

## MCQ'S

### B.A First Year (Semester II) Economics

#### Paper 103 – Price Theory Production Function

---

##### Unit I:

- 1) Production function shows functional relation between input and \_\_\_\_\_ (output).
- 2) There are \_\_\_\_\_ stages in the law of variable proportions. (3)
- 3) \_\_\_\_\_ refers to a change in output in response to a specific change in the proportions of all the inputs. (Laws of Returns to Scale)
- 4) A situation in which increase in all the inputs, in a specific property on output increases more than proportionality is called \_\_\_\_\_ (Increasing Returns)
- 5) A situation in which with increase in all inputs, in a specific property on output increases more than proportionality is called \_\_\_\_\_ (Constant Returns to Scale)
- 6) \_\_\_\_\_ is the graphical presentation of the various combinations of two inputs which produce the same output \_\_\_\_\_ (Isoquant)
- 7) \_\_\_\_\_ is the laws of various points of optional input combination shown in an isoquant map. (Expansion Path)
- 8) The economies which occur to a particular firm only when it grows in size are called \_\_\_\_\_ (Internal economies)
- 9) Economies which occur to all the firms in an industry/ region from outside is called \_\_\_\_\_ (External economies)
- 10) Production means the creation of \_\_\_\_\_

##### Unit II:

- 1) Total cost is a sum of \_\_\_\_\_ and \_\_\_\_\_ (TPC, TVC). 2) Costs of raw material, wages, transport are included in \_\_\_\_\_
- 3) Average Total Cost is calculated (VC) by dividing the \_\_\_\_\_ by output.
- 4) \_\_\_\_\_ is the addition to total cost due to the additional unit produced. (MC) 5) In the \_\_\_\_\_ run all the factors of production are variable. (Long)
- 6) In the \_\_\_\_\_ run only variable factors can be changed. (Short)
- 7) The traditional Average cost curves \_\_\_\_\_ shaped. (U)
- 8) According to modern theory the long run cost curve is \_\_\_\_\_ shaped. (L) 9) Raw materials, fuel etc. are included in \_\_\_\_\_ capital. (Variable)
- 10) Fixed equipment, buildings are included in \_\_\_\_\_ capital. (Fixed)

##### Unit III:

- 1) \_\_\_\_\_ is a condition of market in which there exist very large number of buyers and sellers of a homogeneous product. (Perfect Comp)
- 2) Equilibrium price is determined by \_\_\_\_\_ under perfect competition. (Market d & s)
- 3) \_\_\_\_\_ is a condition of market in which there exists only one seller of a homogeneous commodity having control over price.
- 4) Charging different prices for different groups of buyers by the monopolist is called \_\_\_\_\_
- 5) \_\_\_\_\_ is a market in which there exist many sellers of a differentiated but close substitute products (Monopolistic Competition)
- 6) \_\_\_\_\_ differentiation is a feature of \_\_\_\_\_ market condition (Monopolistic Competition)
- 7) \_\_\_\_\_ is the cost incurred by a seller under monopolistic competition for creating demand for his product through product differentiation. (Selling cost)
- 8) The revenue curve under monopolistic competition slopes \_\_\_\_\_ (downwards)
- 9) \_\_\_\_\_ is a market in which there exist few sellers of a homogeneous or differentiated but close substitute products having control over price. (Oligopoly) 10) The concept of imperfect competition was advocated by \_\_\_\_\_ (Chamberlin)

#### Unit IV:

- 1) The demand for Factors of Production is \_\_\_\_\_ demand (derived) 2) The reward for capital as a factor of production is called \_\_\_\_\_ (Interest)
- 3) The addition made to the total output by an additional unit is called \_\_\_\_\_ (Marginal Productivity)
- 4) According to Ricardo \_\_\_\_\_ is that position of the produce of the earth which is paid to the land lord for the use of the original and indestructible power of the soil (Rent)
- 5) \_\_\_\_\_ is a surplus which accrues to those specific factors the supply of which remains constant over a period of time.
- 6) The concept of quasi-rent was advocated by \_\_\_\_\_ (Marshall)
- 7) \_\_\_\_\_ of a factor is its earning in the next best paid alternative employment (Transfer Earning)
- 8) The reward for labour as a factor of production is called \_\_\_\_\_ (Wages)
- 9) Liquidity Preference Theory of Profit interest was advocated by \_\_\_\_\_ (J.M Keynes) 10) Innovation Theory of Profit was advocated by \_\_\_\_\_ (Schumpeter)
- 11) Risk Bearing Theory of Profit was advocated by \_\_\_\_\_
- 12) Dynamic Theory of Profit was advocated by \_\_\_\_\_
- 13) Total Revenue – Explicit cost is called \_\_\_\_\_ (Gross Profit)

**MCQ's**  
**B.A First Year (Semester II)**  
**Economics**  
**Paper 104 – Money Banking & Finance**

---

**Unit I:**

**Unit I:**

- 1) Money is what money does \_\_\_\_\_ said it. (Walker)
- 2) Money in the normal sense means \_\_\_\_\_(Currency and demand deposits)
- 3) Money is a \_\_\_\_\_ of exchange (medium)
- 4) The various function money can be classified under \_\_\_\_\_ group. (Four)
- 5) Paper money is of \_\_\_\_\_ types (Four)
- 6) The paper money which is not convertible in to standard coin called \_\_\_\_\_ (inconvertible paper money)
- 7) Money as a basis of price mechanism is most effective \_\_\_\_\_ (Capitalist economy)
- 8) Which of the following is known as actual money. (Unit of currency)
- 9) Jin Keynes has classified money as. (Actual Money and Money of Accounts)
- 10) Which of the following is not a characteristic of standard coin \_\_\_\_\_ (limited legal tender).

**Unit II:**

- 1) Which of following types of paper money is presently in circulation \_\_\_\_\_ (Inconvertible).
- 2) Which method of note issue has been adopted in India \_\_\_\_\_ (Minimum Reserve system)
- 3) Gresham's law states \_\_\_\_\_ (Bad money drives good money out of circulation).
- 4) The classical economists believed for use as \_\_\_\_\_ (Medium) of exchange.
- 5) Demand for money according to Keynes is dependent on \_\_\_\_\_ (Liquidity preference).
- 6) It is stipulated that bank financing to the priority sector as a percentage of total bank credit should be (40%)
- 7) Nationalism of major Commercial Bank has helped towards \_\_\_\_\_ (Better channelization of credit to priority sectors).
- 8) Which of the following institutions was steps in 1948. (IFCI)
- 9) The ICICI is a – (Private sector institution).
- 10) SIDBI comes under the category of (All Indian Development Banks).
- 11) Which of the following is not a specialised financial institution \_\_\_\_\_ (UFI)

### Unit III:

- 1) A Central Bank has not the objective of \_\_\_\_\_ (Profit money)
- 2) Which of the following functions is performed by a Central Bank (Custodian of cash reserves of banks).
- 3) The Reserve Bank of India was established in the year \_\_\_\_\_ (1935).
- 4) The Reserve Bank of India does not perform the function of \_\_\_\_\_ (Accepting deposits from public on interest).
- 5) The SLR at present is at its minimum level of (25%).
- 6) In January 2007 the CRR is \_\_\_\_\_ (5.5% The open market operations aim at Sale and Purchase of Govt. securities).
- 7) If the banks receive Rs. 1,000 as primary deposits and maintain a reserve ratio of 20%. Other things remaining the same, how much loan can be given \_\_\_\_\_ (Rs. 4000)
- 8) If the banks receive Rs. 1,00 as primary deposits and maintain a reserve ratio of 20 per cent other things remaining the same, what will be the extent of credit creation \_\_\_\_\_ (Rs. 5,000).
- 9) Which of the following factors ensures creation to the maximum extent \_\_\_\_\_ (Larger size of primary deposits).
- 10) The principles governing the investment policy of a bank do not include \_\_\_\_\_ (Principle of long duration).
- 11) Types of collateral securities consist of \_\_\_\_\_ (All these stock, exchange, Bill of exchange, Goods & titles to goods).
- 12) Which of the following is a liability for a bank \_\_\_\_\_ (Deposits)
- 13) Which of the following is an asset for a bank \_\_\_\_\_ (Loans & advances)

### Unit IV:

- 1) A scheduled commercial bank is one which is \_\_\_\_\_ (included in the II schedule of the RBI act 1934).
- 2) The present number of public sector banks in India is (27).
- 3) The State Bank of India is in the category of \_\_\_\_\_ (Public Sector Bank).
- 4) The average population per banking office in the country is \_\_\_\_\_ (16, 000)
- 5) The percentage of rural branches in total banking branches is \_\_\_\_\_ (47%).
- 6) Which of the following factors creates demand pull situation \_\_\_\_\_ (increase in money income)
- 7) The concept of inflationary gap was given by \_\_\_\_\_ (Keynes)
- 8) Which of the following measures will help in checking inflation \_\_\_\_\_ (Stability in exchange rates)
- 9) Inflation is beneficial to which of the following sections of economy \_\_\_\_\_ (Debtors).
- 10) The headquarter of RBI in \_\_\_\_\_ (Mumbai).

- 11) Demand deposits refer to deposits received in \_\_\_\_\_ (Current account and saving bank account).
- 12) Which type of deposit earn relatively highest rate of interest \_\_\_\_\_ (term deposit)
- 13) Which type of bank loan allows the borrower to withdraw money from time to time up to certain limit fixed by the bank \_\_\_\_\_ (Cash credit).
- 14) The user of which card become the borrower of the bank \_\_\_\_\_ (Credit card).