PREVIEW QUESTION BANK(Single)

Module Name : NCET Language: ENGLISH
Section Name : 309-Economics Business Economics
Exam Date : 29-Apr-2025 Batch : 09:00-12:00

Sr. No.	Client Question ID	Question Body and Alternatives	Marks	Ne M
Section : 309-Economics Business Economics				
Topic : Topic 92				
Q.Type : Objective Question				
1	4173	If a consumer spends a constant amount of money on a particular good, the price elasticity of demand for that good for the consumer is 1. Less than 1 2. More than 1 3. Equal to 1 4. Can't be determined (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.0(
Q.Type : Objective Question				
2	4174	The marginal rate of substitution of good X for good Y is 3 whereas the price ratio of the two goods is 2. In order to attain equilibrium, the consumer should 1. increase the consumption of good X and reduce that of good Y. 2. reduce the consumption of good X and increase that of good Y. 3. increase the consumption of good X without any change in consumption of good Y. 4. increase the consumption of good Y without any change in consumption of good X. (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.0(
Q.Type : Objective Question				
3	4175	In order to be effectively binding upon the market, the maximum price fixation shall be done 1. below the equilibrium price 2. above the equilibrium price 3. at the equilibrium price 4. either below or above the equilibrium price (A) 1 (B) 2 (C) 3	4.0	1.0(

(D) 4

Q.Type : Objective Question

4 | 4176 | 4.0 | 1.00

On a downward sloping straight line demand curve, the price elasticity of demand _______ as we move downwards along the curve.

1. Decreases
2. Increases
3. Remains constant
4. Increases till mid-point and then decreases

(A) 1

(B) 2

(C) 3

(D) 4

Q.Type : Objective Question

5 | 4177 | 4.0 | 1.00

Match the **LIST-I** with **LIST-II**

LIST-I		LIST-II	
A.	slope of budget line	I.	marginal rate of substitution
B.	slope of indifference curve	II.	marginal cost
C.	slope of production possibility curve	III.	price ratio
D.	slope of total variable cost	IV.	marginal rate of transformation

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

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

(A) 1

(B) 2

(C) 3

(D) 4

Q.Type : Objective Question

6 | 4178 | 4.0 | 1.00

Match the **LIST-I** with **LIST-II**

LIST-I		LIST-II	
A.	Disinvestment	I.	revenue receipts
B.	repayment of loans by government	II.	capital receipts
C.	payment of salaries to government employees	III.	capital expenditure
D.	Escheats	IV.	revenue expenditure

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

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

(A) 1

(B) 2

(C) 3

(D) 4

Q.Type : Objective Question

7	4179	In context of combating the inflationary gap in the economy, arrange the following in correct sequence: A. reduction in money supply B. increasing the repo rate by the central bank C. reduction in price level D. reduction in aggregate demand Choose the **correct** answer from the options given below: 1. A, B, D, C 2. A, B, C, D 3. B, A, D, C 4. B, D, A, C (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.0(

Q.Type : Objective Question

8	4180	According to the law of variable proportions, arrange the changes that take place in total product in the correct sequence. A. Total product becomes constant B. Total product falls C. Total product increases at diminishing rate D. Total product increases at increasing rate Choose the **correct** answer from the options given below: 1. C, D, A, B 2. B, A, D, C 3. D, C, A, B 4. D, C, B, A (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.0(

Q.Type : Objective Question

9	4181		4.0	1.0(

Which of the following statements are CORRECT?

A. Average Propensity to consume decreases with increase in income.
B. In case of linear consumption function, marginal propensity to consume decreases as income increases.
C. The value of investment multiplier can never be less than 1
D. There exists an inverse relationship between marginal propensity to save and investment multiplier.

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

1. A, B and D Only
2. A, C and D Only
3. B, C and D Only
4. A, B, C and D

(A) 1

(B) 2

(C) 3

(D) 4

Q.Type : Objective Question

10 | 4182 | 4.0 | 1.00

Which of the following statements are INCORRECT?

A. In a two sector economy, GDP and GNP are always equal.
B. GDP at market price is always greater than GDP at factor cost.
C. Machine is always a capital good.
D. All producer goods are intermediate goods.

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

1. A, B, and D Only
2. A, C, and D Only
3. B, C, and D Only
4. A, B, C and D

(A) 1

(B) 2

(C) 3

(D) 4

Q.Type : Objective Question

11 | 4183 | 4.0 | 1.00

Which of the following will be categorized as monetary policy adopted to rectify economic imbalances?

A. Reduction in the bank rate.
B. Increases in tax rates.
C. Sale of government securities by the central bank in open market.
D. Reduction in government spending.

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

1. A, B, and C Only
2. A, C, and D Only
3. B and D Only
4. A and C Only

(A) 1

(B) 2

(C) 3

(D) 4

Q.Type : Objective Question

12 4184 4.0 1.00

Match the **LIST-I** with **LIST-II**

LIST-I		LIST-II	
A.	Stock variable	I.	Purchase of machinery by a production unit
B.	Flow variable	II.	Does not have a time dimension
C.	Intermediate good	III.	GDP of a country
D.	Capital formation	IV.	Single use producer good

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

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

(A) 1

(B) 2

(C) 3

(D) 4

Q.Type : Objective Question

13 4185 4.0 1.00

A rational producer attains equilibrium at the level of output at which

1. total revenue and total cost are equal
2. the difference between marginal revenue and marginal cost is maximum
3. the average revenue and average cost are equal
4. the difference between total revenue and total cost is maximum

(A) 1

(B) 2

(C) 3

(D) 4

Q.Type : Objective Question

14 4186 4.0 1.00

A simultaneous equal increase in both demand and supply of a good will result in which of the following?

1. increase in both equilibrium price and equilibrium quantity
2. increase in equilibrium price but will leave the equilibrium quantity unaffected
3. increase in equilibrium quantity but will leave the equilibrium price unaffected
4. both equilibrium price and equilibrium quantity of the good are unaffected

(A) 1

		(B) 2 (C) 3 (D) 4		

Q.Type : Objective Question

15	4187	A floor price for a good is usually fixed by the government 1. to protect the interests of the consumers 2. to protect the interests of the producers 3. to ensure increase in the government's revenue 4. to control black marketing (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.00

Q.Type : Objective Question

16	4188	Aman is a seller in a market where the price needs to be reduced in order to sell more quantity of the good. Which of the following is **incorrect** in context of Aman? 1. His total revenue will initially be increasing at a diminishing rate. 2. His average revenue and marginal revenue will always be equal. 3. His average revenue curve will be downward sloping from left to the right. 4. The price of his product will be greater than his marginal revenue. (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.00

Q.Type : Objective Question

17	4189	In an imaginary economy, only one good X is being produced. In 2023, 100 units of good X were produced and the price was Rs.10 per unit. In 2024, the production rises by 50% and the price level rises by 20%. The GDP deflator of the year 2024 (assuming 2023 to be the base year) will be 1. 110 2. 120 3. 150 4. 180 (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.00

Q.Type : Objective Question

18	4190	If the GDP at market price of an imaginary economy is Rs.2000 crores, the net factor income to abroad is Rs.100 crores and net national product at market price is Rs.1800 crores, then the value of consumption of fixed capital will be 1. 100 crores 2. 200 crores 3. 300 crores 4. 400 crores (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.00

Q.Type : Objective Question

19	4191	The book 'General theory of employment, interest and money' has been authored by ______ and was published in the______year. 1. Adam Smith, 1776 2. Amrtya Sen, 1929 3. Lionel Robbins, 1910 4. J.M. Keynes, 1936 (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.00

Q.Type : Objective Question

20	4192	The value of money multiplier depends upon 1. the initial cash deposits only 2. the required reserve ratio only 3. both initial cash deposits and required reserve ratio 4. neither initial cash deposits nor required reserve ratio (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.00

Q.Type : Objective Question

21	4193	Which of the following measures of money supply do not include net time deposits with commercial banks? 1. M1 and M2 2. M1 and M3 3. M2 and M3 4. M3 and M4 (A) 1	4.0	1.00

(B) 2

(C) 3

(D) 4

Q.Type : Objective Question

22	4194	If the autonomous expenditure of an imaginary economy is Rs.200 crores, the marginal propensity to save is 0.2 and the autonomous investment is Rs.50 crores, the equilibrium level of income of this economy will be 1. Rs. 250 crores 2. Rs. 312.5 crores 3. Rs. 1000 crores 4. Rs. 1250 crores (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.00

Q.Type : Objective Question

23	4195	In the government budget of an imaginary economy, the government proposes to introduce a new higher tax slab for the people earning a higher income so that the additional revenue could be utilized for upliftment of the poor. Which objective of the budget the government is trying to achieve by this move? 1. reallocation of resources 2. redistribution of income 3. economic stability 4. balanced regional growth (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.00

Q.Type : Objective Question

24	4196	The government of India purchases 22 Rafael jet planes from France. This item will be recorded in ______ account of India's balance of payments on _____ side. 1. current, debit 2. current, credit 3. capital, debit 4. capital, credit (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.00

Q.Type : Objective Question

25	4197	The surplus or deficit in balance of payments account arises on the basis of 1. only autonomous items 2. only accommodating items 3. both autonomous and accommodating items 4. only official reserve transactions (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.0(

Q.Type : Objective Question

26	4198	In which of the following, foreign exchange rate mechanisms do the foreign exchange reserves have no role to play? 1. fixed exchange rate system 2. flexible exchange rate system 3. managed floating system 4. both fixed exchange and managed floating system (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.0(

Q.Type : Objective Question

27	4199	The price elasticity of a supply curve passing through the origin and forming an angle of 75 degrees will be 1. greater than 1 2. lesser than 1 3. equal to 1 4. equal to zero (A) 1 (B) 2 (C) 3 (D) 4	4.0	1.0(

Q.Type : Objective Question

28	4200	Which of the following statements is true about perfect competition? 1. The firms have complete control over the market conditions. 2. The firms always earn abnormal profits in long run. 3. Industry is the price taker whereas firm is the price maker. 4. There is complete absence of selling costs, i.e. advertisement expenditure. (A) 1	4.0	1.0(

(B) 2

(C) 3

(D) 4