

Examrace

Competitive Exams: Economics MCQs (Practice_Test 9 of 122)

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1. In the given diagram, BDF represents the average variable cost and BCDF represents the marginal cost curve. OA is the minimum possible average variable cost. The supply curve is represented by:
 - a. ADE
 - b. ADF
 - c. CDF
 - d. OA and DF
2. As per the situation presented in the given diagram, the firm will earn maximum profit if it attained the level of output indicated by
 - a. OM1
 - b. OM2
 - c. OM1
 - d. OM4
3. If factor 'A' is the only variable factor for an imperfectly competitive firm in the product market, then the firm's demand curve for factor 'A' is given by (symbols have the usual meaning)
 - a. VMPa curve
 - b. MRPA curve
 - c. MFCA curve
 - d. MPPA curve
4. In the context of the duopoly equilibrium output, the ration Duopoly output/Competitive output is
 - a. equal to 1
 - b. greater than 1
 - c. equal to 0

d. equal to $\frac{2}{3}$

5. Assume that a profit maximizing monopolist is in short-run equilibrium. Now, the government, in order to mobilize more resources, imposes a ₹ 5 lakh per annum lump-sum tax on the monopolist. Immediate (short-run) effect of this policy on the monopolist would be such that he would.
- decrease the quantity produced and the market price would increase.
 - increase the quantity produced and the market price would fall.
 - keep the output constant and the price would remain unaffected
 - close down the operations
6. A firm finds that the total cost of producing 99 unit of output is ₹ 995. The average cost of producing 100 units of output is ₹ 10. This means that the marginal cost at this level of output is
- ₹ 1
 - ₹ 10
 - ₹ 5
 - ₹ 11
7. Which of the following pairs are correctly matched
- Interest rate is a real phenomenon Neoclassical economist
 - Interest rate is a monetary phenomenon Marshall
 - Interest rate does not determine the level of Cambridge School
 - Reduced interest rates always bring with them production processes which are more roundabout Bohm Bawerk

Select the correct answer using the codes given below

- 1,2 and 3
 - 1,3 and 4
 - 1,2 and 4
 - 3 and 4
8. According to neoclassical theory of distribution, 'Constancy of wage share' in national income would come about on when elasticity of factor substitution.
- equals one
 - is greater than one

c. is less than one is zero

d. is zero

9. Consider the following statements: A contract curve (consumption, and/or production) is the locus of points of tangencies between:

a. any two indifference curves.

b. any two isoquants

c. an indifference curve and the budget line.

Of these statements

a. 1,2 and 3 are correct

b. 1 and 2 are correct

c. 2 and 3 are correct

d. 1 and 3 are correct

10. The 'Compensation criterion' that state X is socially preferable to state Y, if those who gain from X can compensate the losers and still be in a better position than at Y, has been proposed by

a. Bergson

b. pareto

c. Kaldor

d. Walras

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