

ATKT EXAM.	SAMPLE MCQ QUESTION	SEPT.2020
SUBJECT: ECONOMICS.	SEMESTE-III	
Question	OPTIONS	ANSWER
The concept macro economics was developed and popularised by	Marshall	FALSE
	Adam Smith	FALSE
	Ragner frisch	FALSE
	Lord Keynes	TRUE
The subject matter of macro-economic analyais is related to the study of	national income	TRUE
	small units	FALSE
	consumer equilibrium	FALSE
	partial eqiulbrium	FALSE
Which part of macro-economics is specifically focuses on the problem of developing economies ?	Public finance	FALSE
	Development economies	TRUE
	Trade cycle theory	FALSE
	Monetary economies	FALSE
Which of the following represents two sector model without saving?	Firms and government	FALSE
	Firms and foreign trade	FALSE
	Firms and household	TRUE
	Government and household	FALSE
The flow of goods and services from firms to household is called	money flow	FALSE
	irregular flow	FALSE
	constant flow	FALSE
	real flow	TRUE
Which one of the following is not comes under leakage ?	Taxation	FALSE
	Saving	FALSE
	Investment	TRUE
	Imports	FALSE
The direct relationship between national income and economic welfare is subject to	per-capit income	TRUE
	expenditure pattern	FALSE
	production pattern	FALSE
	change in price level	FALSE
Which one of the following feature represents Green GNP ?	GNP-Depreciation	FALSE
	GNP- Indirect Taxes	FALSE
	GNP- Environment Cost	TRUE
	GNP- Explicit Cost	FALSE
In which of the following phase the economy registers an upward trend in output, income and employment ?	Recession	FALSE
	Prosperity	TRUE
	Depression	FALSE
	Recovery	FALSE
Which one of the following is not the feature of Cyclical fluctuation ?	Rare	TRUE

	Wave like movement	FALSE
	Synchronic	FALSE
	common pattern	FALSE
During recession/ depression public expenditure should	remain constant	FALSE
	decrease	FALSE
	increase	TRUE
	normal	FALSE
The recession phase of trade cycle begins at	peak	TRUE
	trough	FALSE
	recovery	FALSE
	mid-point expansion	FALSE
According to which Law the supply creates its own demand	Keynes	FALSE
	Pigous	FALSE
	Samuelson's	FALSE
	Say's	TRUE
The point of intersection between the aggregate demand and aggregate supply is known as	Equilibrium point	FALSE
	Effective demand	TRUE
	partial equilibrium	FALSE
	Total demand	FALSE
According to keynes ,inorder to increase employment we have to increase aggregate	output	FALSE
	investment	FALSE
	supply	FALSE
	demand	TRUE
At the break-even point where	consumption is equal to saving	FALSE
	consumption is equal to income	TRUE
	consumption is less than income	FALSE
	consumption is more than income	FALSE
In Poor/developing/under developed countries, the MPC remains	zero	FALSE
	low	FALSE
	high	TRUE
	negative	FALSE
Which of the following consumption can not be zero?	Autonomous	TRUE
	Induced	FALSE
	Private	FALSE
	Real	FALSE
According to keynes, as income increases both MPC and APC is/will	zero	FALSE
	remain constant	FALSE
	rise	FALSE
	fall	TRUE
MPS is the counter part of	APC	FALSE
	MPC	TRUE
	APS	FALSE

	ALL the above	FALSE
Investment does not change with the changes in the income	Financial	FALSE
	Real	FALSE
	Autonomous	TRUE
	Induced	FALSE
Liquidity trap occurs when the interest rate reaches	highest	FALSE
	lowest	TRUE
	zero	FALSE
	negative	FALSE
Name the motive which is interest elastic .	Transaction	FALSE
	Precautionary	FALSE
	Speculative	TRUE
	ALL the above	FALSE
Which of the following is the most liquid asset ?	GOLD	FALSE
	Shares	FALSE
	Bonds	FALSE
	Currency and Coins	TRUE
When $MPC=1$, $MPS=0$ and K will be ?	one	TRUE
	two	FALSE
	three	FALSE
	infinite	FALSE
What is the full form of LM ?	liquidity preference money supply	TRUE
	liquidity pressure money supply	FALSE
	liquidity preferred money supply	FALSE
	All of the above	FALSE
The LM curve	is vertical	FALSE
	slopes downward	FALSE
	slopes upward	TRUE
	is horizontal	FALSE
Which of the following case the LM curve to shift to the right ?	Increase in the rate of interest	FALSE
	Decrease in money supply	FALSE
	Increase in money supply	TRUE
	Decrease in government expenditure	FALSE
The curve "IS" is	upward sloping curve	FALSE
	downward sloping curve	TRUE
	vertical sloping curve	FALSE
	horizontal straight line curve	FALSE
The curve shows the goods market equilibrium	Aggregate demand curve	FALSE
	LM curve	FALSE
	IS curve	TRUE
	None of the above	FALSE
In which of the following case LM curve is horizontal ?	Classical case	FALSE
	Liquidity trap	TRUE
	Crowding out case	FALSE

	None of the above	FALSE
IS-LM Model is related to	micro economic approach	FALSE
	macro economic approach	TRUE
	partial equilibrium approach	FALSE
	all the above	FALSE
Phillips curve explains relationship between	inflation unemployment- trade off	TRUE
	inflation employment -trade off	FALSE
	inflation poverty-trade off	FALSE
	all of the above	FALSE
laffer curve shows the relationship between	demand and supply	FALSE
	tax rate and tax revenue	TRUE
	wage rate and unemployment	FALSE
	none of the above	FALSE
Stagflation is a situation of	high prices and unemployment	TRUE
	low prices and unemployment	FALSE
	high prices and underemployment	FALSE
	none of the above	FALSE
Supply side economics is aims at increaing income by	increasing government expenditure	FALSE
	decreasing government expenditure	FALSE
	reducing prices	FALSE
	reducing taxes	TRUE
If M=RS. 100, V=20 , the supply of money will be	5	FALSE
	120	FALSE
	1200	FALSE
	2000	TRUE
Money supply is viewed over a period of time, it is a	stock concept	FALSE
	flow concept	TRUE
	solid concept	FALSE
	liquid concept	FALSE
Traditional approach of money supply is expressed as	C+DD+OD	FALSE
	C+OD	FALSE
	C+DD	TRUE
	None of the above	FALSE
The factors which determines money supply	monetarybase	FALSE
	community choice	FALSE
	cash reserve ratio	FALSE
	all the above	TRUE
The velocity of circulation of money will be high during	prosperity period	TRUE
	recession period	FALSE
	recovery period	FALSE
	trough period	FALSE
Trasaction demand for money is	interest determined	FALSE

	saving determined	FALSE
	income determined	TRUE
	policy determined	FALSE
According to keynes which is not a motive behind the demand for money	Trasaction motive	FALSE
	precautionary motive	FALSE
	Speculation motive	FALSE
	Income motive	TRUE
Fishers equation exchange implies	$MV=T$	FALSE
	$MV=PT$	TRUE
	$M=T$	FALSE
	$V=PT$	FALSE
Too much of money chasing too few goods , defined by	Crowther	TRUE
	Coulbourn	FALSE
	Wagner	FALSE
	Samuelson's	FALSE
The reason for demand pull inflation is	rise in aggregate demand	TRUE
	rise in raw material prices	FALSE
	hike in wage rate	FALSE
	none of the above	FALSE
What do you mean by inflation?	rising prices	FALSE
	falling money value	FALSE
	both	TRUE
	none of the above	FALSE
Whenever RBI purchases securities ,it leads to?	contraction of money	FALSE
	expansion of money	TRUE
	both	FALSE
	none of the above	FALSE