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Maximum Weight : 5

Section II

[TO BE ATTACHED TO THE MAIN ANSWER-BOOK]

U.G. CBCSS INTERNAL EXAMINATION, MAY 2024

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. Which of the following industry is most closely approximates the perfectly competitive model ?

   (A) Automobiles. ☐ (B) Cigarette. ☐

   (C) Newspaper. ☐ (D) Wheat farming. ☐

2. Uniform price is a feature of :

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

   (C) Monopolistic competition. ☐ (D) Oligopoly. ☐

3. A perfectly competitive firm gets only normal profit when ?

   (A) MC = MR. ☐ (B) AC = AR. ☐

   (C) AC < AR. ☐ (D) MC = AR. ☐

4. Average revenue curve under perfect competition is :

   (A) Upward sloping. ☐ (B) Downward sloping. ☐

   (C) Horizontal straight line. ☐ (D) Vertical straight line. ☐

Turn over

5. Average revenue curve under imperfect competition is :

(A) Upward sloping. ☐ (B) Downward sloping. ☐

(C) Horizontal straight line. ☐ (D) Vertical straight line. ☐

6. Equilibrium price is determined under perfect competition by :

(A) The market demand. ☐

(B) The market supply. ☐

(C) The interaction between market demand and market supply. ☐

(D) None of the above. ☐

7. Given the supply of a commodity, in the market period, the price of a commodity is determined by :

(A) The market demand curve alone. ☐

(B) The market supply curve alone. ☐

(C) The market demand curve and the market supply curve. ☐

(D) None of the above. ☐

8. Total profits are maximized where ?

(A) TR equals TC. ☐

(B) TR curve and TC curve are parallel. ☐

(C) TR curve and TC curves are parallel and TC exceeds TR. ☐

(D) TR curve and TC curves are parallel and TR exceeds TC. ☐

9. The condition of equilibrium of the industry under perfect competition is :

(A) MC = MR. ☐ (B) MC = AC. ☐

(C) MC = MR = AR. ☐ (D) MC = AC = AR. ☐

10. If price is greater than average cost, in the short-run, the competitive firm can earn :

    (A) Normal profit. ☐ (B) Super normal profit. ☐

    (C) Loss. ☐ (D) All of the above. ☐

11. Break-even point is a point where price is equal to :

    (A) AC. ☐ (B) A VC. ☐

    (C) AFC. ☐ (D) MC. ☐

12. In the long run, a competitive firm can earn.

    (A) Normal profit. ☐ (B) Super normal profit. ☐

    (C) Loss. ☐ (D) Any of the above. ☐

13. In the market period, price determination in the case of a perishable commodity is influenced by its :

    (A) Demand. ☐

    (B) Supply. ☐

    (C) Demand as well as the supply. ☐

    (D) None of the above. ☐

14. In the long-period :

    (A) All factors are fixed. ☐

    (B) Some factors are fixed and others are variable. ☐

    (C) All factors are variable. ☐

    (D) None of the above. ☐

Turn over

15. Zero economic profit includes :

(A) Zero normal profit. (B) Normal profit.

(C) Super normal profit. (D) Average profit.

16. Consumer surplus will be maximum in the case of :

(A) Perfect competition. (B) Monopoly.

(C) Monopolistic competition. (D) Oligopoly.

17. At the optimum short-run level of output, the firm will be :

(A) Maximizing total profit.

(B) Minimizing total losses.

(C) Either maximizing total profit or minimizing total losses.

(D) Maximizing profit per unit.

18. When the perfectly competitive firm and industry are both in long run equilibrium ?

(A) P = MR = SMC = LMC.

(B) P = MR = SAC = LAC.

(C) P = MR =Lowest point on the LAC curve.

(D) All of the above.

19. The theory of monopolistic competition was popularized by :

(A) Marshall. ☐ (B) Keynes. ☐

(C) Chamberlin. ☐ (D) Pigou. ☐

20. Excess capacity is a hallmark of :

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

(C) Oligopoly. ☐ (D) Monopolistic competition. ☐

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