

Sample QP.

Class: T.Y. B com

Subject: Business Economics

Semester: V

1. Who is credited with braining the term "the invisible hand" in economics?
 - a) Adam Smith
 - b) John Maynard Keynes
 - c) F. Hayek
 - d) Samuelson

2. What percentage of Indian population is dependent on agriculture?
 - A. 65% of total population
 - B. 53% of total population
 - C. 40% of total population
 - D. 65% of total population

3. The first financial institution set up in India
 - A. IDBI
 - B. ICICI
 - C. IRBI
 - D. IFCI

4. Who is called as the 'founding father of modern economics'?
 - a) Adam Smith
 - b) John Maynard Keynes

- c) F. Hayek
- d) Samuelson

5. Macroeconomics as a separate branch came to be studied after the contributions of which economist?

- a) Adam Smith
- b) John Maynard Keynes
- c) F. Hayek
- d) Samuelson

6. Black revolution is related to the.....

- A. Fish production
- B. Coal production
- C. Crude oil production
- D. Mustard Production

7. When did the Great Depression hit the United States?

- a) 2007
- b) 1929
- c) 1936
- d) 2001

8. In order to control credit and investment, the Central Bank of a country should-----.

- A. Sell securities in the open market and hike the cash reserve ratio.

- B. Buy securities in the open market and lower the cash reserve ratio.
- C. Buy securities from the open market and hike the cash reserve ratio.
- D. Sell securities in the open market and lower the cash reserve ratio.

9. Which of the following is a major area of study for economists?

- a. How countries choose national leaders.
- b. The design of recycling water.
- c. The best way to design a nature reserved.
- d. How people make decisions

10. What percentage of Indian GDP is contributed by the service sector?

- A. 25 % of GDP
- B. 60 % of GDP
- C. 53% of GDP
- D. 49 % of GDP

11. Economic models:a.

- a. Emphasize basic economic relationships by abstracting from the complexities of the real world.
- b. Are limited to variables that are positively related to one another.
- c. Are of limited use because they cannot be tested empirically.
- d. Are unrealistic as they cannot accurately predict the future

12. For economists, statements about the world are of two types:

- a. Assumptions and theories.
- b. Positive statements and negative statements.
- c. Positive statements and normative statements.

d. Specific statements and general statements

13. The opportunity cost of going to university is

- a. The total spent on food, clothing, books, transportation, tuition, lodging and other expenses
- b. Zero for students who are fortunate enough to have all of their university expenses paid by someone else
- c. Zero, since a university education will allow a student to earn a higher income after graduation
- d. The value of the best opportunity a student gives up to attend university

14. Which of the following sector does not come under the service sector in India?

- A. Real estate
- B. Transport
- C. Restaurants & hotels
- D. Formation of electronic television

15. Which one of the following is not an instrument of credit control in the banking system?

- A. Open market operations
- B. Cash Reserve Ratio
- C. Tax rates
- D. All of the above

16. In a market economy:

- a. Households decide which firms to work for and what to buy with their incomes.
- b. Profit and self-interest guide the decisions of firms and households.
- c. Firms decide whom to hire and what to produce.
- d. All of the above are true

17. The difference between the values of final production and value of the inputs is called:

- a. The gross product of the final goods and services
- b. The value added of the final goods and services
- c. The profit of the final goods and services
- d. The surplus of the final goods and services

18. One of the items is not related with e-banking

- A. Demand draft
- B. SPMS
- C. ECS
- D. ATM

19. Which activity is termed as activity of tertiary sector?

- A. Wheat production
- B. Mobile production
- C. Construction of a dam
- D. Fishing

20. Real GDP is:

- a. Production of foods and service valued at constant prices

- b. Production of foods and service valued at future-year prices.
- c. Production of foods and service valued at current-year prices
- d. Production of foods and service valued at Ratio of current-year prices to constant prices⁹

21. Which of the following industry is known as sun rising industry?

- A. Dairy industry
- B. Information Technology
- C. Health and clinic

22. If a borrower and lender agree to an interest rate on a loan when inflation is expected to be 5% and inflation turns out to be 9% over the life of the loan, then the borrower ___ and the lender ___.

- a. Gains; gains.
- b. Loses; gains.
- c. Loses; loses.
- d. Gains; loses.

23. Which of the following is a measure of selective credit control

- A. Bank rate policy
- B. Statutory cash reserve ratio
- C. Open market operation
- D. None of the above

24. David's 1965 salary was \$15 000. The CPI is 27 for 1965, and 150 for 2015. What is David's salary in 2015 dollars?

- a. \$45 000.

b. \$25 000.

c. \$83 333

d. \$33 333

25. If net exports are negative, the country has a:

a. Trade balance.

b. Trade Surplus.

c. Trade Deficit.

d. Budget surplus.