

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)

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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).