

# BHARAT SCHOOL OF BANKING ECONOMICS

**Q1. Goods which are meant either for consumption or for investment are called**

- (a) Inferior goods
- (b) Intermediate goods
- (c) Final goods
- (d) Giffen goods

**Q2. Marginal Cost equals**

- (a) Total cost divided by quantity
- (b) the cost added by producing one extra item of a product.
- (c) Total cost minus total benefit for the last unit produced
- (d) Total cost divided by total benefit for the last unit produced

**Q3. Extreme forms of market are**

- (a) Perfect competition, monopolistic
- (b) Perfect competition, monopoly competition
- (c) Perfect competition oligopoly
- (d) Oligopoly monopoly

**Q4. A supply function expresses the relationship between**

- (a) Price and demand
- (b) Price and consumption
- (c) Price and output
- (d) Price and selling cost

**Q5. The supply of labour in the economy depends for**

- (a) Population
- (b) National income
- (c) Per capita income
- (d) Natural resources

**Q6. Demand for complementary goods is known as**

- (a) Joint demand
- (b) Derived demand
- (c) Direct demand
- (d) Cross demand

**Q7. Name the curve which shows the quantity of products a seller wishes to sell at a given price level.**

- (a) Demand curve
- (b) Cost curve
- (c) Supply curve
- (d) None of the above

**Q8. Wage fund theory was propounded by**

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- (a) JB Say
- (b) JS Mill
- (c) JR Hicks
- (d) KM Keynes

**Q9. Tooth paste is a product sold under**

- (a) Monopolistic competition
- (b) Perfect Competition
- (c) Monopoly
- (d) Duopoly

**Q10. The expenses on advertising is called**

- (a) Implicit cost
- (b) Surplus cost
- (c) Fixed cost
- (d) Selling cost

**Q11. In a capitalistic economy the prices are determined by**

- (a) Demand and supply
- (b) Government authorities
- (c) Buyers in the market
- (d) Sellers in the market

**Q12. The main feature of a capitalist economy is**

- (a) Administered prices
- (b) Public ownership
- (c) Economic planning
- (d) Private ownership

**Q13. Kinked demand curve is a feature of**

- (a) Monopoly
- (b) Oligopoly
- (c) Monopsony
- (d) Duopoly

**Q14. Consumer's surplus is the highest in the case of**

- (a) Durable goods
- (b) Luxuries
- (c) Comforts
- (d) Necessities

**Q15. Which of the following cost curve is never 'U' shaped?**

- (a) Marginal cost curve

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- (b) Average variable cost curve
- (c) Average fixed cost curve
- (d) Average cost curve

## SOLUTIONS

S1. Ans.(c) S2. Ans.(b) S3. Ans.(a) S4. Ans. (c) S5. Ans.(a)

S6. Ans.(a) S7. Ans.(c) S8. Ans.(b) S9. Ans.(a) S10. Ans.(d)

S11. Ans.(a) S12. Ans.(d) S13. Ans.(b) S14. Ans.(d) S15. Ans.(c)

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