demonetization was an initiative taken by the Government of India in the period?

1. September 2016.
2. October 2016.
3. November 2016.
4. December 2016.

Options
1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708751**
Option 1 ID : **2268952748066**
Option 2 ID : **2268952748067**
Option 3 ID : **2268952748068**
Option 4 ID : **2268952748069**
Status : **Answered**
Chosen Option : **3**

Q.18

Arrange the following events in chronological order according to time period.

(A) The Economic Consequences of the Peace.

(B) An Enquiry into the Nature and Cause of the Wealth of Nations.

(C) The Great Depression.

(D) General Theory of Employment, Interest and Money.

Choose the **correct** answer from the options given below:

1. (C), (B), (D), (A)
2. (A), (B), (C), (D)
3. (B), (A), (D), (C)
4. (B), (A), (C), (D)

Options
1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708734**
Option 1 ID : **2268952747998**
Option 2 ID : **2268952747999**
Option 3 ID : **2268952748000**
Option 4 ID : **2268952748001**
Status : **Answered**
Chosen Option : **4**

Q.19

The change in the inventory of a firm is treated as an investment. What are the major categories of investment?

(A) Investment Expenditure.

(B) Autonomous Investment.

(C) Fixed Business Investment.

(D) Residential Investment.

Choose the ***correct*** answer from the options given below:

1. (A), (C) and (D) only
2. (A), (B) and (D) only
3. (A), (B), (C) and (D)
4. (B), (C) and (D) only

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708736**
Option 1 ID : **2268952748006**
Option 2 ID : **2268952748007**
Option 3 ID : **2268952748008**
Option 4 ID : **2268952748009**
Status : **Answered**
Chosen Option : **4**

Q.20

The aggregate demand function shows the total demand for goods and services at each level of income. The graphical representation of the aggregate demand function will have which of the following features?

(A) It can be obtained by vertically adding the consumption and investment function.

(B) It is parallel to the consumption function i.e., they have the same slope c.

(C) It shows ex post demand.

(D) It shows ex ante demand.

Choose the ***correct*** answer from the options given below:

1. (A), (B) and (D) only
2. (A), (C) and (D) only
3. (A), (B), (C) and (D)
4. (B), (C) and (D) only

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708746**
Option 1 ID : **2268952748046**
Option 2 ID : **2268952748047**
Option 3 ID : **2268952748048**
Option 4 ID : **2268952748049**
Status : **Answered**
Chosen Option : **1**

Q.21

A perfectly competitive market in an economy is categorized by the following features.

(A) Firms are price-takers.

(B) Average revenue is equal to market price.

(C) Market is perfectly inelastic.

(D) Marginal revenue is equal to market price.

Choose the ***correct*** answer from the options given below:

1. (A), (B) and (D) only
2. (A), (C) and (D) only
3. (A), (B), (C) and (D)
4. (B), (C) and (D) only

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708729**
Option 1 ID : **2268952747978**
Option 2 ID : **2268952747979**
Option 3 ID : **2268952747980**
Option 4 ID : **2268952747981**
Status : **Answered**
Chosen Option : **1**

Q.22

In macroeconomics, when a price is constant, equilibrium is achieved at a point where?

1. Demand = Supply.
2. ex- post Aggregate Demand = Aggregate Supply.
3. Ex ante Aggregate Demand = Ex ante Aggregate Supply.
4. Consumtion = Investment.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708745**
Option 1 ID : **2268952748042**
Option 2 ID : **2268952748043**
Option 3 ID : **2268952748044**
Option 4 ID : **2268952748045**
Status : **Answered**
Chosen Option : **3**

Q.23

The government imposes taxes that do not depend on income, called?

1. Lump-sum Taxes.
2. Proportional Taxes.
3. Non-income Taxes.
4. Service Taxes.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708755**
Option 1 ID : **2268952748082**
Option 2 ID : **2268952748083**
Option 3 ID : **2268952748084**
Option 4 ID : **2268952748085**
Status : **Answered**
Chosen Option : **3**

Q.24

When autonomous investment increases, the aggregate demand curve shifts?

1. Upwards.
2. Parallel Upwards.
3. Downwards.
4. Parallel Downwards.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708742**
Option 1 ID : **2268952748030**
Option 2 ID : **2268952748031**
Option 3 ID : **2268952748032**
Option 4 ID : **2268952748033**
Status : **Answered**
Chosen Option : **2**

Q.25

The interest rate paid by the commercial banks to depositors is lower than the rate charged from the borrowers. This difference between these two types of interest rates, called?

1. Bank Rate.
2. Spread.
3. Reserve.
4. Deposits.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708750**
Option 1 ID : **2268952748062**
Option 2 ID : **2268952748063**
Option 3 ID : **2268952748064**
Option 4 ID : **2268952748065**
Status : **Answered**
Chosen Option : **3**

Q.26

Even if income is zero, some consumption still takes place, which is independent of income. This type of consumption is called?

1. Autonomous Consumption.
2. Household Consumption
3. Induced Consumption.
4. dependent Consumption.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708743**
Option 1 ID : **2268952748034**
Option 2 ID : **2268952748035**
Option 3 ID : **2268952748036**
Option 4 ID : **2268952748037**
Status : **Answered**
Chosen Option : **1**

Q.27

A set of arrangements where economic agents can freely exchange their endowments or products with each other. Such an economy is defined as?

1. Centrally Planned Economy.
2. Closed Economy.
3. Market Economy.
4. Socialist Economy.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708720**
Option 1 ID : **2268952747942**
Option 2 ID : **2268952747943**
Option 3 ID : **2268952747944**
Option 4 ID : **2268952747945**
Status : **Answered**
Chosen Option : **3**

Q.28

Match **List-I** with **List-II**

List-I	List-II
(A) Total revenue	(I) Minimum of LRAC curve.
(B) Supply	(II) A firm earns only normal profit.
(C) Shut down point	(III) Market price multiplied by the firm's output.
(D) Break-even point	(IV) Quantity sold at a given price.

Choose the **correct** answer from the options given below:

1. (A) - (II), (B) - (I), (C) - (III), (D) - (IV)
2. (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
3. (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
4. (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708731**
Option 1 ID : **2268952747986**
Option 2 ID : **2268952747987**
Option 3 ID : **2268952747988**
Option 4 ID : **2268952747989**
Status : **Answered**
Chosen Option : **4**

Q.29

$C = 120 + 0.5Y$

$I = 20$

What is the equilibrium income?

1. 140
2. 280
3. 1400
4. 140.5Y

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708747**
Option 1 ID : **2268952748050**
Option 2 ID : **2268952748051**
Option 3 ID : **2268952748052**
Option 4 ID : **2268952748053**
Status : **Answered**
Chosen Option : **2**

Q.30

If the governmet fixed maximum price of produuct below the market price then product will have?

1. Increased Supply.
2. Constant Demand.
3. Excess Demand.
4. Decreased Demand.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708732**
Option 1 ID : **2268952747990**
Option 2 ID : **2268952747991**
Option 3 ID : **2268952747992**
Option 4 ID : **2268952747993**
Status : **Answered**
Chosen Option : **3**

Q.31

Arrange the following events in chronological order as per the time period.

(A) Gender Budgeting.

(B) Fiscal Responsibility and Budget Management Act.

(C) 101th Constitution Amendment Act.

(D) Goods and Service Tax.

Choose the **correct** answer from the options given below:

1. (A), (B), (C), (D)
2. (B), (A), (C), (D)
3. (B), (A), (D), (C)
4. (C), (B), (D), (A)

Options
1. 1
2. 2
3. 3
4. 4

Question Type :	**MCQ**
Question ID :	**226895708756**
Option 1 ID :	**2268952748086**
Option 2 ID :	**2268952748087**
Option 3 ID :	**2268952748088**
Option 4 ID :	**2268952748089**
Status :	**Answered**
Chosen Option :	**2**

Q.32

The function of the investment multiplier is?

1. $\Delta Y / \Delta(Y - S)$
2. $\Delta I / \Delta Y$
3. $\Delta Y / \Delta I$
4. $\Delta Y / \Delta \bar{A}$

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708748**
Option 1 ID : **2268952748054**
Option 2 ID : **2268952748055**
Option 3 ID : **2268952748056**
Option 4 ID : **2268952748057**
Status : **Answered**
Chosen Option : **3**

Q.33

In the short run, the shape of the average fixed cost curve for a typical firm is?

1. Vertical to y-axis.
2. Downward sloping left to right.
3. Rectangular hyperbola.
4. Horizontal to x-axis.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708727**
Option 1 ID : **2268952747970**
Option 2 ID : **2268952747971**
Option 3 ID : **2268952747972**
Option 4 ID : **2268952747973**
Status : **Answered**
Chosen Option : **3**

Q.34

There is a constitutional requirement in India to present before the Parliament a statement of estimated receipts and expenditures of the government in respect of every financial year which runs from............

1. 1 April to 31 March.
2. 1 January to 31 December.
3. 1 July to 30 June.
4. 1 May to 30 April.

Options
1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708754**
Option 1 ID : **2268952748078**
Option 2 ID : **2268952748079**
Option 3 ID : **2268952748080**
Option 4 ID : **2268952748081**
Status : **Answered**
Chosen Option : **1**

Q.35

Investment can mean the amount a producer plans to add to his inventory, which may be different from what she ends up doing. Arrange the given case study considering this process of ex-ante to ex-post investment.

(A) At the end of the year, his inventory goes up by Rs 70 only

(B) Due to an unforeseen upsurge in demand for his goods in the market, the volume of sales exceeds

(C) The producer plans to add Rs 100 worth of goods to his stock by the end of the year, which is his planned investment

(D) To meet this extra demand, he has to sell goods worth Rs 30 from his stock

Choose the **correct** answer from the options given below:

1. (A), (B), (C), (D)
2. (B), (A), (C), (D)
3. (C), (B), (D), (A)
4. (B), (A), (D), (C)

Options
1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708741**
Option 1 ID : **2268952748026**
Option 2 ID : **2268952748027**
Option 3 ID : **2268952748028**
Option 4 ID : **2268952748029**
Status : **Answered**
Chosen Option : **3**

Q.36

Which one is not the component of capital receipts?

1. Tax Revenue.
2. Recovery of Loans.
3. Public Sector Undertaking Disinvestment.
4. Borrowings and Other Liabilities.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708757**
Option 1 ID : **2268952748090**
Option 2 ID : **2268952748091**
Option 3 ID : **2268952748092**
Option 4 ID : **2268952748093**
Status : **Answered**
Chosen Option : **1**

Q.37

If all the resources are used in the production of cloth, the curve which gives the maximum amount of cloth produced in the economy for any given amount of machine is called?

1. Production Possibility Set.
2. Production Possibility Frontier.
3. Isoquant Curve.
4. Indifference Curve.

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708719**
Option 1 ID : **2268952747938**
Option 2 ID : **2268952747939**
Option 3 ID : **2268952747940**
Option 4 ID : **2268952747941**
Status : **Answered**
Chosen Option : **2**

Q.38

When a firm increases its output and the average cost rises, this phase in the production process is shown as?

1. Returns to Scale.
2. Constant returns to scale.
3. Increasing Returns to Scale.
4. Decreasing Returns to Scale.

Options
1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708726**
Option 1 ID : **2268952747966**
Option 2 ID : **2268952747967**
Option 3 ID : **2268952747968**
Option 4 ID : **2268952747969**
Status : **Answered**
Chosen Option : **4**

Q.39

Arrange the following statements showing the change in budget set due to change in income.

(A) The equation of the budget line is $p_1 x_1 + p_2 x_2 = M'$.

(B) Consumer's income increases from M to M', but the price of goods remains constant.

(C) The set of available bundles depends upon prices and the income of the consumer.

(D) Consumers can buy more of the goods at the prevailing market prices.

Choose the **correct** answer from the options given below:

1. (A), (B), (C), (D)
2. (B), (A), (C), (D)
3. (B), (A), (D), (C)
4. (C), (B), (D), (A)

Options
1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708721**
Option 1 ID : **2268952747946**
Option 2 ID : **2268952747947**
Option 3 ID : **2268952747948**
Option 4 ID : **2268952747949**
Status : **Answered**
Chosen Option : **4**

Q.40

Arrange the given statements in chronological order stating the implications of free entry and exit assumptions in a equilibrium market.

(A) Supply curve shifts rightward, however demand remains unchanged.

(B) At the prevailing market price, each firm is earning a supernormal profit and will attract some new firms.

(C) Market prices fall, and supernormal profits are eventually wiped out.

(D) All firms in the market are earning normal profit, no more firms will have incentive to enter.

Choose the **correct** answer from the options given below:

1. (B), (A), (C), (D)
2. (A), (B), (C), (D)
3. (B), (A), (D), (C)
4. (C), (B), (D), (A)

Options
1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708733**
Option 1 ID : **2268952747994**
Option 2 ID : **2268952747995**
Option 3 ID : **2268952747996**
Option 4 ID : **2268952747997**
Status : **Answered**
Chosen Option : **1**

Comprehension:

Read the passage carefully and answer the questions based on the passage:

Elasticity of Demand

The demand for a good moves in the opposite direction to its price. But the impact of the price change is always not the same. Sometimes, the demand for a good changes considerably even for small price changes. On the other hand, there are some goods for which the demand is not affected much by price changes. Demands for some goods are very responsive to price changes while demands for certain others are not so responsive to price changes. Price elasticity of demand is a measure of the responsiveness of the demand for a good to changes in its price. The price elasticity of demand for a good depends on the nature of the good and the availability of close substitutes of the good.

SubQuestion No : 41

Q.41

If the price of necessity good like clothes changes, what will be the effect on its demand?

1. Elastic
2. Less Elastic
3. Inelastic
4. More Elastic

Options
1. 1
2. 2
3. 3
4. 4

Question Type :	**MCQ**
Question ID :	**226895708762**
Option 1 ID :	**2268952748106**
Option 2 ID :	**2268952748107**
Option 3 ID :	**2268952748108**
Option 4 ID :	**2268952748109**
Status :	**Answered**
Chosen Option :	**3**

Comprehension:

Read the passage carefully and answer the questions based on the passage:

Elasticity of Demand

The demand for a good moves in the opposite direction to its price. But the impact of the price change is always not the same. Sometimes, the demand for a good changes considerably even for small price changes. On the other hand, there are some goods for which the demand is not affected much by price changes. Demands for some goods are very responsive to price changes while demands for certain others are not so responsive to price changes. Price elasticity of demand is a measure of the responsiveness of the demand for a good to changes in its price. The price elasticity of demand for a good depends on the nature of the good and the availability of close substitutes of the good.

SubQuestion No : 42

Q.42

When the percentage change in quantity demanded equals the percentage change in its price. The demand for the this good is said to be?

1. Perfectly Elastic
2. Perfectlty Inelastic
3. Unitary Elastic
4. Less Elastic

Options
1. 1
2. 2
3. 3
4. 4

Question Type :	**MCQ**
Question ID :	**226895708764**
Option 1 ID :	**2268952748114**
Option 2 ID :	**2268952748115**
Option 3 ID :	**2268952748116**
Option 4 ID :	**2268952748117**
Status :	**Answered**
Chosen Option :	**3**

Comprehension:

Read the passage carefully and answer the questions based on the passage:

Elasticity of Demand

The demand for a good moves in the opposite direction to its price. But the impact of the price change is always not the same. Sometimes, the demand for a good changes considerably even for small price changes. On the other hand, there are some goods for which the demand is not affected much by price changes. Demands for some goods are very responsive to price changes while demands for certain others are not so responsive to price changes. Price elasticity of demand is a measure of the responsiveness of the demand for a good to changes in its price. The price elasticity of demand for a good depends on the nature of the good and the availability of close substitutes of the good.

SubQuestion No : 43

Q.43

What is the formula for the price elasticity of demand for a good?

1. $(\Delta Q/Q) * (P/\Delta P)$
2. $(\Delta Q/Q) * (\Delta P/P)$
3. $(Q_1-Q_2/Q_1) * (P_1-P_2/P_1)$
4. $(Q_2-Q_1/Q2) * (P_2-P_1/P2)$

Options 1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708761**
Option 1 ID : **2268952748102**
Option 2 ID : **2268952748103**
Option 3 ID : **2268952748104**
Option 4 ID : **2268952748105**
Status : **Answered**
Chosen Option : **1**

Comprehension:

Read the passage carefully and answer the questions based on the passage:

Elasticity of Demand

The demand for a good moves in the opposite direction to its price. But the impact of the price change is always not the same. Sometimes, the demand for a good changes considerably even for small price changes. On the other hand, there are some goods for which the demand is not affected much by price changes. Demands for some goods are very responsive to price changes while demands for certain others are not so responsive to price changes. Price elasticity of demand is a measure of the responsiveness of the demand for a good to changes in its price. The price elasticity of demand for a good depends on the nature of the good and the availability of close substitutes of the good.

SubQuestion No : 44

Q.44

An individual buys 15 kg of sugar when its price is Rs. 5 per kg. When the price increases to Rs. 7 per kg, the demand goes down to 12 kg of sugar. What is the price elasticity of demand for sugar?

1. 0.3
2. 0.5
3. 0.4
4. -0.3

Options
1. 1
2. 2
3. 3
4. 4

Question Type :	**MCQ**
Question ID :	**226895708763**
Option 1 ID :	**2268952748110**
Option 2 ID :	**2268952748111**
Option 3 ID :	**2268952748112**
Option 4 ID :	**2268952748113**
Status :	**Answered**
Chosen Option :	**2**

Comprehension:

Read the passage carefully and answer the questions based on the passage:

Elasticity of Demand

The demand for a good moves in the opposite direction to its price. But the impact of the price change is always not the same. Sometimes, the demand for a good changes considerably even for small price changes. On the other hand, there are some goods for which the demand is not affected much by price changes. Demands for some goods are very responsive to price changes while demands for certain others are not so responsive to price changes. Price elasticity of demand is a measure of the responsiveness of the demand for a good to changes in its price. The price elasticity of demand for a good depends on the nature of the good and the availability of close substitutes of the good.

SubQuestion No : 45

Q.45

The price and quantity demanded are ....

1. Directly related
2. Indirectly related
3. Proportionately related
4. Not related

Options
1. 1
2. 2
3. 3
4. 4

Question Type :	**MCQ**
Question ID :	**226895708760**
Option 1 ID :	**2268952748098**
Option 2 ID :	**2268952748099**
Option 3 ID :	**2268952748100**
Option 4 ID :	**2268952748101**
Status :	**Answered**
Chosen Option :	**2**

Comprehension:

Read the passage carefully and answer the questions based on the passage:

Accounts in Balance of Payments

The current account is the record of trade in goods and services and transfer payments. Trade in goods includes exports and imports of goods. Trade in services includes factor income and non-factor income transactions. Transfer payments are the receipts which the residents of a country get for free, without having to provide any goods or services in return. They could be given by the government or by private citizens living abroad. Capital Account records all international transactions of assets. The capital account is in balance when capital inflows are equal to capital outflows. The essence of international payments is that just like an individual who spends more than her income must finance the difference by selling assets or by borrowing, a country that has a deficit in its current account must finance it by selling assets or by borrowing abroad. Thus, any current account deficit must be financed by a capital account surplus, that is, a net capital inflow. Apart from the current and capital accounts, there is a third element in the balance of payments called errors and omissions.

SubQuestion No : 46

Q.46

A banking service provided by a country is accounted in the element of the balance of payment.

1. Factor income.
2. Non-factor Income.
3. Transfer Payments.
4. Capital Account.

Options
1. 1
2. 2
3. 3
4. 4

Question Type :	**MCQ**
Question ID :	**226895708769**
Option 1 ID :	**2268952748130**
Option 2 ID :	**2268952748131**
Option 3 ID :	**2268952748132**
Option 4 ID :	**2268952748133**
Status :	**Answered**
Chosen Option :	**1**

Comprehension:

Read the passage carefully and answer the questions based on the passage:

Accounts in Balance of Payments

The current account is the record of trade in goods and services and transfer payments. Trade in goods includes exports and imports of goods. Trade in services includes factor income and non-factor income transactions. Transfer payments are the receipts which the residents of a country get for free, without having to provide any goods or services in return. They could be given by the government or by private citizens living abroad. Capital Account records all international transactions of assets. The capital account is in balance when capital inflows are equal to capital outflows. The essence of international payments is that just like an individual who spends more than her income must finance the difference by selling assets or by borrowing, a country that has a deficit in its current account must finance it by selling assets or by borrowing abroad. Thus, any current account deficit must be financed by a capital account surplus, that is, a net capital inflow. Apart from the current and capital accounts, there is a third element in the balance of payments called errors and omissions.

SubQuestion No : 47

Q.47

The value of elements of the balance of payments are given as:

Exports: ₹ 150 million

Imports: ₹ 240 million

Invisibles: ₹ 52 million

Non-factor Services: ₹ 30 million

Transfers: ₹ 32 million

What is the current account balance?

1. ₹ 524 million.
2. ₹ -38 million.
3. ₹ -90 million.
4. ₹ 114 million.

Options
1. 1
2. 2
3. 3
4. 4

Question Type :	**MCQ**
Question ID :	**226895708767**
Option 1 ID :	**2268952748122**
Option 2 ID :	**2268952748123**
Option 3 ID :	**2268952748124**
Option 4 ID :	**2268952748125**
Status :	**Answered**
Chosen Option :	**3**

Comprehension:

Read the passage carefully and answer the questions based on the passage:

Accounts in Balance of Payments

The current account is the record of trade in goods and services and transfer payments. Trade in goods includes exports and imports of goods. Trade in services includes factor income and non-factor income transactions. Transfer payments are the receipts which the residents of a country get for free, without having to provide any goods or services in return. They could be given by the government or by private citizens living abroad. Capital Account records all international transactions of assets. The capital account is in balance when capital inflows are equal to capital outflows. The essence of international payments is that just like an individual who spends more than her income must finance the difference by selling assets or by borrowing, a country that has a deficit in its current account must finance it by selling assets or by borrowing abroad. Thus, any current account deficit must be financed by a capital account surplus, that is, a net capital inflow. Apart from the current and capital accounts, there is a third element in the balance of payments called errors and omissions.

SubQuestion No : 48

Q.48

When a country exports more goods than its imports, the balance of trade is considered to be?

1. Surplus Balance of Trade.
2. Balanced Trade.
3. Trade Balance.
4. Deficit Balance of Trade.

Options
1. 1
2. 2
3. 3
4. 4

Question Type : **MCQ**
Question ID : **226895708766**
Option 1 ID : **2268952748118**
Option 2 ID : **2268952748119**
Option 3 ID : **2268952748120**
Option 4 ID : **2268952748121**
Status : **Answered**
Chosen Option : **1**

Comprehension:

Read the passage carefully and answer the questions based on the passage:

Accounts in Balance of Payments

The current account is the record of trade in goods and services and transfer payments. Trade in goods includes exports and imports of goods. Trade in services includes factor income and non-factor income transactions. Transfer payments are the receipts which the residents of a country get for free, without having to provide any goods or services in return. They could be given by the government or by private citizens living abroad. Capital Account records all international transactions of assets. The capital account is in balance when capital inflows are equal to capital outflows. The essence of international payments is that just like an individual who spends more than her income must finance the difference by selling assets or by borrowing, a country that has a deficit in its current account must finance it by selling assets or by borrowing abroad. Thus, any current account deficit must be financed by a capital account surplus, that is, a net capital inflow. Apart from the current and capital accounts, there is a third element in the balance of payments called errors and omissions.

SubQuestion No : 49

Q.49

If India's current account balance is ₹ -58 million and the capital account balance is ₹62.5 million. What will be the errors and omissions to have an overall balance in balance of payments?

1. ₹ 120.5 million.
2. ₹ -120.5 million.
3. ₹ -4.5 million.
4. ₹ 4.5 million.

Options
1. 1
2. 2
3. 3
4. 4

Question Type :	**MCQ**
Question ID :	**226895708770**
Option 1 ID :	**2268952748134**
Option 2 ID :	**2268952748135**
Option 3 ID :	**2268952748136**
Option 4 ID :	**2268952748137**
Status :	**Answered**
Chosen Option :	**3**

Comprehension:

Read the passage carefully and answer the questions based on the passage:

Accounts in Balance of Payments

The current account is the record of trade in goods and services and transfer payments. Trade in goods includes exports and imports of goods. Trade in services includes factor income and non-factor income transactions. Transfer payments are the receipts which the residents of a country get for free, without having to provide any goods or services in return. They could be given by the government or by private citizens living abroad. Capital Account records all international transactions of assets. The capital account is in balance when capital inflows are equal to capital outflows. The essence of international payments is that just like an individual who spends more than her income must finance the difference by selling assets or by borrowing, a country that has a deficit in its current account must finance it by selling assets or by borrowing abroad. Thus, any current account deficit must be financed by a capital account surplus, that is, a net capital inflow. Apart from the current and capital accounts, there is a third element in the balance of payments called errors and omissions.

SubQuestion No : 50

Q.50

A current account deficit means that the nation is a borrower from other countries, which can also be represented as.

1. Receipts > Payments
2. Receipts = Payments
3. Receipts < Payments
4. Constant Receipts and Payments

Options
1. 1
2. 2
3. 3
4. 4

Question Type :	**MCQ**
Question ID :	**226895708768**
Option 1 ID :	**2268952748126**
Option 2 ID :	**2268952748127**
Option 3 ID :	**2268952748128**
Option 4 ID :	**2268952748129**
Status :	**Answered**
Chosen Option :	**3**