Question Paper Booklet No. **9427870**

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5. Use HB pencil only to darken the circles for answers in the answer sheet.
6. After each MCQ, four options are given. Choose the correct or most appropriate option and darken the appropriate circle against the question number in the OMR Answer Sheet, completely, as shown below, with HB Pencil.

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Example : For Question No. 12, if the candidate considers the correct answer to be C, he is to mark as shown below **(Correct Method)** 12 (A) (B) ● (D)	**Not as shown below (Wrong method) :** 12 (A) (B) (✓) (D) 12 (A) (B) (✗) (D) 12 (A) (B) (C) (D) 12 (A) (B) (•) (D) 12 (A) ● ● (D)

7. Any answer marked in the question booklet will not be considered and no marks will be awarded.
8. If a candidate wants to change the answer already darkened, he should erase it completely, with good quality eraser and ensure that no mark is visible after erasing.
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Time : 2 Hours **Maximum Marks : 100**

Total No. of Printed Pages : 24

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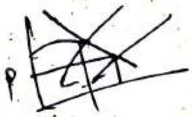
1. What is the Average Variable Cost (AVC) when the quantity produced is 100 units, the total cost is ₹ 1,000, and the fixed cost is ₹ 200 ?

(A) ₹ 5 (B) ₹ 8

(C) ₹ 10 (D) ₹ 12



2. In an increase in supply with unchanged demand:

(A) The equilibrium price will go down and the quantity demanded will go up.

(B) The equilibrium price will go up and the quantity demanded will go down.

(C) The equilibrium price will go up and the quantity demanded will remain constant.

(D) The equilibrium price will go down and the quantity demanded will also go down.

3. Assuming that the supply of cars will remain constant and the prices of cars are expected to increase in future, then what will be its effect on Demand Curve ?

(A) Demand curve will shift to right.

(B) Demand curve will shift to left.

(C) Demand curve will remain unchanged.

(D) Insufficient information to predict the effect on demand curve.

4. A competitive firm should shut down if :

(A) Its total revenues are less than the total cost.

(B) Its total revenues are less than the marginal revenues.

(C) Its total revenues are less than the average variable cost.

(D) Its total revenues are less than the fixed cost.

5. Under which of the following forms of market structure a firm cannot influence the price of its product ?

(A) Monopoly (B) Oligopoly

(C) Perfect competition (D) Monopolistic competition

6. Kinked Demand Curve is found under :
   (A) Monopoly (B) Monopsony
   (C) Duopoly (D) Oligopoly

7. Which one of the following is not the object of price discrimination ?
   (A) To earn maximum profit
   (B) To enjoy economies of scale
   (C) To hold excess stock
   (D) To secure equity through pricing

8. Which of the following is a fundamental cause for the creation of a monopoly ?
   (A) Barriers to entry (B) Low startup costs
   (C) High competition (D) Equal distribution of resources

9. A fast-food chain introduces a new burger with a unique sauce to differentiate itself from competitors. Although many similar burger options exist in the market, customers perceive this product as distinct. Which type of market structure has been represented in given scenario ?
   (A) Perfect Competition (B) Monopoly
   (C) Monopolistic Competition (D) Oligopoly

10. Identify the correct formula for Marginal Revenue (MR) when there is a one-unit change in output.
    (A) $MR_n = TR_n - TR_{n-1}$ (B) $MR_n = TR_n + TR_{n-1}$
    (C) $MR_n = TR_n \times TR_{n-1}$ (D) $MR_n = TR_n / TR_{n-1}$

11. When both demand and supply decrease, the equilibrium quantity ________ but the change in equilibrium price is ________.
    (A) decreases, uncertain (B) increases, constant
    (C) increases, uncertain (D) decreases, constant

12. Aluminium industry is the example of :
    (A) Competitive oligopoly (B) Perfect oligopoly
    (C) Collusive oligopoly (D) Open oligopoly

13. Suppose that the cost of producing 1,000 units of a product by a Firm is ₹ 15,000. The entrepreneur has invested ₹ 50,000 in the business and the normal rate of return in the market is 10%. What will be the implicit cost ?

(A) ₹ 5,000
(B) ₹ 1,500
(C) ₹ 6,500
(D) ₹ 2,000

14. When there is a decrease in demand due to a fall in income, while supply remains the same, what happens to the demand curve ?

(A) It will shifts to the right.
(B) It will remain unchanged.
(C) It will shifts to the left.
(D) It will become vertical.

15. Which type of firm has the market power to charge a price above marginal cost and earn a positive profit ?

(A) A perfectly competitive firm
(B) A monopolistic competitive firm
(C) A monopoly firm
(D) A firm in an oligopolistic market

Consider the following data and answer the Questions No. 16 to 18 :

Financial Year (FY)	2020-21	2021-22	2022-23	2023-24
GDP Deflator	100	154.25	168.40	148.25

16. In which FY the nominal GDP and real GDP are the same ? $100 = \frac{N}{100R} \times 100$

(A) FY 2021-22
(B) FY 2022-23
(C) FY 2020-21
(D) FY 2023-24

17. In which FY the price level has fallen ?

(A) FY 2020-21
(B) FY 2023-24
(C) FY 2022-23
(D) FY 2021-22

18. What will be the inflation rate in FY 2022-23 as compared to FY 2021-22 ?

(A) 9.54%
(B) 8.76%
(C) 9.17%
(D) 7.44%

$\frac{168.4 - 148.25}{148.25} \times 100$

 MPC = 1

19. The maximum value of investment multiplier will be the infinity when the value of :

(A) MPC is 1. (B) MPC is –1.

(C) APC is 1. (D) MPS is –1.

20. Calculate the consumption of fixed capital (depreciation) from the following data :

8000 + 200 = 5600 + Dep

Particulars	Amount (₹) in crores
GDP_{MP}	8,000
NNP_{MP}	5,600
Indirect tax	400
Subsidy	300
Net factor income from abroad	200

(A) ₹ 1,700 crores (B) ₹ 5,200 crores

(C) ₹ 7,600 crores (D) ₹ 2,600 crores

21. There are three different interlinked phases in a circular flow of income, namely :

(A) Production, consumption and disposition

(B) Production, consumption and investment

(C) Production, disposition and distribution

(D) Production, expenditure and disposition

$S = -10 + 0.5Y$

22. If the consumption function C = 10 + 0.5Y and Investment is ₹ 200, then what will be the equilibrium level of Income ?

$AI = C + S$

$200 = -10 + 0.5Y$

$\frac{210}{0.5}$

(A) ₹ 510 (B) ₹ 325

(C) ₹ 420 (D) ₹ 350

23. If the GDP deflator is greater than 100, it indicates that :

$\frac{N}{R} \times 100$

(A) Real GDP is greater than nominal GDP.

(B) Nominal GDP is greater than real GDP.

(C) Price levels are lower as compared to the base year.

(D) Real GDP is equal to nominal GDP.

24. Gamma Ltd., a South Korean company, earns profits from its manufacturing operations in India. How these profits will be reflected in the economic measures of both countries ?

(A) They will be included in India's GDP and South Korea's GDP.

(B) They will be included in India's GDP but not in South Korea's GNP.

(C) They will be included in India's GDP and South Korea's GNP.

(D) They will be included only in India's GNP.

25. If national income increases from ₹ 500 crores to ₹ 2,500 crores due to an increase in investment of ₹ 200 crores, what will be the value of the Marginal Propensity to Consume (MPC) ?

$MPS = \frac{\Delta S}{\Delta Y} = \frac{200}{2000}$ 0.1

(A) 0.90 (B) 0.85

(C) 0.75 (D) 0.95

0.9

26. Calculate the net factor income from abroad from the following data :

$10{,}000 + NFIA = 12{,}000$

Particulars	Amount (₹) in crores
NDP_{MP}	10,000
NNP_{MP}	12,000
Net indirect tax	400
Depreciation	200

(A) ₹ 2,400 crores (B) ₹ 2,000 crores

(C) ₹ 3,600 crores (D) ₹ 1,800 crores

27. Who are the economists credited with pioneering National Income Accounting ?

 (A) John Maynard Keynes and Milton Friedman

 (B) Simon Kuznets and Richard Stone

 (C) Adam Smith and David Ricardo

 (D) Paul Samuelson and Joseph Schumpeter

28. If a country has the following economic data: GDP_{MP} = ₹ 2,000 billion, indirect taxes = ₹ 250 billion and subsidies = ₹ 100 billion, what is its GDP at Factor Cost ? T – S

$GDP_{FC} = GDP_{mp} - NIT$

 (A) ₹ 1,850 billion

 (B) ₹ 2,100 billion

 (C) ₹ 2,150 billion

 (D) ₹ 2,000 billion

29. If the Average Propensity to Save (APS) of a household is 0.4, and their total income is ₹ 25,000, what is the total saving ?

0.4×25000

 (A) ₹ 15,000

 (B) ₹ 10,000

 (C) ₹ 6,250

 (D) ₹ 12,500

30. Which of the following is an anti-inflationary measure that puts downward pressure on aggregate demand, causing the economy to slow down ?

 (A) Reduction in government spending.

 (B) Increase in government spending.

 (C) Decrease in interest rates.

 (D) Decrease in taxes.

31. The slope of the consumption function represents ________.

 (A) Average Propensity to Save (APS).

 (B) Marginal Propensity to Consume (MPC).

 (C) Marginal Propensity to Save (MPS).

 (D) Average Propensity to Consume (APC).

32. Which of the following best describes the economic conditions during bad trade in a business cycle ?

    (A) Rising prices and low unemployment rate.

    (B) Falling prices and high unemployment rate.

    (C) High consumer confidence and rising wages.

    (D) Increasing demand and production.

33. Business cycles typically consist of which of the following phases ?

    (A) Inflation, deflation, stagnation, growth

    (B) Expansion, peak, contraction, trough

    (C) Recession, depression, boom, stabilization

    (D) Peak, decline, recovery, boom

34. Which of the following is true about the duration and intensity of business cycles ?

    (A) Business cycles have a fixed duration and intensity.

    (B) Business cycles exhibit the same duration and intensity across all economies.

    (C) Business cycles varies in duration and intensity, but they share common features.

    (D) Business cycles do not vary in duration or intensity.

35. What does Article 275 of the Indian Constitution deal with ?

    (A) Surcharge on certain duties and taxes for purposes of the union.

    (B) Statutory grants-in-aid from the union to certain states.

    (C) Grants for any public purpose.

    (D) Loans for any public purpose.

36. The advent of mobile phones, which led to a boom in telecom industry, exemplifies which external cause of business cycles ?

    (A) Technology Disruptions

    (B) Technology Shocks

    (C) Technology Regulations

    (D) Technology Limitations

 12,000 − 10,000 + 5,000 − 2,000

37. If a government's revenue receipts for a year are ₹ 10,000 crore, capital receipts excluding borrowing are ₹ 2,000 crore, revenue expenditure is ₹ 12,000 crore and capital expenditure is ₹ 5,000 crore. What is the fiscal deficit ?

(A) ₹ 5,000 crore (B) ₹ 7,000 crore

(C) ₹ 10,000 crore (D) ₹ 9,000 crore

38. Contractionary fiscal policy typically involves :

(A) Increasing government spending and reducing taxes.

(B) Reducing government spending and increasing taxes.

(C) Increasing government spending and increasing taxes.

(D) Reducing both government spending and taxes.

39. The government's use of proceeds from progressive taxes to supply essential food grains at highly subsidized prices to BPL households is an example of :

(A) Allocation Function (B) Stabilization Function

(C) Redistribution Function (D) Production Function

40. The Right of Children to Free and Compulsory Education Act, 2009, which mandates free and compulsory education for every child between the ages of six to fourteen years, is an example of:

(A) Government Intervention in the case of Merit Goods.

(B) Government Intervention in the case of Demerit Goods.

(C) Government Intervention in the case of Public Goods.

(D) Government Intervention to correct Externalities.

41. Who introduced the concept of 'collective consumption goods,' which later came to be known as public goods ?

(A) Milton Friedman (B) John Maynard Keynes

(C) Paul A. Samuelson (D) Adam Smith

42. Under Article 266(1) of the Constitution of India, which of the following is used in relation to all fund flows where the government acts as a banker ?

(A) Public Account
(B) Consolidated Fund
(C) Contingency Fund
(D) State Development Fund

43. __________ is defined as the excess of total estimated expenditure over total estimated revenue and is the difference between all receipts and expenditures, both revenue and capital.

(A) Fiscal Deficit
(B) Revenue Deficit
(C) Budgetary Deficit
(D) Primary Deficit

44. The situation when the market does not supply products at all despite the fact that such products and services are wanted by the people is known as:

(A) Temporary market failure
(B) Complete market failure
(C) Partial market failure
(D) Relative market failure

45. For initial deposit of ₹ 6,00,000, the credit creation is calculated at ₹ 50,00,000. What is Required Reserved Ratio (RRR) ?

(A) 12%
(B) 10%
(C) 12.5%
(D) 8%

$\Delta S = \frac{1}{RRR} \Delta Res$

$50,00 = \frac{1}{R} 6,$

46. Alex has comprehensive car insurance, which covers the cost of repairs if his car is damaged in an accident. As a result, he drives more recklessly, knowing that his insurance will cover any damages. Over time, he gets into more accidents and files more insurance claims due to his careless driving. This scenario illustrates which of the following concepts ?

(A) Moral Hazard
(B) Market Power
(C) Lemon's Problem
(D) Government Interventions

47. Which of the following statements are true in relation to the Crypto currency ?

Statement-I : These have achieved significant legislative recognition.

Statement-II : These are not legally recognized in India as currency.

Statement-III : These are not categorized as money.

Statement-IV : In India, it serves as a legitimate form of payment for goods and services in the same way as traditional money does.

(A) Statement I and IV
(B) Statement I and II
(C) Statement I and III
(D) Statement II and III

48. If the money supply is ₹ 1,000 billion and the monetary base is ₹ 200 billion, what is the money multiplier (m) ?

5 $\frac{1000}{200}$

(A) 5
(B) 2
(C) 10
(D) 0.2

49. What is the primary objective of monetary policy in most countries, including India ?

(A) To ensure a high level of government spending.

(B) To maintain a balance between price stability and economic growth.

(C) To promote export-led growth.

(D) To control exchange rates at all costs.

50. Which of the following is not a quantitative tool as used by RBI to control the money supply in the entire economy ?

(A) Open Market Operations
(B) Statutory Liquidity Ratio
(C) Selective Credit Control
(D) Cash Reserve Ratio

51. According to Friedman, how does the price level, as a determinant, affect the nominal demand for money ?

(A) It has no effect.

(B) It is negatively related to the demand for money.

(C) A rise in the price level increases the demand for money and vice versa.

(D) A rise in the price level decreases the demand for money.

52. When the speculative demand for money becomes perfectly elastic with respect to the interest rate, making the speculative money demand curve parallel to the X-axis, this situation is called a/an __________.

(A) Inflationary gap

(B) Liquidity trap

(C) Monetary expansion

(D) Deflationary spiral

53. Marginal Standing Facility (MSF) Rate is the penal rate at which the Central Banks lend money to Banks, over the rate available under the Repo Policy. Which of the following are the correct options to calculate MSF Rate ?

Option (1) : MSF Rate = Repo Rate + 1 MSF Rate

Option (2) : MSF Rate = Repo Rate – 1 MSF Rate

Option (3) : MSF Rate = Repo Rate + 1

Option (4) : MSF Rate = Repo Rate – 1

(A) Option (1) and (4)

(B) Option (2) and (3)

(C) Option (1) and (3)

(D) Option (2) and (4)

54. Which monetary tool is used to check temporary liquidity mismatches in the market due to foreign capital flow ?

(A) Cash Reserve Ratio (CRR)

(B) Statutory Liquidity Ratio (SLR)

(C) Open Market Operations (OMO)

(D) Marginal Standing Facility (MSF)

55. ABC Ltd., a company based in Country 'A', imports machinery from Country 'B'. Recently, Country 'A' introduced a measure that requires all importers to pay 25% of the total value of goods three months in advance before the goods arrive. Which measure has been adopted by Country 'A' ?

(A) Financial Measures

(B) Price Control Measures

(C) Measures affecting Competition

(D) Government Procurement Policies

M3=

56. Calculate Broad Money (M3) from the following data :

Particulars	(₹ in Crores)
Currency with the public	2250
Demand Deposits with the banking system	630
Total post office deposits	478
Time deposits with banks	535
Savings deposits with Post office savings banks	312

(A) ₹ 3,415 crores

(B) ₹ 3,225 crores

(C) ₹ 3,260 crores

(D) ₹ 3,420 crores

57. Country 'X' has seen an increase in its Real Effective Exchange Rate (REER). As a result, Country 'X's goods are becoming more expensive for foreign buyers, and imports from other countries are becoming cheaper. What is the likely impact on Country 'X's economy ?

(A) Exports from Country 'X' will increase.

(B) Imports to Country 'X' will become more expensive.

(C) Exports from Country 'X' will become less competitive.

(D) Imports to Country 'X' will decrease.

58. In which of the following forms of FDI, 100% investment is allowed under the automatic route for airport projects in India ?

(A) Greenfield investment (B) Brownfield investment

(C) Joint venture (D) Subsidiary establishment

59. Who proposed that a country should export goods in which it has the greatest absolute advantage and import goods in which its absolute advantage is comparatively less ?

(A) Adam Smith (B) David Ricardo

(C) Eli Heckscher and Bertil Ohlin (D) John Maynard Keynes

60. Which of the following consists of a group of countries that have a free trade agreement among themselves and may apply a common external tariff to other countries ?

(A) Free-trade area

(B) Regional Preferential Trade Agreements

(C) Economic and Monetary Union

(D) Trading Bloc

61. Which of the following is NOT an example of Technical Barriers to Trade (TBT) ?

(A) Eco-labelling
(B) Quality standards
(C) Import quotas
(D) Organic certification

62. A U.S. based cell phone service provider expands its operations in India by offering the same telecommunication services as it does in the U.S. This type of investment is an example of :

(A) Horizontal direct investment
(B) Vertical investment
(C) Conglomerate Investment
(D) Two-way direct foreign investment

63. The government of India has imposed tariff on steel product as under :

5% ad valorem or ₹ 800 per tonne, whichever is higher. It is an example of :

(A) Mixed Tariff
(B) Compound Tariff
(C) Ad valorem Tariff
(D) Bound Tariff

64. Which of the following is not the advantage of a fixed exchange rate regime ?

(A) An increase in speculation on exchange rate movements.
(B) Enhances international trade and investment.
(C) Avoids currency fluctuations and eliminates exchange rate risks.
(D) Enhances the credibility of the country's monetary policy.

65. An anti-dumping duty is a protectionist tariff that a domestic government imposes on imports that it believes are priced below ________.

(A) Production cost
(B) Export price
(C) Fair market value
(D) Import duty

66. What type of economy is described as prevalent in ancient and medieval India ?
    (A) A predominantly agricultural economy
    (B) A self-reliant and prosperous economy
    (C) A heavily trade-dependent economy
    (D) A barter-based economy

67. Foreign Investment Promotion Board (FIPB) was abolished in May 2017 and which of the following replaced it ?
    (A) Foreign Investor Promotion Portal (FIPP).
    (B) Foreign Investment Facilitation Portal (FIFP)
    (C) Foreign Direct Investment Portal (FDIP)
    (D) Foreign Direct Investment Promotion Portal (FDIPP)

68. The __________ includes a stable and transparent tax structure, better tax compliance, reduction of subsidies and encouragement of private sector participation.
    (A) Fiscal Reforms
    (B) Capital Market Reforms
    (C) Trade Policy Reforms
    (D) Monetary and Financial Sector Reforms

69. Which of the following sectors has recently been included under the PLI Scheme ?
    (A) Automobiles
    (B) Textiles
    (C) White goods (Air conditioners and LED lights)
    (D) Pharmaceuticals

70. Which of the following was NOT the focus of the monetary and financial sector reforms ?
    (A) Reducing the burden of non-performing assets on government banks.
    (B) Restricting foreign investment in banks.
    (C) Introducing and sustaining competition.
    (D) Deregulating interest rates.

71. Which scheme aims to increase water use efficiency at the farm level ?

(A) Agricultural Mechanization

(B) Paramparagat Krishi Vikas Yojana (PKVY)

(C) Per Drop More Crop (PDMC)

(D) Agri Infrastructure Fund

72. What is the full form of PMI ?

(A) Prime Management Index (B) Purchase Management Index

(C) Purchasing Managers' Index (D) Property Managers' Index

73. Which of the following is the aim of the National Manufacturing Policy ?

(A) To increase the share of manufacturing in GVA to 27% by 2027.

(B) To increase the share of manufacturing in NDP to 27% by 2027.

(C) To increase the share of manufacturing in NNP to 25% by 2025.

(D) To increase the share of manufacturing in GDP to 25% by 2025.

74. The reason for introduction of 'Kisan Rail' is :

(A) For taking initiative towards transportation of perishable goods to market.

(B) For improvement in farm produce logistics.

(C) For creation of start-up eco system in agriculture and allied sectors.

(D) For taking initiative to formulate a comprehensive policy framework for logistics sector.

75. Which facility was provided to industry groups to allow flexibility and rapid changes in their product mix without requiring a fresh license ?

(A) Open General License (OGL)

(B) Broad-Banding

(C) Special Economic Zones (SEZs)

(D) Export Promotion Policy

76. An ice cream company is planning to expand its business. Before making decisions, it studies various economic factors, such as consumer preferences, pricing strategies, employee wages and the ideal location for its outlets. Which level of the economy does the company analyze for expansion ?

(A) Macro Economy (B) Micro Economy

(C) International Economy (D) National Economy

77. Which of the following statement is true in relation to the socialist economy ?

Statement-I : Relative inequality of income distribution in the society.

Statement-II : Freedom from hunger is guaranteed, but consumers' sovereignty gets restricted.

Statement-III : Market forces have a major role in the allocation of resources.

Statement-IV : Buyers ultimately determine which goods and services will be produced and in what quantities.

(A) Statement – II (B) Statement – IV

(C) Statement- I (D) Statement – III

78. The important feature of a mixed economy is the :

(A) Co-existence of both manufacturing and service sectors

(B) Co-existence of both agriculture and industries

(C) Co-existence of both private and public sectors

(D) Co-existence of both small and large industries

79. Which of the following is NOT covered under Macro Economics ?

(A) Balance of Payment

(B) The overall level of savings and investment

(C) The level of employment

(D) Behaviour of Firms

80. What will happen to demand when a larger proportion of people belong to older age groups relative to younger age groups ?

(A) There will be increased demand for children's books.

(B) There will be increased demand for geriatric care services, spectacles and walking sticks etc.

(C) There will be increased demand for normal goods and services.

(D) There will be decreased demand for goods and services.

81. Under __________ conditions, supply will be more than that under __________ conditions.

(A) Monopolized; Competitive (B) Competitive; Monopolized

(C) Competitive, Oligopoly (D) Oligopoly, Monopolized

82. Demand is said to be elastic, if :

(A) Elasticity is one ($E_p = 1$)

(B) Elasticity is greater than one ($E_p > 1$)

(C) Elasticity is less than one ($E_p < 1$)

(D) Elasticity is zero ($E_p = 0$)

83. The consumer is in equilibrium position at a point where the price line is:

(A) cutting an indifference curve

(B) below an indifference curve

(C) tangent to an indifference curve

(D) above an indifference curve

84. Which one of the following is not the characteristic of a capitalist economy ?

(A) Profit motive (B) Competition

(C) Freedom of enterprise (D) Collective ownership

85. If a company increases its advertisement expenditure by 20% and the quantity demanded increases by 40%, what is the advertisement elasticity of demand ?

(A) $E_a = 0$ (B) $E_a = 1$

(C) $E_a = 0.5$ (D) $E_a = 2$

D $\frac{40}{20}$

86. The condition for consumer equilibrium is given by:

(A) $MU_X P_X = MU_Y P_Y$ (B) $MU_X = MU_Y$

(C) $MU_X/P_X = MU_Y/P_Y$ (D) $MU_X/MU_Y = P_Y/P_X$

$\frac{MuX}{Muy} = \frac{Px}{Py}$

87. Which of the following statements is true about Giffen goods ?

(A) All Giffen goods are inferior goods.

(B) All inferior goods are Giffen goods.

(C) Giffen goods are inferior goods with close substitutes.

(D) Giffen goods follow the law of demand.

88. The concept of consumer surplus is closely related to the __________ curve for a product.

(A) Supply (B) Demand

(C) Cost (D) Profit

89. The slope of the budget line is determined by the relative prices of the two goods and is equal to :

(A) Total expenditure of two goods

(B) The price ratio of two goods

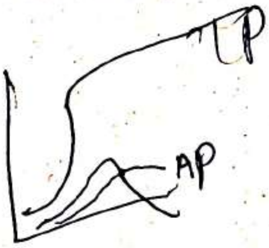
(C) The income level of the consumer

(D) The marginal utility of the goods

90. How does an increase in the income of consumers generally affect the demand for normal goods ?

(A) It decreases the demand. (B) It has no effect on the demand.

(C) It increases the demand. (D) It makes the demand more elastic.



91. Which of the following curve is known as 'plant curve' ?

(A) Average total cost curve
(B) Average variable cost curve
(C) Short run average cost curve
(D) Long run average cost curve

92. When average product rises as a result of an increase in the quantity of variable input, marginal product is :

(A) less than the average product
(B) minimum
(C) equal to the average product
(D) more than the average product

Based on the information given in the following table, answer the Questions Nos. 93 to 95 :

Product Schedule

Quantity of labour	Total Product (TP)	Average Product (AP)	Marginal Product (MP)
0	0	–	–
1	20	20	20
2	46	23	26
3	66	22	20
4	76	19	10
5	80	16	4

93. What will be the total product when the quantity of labour is 5 ?

(A) 86
(B) 84
(C) 80
(D) 92

94. What will be the marginal product when the quantity of labour is 4 ?

(A) 26
(B) 20
(C) 10
(D) 19

95. What will be the average product when the quantity of labour is 3 ?

(A) 22
(B) 24
(C) 20
(D) 18

96. Which of the following statements are correct ?

Statement-I : A period will be considered short-run period if the amount of at least one of the inputs used remains unchanged during that period.

Statement-II : The long run is a period of time in which all factors of production are variable.

Statement-III : In the short run all inputs are fixed.

Statement-IV : In the long run all inputs except one are fixed.

(A) Statement I and IV (B) Statement II and III

(C) Statement I and II (D) Statement III and IV

97. Which of the following factors or resources make it possible to produce goods and services ?

(A) Land, Labour, Industrial policy and Capital

(B) Land, Labour, Fiscal policy and Capital

(C) Land, Labour, Capital and Entrepreneurial ability

(D) Land, Labour, Technology and Capital

98. In Cobb-Douglas production function, output is manufactured production and inputs used are :

(A) Entrepreneur and land (B) Labour and capital LC

(C) Land and Labour (D) Entrepreneur and capital

99. After identifying the market, the enterprise has to make decision regarding 4 P's namely :

(A) Product, Promotion, Price and Purchase

(B) Product, Promotion, Profit and Place

(C) Product, Promotion, Price and Place

(D) Product, Purchase, Price and Placement

100. If a firm adds more number of workers but total output starts to increase at a decreasing rate, the firm is experiencing :

(A) Increasing Returns to Scale (B) Diminishing Marginal Returns

(C) Constant Returns to Scale (D) Negative Marginal Returns