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# National Testing Agency

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| <b>Subject Name :</b>        | Introduction to Managerial Economics                         |
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## Introduction to Managerial Economics

|                                      |           |
|--------------------------------------|-----------|
| <b>Group Number :</b>                | 1         |
| <b>Group Id :</b>                    | 512452217 |
| <b>Group Maximum Duration :</b>      | 0         |
| <b>Group Minimum Duration :</b>      | 120       |
| <b>Show Attended Group? :</b>        | No        |
| <b>Edit Attended Group? :</b>        | No        |
| <b>Break time :</b>                  | 0         |
| <b>Group Marks :</b>                 | 100       |
| <b>Is this Group for Examiner? :</b> | No        |

## Introduction to Managerial Economics 1

|                                |           |
|--------------------------------|-----------|
| <b>Section Id :</b>            | 512452895 |
| <b>Section Number :</b>        | 1         |
| <b>Section type :</b>          | Online    |
| <b>Mandatory or Optional :</b> | Mandatory |
| <b>Number of Questions :</b>   | 50        |

**Number of Questions to be attempted :** 50  
**Section Marks :** 100  
**Mark As Answered Required? :** Yes  
**Sub-Section Number :** 1  
**Sub-Section Id :** 5124521042  
**Question Shuffling Allowed :** Yes

**Question Number : 1 Question Id : 51245218540 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 2 Wrong Marks : 0**

Consumers who buy the commodities in a market are assumed to be:

1. Rational
2. Selfish
3. Utility maximisers
4. None of the above

**Options :**

51245260849. 1  
51245260850. 2  
51245260851. 3  
51245260852. 4

**Question Number : 2 Question Id : 51245218541 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 2 Wrong Marks : 0**

Let us take the example of two cities say Kolkata and Bangalore. The demographic configuration of these cities is such that the former is the home for more elderly people (say above the age of 45) and the latter contains more of youngsters/floating population (because of the IT boom). The demand for rented flats would be:

1. Higher in Kolkata than Bangalore
2. Same in both the cities
3. Lower in Kolkata than Bangalore
4. Is not affected by such demographic disparity

**Options :**

- 51245260853. 1
- 51245260854. 2
- 51245260855. 3
- 51245260856. 4

**Question Number : 3 Question Id : 51245218542 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

There is an increase in the rate of interest on loans in the real estate sector. Your demand curve for rented housing would experience:

1. A parallel outward shift
2. A parallel inward shift
3. An unparallel shift
4. No Shift

**Options :**

- 51245260857. 1
- 51245260858. 2
- 51245260859. 3
- 51245260860. 4

**Question Number : 4 Question Id : 51245218543 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Indian e-commerce industry Flipkart restricted its five-day long sale only to its app users. As a result:

1. The number of app downloads rose to as many as five million in the last week
2. The sale of its electronic gadgets dropped by half
3. The company incurred a huge loss
4. The number of app downloads got reduced by two million

**Options :**

- 51245260861. 1
- 51245260862. 2
- 51245260863. 3
- 51245260864. 4

**Question Number : 5 Question Id : 51245218544 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

The overall fashion apparel business in India is growing very fast and likely to touch 15 billion dollars in the next five years. Being a producer in this industry you are expected to:

1. Cut down on your production process
2. Hire more labourers and build some excess capacity
3. Exit the industry
4. Invest in food industry

**Options :**

- 51245260865. 1
- 51245260866. 2
- 51245260867. 3
- 51245260868. 4

**Question Number : 6 Question Id : 51245218545 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Indian government is planning to reduce its tariff rate (a tax imposed on imported goods and services which makes these goods more expensive). As a result, your demand for branded clothes will:

1. Increase
2. Remain the same
3. Decrease
4. Will not undergo any change

**Options :**

- 51245260869. 1
- 51245260870. 2
- 51245260871. 3
- 51245260872. 4

**Question Number : 7 Question Id : 51245218546 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

Demand for medicines is fairly inelastic. If the government decides to increase the sales tax on medicines, the burden of this increased tax will be borne more by \_\_\_\_\_.

1. Consumers
2. Producers
3. Government
4. All will share the burden equally

**Options :**

- 51245260873. 1
- 51245260874. 2
- 51245260875. 3
- 51245260876. 4

**Question Number : 8 Question Id : 51245218547 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

Cafe Coffee Day - India's most popular cafe chain, has raised huge capital by selling its shares in order to invest in new technology. As a result:

1. The demand for its products would increase
2. The Supply of its products would increase
3. The demand for its products would decrease
4. The supply of its products would decrease

**Options :**

- 51245260877. 1
- 51245260878. 2
- 51245260879. 3
- 51245260880. 4

**Question Number : 9 Question Id : 51245218548 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

It is reported that Maggi noodles have high amounts of lead and MSG, which are bad for health. What effect would this have on the demand curve for Maggi noodles:

1. The demand curve would have shifted to the left
2. The demand curve would have shifted to the right.
3. The quantity demanded would reduce.
4. There would be no effect on the demand curve

**Options :**

- 51245260881. 1
- 51245260882. 2
- 51245260883. 3
- 51245260884. 4

**Question Number : 10 Question Id : 51245218549 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

If both demand and supply increase, we can conclude that:

1. The equilibrium price will increase for sure but the change in quantity is ambiguous
2. The equilibrium price will decrease for sure but the change in quantity is ambiguous
3. The equilibrium quantity will increase for sure but the change in price is ambiguous
4. The equilibrium quantity will decrease for sure but the change in price is ambiguous

**Options :**

51245260885. 1

51245260886. 2

51245260887. 3

51245260888. 4

**Question Number : 11 Question Id : 51245218550 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

The global recession of 2008 caused high rates of unemployment. How would this affect the demand curve for the Mercedes Benz car, assuming it is a normal good:

1. The quantity demanded would reduce.
2. The demand curve would shift to the left
3. The demand curve would shift to the right
4. There would be no effect on the demand curve.

**Options :**

51245260889. 1

51245260890. 2

51245260891. 3

51245260892. 4

**Question Number : 12 Question Id : 51245218551 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

What is evidence that we are living in an age of decentralization and specialization?

1. McDonald's is looking to hire a branding specialist
2. McDonald's employees each perform one specific task when making burgers
3. You have no idea who grew the food to make your McDonald's meal
4. All of the above

**Options :**

51245260893. 1

51245260894. 2

51245260895. 3

51245260896. 4

**Question Number : 13 Question Id : 51245218552 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

A society cannot produce outside the PPF curve because it is constrained by \_\_\_\_\_.

1. The number of consumers
2. The number of firms
3. The scarcity of resources
4. Inappropriate choices

**Options :**

51245260897. 1

51245260898. 2

51245260899. 3

51245260900. 4

**Question Number : 14 Question Id : 51245218553 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**



As we go down the PPF the rate at which economy turns computers into milk decreases because the opportunity cost of producing more milk \_\_\_\_\_.

1. Decreases
2. Increases
3. Remains constant
4. None of the above

**Options :**

- 51245260901. 1
- 51245260902. 2
- 51245260903. 3
- 51245260904. 4

**Question Number : 15 Question Id : 51245218554 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

If investment in infrastructure increases in India, where there are only two goods: cars and computers, then the production possibility frontier will:

1. Shift outward
2. Remain the same
3. Shift inward
4. Rotate from right to left

**Options :**

- 51245260905. 1
- 51245260906. 2
- 51245260907. 3
- 51245260908. 4

**Question Number : 16 Question Id : 51245218555 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

If the price of sugar goes up, what would happen to the demand for tea? Assume that sugar is essential to make a cup of tea:

1. Demand for tea rises
2. Demand for tea falls
3. Demand for remains constant
4. None of the above

**Options :**

- 51245260909. 1
- 51245260910. 2
- 51245260911. 3
- 51245260912. 4

**Question Number : 17 Question Id : 51245218556 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

The equilibrium price for tomatoes in Bangalore is 30 rupees per kilo. The price is currently 40 rupees. What is likely to happen?

1. There will be a shortage and sellers will increase the price to 50 rupees.
2. Markets will clear, and sellers will maintain the price of 40 rupees.
3. There will be a surplus and sellers will reduce the price to 20 rupees.
4. There will be a surplus and sellers will reduce the price to 30 rupees.

**Options :**

- 51245260913. 1
- 51245260914. 2
- 51245260915. 3
- 51245260916. 4

**Question Number : 18 Question Id : 51245218557 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

How would a deficient monsoon affect prices of rice? (A good monsoon helps farmers increase their supply of rice)

1. Prices would decrease
2. Prices would increase
3. No effect on prices
4. None of the above

**Options :**

- 51245260917. 1
- 51245260918. 2
- 51245260919. 3
- 51245260920. 4

**Question Number : 19 Question Id : 51245218558 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

The Royal Challengers Bangalore cricket team increased the price of IPL tickets from 2000 rupees to 3000 rupees (IPL stands for 'Indian Premier League' which is a professional cricket league in India). The attendance in the Chinnaswamy Stadium drops from 40,000 to 30,000. What is the price elasticity of demand for the IPL tickets of Royal Challengers Bangalore?

1. 0.666...
2. 0.4
3. 1.5
4. None of the above

**Options :**

- 51245260921. 1
- 51245260922. 2
- 51245260923. 3
- 51245260924. 4

**Question Number : 20 Question Id : 51245218559 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Which of these is least likely to be a factor affecting the price elasticity of demand for smart phones?

1. Time of the purchase
2. Availability of substitutes
3. The weather
4. Proportion of income spent

**Options :**

- 51245260925. 1
- 51245260926. 2
- 51245260927. 3
- 51245260928. 4

**Question Number : 21 Question Id : 51245218560 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Suppose public transport is an inferior good for you. As your income goes up you would

\_\_\_\_\_.

1. Take more frequent bus trips
2. Buy a car
3. Prefer to walk
4. None of the above

**Options :**

- 51245260929. 1
- 51245260930. 2
- 51245260931. 3
- 51245260932. 4

**Question Number : 22 Question Id : 51245218561 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

The demand curve for a certain life-saving medicine is steeper than the demand curve for a Coca-Cola can. What does this say about the price-elasticity of supply for the two products?

1. The soft drink is relatively inelastic with respect to the medicine
2. The medicine is relatively elastic with respect to the soft drink can
3. The medicine is relatively inelastic with respect to the soft drink can
4. The slope of the demand curve is unrelated to the price elasticity of supply

**Options :**

- 51245260933. 1
- 51245260934. 2
- 51245260935. 3
- 51245260936. 4

**Question Number : 23 Question Id : 51245218562 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

There is a sudden increase in price of the following four products. Which product is likely to have the least fall in demand in the short run?

1. Cars
2. Newspaper
3. Video games
4. Pizza

**Options :**

- 51245260937. 1
- 51245260938. 2
- 51245260939. 3
- 51245260940. 4

**Question Number : 24 Question Id : 51245218563 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

Which of the following statements is true?

1. The cross-price elasticity of demand is negative for substitutes
2. The cross-price elasticity of demand is positive for complements
3. The income elasticity of demand is positive for inferior goods
4. The income elasticity of demand is positive for normal goods

**Options :**

- 51245260941. 1
- 51245260942. 2
- 51245260943. 3
- 51245260944. 4

**Question Number : 25 Question Id : 51245218564 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

In an excise tax, to the buyer it seems as though the \_\_\_i\_\_\_ curve has shifted to the \_\_\_ii\_\_\_.

1. i = demand ii = right
2. i = demand ii = left
3. i = supply ii = left
4. i = supply ii = right

**Options :**

- 51245260945. 1
- 51245260946. 2
- 51245260947. 3
- 51245260948. 4

**Question Number : 26 Question Id : 51245218565 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

A consumer was willing to buy his first T-shirt for 400 rupees, a supplier is willing to supply his first T-shirt for 250 rupees. The price of the T-shirt is 300 rupees. What can be concluded

1. The buyer's surplus is equal to the seller's surplus
2. The buyer's surplus is greater than the seller's surplus
3. The buyer's surplus is less than the seller's surplus
4. None of the above

**Options :**

- 51245260949. 1
- 51245260950. 2
- 51245260951. 3
- 51245260952. 4

**Question Number : 27 Question Id : 51245218566 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

As a result of an increase in both the demand and supply of a particular commodity, there was an increase in the equilibrium price and quantity. From this we can conclude that:

1. The increase in demand has exceeded the increase in supply
2. The increase in demand has equalized the increase in supply
3. The increase in demand has fallen short of the increase in supply
4. None of the above

**Options :**

- 51245260953. 1
- 51245260954. 2
- 51245260955. 3
- 51245260956. 4

**Question Number : 28 Question Id : 51245218567 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

Due to a sudden increase in demand for international schools, the school principal wishes to expand the school. However, he realises that he is unable to do so instantly. Why?

1. He is operating in the short run
2. He is operating in the medium run
3. He is operating in the long run
4. There is lack of students' enrolment

**Options :**

- 51245260957. 1
- 51245260958. 2
- 51245260959. 3
- 51245260960. 4

**Question Number : 29 Question Id : 51245218568 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

You, the manager of a large auto manufacturing plant, realise that productivity is not increasing any more as you are employing more workers in the short run. Instead productivity has started to go down. Is this because of?

1. Increasing returns to scale
2. Constant returns to scale
3. Diminishing returns to scale
4. None of the above

**Options :**

- 51245260961. 1
- 51245260962. 2
- 51245260963. 3
- 51245260964. 4

**Question Number : 30 Question Id : 51245218569 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**



You are the manager of a steel mill. The price of steel is 10,000 rupees per tonne. The cost of adding extra plants in your factory is 100,000 rupees. You must keep hiring workers as long as the marginal product of each additional plant is \_\_\_\_\_.

1. 100
2. 8
3. 5
4. 10

**Options :**

- 51245260965. 1
- 51245260966. 2
- 51245260967. 3
- 51245260968. 4

**Question Number : 31 Question Id : 51245218570 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

In which way are the average variable cost and average total cost curve similar?

1. Both start decreasing and then increase
2. Both start increasing and then decrease
3. Both increase consistently
4. Both decrease consistently

**Options :**

- 51245260969. 1
- 51245260970. 2
- 51245260971. 3
- 51245260972. 4

**Question Number : 32 Question Id : 51245218571 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

Which of the following statement(s) is/are true?

- i. Average Total Cost =  $TC - Q$
- ii. Total Cost = Fixed Costs x Variable Cost
- iii.  $ATC = \text{Fixed Cost}/Q + \text{Variable Cost}/Q = AFC + AVC$

- 1. iii only
- 2. ii only
- 3. i only
- 4. Both i and iii

**Options :**

- 51245260973. 1
- 51245260974. 2
- 51245260975. 3
- 51245260976. 4

**Question Number : 33 Question Id : 51245218572 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

If you start a company and at the end of one year you make an accounting profit but not an economic profit, then you can say that:

- 1. Explicit costs were greater than implicit costs
- 2. Implicit costs were greater than explicit costs
- 3. Explicit costs plus implicit costs were greater than the revenue from your business
- 4. None of the above

**Options :**

- 51245260977. 1
- 51245260978. 2
- 51245260979. 3
- 51245260980. 4

**Question Number : 34 Question Id : 51245218573 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

On the weekend you can do four things, and your order of preference is listed below:

1. Watch cricket match
2. Go swimming
3. Do your homework
4. Play football with friends

Since it rained you could neither watch the cricket match, nor go swimming. You decide to do your homework. What is the opportunity cost of this decision?

1. Watch cricket match
2. Go swimming
3. Play football with friends
4. None of the above

**Options :**

51245260981. 1
51245260982. 2
51245260983. 3
51245260984. 4

**Question Number : 35 Question Id : 51245218574 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

You are the manager of a rubber manufacturing company. Your company has been expanding rapidly over the last few years and your average costs have fallen. However, of late, you have noticed that your average costs are actually increasing with expansion. Why is this?

1. You are experiencing diseconomies of scale
2. You are experiencing economies of scale
3. You first experienced economies of scale but are now experiencing diseconomies of scale
4. You first experienced diseconomies of scale but are now experiencing economies of scale

**Options :**

- 51245260985. 1
- 51245260986. 2
- 51245260987. 3
- 51245260988. 4

**Question Number : 36 Question Id : 51245218575 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

A student has scored an average of 80 percent on six Economics quizzes. If the score on the seventh quiz exceeds 80 percent, then the average:

1. Falls
2. Rises
3. Remain constant
4. None of the above

**Options :**

- 51245260989. 1
- 51245260990. 2
- 51245260991. 3
- 51245260992. 4

**Question Number : 37 Question Id : 51245218576 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

If output is zero, variable cost is \_\_\_\_\_ and total cost is \_\_\_\_\_.

1. Positive, Positive
2. Zero, Total Fixed Cost
3. Zero, Total Fixed Cost
4. Cannot be determined, cannot be determined

**Options :**

- 51245260993. 1
- 51245260994. 2
- 51245260995. 3
- 51245260996. 4

**Question Number : 38 Question Id : 51245218577 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

Producing smartphones, tablets and laptops with a particular software in one factory is an example of:

1. Economies of Scale
2. Diseconomies of Scale
3. Economies of Scope
4. None of the above

**Options :**

- 51245260997. 1
- 51245260998. 2
- 51245260999. 3
- 51245261000. 4

**Question Number : 39 Question Id : 51245218578 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

The Law of Diminishing Returns is valid:

1. Only in the Long Run
2. Only in the Short Run
3. Both in the Long Run and Short Run
4. Independent of time

**Options :**

- 51245261001. 1
- 51245261002. 2
- 51245261003. 3
- 51245261004. 4

**Question Number : 40 Question Id : 51245218579 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

A firm with some market power observes that it is producing 250 units and that its marginal cost is 50 and its marginal revenue is 40. What advice would you give to this firm?

1. Increase quantity
2. Decrease quantity
3. Decrease prices
4. Do not change any decisions

**Options :**

- 51245261005. 1
- 51245261006. 2
- 51245261007. 3
- 51245261008. 4

**Question Number : 41 Question Id : 51245218580 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

The value of marginal fixed cost is:

1. Positive
2. Constant
3. Negative
4. Zero

**Options :**

- 51245261009. 1
- 51245261010. 2
- 51245261011. 3
- 51245261012. 4

**Question Number : 42 Question Id : 51245218581 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

In a monopoly market there are:

1. Many buyers as well as many sellers
2. Many buyers and single seller
3. Single Buyer and many sellers
4. Single buyer as well as single seller

**Options :**

- 51245261013. 1
- 51245261014. 2
- 51245261015. 3
- 51245261016. 4

**Question Number : 43 Question Id : 51245218582 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

Patents and copyrights help in creating monopolies by putting restrictions on:

1. Price
2. Quantity
3. Profits
4. Entry

**Options :**

- 51245261017. 1
- 51245261018. 2
- 51245261019. 3
- 51245261020. 4

**Question Number : 44 Question Id : 51245218583 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

Which of the following is NOT an example of price discrimination?

1. Higher price of tickets at multiplexes during weekends
2. Shop for rupees 3000 and get a denim worth rupees 900 free
3. Happy hours at bars and lounges
4. Cash on delivery for your purchase on Amazon

**Options :**

- 51245261021. 1
- 51245261022. 2
- 51245261023. 3
- 51245261024. 4

**Question Number : 45 Question Id : 51245218584 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**



For a monopoly, the market demand curve is the firm's \_\_\_\_\_.

1. Average Revenue Curve
2. Marginal Revenue Curve
3. Average Cost Curve
4. Marginal Cost Curve

**Options :**

- 51245261025. 1
- 51245261026. 2
- 51245261027. 3
- 51245261028. 4

**Question Number : 46 Question Id : 51245218585 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

Perfectly competitive firms should stop hiring labour inputs when:

1. Price equals Marginal Cost
2. Marginal Cost equals Marginal Revenue
3. Marginal Revenue equals Average Revenue
4. All the above

**Options :**

- 51245261029. 1
- 51245261030. 2
- 51245261031. 3
- 51245261032. 4

**Question Number : 47 Question Id : 51245218586 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

An example of a Simultaneous/Static game is:

1. Chess
2. Checkers
3. Rock-Paper-Scissor
4. None of the above

**Options :**

- 51245261033. 1
- 51245261034. 2
- 51245261035. 3
- 51245261036. 4

**Question Number : 48 Question Id : 51245218587 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

Price wars are most likely when the market is \_\_\_\_\_.

1. Perfectly Competitive
2. Monopolistic
3. Oligopolistic
4. All of the above

**Options :**

- 51245261037. 1
- 51245261038. 2
- 51245261039. 3
- 51245261040. 4

**Question Number : 49 Question Id : 51245218588 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

A monopolistically competitive firm has excess capacity because:

1. In the long run it earns an economic profit
2. In the short run its ATC is less than its AVC
3. In the short run its MR exceeds its MC
4. In the long run its ATC exceeds its minimum ATC

**Options :**

- 51245261041. 1
- 51245261042. 2
- 51245261043. 3
- 51245261044. 4

**Question Number : 50 Question Id : 51245218589 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

\_\_\_\_\_ is a strategy that yields a higher payoff no matter what the other person's strategy is.

1. Dominant strategy
2. Dominated strategy
3. Game Theory strategy
4. Zero-Sum strategy

**Options :**

- 51245261045. 1
- 51245261046. 2
- 51245261047. 3
- 51245261048. 4