

Question	SAMPLE MCQs SY.B.COM				Correct Answer
BUS.ECO. SEM-III	Answer1	Answer2	Answer3	Answer4	werOption
Macroeconomics deals with _____	individual income	individual output	individual savings	general price level	Answer4
_____ studies the economy as a whole	Micro economics	Macroeco nomics	Advanced economics	Both a and b	Answer2
Which is not the subject matter of macroeconomics _____	national income	business cycle	law of demand and supply	general price level	Answer3
The term 'macro-economics 'was coined and	Ragner	Ragner	Marshall	J.M..Keynes	Answer1
In a circular flow economy firms supply _____	land	labour	capital	goods and services	Answer4
A open economy is one in which there is	only export	only import	import or export	external sector	Answer4
A closed economy is one in which there is _____	only export	only import	import or export	partial export	Answer3
The term green GNP emphasizes _____	sustainable development	land reforms	agricultural reforms	tax reforms	Answer1
The flow of goods and services from firms to household and household to firm	real flow	money flow	constant flow	irregular flow	Answer1
National Product = National Divident = _____	Profit	Wages	National Expenditure	National Employment	Answer3
_____ feature represent green GNP	GNP-depreciation	GNP-explicit costs	GNP-environment cost	GNP-indirect taxes	Answer3
In India, National income is computed by _____	Ministry of Finance	Planning Commission	ISI	CSO	Answer4
Injection may be in the form of _____	Export	tax	saving	imports	Answer1
Leakages may be in the form of _____	export	investment	Taxes	public expenditure	Answer3

The phase that exists for the shortest period_____	Recovery	Recession	Depression	prosperity	Answer2
Cyclical fluctuations are_____ in nature	recurrent	long term	rare	predictable	Answer1
During the prosperity phase the bank credit normally_____	contract	remain the same	expand	neither expand nor contract	Answer3
Trough is the _____ point of a trade cycle	average	middle	highest	lowest	Answer4
_____ is a wave like movement	poverty	inequality	unemployment	trade cycle	Answer4
When the economy reaches peak_____ends	depression	recession	prosperity	recovery	Answer3
Recovery phase refers to the _____ turning point	lower	upper	middle	Both a and b	Answer1
_____ is not a phase of trade cycle	prosperity	inflation	recession	depression	Answer2
The classical theory of employment is propounded by_____	Adam smith	J.B. Say	J.S Mill	all of the these	Answer4
According to the economists _____ law states that supply creates its own demand	J.S.Mill	J.M.Keynes	J.B.Say	A.C.Pigou	Answer3
_____ the economists who advocates flexible wage policy to support Say's law	Keynes	Pigou	Hanson	Ricardo	Answer2
In order to increase employment we have to increase aggregate _____	supply	investment	output	demand	Answer4
After reaching full employment ,the aggregate supply curve becomes_____	horizontal straight line	vertical straight line	upward sloping	downward sloping	Answer2
The aggregate supply curve is_____	Parallel to Y axis	Parallel to x axis	upward sloping	downward sloping	Answer3
The aggregate demand curve is_____	Downward	upward	parallel to x axis	parallel to y axis	Answer1
The components of effective demand are _____	C+I	C+I+G	I+G	C+G	Answer4
Consumption function refers to the relationship between_____	income and saving	income and investment	investment and output	income and consumption	Answer4

Saving function shows the relationship between _____	income and saving	income and investment	investment and output	income and consumption	Answer1
If MPC falls as income rises, then the _____ will increase	APS	APC	MPS	LPP	Answer3
The psychological law of consumption was given by _____	Adam smith	Keynes	Marshall	Samuelson	Answer2
When income equals consumption, savings will be _____	positive	negative	zero	infinity	Answer3
_____ investment does not change with the changes in the income	Induced	Real	Financial	Autonomous	Answer4
MEC curve slopes _____	upward	downward	remain constant	vertical	Answer2
When the $MEC > 1$ , the effect will be _____	Favourable	natural	unnatural	unfavourable	Answer1
MEC refers to _____	consumption	Saving	expected profit	expected interest	Answer3
MEC is symbolically expressed as _____	Q/S	Q/D	Q/J	O/P	Answer4
The concept of multiplier was first developed by _____	Samuelson	David Ricardo	J.M. Keynes	R.F.Khan	Answer4
When $MPC=1$ , $MPS=0$ and $K$ will be _____	infinite	one	two	three	Answer1
If $MPS=1/2$ , the multiplier co-efficient is _____	infinite	zero	two	three	Answer3
If MPC is 0.5, then MPS is equal to _____		-0.5	0.5	1	0 Answer2
Other things being equal if multiplier is 4, an investment of Rs.160 cr. Leads to income__	200cr.	480cr.	640cr	1280cr.	Answer3
Multiplier is directly related to _____	MPC	MPS	APC	APS	Answer1
Multiplier is inversely related to _____	MPC	MPS	APC	APS	Answer2
Keynes considered _____ as the determinants of investment	APC	APS	rate of interest	MEC	Answer4
Transaction demand for liquidity is determined by _____	rate of interest	rate of inflation	income	supply of money	Answer3
The quantity of money supply is determined by _____	demand and supply of money	capital market	money market	monetary authority	Answer4
_____ curve shows the goods market equilibrium	LM	IS	Aggregate demand	Aggregate supply	Answer2

_____ curve shows the money market equilibrium	LM	IS	Aggregate demand	Aggregate supply	Answer1
In _____ case LM curve is horizontal	classical	crowding out	liquidity trap	positive	Answer3
The relationship between investment and rate of interest is _____	direct	inverse	no relation	intimate relation	Answer2
The IS curve is _____ curve	upward sloping	downward sloping	parallel to x axis	parallel to y axis	Answer2
The LM curve is _____ curve	upward sloping	downward sloping	vertical	horizontal	Answer1
_____ is the full form of IS	Investment-supply	investment- social benefit	investment- security	Investment - saving	Answer4
_____ will cause the IS curve to shift to the left	increase in gov. expenditure	Decrease in gov. expenditure	Increase in money supply	decrease in money supply	Answer2
_____ will cause the LM curve to shift to the right	An increase in the rate of interest	increase in money supply	Decrease in money supply	Decrease in gov. expenditure	Answer2
The intersection point of the IS and LM curve is called as _____ point	equilibrium	middle	break-even	satiety	Answer1
The Is and LM cocept was first introduced by _____	Hasen	Lerner	Samuelson	John Hicks	Answer4
IS-LM Model is related to _____	Partial equilibrium	total equilibrium	Macro approach	micro approach	Answer3
_____ explaines the relationship between unemployment and inflation rate	Engel curve	Phillips curve	Offer curve	Is curve	Answer2
_____ presented an empirical theory of inflation is known as the Phillips curve	J.m.Keynes	Adam Smith	David Ricardo	A.W. Phillips	Answer4
In the long run, the phillips curve is _____ line	vertical straight	horizontal straight	flatter	upward straight	Answer1
The short run phillips curve slopes _____	upward	down word	vertical	horizontal	Answer2

Stagflation is an economic phenomenon which occur when _____	low taxes	inflation is low	employment is high	low economic growth	Answer4
The demand side factors of stagflation shifts the AD curve to the _____	backward	forward	left	right	Answer4
Rise in oil price shift the aggregate supply _____	backward	forward	left	right	Answer3
supply side economists aims at increasing government revenue by _____	Reducing taxes	reducing prices	increasing taxes	increasing prices	Answer1
_____ shows the relationship between tax rates and tax revenue by Laffer curve	Adam smith	David Ricardo	J.M. Keynes	Arthur Laffer	Answer4
_____ is the most recent macroeconomic thought	Supply side economics	demand side economics	Both a and b	under developed economics	Answer1
Keynesian economists concentrated on _____ of the market	Supply side	demand side	Both a and b	saving side	Answer2
The economists who stress on supply side of market are called _____	demand siders	price siders	output siders	supply siders	Answer4
Money supply is viewed over a point of time is known as _____	Stock of money	flow of money	liquidity concept	solid concept	Answer2
Money supply is viewed at a point of time is known as _____	Stock of money	flow of money	liquidity concept	solid concept	Answer1
The traditional approach of money supply (M1) is expressed as _____	C+DD+OD	C+OD	C+DD	C+GD	Answer3
The CRR is determined by _____	commercial bank	IMF	WTO	RBI	Answer4
A deficit budget will _____	reduce money supply	increase in money supply	neutralise money supply	keep constant money supply	Answer2
A barter economy is _____	Less monetised	partially monetised	Non-Monetised	monetised	Answer3
The velocity of circulation of money will be high during period of _____	prosperity	Recession	depression	recovery	Answer1
If M= RS.100, V=20 the total money supply will be _____		5	120	2000	80 Answer1

The note -issue system in India is based on _____	gold deposite system	minimum reserve system	maximum resreve	simple deposit system	Answer2
_____ is not a motive behind the demand for money	Income motve	trasaction motive	precaution motive	speculation motive	Answer1
The liquidity preference theory of interest was propounded by _____	Marshall	john Hicks	Allen	JM.Keynes	Answer4
Keynes regarded interest as a purely _____ phenomenon	fiscal	monetary	inflationar y	deflationary	Answer2
The modern approach to demand for money is known as the _____	Liquidity preference approach	precaution approach	the trasaction approach	medium of exchange approach	Answer1
Fishers equation of exchange is	MV=T	MV=PT	V=PT	M=T	Answer2
The Cambridge economists _____ pioneered the cash balance theory	Irving fisher	Marshall	J.S. mill	Samuelson	Answer2
When prices rise by more than 10% per annum , it is known as _____	hyper inflation	moderate inflation	running inflation	moderate inflation	Answer3
If inflation rate is less than 10% oer annum it is known as	hyper inflation	galloping inflation	moderate inflation	running inflation	Answer3
Inflation which is caused by excessive expansion of bank credit is _____ inflation	Profit	credit	scarcity	deficit	Answer2
During inflation , RBI would tighten the _____ policy	fiscal	EXIM	industrial	monetary	Answer4
Generally who gain during inflation	common man	debtors	creditors	Both a and b	Answer2
Generally who lose during inflation	common man	creditor	debtor	Both a and b	Answer2
During inflation , RBI _____ Bank rate and CRR	increase	reduce	slightly change	moderate change	Answe1
Government budgetary policy during inflation should aim at _____	decreasing expenditure	increasein g expenditur e	increasing investmen t	lowering taxes	Answer1

A seller market is created during	deflation	inflation	reflation	disinflation	Answer2
Cost push inflation is also known as_____	mild inflation	demand side inflation	profound inflation	Wage pushinflation	Answer4
Which of the following is a non-monetary cause behind inflation	High indirect tax	deficit financing	monopolies	blackmoney	Answer3