

**Pune Vidyarthi Griha's
College Of Science and Technology
F.Y.BMS (Semester-I)
Subject: Business Economics**

Sample QP

Multiple Choice Questions:

1. Opportunity cost means_____.
 - A) the accounting cost minus the marginal benefit.
 - B) the highest-valued alternative forgone.
 - C) the monetary costs of an activity.
 - D) the accounting cost minus the marginal cost.
2. The opportunity cost of any action is_____.
 - A) the time required but not the monetary cost.
 - B) all the possible alternatives forgone.
 - C) the highest-valued alternative forgone.
 - D) the monetary cost but not the time required.
3. The opportunity cost of something you decide to get is_____.
 - A) the amount of money you pay to get it.
 - B) the highest valued alternative you give up to get it.
 - C) the lowest valued alternative you give up to get it.
 - D) all possible alternatives that you give up to get it.
4. Normally a demand curve will have the shape_____.
 - A) Horizontal.
 - B) Vertical.
 - C) Downward sloping.
 - D) Upward sloping.
5. Law of demand shows relation between_____.
 - A) Income and price of commodity
 - B) Price and quantity of a commodity
 - C) Income and quantity demand
 - D) Quantity demanded and quantity supplied.
6. This is an assumption of law of demand_____.
 - A) Price of the commodity should not change

- B) Quantity should not change
- C) Supply should not change
- D) Income of consumer should not change

7. Other things equal, if a good has more substitutes, its price elasticity of demand is_____.

- A) Larger
- B) Smaller
- C) Zero
- D) Unity

8. If elasticity of demand is very low it shows that the commodity is_____.

- A) A necessity
- B) A luxury
- C) Has little importance in total budget
- D) Lagre

9. If quantity demanded is completely unresponsive to changes in price, demand is_____.

- A) Inelastic
- B) Unit elastic
- C) Elastic
- D) Perfectly inelastic

10. A desire backed by ability to pay and willingness to pay for a commodity is called._____.

- A) Supply
- B) Demand
- C) Cost
- D) Revenue

11. Demand function of_____.

- A) Price
- B) Quantity
- C) Supply
- D) Cost

12. It describes the law of supply _____.
- A) Supply curve
 - B) Demand curve
 - C) Average curve
 - D) Marginal curve
13. Supply curve will shift when _____.
- A) Cost
 - B) Product
 - C) Demand shift
 - D) Technology change
14. An increase in demand would cause supply curve to _____.
- A) Shift to the left
 - B) Shift to the right
 - C) Change in slope of supply curve
 - D) No effect on supply
15. Demand curve in perfect competition _____.
- A) Each firm is very large.
 - B) Their demand curves are downward sloping
 - C) Their demand curves are horizontal line
 - D) There are no good substitutes for their goods
16. Demand curve under Monopoly competition _____.
- A) Demand curves are downward sloping
 - B) Demand curves are vertical line
 - C) Kink Demand curve
 - D) Demand curve upward sloping
17. Demand curve under Monopolistic competition _____.
- A) Demand curve are steeper
 - B) Demand curve flatter
 - C) Demand curve are normal
 - D) Kink Demand curve

18. Demand curve in Oligopoly completion _____.

- A) Supply curve
- B) Demand curve
- C) Kink Demand curve
- D) Demand curves are vertical line

19. Average revenue is equal to the _____ per unit of output.

- A) Total
- B) Average cost
- C) Price
- D) Incremental Income

20. _____ revenue is total sale of certain amount of commodity at a given time.

- A) Negative
- B) Positive
- C) Zero
- D) Total