Important MCQs for FY B Com II Sem

Q. Choose the correct alternatives from the given.

1. Demand curve faced by an individual seller under perfect competition is _____
1) downward & gradual
2) downward and steep
3) vertical
4) horizontal

2. Under perfect competition price is determined by ----------
1) Total demand and supply
2) price leader
3) The government
4) firm

3. Which of the following is not a characteristic of a perfect competitive market.
1) large number of buyer and sellers
2) price taker
3) homogerous product
4) pricing policy of one seller will affect pricing policy of rivals

4. Cartel formation is most likely to happen under ________
1) Perfect competition
2) Monoploy
3) Oligopoly
4) Monopoly & Oligopoly

5. In a perfect competition, firm's price is ________
1) Price = AR = AR
2) Price > AR = MR
3) Price > AR > MR
4) Price = AR < MR

6. Under perfect competition a firm's short-run supply curve is equal to------
1) MC curve above the lowest point of SAC
2) MC curve above the lowest point of SAVC
3) The entire MC curve
4) Both 1 and 2

7. In the perfect competition firm produces its equilibrium output at a point where ________
1) MC=MR
2) MC < MR
3) MC > MR
4) 2 & 3

8. In the perfect competition, firm earns excess profit when its _________
1) TR = TC
2) TR < TC
3) TR > TC
4) both 1 and 2

9. In the perfect competition firm earns Normal profit when its __________
1) TR = TC
2) TR < TC
3) TR < TC
4) both 1 & 3

10. Under perfect competition firm earns ----------profit in the long run period.
1) Normal profit
2) super normal profit
3) sub Normal profit
4) either 2 or 3

11. The toal revenue (TR) can be calculated as ___________
1) TR = P + Q
2) TR = P –Q
3) TR = P x Q
4) $TR = P \div Q$

12 Which of the following one is not the sources of Monopoly power.
1) legal protection
2) social protection
3) cartel formation
4) technology

13. There is __________ in the monopoly.
1) two sellers
2) single seller
3) few sellers
4) meny sellers

14. For a profit maximizing monopolist---------
1) $\boldsymbol{P > MR = MC}$
2)$P = MR = MC$
3) $P > MR > MC$
4) $P < MR < MC$

15. In which market firm is known as price taker--------
1) perfect competition
2) Monopoly
3) Monopolistic competition
4) Oligopoly

16. For the Monopoly firm its average revenu (AR) is ________
1) AR = MR
2) AR > MR
3) AR < MR
4) either 2 or 3
17. In the long run Monopolist usually earns __________
1) excess profit
2) normal profit
3) sub normal profit
4) sub-normal loss
18. The Monopoly firm is in equilibrium when distance between----------curves is maximum.
1) MR and MC
2) TR and TC
3) TR and AC
4) MR and AC
19. When Total Revenue (TR) is maximum then Marginal Revenue (MR) is _____
1) decreases
2) increases
3) zero
4) will be constant
20. Selling cost is the feature of -------------market.
1) perfect competition
2) Monopoly
3) Monopolistic competition
4) Oligopoly
21. Product sold in monopolistic market is _______
1) homogeneous
2) differentited
3) inferior
4) heterogeneous
22. A firm in a monopolistic market requires to incur _______
1) opportunity cost
2) produciton cost
3) selling cast
4) both 2 & 3
23. In the perfect competition nature of product is ________
1) Homogeneous
2) differentiated
3) inferior
4) hetrogeneous

24. The demand curve faced by the Monopolistic Firm is more elastic because------
1) products are perfect substitute
2) products have no subsitute
3) products have more close subsitute
4) both 1 and 2

25. Which of the following is not a characteristic of Monopolistic competition___
1) many sellers
2) price taker
3) downward but more elastic demand curve
4) product differentitation

26. In the long run a firm in monopolistic competition will earn _______
1) Excess profit
2) Loss
3) Normal profit
4) either loss or normal profit

27. In the oligopoly market there are _____________
1) many sellers
2) one seller
3) few sellers
4) two sellers

28. Which of the following one is not the feature of Oligopoly market
1) few sellers
2) kinky demand curve
3) uncertainty
4) more sellers

29. The product sold by the firm in oligopoly market is __________
1) hertrogeneous
2) homogeneous
3) differentiated
4) both 2 and 3

30. -------------is the reason behind the kinky demand curve .
1) elastic price
2) inelastic price
3) rigid price
4) more elastic price

31. Interdependence is the features of _________ market
1) monopoly
2) perfect competition
3) Oligopoly
4) monopolistic competition

32. In the oligopoliy _______ to the firm

1) there is free entry

2) there is no entry

3) both 1 & 2

4) entry is possible but difficult

33. The price discrimination refers to ___________

1) charging different prices for different comodities

2) charging different prices for same commodity at different time

3) charging same price fore same commodity

4) charging different prices for same commodity to different buyers

34. When different prices are charged in different market is called as--------

1) first degree price discrimination

2) second degree price discrimination

3) third degree price discrimination

4) zero degree price discrimination

35. Price discrimination is not possible when_____

1) commodity is non-transferable

2) when customers do not meet each other

3) when customers are ignorant about price differentials

4) Consumer has the perfect knowledge about the market

36. Dumping takes place when a monopolist __________

1) has monopoly in wold market as well as in home market

2) has monopoly I nworld market

3) has monopoly in the home market and competitive world market

4) has no monopoly in the home and wold market

37. Price discrimination is profitable when ___________

1) elasticity is same in different market

2) elasticity is different in different market

3) elasticity is perfect elastic in different market

4) elasticty is perfect inelastic in different market

38. Under dumping a monopolist's demand curve in the world market is--------

1) downward but less elastic

2) downward but more elastic

3) perfectly elastic

4) perfectly inelastic

39. Marginal cost pricing is generally followed by _________

1) private enterprises

2) small and medium enterprises

3) public sector enterprises

4) large private MNCs

40. ------------is an advantage of mark-up pricing .
1) cost recovery
2) assured profit
3) mormal profit
4) both 1 and 2

41. Which of the following is not a feature of full cost pricing ___________
1) avoids frequent price changes
2) most populer method
3) based on marginal cost
4) an ideal which most firms aim it

42. Which pricing strategy uses various class distinctions.
1) marginal cost pricing
2) price discrimination
3) product line pricing
4) mark up pricing

43. Under marginal cost pricing ___________
1) P= MC
2) P = MR
3) P = AC
4) P = TR

44. ---------- pricing is suitable for a firm trying to enter a market.
1) take-up
2) give-up
3) mark-up
4) down-up

45. Payback period method is more suitable to ________________
1) the short run
2) the long run
3) both 1 & 2
4) neither 1 and 2

46. A project is profitable if NPV is _________
1) zero
2) one
3) negatie
4) positive

47. A project is profitable if the IRR is ___________
1) greater than the market rate of interest
2) less than the market rate of interest
3) equal to the market rate of interest

4) Not reted with market rate of interest

48. Capital expenditure decisions are irreversible because of _______________

1) absence of second hand market

2) fluctuation in rate of interest

3) profit of assets is difficult to estimate

4) presence of second hand market

49. The value expected to be achived from the amount invested in known as_____

1) internal rate of return

2) Net present value

3) Payback period

4) replacement investment

50. Payback period method of capital budgeting primarily focuses on __________

1) the current rate of interest

2) the rate of profitability of assets

3) time period required to recover original investment

4) the cost of acquiring capital assets

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