

SECTION II
[TO BE ATTACHED TO THE MAIN ANSWER-BOOK]
B.A DEGREE (CBCS) PRIVATE
(REGULAR/IMPROVEMENT/REAPPEARANCE/MERCY CHANCE)
EXAMINATIONS, MARCH 2025
DO NOT WRITE YOUR REGISTER NUMBER OR NAME ANYWHERE IN THE
SECTION II OF THE QUESTION PAPER
EC1CMT01MCQ - PRINCIPLES OF ECONOMICS

Answer **all** questions.

All questions carry equal marks

Put a tick mark [✓] against the correct answer

1. Compared to the case of perfect competition, a monopolist is more likely to:
(a) charge a higher price (b) produce a lower quantity of the product
(c) make a greater amount of economic profit (d) all of the above
2. At the point of inflexion, the marginal utility is –
(a) increasing (b) Decreasing
(c) maximum (d) negative
3. 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
4. The horizontal demand curve parallel to x-axis implies that the elasticity of demand is:
(a) Zero (b) Infinite
(c) Equal to one (d) Greater than zero but less than infinity
5. Demand for factors of production is:
(a) Derived demand (b) Joint demand
(c) Composite demand (d) None of the above
6. Number of times a unit of money changes hands in the course of a year is called.....
(a) Supply of money (b) Purchasing power of money
(c) Velocity of money (d) Value of money
7. Iso quants are right angled only when:
(a) Factors are perfect substitutes (b) Factors are neutral
(c) Factors are perfect complements (d) Factors are scarce

8. The price elasticity of demand is the:
- | | |
|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| (a) percentage change in quantity demanded divided by the percentage change in price | (b) percentage change in price divided by the percentage change in quantity demanded |
| (c) dollar change in quantity demanded divided by the dollar change in price | (d) percentage change in quantity demanded divided by the percentage change in quantity supplied |
9. Which among below is NOT a correct statement?
- | | |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| (a) Bretton Woods conference gave birth to two international organizations- | (b) Theory of Absolute Advantage in international trade is given by Adam Smith |
| (c) Pure and perfect competition is the same market structures. | (d) Mint par theory of exchange rate determination is applicable in countries under gold standard |
10. Which country was the first to adopt a gold standard in the modern sense?
- | | |
|-------------------|--------------|
| (a) Italy | (b) France |
| (c) Great Britain | (d) Portugal |
11. What have been the reasons of deficit in India's Balance of Trade in the past?
- | | |
|------------------------------------------|------------------------------|
| (a) Very large rise in imports | (b) Modest growth of exports |
| (c) High cost and low quality production | (d) All of the above |
12. When the population growth rate of an economy becomes greater than the achievable economic growth rate, it is known as:
- | | |
|--------------------------|-----------------------|
| (a) Population Explosion | (b) Population Trap |
| (c) Population Crisis | (d) None of the above |
13. Which Five year plan in India had 'poverty alleviation' as one of its objectives?
- | | |
|--------------------------|----------------------------|
| (a) First five year plan | (b) Third five year plan |
| (c) Fifth five year plan | (d) Seventh five year plan |
14. "Money is a matter of functions four, a medium, a measure, a standard and.....". What is the fourth function of money indicated in this popular phrase?
- | | |
|-------------|---------------|
| (a) A stock | (b) A flow |
| (c) A store | (d) A payment |
15. If there is a price ceiling, which of the following is NOT likely to occur?
- | | |
|-------------------------------------------|------------------------------------------------------------------|
| (a) rationing by first-come, first-served | (b) black markets |
| (c) gray markets | (d) sellers providing goods for free that were formerly not free |
16. Which of the following is known as long run average cost curve?
- | | |
|-------------------------|--------------------|
| (a) Learning curve | (b) Envelope curve |
| (c) Equal product curve | (d) Phillips curve |
17. Total utility curve is—
- | | |
|-----------------------------------------------|-----------------------|
| (a) Concave to X axis | (b) Convex to X Axis |
| (c) Concave or convex depending on situations | (d) Concave to Y axis |

18. In case of positive cross elasticity, price consumption curve would be-
- (a) Upward sloping (b) Downward sloping
- (c) Horizontal straight line (d) Vertical straight line
19. When the demand curve is a rectangular hyperbola, it represents-
- (a) Unitary elastic demand (b) Perfectly elastic demand
- (c) Perfectly inelastic demand (d) Relatively elastic demand
20. Extension of demand means—
- (a) More quantity demanded at a lower price (b) More quantity demanded at a higher price
- (c) More quantity demanded at the same price (d) None of these

No. of MCQ's Attempted :

Marks Scored :
(To be entered by the examiner)

No. of MCQ's not Attempted :

**ATTACH SECTION II INTERNAL EXAMINATION MCQ PAPER
WITH THE MAIN ANSWER BOOK**