Eco302.Principles Of Economic.
Solved Mcqs By Pin2.

1.Demand for a commodity refers to:

A. Need for the commodity

B. Desire for the commodity

C. Amount of the commodity demanded at a particular price and at a particular time

D.Quantity demanded of that commodity

Answer» C. Amount of the. commodity demanded at a particular price and at a particular time.

2.If the demand for a good is inelastic, an increase in its price will cause the total expenditure of the consumers of the good to:

A. Increase

B. Decrease

C. Remain the same

D. Become zero

Answer» A. Increase

3.Income elasticity of demand is defined as the responsiveness of:

A. Quantity demanded to a change in income

B. Quantity demanded to a change in price

C. Price to a change in income

D. Income to a change in quantity demanded

Answer» A. Quantity demanded to a change in income

4.The supply of a good refers to:

A. Stock available for sale

B. Total stock in the warehouse

C. Actual Production of the goo

D. D. Quantity of the good offered for sale at a particular price per unit of time

Answer» D. D. Quantity of the good offered for sale at a particular price per unit of time

5.In the short run, when the output of a firm increases, its average fixed cost:

A. Remains constant

B. Decreases

C. Increases

D. First decreases and then rises

Answer» B. Decreases

6.The cost of one thing in terms of the alternative given up is called:

A. Real cost
B. Production cost
C. Physical cost
D. Opportunity cost

Answer» D. Opportunity cost

7.In which of the following market structure is the degree of control over the price of its product by a firm very large?

A. Imperfect competition
B. Perfect competition
C. Monopoly
D. In A and B both

Answer» C. Monopoly

8.Demand for factors of production is:

A. Derived demand
B. Joint demand
C. Composite deman
D. D None of the above

Answer» A. Derived demand

9.The producer's demand for a factor of production is governed by the ___ of that factor.

A. Price
B. Marginal productivity
C. Availability
D. Profitability

Answer» B. Marginal productivity

10.Who is the 'lender of the last resort' in the banking structure of India?

A. State Bank of India
B. Reserve Bank of India
C. EXIM Bank of India
D. Union Bank of India

Answer» B. Reserve Bank of India

11.____ is the official minimum rate at which the Central Bank of a country is prepared to rediscount approved bills held by the commercial banks.

A. Repo rate
B. Bank rate

C. Prime lending rate

D. Reverse repo rate

Answer» B. Bank rate

12.Which among the following is a function of the Reserve Bank of India?

A. Bank issues the letters of credit to their customers certifying their creditability

B. Collecting and compilation of statistical information relating to banking & other financial sectors

C. Banks under write the securities issued by public or private organizations

D. Accepting deposits from the public

Answer» B. Collecting and compilation of statistical information relating to banking & other financial sectors.

13.The following is the direct tax among:

A. House tax

B. Entertainment tax

C. Service tax

D. Value added tax

Answer» A. House tax

14.Which among the following is a cause of inflation?

A. Deficit financing

B. Rise in external loans

C. Unfavorable balance of payment

D. A hike in the CRR by the central bank of the country

Answer» A. Deficit financing.

15.The capital that is consumed by an economy or a firm in the production process is known as:

A. Capital loss

B. Production cost

C. Dead-weight loss

D. Depreciation

Answer» D. Depreciation

16.Which of the following is also known as International Bank for Reconstruction and Development?

A. Asian Development Bank

B. World Bank

C. Reserve Bank of India

D. International Monetary Fund

Answer» B. World Bank

17.A change in fiscal policy affects the balance of payments through:

A. The current account only

B. The capital account only

C. Both, the current account and capital account

D. Neither current account nor capital account

Answer» C. Both, the current account and capital account

18.Fiscal Policy means:

A. Policy relating to money and banking in a country

B. Policy relating to non-banking financial institutions

C. Policy relating to government spending' taxation and borrowing

D. Policy relating to financial matters of international trade

Answer» C. Policy relating to government spending' taxation and borrowing.

19.Which one of the following is NOT the objective of fiscal policy of government of India?

A. Full employment

B. Price stability

C. Regulation of inter-state trade

D. Economic growth

Answer» C. Regulation of inter-state trade.

20.Monetary policy is implemented by in India.

A. The Ministry of Finance

B. Planning Commission

C. The Parliament

D. Reserve Bank of India

Answer» D. Reserve Bank of India

21.The most simple and popular method of measuring economic development is to calculate the trend of gross national product (GNP) at __________.

A. Current prices

B. Constant prices

C. Both of the above

D. None of the above

Answer» B. Constant prices.

22.By __ growth rate of an economy can be speeded up.

A. Investment in share market
B. Investment abroad
C. Investment in human capital formation
D. Investment in primary sector
Answer» C. Investment in human capital formation
23.When national income is calculated with reference to a base year, it is called:
A. Nominal national income
B. Net national income
C. Real national income
D. Gross national income
Answer» C. Real national income.
24.Which market structure symbolizes the existence of 'few sellers'?
A. Oligopoly
B. Monopoly
C. Monopolistic competition
D. Perfect competition
Answer» A. Oligopoly
25.Which among the following are the factors that determine the national income of a country?
A. Quantity and Quality of factors of production
B. The state of technical knowledge
C. Economic and political stability
D. All of the above
Answer» D. All of the above.
26.Management is a creative and ________ process.
A. Continuous
B. Technical
C. Democratic
D. None of the above
Answer» A. Continuous.
27.Which type of strategies do professional managers help organizations in chalking out?
A. Multi-disciplinary
B. Corporate
C. Managerial
D. All of the above

Answer» B. Corporate.

28.Management exists at the ______ level of the organization.

A. Lower

B. Middle

C. Top

D. All of the above

Answer» D. All of the above.

29.Management is said to be the combination of

A. Arts, science and profession

B. Arts, science and engineering

C. Arts, commerce and science

D. Arts, commerce and engineering

Answer» A. Arts, science and profession.

30.______ is supposed to be immutable, unchanging and eternal.

A. Policy

B. Vision

C. Mission

D. All of the above

Answer» A. Policy.

31.Positive motivation makes people willing to do their work in the best way they can and improve their ________.

A. Productivity

B. Personality

C. Performance

D. All of the above

Answer» C. Performance.

32.The objective in corporate governance is

A. Shareholder value maximization

B. Growth

C. Stability

D. All of the above

Answer» D. All of the above.

33.The heart of administration is the _____ function.

A. Directing

B. Organizing

C. Controlling

D. Cooperating

Answer» A. Directing.
34.Direction is a ________ function performed by all the managers at all levels of the organization.
A. Managerial
B. Organizational
C. Both A and B
D. None of the above
Answer» A. Managerial.
35._______ is a tool for corporate governance.
A. Training
B. Recruitment
C. Communication
D. Consulting
Answer» C. Communication.
36.The internal environment factor that influence management is
A. Labor
B. Machines
C. Place
D. All of the above
Answer» D. All of the above.
37.Management is said to be the combination of three factors, arts, science and the third is
A. Profession
B. Authority
C. Communication
D. None of the above
Answer» A. Profession.
38.One of the popular forecast is
A. Technological
B. Economi
C. C Deman
D. D None of the above
Answer» C. C Deman.
39.Limitation of business planning is
A. Time consuming
B. Expensive device
C. Heavy cost of planning

D. All of the above

Answer» D. All of the above.

40.In management process, the most misinterpreted word is

A. Organizing

B. Delegating

C. Controlling

D. Planning

Answer» A. Organizing.

41.Management as a discipline is the function of ____.

A. Science

B. Art

C. Creativity

D. All of the above

Answer» C. Creativity.

42.The word _______ denotes a function, a task, a discipline.

A. Management

B. Leadership

C. Motivation

D. None of the above

Answer» A. Management.

43.Costliness of the ________ is the overriding factor determining the extent of decentralization.

A. Decision

B. Staffing

C. Controlling

D. Managing

Answer» A. Decision.

44.______ is a tool for corporate governance.

A. Management

B. Communication

C. Coordination

D. All of the above

Answer» B. Communication.

45.The higher the ________ level of the employee, the lower the job satisfaction.

A. Managerial

B. Educational

C. Satisfaction
D. None of the above
Answer» B. Educational.
46.Management is a creative and ________ process.
A. Systematic
B. Continuous
C. Long
D. None of the above
Answer» B. Continuous.
47.Economics is a study of wealth(Assets) said by _____.
A. Adam smith
B. Alfred marshall
C. Lionel robbins
D. None of the above
Answer» A. Adam smith.
48.In concept of Economics, Macro means _____.
A. Small
B. Large
C. Middle
D. All of the above
Answer» B. Large.
49.In concept of Economics, Micro means _____.
A. Small
B. Large
C. Middle
D. All of the above
Answer» A. Small.
50.Quantity of a product people are willing to buy at a certain price is known as ______.
A. Supply
B. Supply relationship
C. Deman
D. D Demand relationship.
Answer» C. Deman.