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Maximum Weight : 5

MCQ—PRINCIPLES OF BUSINESS DECISIONS

Section II

[TO BE ATTACHED TO THE MAIN ANSWER-BOOK]

UG CBCSS INTERNAL EXAMINATION, JUNE 2026

DO NOT WRITE YOUR REGISTER NUMBER OR NAME ANYWHERE IN SECTION II OF THE QUESTION PAPER

Answer **all** *questions.*
All questions carry equal weight.
Put a tick mark [✓] in the column against the correct answer.

1. ———— cost arises only when there is an alternative.

   (A) Marginal. ☐ (B) Opportunity. ☐

   (C) Equi-Marginal. ☐ (D) None. ☐

2. The most of the Production functions measure.

   (A) The Productivity of factors of Production. ☐

   (B) Economics of scale. ☐

   (C) Relation between physical inputs and physical output. ☐

   (D) None of these. ☐

3. Advertisement Elasticity is otherwise called ———— elasticity.

   (A) Promotional. ☐ (B) Cross elasticity. ☐

   (C) Zero income elasticity. ☐ (D) None of these. ☐

Turn over

4. MC = MR and MR = AR means ————.

(A) The equilibrium position of a firm in the long period. ☐

(B) The equilibrium point of a firm under imperfect competition in the short period. ☐

(C) The equilibrium point of a firm under perfect competition. ☐

(D) A short period equilibrium point of a firm under perfect competition. ☐

5. If the individual firms demand curve is coincident with the market demand curve then :

(A) The firm is Price maker. ☐ (B) Monopolist. ☐

(C) MR = AR. ☐ (D) None of these. ☐

6. The degree of monopoly power can be measured by the formula.

(A) $\frac{P - MC}{P}$. ☐ (B) $\frac{AR}{AR - MR}$. ☐

(C) $\frac{MR}{AR - MR}$. ☐ (D) $\frac{AAR - MR}{MR}$. ☐

7. A monopoly Producer usually earns.

(A) Abnormal profit. ☐ (B) Normal profit. ☐

(C) Loss. ☐ (D) None of these. ☐

8. Dumping means selling at :

(A) Higher price in home market and a lower price in foreign market. ☐

(B) A lower price in home market and higher price in foreign market. ☐

(C) Same price in home market and foreign market. ☐

(D) None of these. ☐

9. The firms are under severe pressure to keep their costs low, a situation characterized by ————.

(A) Perfect competition. ☐ (B) Strong competition. ☐

(C) Oligopolistic completions. ☐ (D) Monopolist completions. ☐

10. Lower turning point in a business cycle refers to ————.

(A) Recession. ☐ (B) Expansion. ☐

(C) Down swing. ☐ (D) Recovery. ☐

11. Rectangular hyperbola is the shape of ————.

(A) TFC. ☐ (B) AFC. ☐

(C) FC. ☐ (D) MC. ☐

12. ———— is the most extensively used method in India.

(A) Survey method. ☐ (B) Graphic method. ☐

(C) Value method. ☐ (D) None of these. ☐

13. What is the condition of optimum production ?

(A) AC = MC. ☐ (B) AR = AC. ☐

(C) MR = MC. ☐ (D) All of these. ☐

14. Monopoly means :

(A) A single seller of a particular product in the world. ☐

(B) A single seller of a product in India. ☐

(C) A single seller of a product in a particular town or city. ☐

(D) None of these. ☐

Turn over

15. Price discrimination is possible only if ————.

(A) Buyers purchase the product and sell it in the same market. ☐

(B) Seller sells the product in only one market. ☐

(C) Buyers purchase the product and sell it in different market. ☐

(D) None of these. ☐

16. A fall in price of a commodity leads to :

(A) A shift in demand. ☐

(B) A fall in demand. ☐

(C) A rise in income of consumers. ☐

(D) A fall in consumer's income. ☐

17. A typical demand curve cannot be :

(A) Convex to the origin. ☐

(B) A straight line parallel to Y axis. ☐

(C) A straight line parallel to X axis. ☐

(D) Rising upward to the right. ☐

18. Two goods are consumed simultaneously are :

(A) Identical. ☐ (B) Complementary. ☐

(C) Substitutes. ☐ (D) None of these. ☐

19. Bread and butter, lamb and mint sauce, illustrate the type of interrelated demand known as :

(A) Rival Demand. ☐ (B) Composite Demand. ☐

(C) Competitive Demand. ☐ (D) Joint Demand. ☐

20. ———— for a commodity is one that arises on its own out natural desire to consume.

(A) Indirect demand. ☐ (B) Autonomous demand. ☐

(C) Individual demand. ☐ (D) None of these. ☐

No. of MCQs attempted ☐ Weight Scored ☐

(To be entered by the examiner)

No. of MCQs not attempted ☐

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