

Examrace

Competitive Exams: Economics MCQs (Practice_Test 68 of 122)

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1. The Primary objective of selective credit control is
 - a. to raise the cost of credit for all purposes
 - b. to decreases the total supply of credit in the economy
 - c. to regulate total bank credit and general level of interest rates
 - d. to influence allocation of credit among different borrowers and uses.
2. Consider the following: Companies (Second Amendment) Act, 2002 provides for the constitution of a national Company Law Tribunal (NCLT). The NCLT will now be the common forum for companies replacing which of the following existing forums?
 - a. Company Law Board (dispute resolution and compliance with certain provisions of the companies Act, 1956).
 - b. Board for industrial and financial reconstruction (review and rehabilitation of sick companies).
 - c. High Courts (winding up of companies)

Select the correct answer using the codes given below

- a. 1, 2 and 3
 - b. 1 and 2
 - c. 2 and 3
 - d. None of the above
3. If the consumer has with him only one commodity (Y) and has nothing of its perfect substitute (X), he may if he so likes, give up Y for each additional and successive unit of X.
 - a. at a constant marginal rate because the commodities being perfectly substitutable he is indifferent between heir respective stocks with him.
 - b. at a decreasing marginal rate because with every exchange, the stock of Y with him decreases and that of X increases

- c. at increasing marginal rate because with every exchange he gets the opportunity of increasing his stock of relatively scarcer commodity I. E. X.
- d. initially at an increasing and eventually at a decreasing marginal rate because with every exchange his stock of Y decreases and eventually Y becomes relatively scarcer to X in his stock

4. Consider the following statements about imposition of taxes:

- a. Turnover tax is levied as a proportion of the price of a commodity on each sale in the distribution chain.
- b. Tax potential of an economy depends on level of per capita income.
- c. Tax potential of an economy depends on degree of inequality in the distribution of income.

Which of the statements given above is/are correct?

- a. 1, 2 and 3
- b. 1 only
- c. 2 and 3
- d. 3 only

5. An integration between the theory of money and the theory of value through his well-known theoretical formulation viz. 'Real balance Effect' was attempted by

- a. j. M. Keynes
- b. D. H. Robertson
- c. A. H. Honsen
- d. Don Patinkin

6. The following is laid down as a condition for improving the balance of payment of a country: The sum of elasticities of the demand at home for countries' imports and the demand abroad for its exports be greater than one, if depreciation is to improve its balance of payments. The above condition is laid down by which one of the following economist/economists?

- a. heckscher-Ohlin
- b. J S Mill
- c. Marshall-Lerner
- d. Haberler

7. Consider the following statement: The function of International Monetary fund is to
- provide development finance
 - strengthen international liquidity
 - maintain exchange rate stability

Which of the statement given above are correct?

- 1 and 2
 - 2 and 3
 - 1 and 3
 - 1, 2 and 3
8. If the government sells bonds to finance the deficit, the result will generally be
- less expansionary than if it had printed new money
 - same as if it had printed new money
 - More expansionary than if it had printed new money
 - there will be no change in income of the economy
9. In the Lorenz curve diagram of country 'A' the Gini coefficient is measured by
- Area X/area Y
 - Area X/Areas OBDC
 - Area X/Area (X + Y)
 - Area Y/Area X
10. Mahabub-ul Haq developed the concept of
- Problem of capital formation
 - Human development index
 - Principles of population studies
 - balanced growth
11. Equity in taxation can best be achieved by applying the principle of
- Benefit
 - Equal absolute sacrifice
 - Equal proportional sacrifice

d. Equal marginal sacrifice

12. Consider the following statements: A milestone in reforms in the Indian Petroleum sector was the dismantling of the 'Administered Pricing Mechanism' (APM). Under the new regime
- a. the Pricing of indigenous crude oil and petroleum products, except for PDS kerosene and domestic LPG, is market determined
 - b. subsidies on PDS kerosene and domestic LPG are on a specified flat rate basis and are borne by the Consolidated Fund of India
 - c. there is a freight subsidy for far-flung areas for PDS kerosene and domestic LPG and is borne by the consolidated

Fund of India

Which of the statements given above are correct?

- a. 1 and 2
 - b. 2 and 3
 - c. 1 and 3
 - d. 1, 2 and 3
13. Consider the following statements with regard to the features of the India money market:
- a. It finds avenue for profitable investment for short-term surpluses.
 - b. It provides short-term funds for banks
 - c. It opens the door for the commercial banks to occupy a strategic position in regulating money market.
 - d. It makes discount rate act as the main instrument.

Which of the statements given above is/are correct?

- a. 1 only
 - b. 1 and 2
 - c. 1, 2 and 3
 - d. 2, 3 and 4
14. Consider the following statements:
- a. If the MC curve is below the AC curve, then the AC curve must be rising.
 - b. When MC curve is above AC, then the AC curve must be falling.

c. MC curve cuts the AC curve at the minimum average cost.

Which of the statements given above is/are correct?

a. 3 only

b. 1 and 2

c. 2 and 3

d. 1, 2 and 3

15. Which one of the following is not correct?

a. National Income = NNP at factor cost

b. NNP = GNP minus depreciation

c. NDP at market prices = NDP at factor cost + (indirect taxes less subsidies)

d. GNP = GDP-net factor income from abroad

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1 Answer

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