

Question:- Government can increase the domestic supply of food grain by way of larger  
Answer:- Imports

Question:- An individual's demand for a commodity is generally determined by factors such as  
Answer:- Price of the product, Income, Tastes and Habits

Question:- Macro economics aggregates are:  
Answer:- National income, total investment. Employment

Question:- Gross profit is used for payment of:  
Answer:- Remuneration to factors of production, depreciation, maintenance charges

Question:- Aggregate supply function is positively sloped curve that becomes perfectly inelastic subsequently  
Answer:- FALSE

Question:- Price elasticity of demand is measured by using which of the following formula?  
Answer:-  $\% \text{ change in quantity demanded} / \% \text{ change in price}$

Question:- General forecasts  
Answer:- Total Picture of the demand

Question:- Specific Forecasts  
Answer:- Forecasts of each of the product

Question:- Capital Goods  
Answer:- Derived Demand

Question:- Durable Goods  
Answer:- Demand can be postponed

Question:- With improvement in technology, with the given inputs, the level of output:  
Answer:- remains constant

Question:- Opportunity cost is the:  
Answer:- Implicit cost

Question:- The traditional concept of equilibrium of a firm is:  
Answer:- Break-even point

Question:- The term "elasticity of demand", when used without qualifications is commonly referred to as price elasticity of demand:  
Answer:- TRUE

Question:- types of Income Elasticity of Demand  
Answer:- Negative Income Elasticity, Zero Income Elasticity, Unit Income Elasticity, Low Income Elasticity of demand. High Income Elasticity

Question:- Disinvestment  
Answer:- Sale of government shareholding

Question:- Dual Pricing

Answer:- Charging two different prices from rich and poor

Question:- Deficit Financing

Answer:- Increase supply of money

Question:- Fiscal deficit

Answer:- Gap between public expenditure and public revenue

Question:- With improvement in technology, with the given inputs, the level of output :

Answer:- Remains unchanged

Question:- Cost plus pricing method assumes that cost can be allocated to:

Answer:- Individual Products

Question:- Managerial economics

Answer:- Helps in demand forecasting

Question:- It is assumed that units of variable factor are divisible into \_\_\_\_\_ units

Answer:- Homogeneous

Question:- The other approaches to pricing are:

Answer:- Intuitive Pricing, Experimental Pricing, Imitative Pricing

Question:- PDS helps to hold the prices

Answer:- Down

Question:- Demand for a commodity depends on one factor

Answer:- FALSE

Question:- Fiscal Policy involves variations in :

Answer:- Public Expenditure, Taxation

Question:- Expected costs are based on the \_\_\_\_\_ of production and prices

Answer:- Forecasts

Question:- Substantial reduction in the cost of production of a firm because of the use of improved and up-to-date machinery is an example of economy known as

Answer:- Technical

Question:- Cash Reserve Ratio is a tool of monetary control:

Answer:- TRUE

Question:- One of the monetary measures

Answer:- Variations in CRR

Question:- Equilibrium is the stage of

Answer:- maximum satisfaction , balance , stationary

Question:- AFC is the per unit fixed cost of production which is calculated

Answer:-  $AFC = TFC / \text{Units of output}$

Question:- Total cost of production is:

Answer:- Total fixed cost, Total Variable cost

Question:- Advertising forms an integral part of decision making and \_\_\_\_\_ :

Answer:- Forward planning

Question:- What fails to provide full employment?

Answer:- Market mechanism

Question:- Managerial economics is the hybrid of management and economics

Answer:- TRUE

Question:- Managerial economics is the hybrid of management and economics

Answer:- TRUE

Question:- Labors unions negotiate with the government regarding:

Answer:- Increase in wage rate, Increase in remuneration, o Increase in the retirement age

Question:- Exception of the law of diminishing returns is

Answer:- New methods of cultivation

Question:- Demand forecasts for a period of more \_\_\_\_\_ years are based on Time-series Analysis

Answer:- 2 to 3

Question:- Economists usually consider three important kinds of elasticity of demand:

Answer:- TRUE

Question:- Right to information is one of the rights of consumer under the consumer protection act 1986

Answer:- TRUE

Question:- National income is studied as a part of macro economics:

Answer:- TRUE

Question:- The supply is always referred to in relation to:

Answer:- Price and time

Question:- Prof. J M Keynes wrote a book on

Answer:- employment, Interest, money

Question:- Investment for production depends on:

Answer:- Factor prices

Question:- Elasticity of demand has huge practical significance

Answer:- In formulation of price policy, in tax fixation, and in studying growth trend

Question:- An economic problem is such that it is faced by a simple hetman as well as a movie star: Answer:- FALSE

Question:- Under Perfect competition each seller makes \_\_\_\_\_ profit in the long run

Answer:- Normal

Question:- Over years it has been observed that the relation between plan and non plan expenditure is that:

Answer:- Both are equal

Question:- Public goods carry features such as principle of:

Answer:- Non exclusion, indivisible

Question:- Keynes established a \_\_\_\_\_ relationship between income and consumption

Answer:- Direct

Question:- Market period

Answer:- Perishable goods

Question:- Long run

Answer:- Non perishable goods

Question:- Perfect competition

Answer:- Automatic price mechanism

Question:- Equilibrium price

Answer:- Demand and supply

Question:- Marginal efficiency of capital is estimated taking into account:

Answer:- Prospective yield from a particular asset, o Supply price of that asset

Question:- Features of short-run period are

Answer:- Supply of goods can be adjusted to the demand to some extent, Supply and demand determine the price, Some factors can be changed

Question:- When Supply increases, demand remaining the same, the equilibrium price

:

Answer:- Falls

Question:- Principle of \_\_\_\_\_ is associated with Private goods:

Answer:- Exclusion

Question:- Changes in demand curve occurs:

Answer:- due to festival, on account of growth of population, on account of some other factor

Question:- Characins different prices to different customer for the same product is called

Answer:- Price discrimination

Question:- IN the long run under perfect competitive market earns

Answer:- Normal profits

Question:- A monopolist is a price taker

Answer:- TRUE

Question:- It is necessary to collect the information regarding the expected expenditure of the consumers in order to

Answer:- Anticipate expected sales

Question:- While deciding price, cost plus pricing method considers fixed and variable cost and a certain percentage of profit:

Answer:- TRUE

Question:- \_\_\_\_\_ production function assumes constant returns to scale:

Answer:- Linear homogeneous

Question:- Features of monopoly are:

Answer:- Single producer, o Barriers to entry, o No close substitute to the product

Question:- Area specific demand forecasts give the forecasts:

Answer:- each of the markets for the firm's product

Question:- Product-specific demand forecasts give the forecasts for

Answer:- each of the products produced by the firm

Question:- All the buyers and sellers operating under perfect competition have perfect knowledge of

Answer:- Market conditions

Question:- Which one of the following is an essential condition for monopoly to exist:

Answer:- Barriers to entry of firms

Question:- The real cost of production is called as

Answer:- Opportunity Cost

Question:- The concept of effective demand is

Answer:- Aggregate expenditure in the economy

Question:- In perfect competition firm gets super normal profit when:

Answer:-  $AR > AC$  (AR greater than AC)

Question:- The total output of all commodities in a country over a specific period, usually taken in a year, is called Net National Product

Answer:- False

Question:- Private goods are indivisible

Answer:- FALSE

Question:- Cost Plus pricing

Answer:- Objective approach to pricing

Question:- Going Rate Pricing

Answer:- Emphasizes market conditions

Question:- Marginal Cost Pricing

Answer:- Different from incremental cost pricing

Question:- Intuitive Pricing

Answer:- Psychological and subjective approach to pricing

Question:- The period of great depression was between 1914 and 1918

Answer:- FALSE

Question:- Labor unions negotiate with the government regarding:

Answer:- increase in the wage-rate, increasing remuneration, increasing, the retirement age

Question:- Law of variable proportion and laws of returns to scale are covered under the linear homogeneous production function:

Answer:- TRUE

Question:- The degree of elasticity determines the shape and slope of the

Answer:- Demand curve

Question:- The theory of production function can also explain the possibility of :

Answer:- Disguised unemployment

Question:- One of the monetary measures

Answer:- Variations in CRR

Question:- Micro economics studies the:

Answer:- Elasticity of demand, Marginal Revenue, Marginal cost

Question:- Under perfect competition there are large number of buyers and few sellers.

Answer:- False

Question:- One of the important determinants of supply:

Answer:- Willingness of seller

Question:- Maximum quantity of output that can be produced from any chosen quantities of various :

Answer:- Inputs

Question:- Aggregate Supply function represents

Answer:- Cost of production, supply price, cost of labor

Question:- VAT

Answer:- Value Added Tax

Question:- State Trading corporation

Answer:- Responsibility of importing and distributing edible oil

Question:- Administered prices

Answer:- Cost plus a stipulated margin of profit

Question:- New Industrial Policy

Answer:- 1991

Question:- Elasticity of demand of salt can be represented

Answer:-  $e=0$

Question:- Perfectly competitive market has:

Answer:- Large number of buyers and sellers, Free entry & exit

Question:- Under the decreasing returns to scale, the marginal output curve slopes  
Answer:- downward

Question:- Yamaha produces two wheelers such as:  
Answer:- RX 100, RX 135

Question:- The law of constant returns to scale is depicted by the marginal output curve which is  
Answer:- Horizontal

Question:- Joint demand includes  
Answer:- Complementary goods, o Two or more goods consumed together, o Change in price of one good affects demand for the other good

Question:- If all factors are doubled, and output increases by more than double, then the returns to scale are  
Answer:- Increasing

Question:- Origin of macro could be attributed to the writings of  
Answer:- J M Keynes, depression of 1930

Question:- Individual demand schedule  
Answer:- Is in tabular format, Shows the prices of goods, Shows the quantities of a commodity purchased

Question:- Individual demand schedule  
Answer:- FALSE

Question:- Cable network provided by local cable operators is a private good  
Answer:- TRUE

Question:- MP is less than AP, when AP is  
Answer:- decreasing

Question:- The supply curve of labor is always:  
Answer:- Backward Bending

Question:- The intersection of market demand and supply curve determines  
Answer:- Market Price

Question:- Marginal Product is less than average product, then AP is  
Answer:- Decreasing

Question:- Good example of monopoly market could be:  
Answer:- Purchase of Shaktiman trucks by the Indian Military

Question:- Price discrimination is possible when there are  
Answer:- Legal sanctions

Question:- \_\_\_\_\_ involves transformation of inputs into output:  
Answer:- Art of production

Question:- Non price competition is possible if imitative pricing is followed

Answer:- TRUE

Question:- Percentage method

Answer:- Percentage change in quantity demanded / percentage change in price

Question:- Point elasticity method

Answer:-  $\frac{\Delta Q}{Q} / \frac{\Delta P}{P}$

Question:- Total outlay method

Answer:- Total Revenue = price per unit X quantity demanded

Question:- Point geometric method

Answer:- L/U

Question:- When we excessively employ only one factor in the production of a certain commodity, we reach a stage when the marginal product of that factor

Answer:- Zero

Question:- If the increase in all factors leads to a less than proportionate increase in output, then the return to scale are:

Answer:- Decreasing

Question:- The products sold by different sellers under pure competition are

Answer:- homogeneous

Question:- Sample of test markets is selected under experimental pricing

Answer:- TRUE

Question:- The stage of negative returns comes in when:

Answer:- TP decreases, MP negative, AP decreases

Question:- Profit means different things to different people.

Answer:- TRUE

Question:- Non price competition could involve:

Answer:- Giving gift articles

Question:- Assumption of free entry and exit is essential for a competitive market firm to be a price taker

Answer:- TRUE

Question:- Keynes in 1936 wrote " the general theory of output and income

Answer:- FALSE

Question:- Managerial economics deals with

Answer:- price system, resource allocation, capital budgeting

Question:- Effective demand is a point where aggregate demand is equal to aggregate supply:

Answer:- TRUE



Question:- Externalities could be:                      Answer:- External, foreign, alien

Question:- Keynes prescribed macro economics as a policy oriented science dealing with unemployment and inflation:

Answer:- TRUE

Question:- If supply reduced

Answer:- demand being constant, price would rise

Question:- Perfectly elastic demand, is when  $e=8$

Answer:- TRUE

Question:- inflation effects production through

Answer:- Investment, Switch over of Business, Poor Quality Output

Question:- Cable network provided by local cable operators is a private goods

Answer:- TRUE

Question:- market demand schedule is

Answer:- Aggregate of individual demand, demand at given period of time in a market, demand at different price in market

Question:- Perfectly elastic demand is denoted by \_\_\_\_\_

Answer:-  $e=8$

Question:- change in demand curve occurs

Answer:- On account of growth in population, due to change in supply

Question:- Other relevant measures used by Government of India to control Inflation include

Answer:- OGL (Open General License) import policy for importing certain goods, Excise cuts, Adjustments in trade and tariff plan

Question:- Explicit costs, implicit costs and normal profits together form \_\_\_\_\_ of a firm

Answer:- Economic cost

Question:- distinction is made between invention and innovation by

Answer:- Joseph Schumpeter

Question:- Cross elasticity refers to the responsiveness of demand for a commodity to a given change in the price of a related commodity substitute or complementary

Answer:- TRUE

Question:- opportunity cost is \_\_\_\_\_

Answer:- income foregone

Question:- According to Keynes economy always attains full employment

Answer:- FALSE

Question:- For financing economic development of India. One of the measures resorted to is

Answer:- Deficit Financing

Question:- Business cycles have following phases

Answer:- Expansion , Peak , Recession

Question:- Basic objectives of administered prices are

Answer:- To fix and maintain the prices of essential raw materials to avoid escalation, To ensure economic prices to uneconomic units so that the latter too can earn profits.

Question:- When cost of production is deducted from the total sales proceeds, the residual portion is called

Answer:- Gross Profit

Question:- Given the price, if the cost of production of a commodity decreases because of the use of improved technique of production, there will be increase in supply.

Answer:- TRUE

Question:- Demand for a commodity depends on the relative price of its

Answer:- substitute goods

Question:- Macro-level forecasts are used in

Answer:- in national economic planning

Question:- Expansion of demand

Answer:- movement on same demand curve

Question:- increase in demand

Answer:- Relationship between price and demand

Question:-  $D=f(P)$

Answer:- Law of demand

Question:- Market demand curve

Answer:- Summation of individual demand curve

Question:- Income elasticity of demand is negative in case of \_\_\_\_\_

Answer:- Giffen goods

Question:- As a firm expands beyond a certain limit, it becomes unmanageable and unwieldy

Answer:- TRUE

Question:- As a firm expands beyond a certain limit, it becomes \_\_\_\_\_ and unwieldy

Answer:- unmanageable

Question:- PUBLIC GOOD COULD BE

Answer:- Roads, Bridges, Public park

Question:- Costs may be classified as

Answer:- Production costs, Selling costs, other costs

Question:- The equilibrium price refers to the price at which demand and supply are

Answer:- Equal

Question:- one of the concepts of micro economics is

Answer:- Elasticity of demand

Question:- one of the concepts of micro economics is     Answer:- Elasticity of demand

Question:- Surplus of revenue over and above all paid out cost is

Answer:- Accounting Profit

Question:- The demand curve

Answer:- has a negative slope

Question:- Private goods carry feature such as

Answer:- Principle of exclusion, principle of divisibility

Question:- the total cost is summation of total fixed and total variable costs

Answer:- TRUE

Question:- A forecast is a guess or anticipation or a prediction about any event which is likely to happen in the future.

Answer:- TRUE

Question:- A forecast is a guess or anticipation or a prediction about any event which is likely to

Answer:- happen in the future

Question:- Black money can also be called

Answer:- An accounted money

Question:- LINEAR HOMOGENEOUS PRODUCTION FUNCTION assumes

Answer:- constant returns to scale

Question:- The forecasts based on Collective Opinion method are more accurate because

Answer:- The forecasts are based on information which is certain

Question:- Pure profit is considered to be a

Answer:- Short term phenomenon

Question:- Demand forecasting means Assessing the current demand and future demand

Answer:- TRUE

Question:- The Classical economists analysis of market is based on assumption of

Answer:- Perfect competition

Question:- Pricing is actually guided by the considerations of \_\_\_\_\_

Answer:- Cost

Question:- The buyers and sellers may be away from each other and yet they may constitute a market over the telephone or \_\_\_\_\_.

Answer:- internet

Question:- The buyers and sellers may be away from each other and yet they may constitute a market over the telephone or through the internet

Answer:- TRUE

Question:- Among various institutions associated with supplies to PDS are

Answer:- FCI, STC, IOC

Question:- Defect of market mechanism are

Answer:- Inequalities of income and wealth , Emergence of monopolies

Question:- Depreciation is the loss in value caused by the continuous use of

Answer:- an asset

Question:- It advisable to

Answer:- Keep profit rates low, Create an image, Act fair dealing

Question:- The price policy of public enterprises should enable it to operate at

Answer:- Least cost, maximum efficiency

Question:- Quantity purchased will depend upon

Answer:- Price

Question:- Disinvestment is linked with

Answer:- Denationalization, Privatization

Question:- one of the fiscal measures includes keeping the revenue \_\_\_\_\_ Under check

Answer:- Deficit

Question:- FCI and other institutions have been set up to

Answer:- Buy agricultural products, Buy product at prices acceptable to farmers, Help stabilize agricultural process

Question:- A.P. = T.P./ variable factor units

Answer:- TRUE

Question:- Various methods of appraising investments include

Answer:- Pay Back period, Internal Rate of Return, Net Present Value

Question:- Increasing Returns explains

Answer:- Total product increases at an increasing rate , Marginal product increasing and it is maximum , Average product is increasing but it is below MP

Question:- Explicit costs

Answer:- labor cost

Question:- Implicit cost

Answer:- Opportunity cost

Question:- Nominal cost

Answer:- money cost

Question:- Accounting costs

Answer:- costs of production

Question:- Substantial reduction in the cost of production of a firm because of the use of improved and up-to-date machinery is an example of economy known as

Answer:- Technical

Question:- Plough Back Standard is socially less acceptable because

Answer:- Relies mainly on its own resources for its growth, Believes in having the necessary cash-on-hand at all times

Question:- Example of negative externality could be

Answer:- Smoke released in air causing air pollution, noise pollution. Water pollution

Question:- OGL stands for open General \_\_\_\_\_

Answer:- License

Question:- consumer is wrongly biased against the

Answer:- Quality of a commodity

Question:- In short run at least one of the firms' input cannot be varied

Answer:- TRUE

Question:- Supply of kerosene to the PDS is handled by

Answer:- IOC, Hindustan petroleum, Bharat Petroleum

Question:- The production function does not explain the degree of substitution

Answer:- FALSE

Question:- Economic problems recognize boundaries of caste, creed, colour, religion, culture, etc.

Answer:- FALSE

Question:- Government intervention, according to Keynes, is essential to ensure

Answer:- Full employment

Question:- Three motives identified by Keynes behind people holding cash for liquidity preference are

Answer:- the transactions motive , the precautionary motive , the speculative motive

Question:-  $Q = f ( N, L, K, T )$  , this algebraic expression is used for

Answer:- Production Function

Question:- The algebraically representation of production is,  $Q = f (N, L, K, T)$

Answer:- TRUE

Question:- Corporative management in India suffer on account of

Answer:- lack of professionalism, absence of marketing

Question:- Firm under perfect competition should cover at least average variable cost to continue its business in the market

Answer:- TRUE

Question:- The law of diminishing returns to scale examines the production function with \_\_\_\_\_ Factor/s fixed

Answer:-

Question:- and keeping other factors variables

Answer:- One

Question:- Study of prices of various inputs which make up the cost is

Answer:- cost-input relationship

Question:- Marginal cost is defined as an addition to cost caused an account of production of an unit of a commodity

Answer:- TRUE

Question:- Features of Pure Competition are

Answer:- Large number of buyers and sellers , Homogeneous products , Free entry and free exit of firms

Question:- Dalai Street in Bombay is known as

Answer:- Bombay Stock Exchange

Question:- \_\_\_\_\_ Is a good example of monopoly in India

Answer:- Railways

Question:- A price that fluctuates as per the changes in market demand is

Answer:- Cyclical

Question:- imitative pricing involves following the pricing policy of other rival or competitive firm

Answer:- FALSE

Question:- Externalities

Answer:- Also termed as spill over effects

Question:- Principle of execution

Answer:- Indivisible goods

Question:- Pure public good

Answer:- those who pay the product get

Question:- Pure private good

Answer:- Principle of exclusion applies

Question:- A forecast at the level of \_\_\_\_\_ are prepared by the trade association

Answer:- An Industry

Question:- Monopoly emerging out of steady and consumption habits is called

Answer:- Competitive

Question:- Production function gives us an idea of the \_\_\_\_\_ of the output and the optimum employment of

Answer:-

Question:- the variable inputs

Answer:- optimum level

Question:- Production function gives us an idea of the optimum level of the output and the optimum employment of the variable inputs

Answer:- TRUE

Question:- Production function gives us an idea of the

Answer:- optimum level of output

Question:- Features of the firm are

Answer:- It is a business unit organized under one ownership , It is a sole proprietorship , It is a partnership or joint stock company

Question:- National income accounting helps one understand and evaluate

Answer:- growth performance of an economy overtime

Question:- Demand is determined by

Answer:- Price of the product , Relative prices of other goods , Tastes and habits

Question:- Chance profit rises in case of \_\_\_\_\_.

Answer:- More demand

Question:- objectives of new Economic Policy are

Answer:- To increase the efficiency and international competitiveness of industrial production, To utilize foreign investment and technology to a much greater degree than in the past, To improve the performance and rationalize the scope of the public sector

Question:- cost plus price includes

Answer:- TVC

Question:- Producer makes sure that the price of product, must cover

Answer:- Explicit costs

Question:- Formula of cost-input relationship is  $Q=A \cdot L^a \cdot K^{1-1}$

Answer:- FALSE

Question:- One of the cost push factors causing factors causing price rise in india is  
Fluctuation in output and supply

Answer:- TRUE

Question:- Deficit financing leads to \_\_\_\_\_ In money supply

Answer:- An increase

Question:- When a factor is employed, but is not contributing to its fullest available capacity

Answer:- Disguised unemployment

Question:- Possibility of and factor to replace another , to achieve the same level of output

Answer:- Degree of substitution

Question:- Advantages that accrue to a firm because of superior techniques and management

Answer:- Internal economies

Question:- Advantages which accrue to a firm because of factors that are external to the firm

Answer:- External economies

Question:- Reasons for change in Demand Increase or Decrease in Demand are

Answer:- Change income of consumer , Change in population , Change in fashion and customs

Question:- Monopolistic competition is wasteful as

Answer:- It involves selling cost, Non utilization of full capacity. Lack of specialization

Question:- Demand forecasts may be based on

Answer:- judgment of the experienced staff , scientific analysis ( statistics).

Question:- For calculating net profit, it is necessary to deduct

Answer:- All costs

Question:- The important policy questions of profit are:

Answer:- What are the criteria for determining the profit standard?, How should 'reasonable profits' be determined?

Question:- the cost function may be written as \_\_\_\_\_

Answer:-  $= f(I, O, P, T)$

Question:- question :  $= f(I, O, P, t)$  is

Answer:- Cost function

Question:- Predictions of future demand for a firm's product or products are called demand forecasts

Answer:- TRUE

Question:- An increase in the scale

Answer:- Means that all input, Or factors are increased, In the same proportion

Question:- The improvement in the technique of production leads to increased productivity and results in an increase in the supply of

Answer:- manufactured goods

Question:- Normal profits are also treated as costs, which is a pre-requisite for a firm to

Answer:- remain in business

Question:- in Economics, 'demand' means specific quantity of a

Answer:- Purchased

Question:- The relation between variable input and output

Answer:- Is direct

Question:- The profit standards may be determined in terms of

Answer:- aggregate money terms, percentage of sales, percentage return on investment

Question:- One of the factors of production is

Answer:- Raw materials

Question:- Demand is not a \_\_\_\_\_

Answer:- desire



Question:- Explicit costs, implicit cost and normal profits together form the full costs of a firm

Answer:- TRUE

Question:- All firm reaches maximum output when                      Answer:- M.P. is Zero

Question:- The cost mentioned in the accounts book of the firm are referred as

Answer:- Accounting cost

Question:- Going rate pricing methods emphasizes \_\_\_\_\_ condition

Answer:- market

Question:- Economics is a science which studies

Answer:- human behaviors, wants and ends, alternative uses of limited means

Question:- The pout-of-pocket costs are

Answer:- Explicit costs

Question:- Time-period does not affect demand forecasting

Answer:- FALSE

Question:- Management and supervision becomes difficult and waste of time and material results

Answer:- internal diseconomies

Question:- On account of new machines, a firm is able to effect a substantial reduction in the cost of production

Answer:- Technical economies

Question:- On account of new machines, a firm is able to effect a substantial reduction in the

Answer:- cost of production

Question:- A firm producing on a large scale can afford to hire the services of experts in various fields

Answer:- Managerial economics

Question:- The law of diminishing returns applies to

Answer:- agriculture

Question:- The central functions of an enterprise are not only production but also

Answer:- pricing

Question:- economic profit makes provision for

Answer:- insurable risks

Question:- Pure profit makes provision for

Answer:- insurable risks, depreciation, necessary payments to shareholders

Question:- Marginal cost is \_\_\_\_\_

Answer:- final cost

Question:- Participation in market economy is guided by motive of

Answer:- Maximum private profit

Question:- Economic profit is also called as just profit

Answer:- FALSE

Question:- The success of pricing policy can be judged by whether the price that the firm needs and buyers want is the same

Answer:- TRUE

Question:- The salary of the proprietor or rent on own land are the

Answer:- Implicit cost

Question:- Costs to be included in the price are actual and ..... Costs.

Answer:- expected

Question:- Aggregate of average fixed cost and average variable costs

Answer:- Average Cost

Question:- Patent and copyrights are a major source of

Answer:- Monopoly

Question:- Approaches to Pioneering Price are

Answer:- Skimming Price, Penetration Price

Question:- Price elasticity Degree of responsiveness of demand for a commodity to a given change in consumer's income

Answer:- FALSE

Question:- Cost function denotes

Answer:- The prices of such inputs as labour and material , The rate of output , The size

Question:- The OTHER APPROACHES to pricing are

Answer:- Intuitive Pricing, Experimental Pricing, ] Pricing

Question:- Keynes feels that to attain full employment in the economy \_\_\_\_\_  
Intervention is a must

Answer:- Government

Question:- Example of seasonal demand for a product could be

Answer:- Demand for sweater

Question:- Total fixed cost divided by total unit of output

Answer:- Average Fixed Cost

Question:- The market price is determined by the interaction of the market demand curve and

\_\_\_\_\_  
Answer:- Supply Curve

Question:- disinvestment is linked with

Answer:- Denationalization, privatization

Question:- A firm can stabilize its output where marginal cost is equal to \_\_\_\_\_

Answer:- MR

Question:- Law of Variable Proportion explained in how many stages?

Answer:- Three stages

Question:- The relationship between price and supply is

Answer:- Direct

Question:- Defects of Market mechanism are

Answer:- Inequalities of Income and Wealth, Elf Monopolies

Question:- Private goods are indivisible

Answer:- FALSE

Question:- in the case indivisible goods decisions can not be taken through

Answer:- Market mechanism

Question:- For consumption of private goods its purchase by paying the right price is essential

Answer:- TRUE

Question:- Income elasticity refers to the degree of responsiveness of demand for a commodity to a given change in the consumer's

Answer:- Income

Question:- In economics, supply is considered to be a

Answer:- relative term

Question:- Administrated prices are set on the basis of cost plus basis

Answer:- TRUE

Question:- Conditions of Price Discrimination are

Answer:- Market should be segmented, Market should be imperfect, Elasticities in different market would be different

Question:- Production Function denotes relationship between

Answer:- Input & output

Question:- MR

Answer:- Marginal Revenue

Question:- Profit maximization

Answer:- Firm's aim

Question:- Super normal Profit

Answer:- Short run

Question:- If  $AR < AFC$

Answer:- stop production

Question:- Where there exists a close substitute in the relevant price range, its demand will tend to be inelastic

Answer:- FALSE

Question:- Where there exists a close substitute in the relevant price range, its demand will tend to be

Answer:- elastic

Question:- Monopoly profit is profit earned as a result of business skills.

Answer:- FALSE

Question:- Government can increase the domestic supply of food grain by way of larger \_\_\_\_\_.

Answer:- Imports

Question:- Private goods could be

Answer:- Heavy motor vehicles, Refrigerators, air coolers

Question:- The total number of firms under pure competition always remains

Answer:- very large

Question:- A poor man's desire to purchase a car is demand

Answer:- FALSE

Question:- By \_\_\_\_\_ We mean no government intervention

Answer:- Laissez faire

Question:- In \_\_\_\_\_ Method the opinion of the experienced persons with the firm are collected and a

Answer:-

Question:- committee or the general manager of the firm analysis this information and forecasts the demand for the firm's product

Answer:- panel of experts

Question:- to the economist 'profits' means total revenue minus

Answer:- All costs

Question:- Total fixed cost of a firm includes

Answer:- Depreciation

Question:- two most important and widely accepted economic policies are

Answer:- Fiscal, Monetary

Question:- Macro Economics

Answer:- In general and as a whole

Question:- Production on a small scale is, found to be

Answer:- Disadvantageous

Question:- Under perfect competition price is equal to

Answer:- AR, MR, MC

Question:- Accounting costs are called as

Answer:- Explicit costs

Question:- The demand for capital goods is

Answer:- depends on the incomes of the consumers

Question:- Perfectly elastic demand curve is      Answer:- horizontal

Question:- Law of variable proportion occupies an important place in theory

Answer:- economic

Question:- When a firm is \_\_\_\_\_ in size it may not need or afford an organized forecasting system

Answer:- Small

Question:- Deficit financing leads to \_\_\_\_\_ In money supply

Answer:- decrease

Question:- J.M. Keynes wrote a book in 1936 named

Answer:- A General Theory of Employment, Interest and Money

Question:- Aggregate supply function is the schedule showing a relationship between maximum expected sales proceed and different levels of output and employment

Answer:- FALSE

Question:- when a firm's average revenue (A.R.) is less than its average cost, it earns only abnormal profit

Answer:- TRUE

Question:- A \_\_\_\_\_ Forecast gives a total picture of the demand for all the products of a firm's product

Answer:- General

Question:- In economics ' citrus paribus ' means

Answer:- other things being equal

Question:- The important feature of perfect competition is \_\_\_\_\_

Answer:- Automatic Price Mechanism

Question:- Right to information is one of the right of consumer under the consumer protection act, 1986.

Answer:- TRUE

Question:- The Basic Assumption of Keynesian theory

Answer:- short-run equilibrium analysis, capitalist economy, The technology and stock of capital

Question:- Aggregate demand function is a positively sloped curve

Answer:- TRUE

Question:- The number of sellers operating under perfect competition as compared to oligopoly is

Answer:- Larger

Question:- Consumer Protection Act, 1986 enunciates consumer interest as

Answer:- Protection from Hazardous Commodities, Right to Information, Right to a Competitive Price

Question:- The consumer protection act was introduced in

Answer:- 1986

Question:- Duopoly involves

Answer:- Two firms, interdependent on each other regarding prices and output, two buyers

Question:- saving is a private virtue but a public vice<sup>1</sup> explain

Answer:- Paradox of income

Question:- Large number of buyers and sellers is one of the feature of

Answer:- Pure competition

Question:- The same economic problem- unlimited wants and relatively limited resources- arises at all levels of human organization.

Answer:- TRUE

Question:- Price elasticity refers to the degree of responsiveness of demand for a commodity to a given change in its

Answer:- Price

Question:- The elasticity of supply deals with

Answer:- The Original Quantity Supplied, Net change in Quantity Supplied, The original Price and Net change in Price

Question:- In production function T - denotes the state of technology

Answer:- TRUE

Question:- Monopoly is an example of imperfect market

Answer:- TRUE