Managerial Economics

MBA-012

OBJECTIVE QUESTIONS:-

1. The Manager tries to produce at ………………………Scale.
   a. Minimum b. Maximum c. Optimum d. Ideal

2. The appropriate Objective of firm is
   a. Maximisation of Sales b. Maximisation of Profit
   c. Maximisation of Owner's Wealth d. None of the Above.

3. Contraction in Demand is Shown by,
   a. Movement along the Same Demand Curse b. Shift of the demand Curse
   c. The highest point on the demand curse d. Lowest point on the demand Curse

4. Which one is example of Substitutes
   a. Tea & Sugar b. Tea & Coffee c. Pen & Ink d. Shirt & Pant

5. In case of Inferior goods, price effect is
   a. 0 b. Positive c. Negative d. None

6. Cross Elasticity of Demand between tea & Sugar
   a. Positive b. Negative c. Zero d. Infinity

7. Demand forecasting is important for
   a. Price Control b. Business Planning c. Competitive Strategy d. All of Above

8. The initial Supply of Land is
   a. Zero b. Greater than 1 c. Less than 1 d. One

9. Labour cannot be separated from.
   a. Capital b. Laborer c. Profit d. Ogranisation

10. Production is the function of --
    a. Profit b. Factor c. Price d. Cost

11. Which curve is U-Shaped.
    a. AC b. MC c. TC d. None of the Above

12. Fixed Cost is known as
    a. Special Cost b. Prime Cost c. Direct Cost d. Overhead Cost

13. Horizontal revenue curve is the characteristics of
    a. Perfect Market b. Imperfect c. Duopoly d. Oligopoly

14. In long run which market gets super profit

a. Perfect b. Imperfect Market c. Monopoly d. Oligopoly

15. Profit originates in
    a. Uncertainty b. High Prices c. Greed d. Exploitation
16. What is National Income
    a. Government Annual Income b. Budget Estimates
    c. Sum of Total Income d. Revenue of Public Company

17. Who discovered the Risk Theory of Profit?
    a. Hawley b. Knight c. J.S. Bain d. Marshal

18. Profit = Total Revenue-…………………
    a. Total Cost b. Total Price c. Total Sale d. None of These

19. If there are two sellers in the market, it is--
    a. Monopoly b. Dulopoly c. Oligopoly d. None

20. In imperfect market-
    a. MR=AR b. AR>MR c. AC>MC d. None of above

21. The process of Converting Raw Material into Finished Goods is called
(a) Goods
(b) Production
(c) Consumers
(d) Price

22. Who gave the Wealth Definition of Economics?
(a) Robbins
(b) A. Marshall
(c) Adam Smith
(d) Sameulson

23. ______________________ deals with aggregate economic concepts related to the entire economy.
(a) Micro Economics
(b) Macro Economics

24.________________________ is the difference between total revenue and total cost .
(a) Goods
(b) Profit
(c) Resources
(d) Production

25. Managerial Economics is also called __________________.
(a) Applied Economics
(b) Micro Economics
(c) Macro Economics

26. Production Theory is also called ___________________.
(a) Micro Economics
(b) Positive Science
(c) Normative Science
(d) Theory of Firm

27. Theory of Exchange is also called ________________.
(a) Price Theory
(b) Demand Theory
(c) Theory of Production
(d) Theory of Firm

28.______________________ means the cost of foregone opportunities.
(a) Discounting Principle
(b) Opportunity Cost
(c) Inventory Management
(d) Principle of Time Perspective

29. ____________________ is the change in total revenue which results from selling an additional unit of output.
(a) Marginal Revenue
(b) Marginal Cost
(c) Opportunity Cost
(d) Principle of Time perspective

30. ______________________ refers to the stock of Raw material or Finished goods which a firm keeps.
(a) Inventory
(b) Production
(c) Demand
(d) Revenue

31. Demand for a commodity refers to
(a) Desire for a Commodity (b) Need for a commodity (c) Quantity demanded of that commodity (d) Quantity of the commodity demanded at a certain price during any particular period of time

32. Demand for a commodity depends on
(a) Price of that commodity (b) Price of related commodity (c) Income (d) All of the above

33. Law of Demand establishes
(a) Inverse relationship between price and quantity (b) Positive relationship between price and quantity (c) Both (d) None

34. 34. Which of the following pairs of goods is an example of Substitutes?
(a) Tea & Sugar (b) Tea & Coffee (c) Pen & Ink (d) Shirt & Trousers

35. The degree of response to Demand to change in Price is
(b) Income Elasticity of demand (b) Cross Elasticity of demand
(c) Price Elasticity of demand (d) All the above

Of the following commodities which has the lowest elasticity of demand
(a) Car (b) Salt (c) Tea (d) House

36. The exception to Law of Demand are
(a) Veblen goods (b) Giffen goods (c) Both (a) &(b) (d) None

37. A single point on the Demand curve shows
(a) Demand & Supply relationship (b) Price & Supply relationship
(c) Price & Demand relationship (d) None of these

38. The fall in price of one commodity leads to fall in demand for other commodity & vice-versa for
(a) Substitutes (b) Complimentary goods (c) Giffen goods (d) Veblen goods

39. Unitary Elasticity of Demand is
    (a) Equal to one (b) Greater than one (c) Equal to zero (d) Less than one

40. Factors determining Supply are
    (a) Production Technology (b) Prices of factors of production (c) Taxes & Subsidies (d) All of the above

41. The supply of a good refers to
    (a) Actual production of the good (b) Total existing stock of the good (c) Stock available for the sale (d) Amount of the good offered for sale at a particular price per unit of time

42. An Increase in the supply of a good is caused by
    (a)Improvement in its technology (b) Fall in the price of other goods (c) Fall in the prices of factors of production (d) All of the above

43. The Supply Curve for Perishable commodity is
    Relatively Inelastic (b) Relatively Elastic (c) Perfectly Inelastic (d) Perfectly Elastic

44. Elasticity of Supply means change in supply due to change in
    Price of the commodity (b) Conditions of supply (c) Taste of consumer (d) Alternate use of commodity

45. Production refers to
    Destruction of utility (b) Creation of utility (c) Exchange value (d) None

46. When output increases less than proportionately with the increase in the factors, we have
    (a)Constant returns to scale (b) Decreasing returns to scale (c) Increasing returns to scale (d) None

47. Production function relates to
    (a). Cost to input (b) Cost to output (c) Wages to profit (d) Input to output

48. Perfect Competition is a market situation where we have
    (a) A single seller (b) Two sellers (c) Large number of sellers (d) Few sellers
49. Homogeneity of a product is a characteristic of
    (a) Perfect Competition (b) Monopoly (c) Imperfect Competition (d) All of the above