TELANGANA UNIVERSITY
S.S.R. DEGREE COLLEGE, NIZAMABAD (C.C:5029)
I SEMESTER INTERNAL ASSESSMENT II EXAMINATIONS
ECONOMICS (MICRO ECONOMICS) QUESTION BANK

I. Multiple choice questions.

1. Where sellers and buyers meet is a called [a]
a. Market b. Industries c. Firms d. None

2. How many types of Markets [b]
a. 2 b. 3 c. 4 d. 5

3. Demand and supply conditions have sufficient time to adjust themselves [b]
a. Short period b. Long period c. Very short d. Both

4. Perfect competition is a market in which there are large number of [a]
a. Sellers and buyers b. Competitions c. a & b d. None

5. Perfect competition market goods are [b]
a. Different b. Homogeneous c. Sellings d. Cost

6. Under perfect competition sellers and buyers cannot decide the [c]
a. Demand b. Supply c. Price d. Cost

7. Which market with a single producer is called [a]
a. Monopoly b. Duopoly c. Oligopoly d. Monopolistic

8. A firm is in Equilibrium when it produces out put that given the highest [a]
a. Profit b. Loss c. a & b d. None

9. How many types of duopoly market sellers [a]
a. 2 b. 3 c. 4 d. 5

10. Oligopoly is derived from two [a]
a. Jarman b. Greek c. a & b d. None

11. Which cost are an important feature of monopolistic competition [c]
a. Money cost b. Real cost c. Selling cost d. Cost

12. Duopoly market introduced by [a]
a. Augustin cournot b. Alfred marshal c. Ragner d. Adamsmith

13. Price discrimination is possible in [b]
a. Perfect competition b. Imperfect competition c. a & b d. None

14. A firm is that which mobilizes resources such as a [a]
a. Raw materials b. Profits c. Loss d. None

15. The productive capacity beyond the break even point is called [a]
a. Margin of safety b. Sales c. Influence d. Loss

16. The ratio between contributions to sales is called [b]
a. Variables b. PV ratio c. Cost d. Sales

17. Cost, Volume, Profit analysis is useful in setting [a]
a. Budget b. Income c. Cost d. Benefit

18. Kinked demand curve introduced by [b]
a. Allen b. Paul sweezy c. Marshal d. Recardo

19. Monopolistic competition developed by [a]
a. Chamberlin b. Ragner c. Adamsmith d. None

20. Break even point can be calculated as under in [a]
a. in units = Fixed/Contribution per unit b. Fixed cost c. Per income d. None

II. Fill in the blanks.

1. Cost-volume-profit data may not be available.
2. The firm is anindividual organization or unit of productive activity.
3. The ratio between contribution to sales is called PV Ratio
4. P.V Ratio formula = S.V/S

5. Break even point is the point at which no profit or no loss situation exists.
6. There are a number of pricing methods or strategies that are adopted by firm
7. It is a method of oligopoly pricing where there exists price leadership.
8. The sale price will not be affected by competition or changes in the volume of production
9. Variable costs may not change at a fixed rate throught the production process.
10. The productive capacity beyond the break even point is called Margin safety
11. Monopoly market single seller many buyers
12. Average revenue formula IR/Q
13. Under monopolistic competition the firms produce Goods that satisfy the same want.
14. The price falls as the monopoly firm increases output.
15. International marke ex. Gold, Silver
16. The break even point analysis is very much use full to plan the profit
17. It has limited use in case of firms producing multi products
18. Local market ex: vegetables, flowers
19. Some times it may not be possible to separate costs into fixed cost and variable cost
20. It is a mechanism to eliminate the threat of entry of new firm into the Industry

III. Short Questions.

1. How many types of classification of market? What are they?
A: There are three types 1) On the basis of area 2) On the basis of Time 3) On the basis of competition
2. What is Market?
A: Many sellers are many buyers meet the market.
3. Break even point?
A: Break even point is the point at which no profit (or) no loss situation.
4. Perfect competition market curve?
A: Price demand/supply
5. What is Duopoly?
A: Duopoly is special case of oligopoly in which there are only.
6. Sales maximization?
A: According to Baynol sale maximization and not profit maximization.
7. Safety margin?
A: The productive capacity beyond the break even point is called margin of safety.
8. Profit valume ratio?
A: The ratio between contribution to sales is called by ratio.
9. Cost reduction?
A: The analysis is also useful to control cost and management.
10. Pricing decision?
A: When the demand is slow during deflation.