

QB365 Question Bank Software Study Materials

Market Structure and Pricing 50 Important 1 Marks Questions With Answers (Book Back and Creative)

11th Standard

Economics

Total Marks : 50

Multiple Choice Question

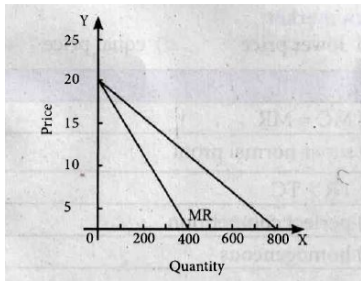
50 x 1 = 50

- 1) Which of the following is a market structure where the Price is expected to be lower?
(a) Perfect competition (b) Monopoly (c) Duopoly (d) Oligopoly
- 2) Equilibrium condition of a firm is _____
(a) MC = MR (b) $MC > MR$ (c) $MC < MR$ (d) $MR = \text{Price}$
- 3) Which of the following is a feature of monopolistic competition?
(a) One seller (b) Few sellers **(c) Product differentiation** (d) No entry
- 4) A firm under monopoly can earn _____ in the short run
(a) Normal profit (b) Loss **(c) Super normal profit** (d) More loss
- 5) There is no excess capacity under _____
(a) Monopoly (b) Monopolistic competition (c) Oligopoly **(d) Perfect competition**
- 6) Profit of a firm is obtained when _____.
(a) $TR < TC$ (b) $TR - MC$ **(c) $TR > TC$** (d) $TR = TC$
- 7) Another name of price is _____
(a) Average Revenue (b) Marginal Revenue (c) Total Revenue (d) Average cost
- 8) In which type of market, AR and MR are equal _____
(a) Duopoly **(b) Perfect competition** (c) Monopolistic competition (d) Oligopoly
- 9) In monopoly, MR curve lies below _____
(a) TR (b) MC **(c) AR** (d) AC
- 10) Perfect competition assumes _____
(a) Luxury goods (b) Producer goods (c) Differentiated goods **(d) Homogeneous goods**
- 11) Group equilibrium is analysed in _____
(a) Monopolistic competition (b) Monopoly (c) Duopoly (d) Pure competition
- 12) In monopolistic competition, the essential feature is _____
(a) Same product **(b) Selling cost** (c) Single seller (d) Single buyer
- 13) Monopolistic competition is a form of _____
(a) Oligopoly (b) Duopoly **(c) Imperfect competition** (d) Monopoly
- 14) Price leadership is the attribute of _____
(a) Perfect competition (b) Monopoly **(c) Oligopoly** (d) Monopolistic competition
- 15) Price discrimination will always lead to _____

- (a) Increase in output (b) Increase in profit (c) Different prices **(d) b and c**
- 16) The average revenue curve under monopolistic competition will be _____
 (a) Perfectly inelastic (b) Perfectly elastic **(c) Relatively** (d) Unitary elastic
- 17) Under perfect competition, the shape of demand curve of a firm is _____
 (a) Vertical **(b) Horizontal** (c) Negatively sloped (d) Positively sloped
- 18) In which market form, does absence of competition prevail?
 (a) Perfect competition **(b) Monopoly** (c) Duopoly (d) Oligopoly
- 19) Which of the following involves maximum exploitation of consumers?
 (a) Perfect competition **(b) Monopoly** (c) Monopolistic competition (d) Oligopoly
- 20) An example of selling cost is _____
 (a) Raw material cost (b) Transport cost **(c) Advertisement cost** (d) Purchasing cost
- 21) Very long period market is also called as _____
 (a) Market Period (b) Short Period (c) Long Period **(d) Secular Period**
- 22) The supply curve is _____ in the long period.
 (a) Perfectly inelastic (b) Inelastic (c) Elastic **(d) Very much elastic**
- 23) Under perfect competition, there is _____ price prevails in the market.
 (a) High price (b) Low price **(c) Uniform price** (d) None of these
- 24) The imperfect competition was propounded in America by _____
 (a) Mrs. Joan Robinson **(b) E.H. Chamberlin** (c) Marshall (d) Both 'a' and 'b'
- 25) Technical Monopoly
 (a) Diamond (b) Gold **(c) CoCo - Cola** (d) None
- 26) _____ forms an important feature of Micro economics.
(a) Market structure (b) Trade (c) Business (d) Industry
- 27) There is no _____ cost under perfect competitive market.
 (a) Factor **(b) Transport** (c) SAC (d) SMC
- 28) Monopoly refer there is only _____ selling a particular commodity.
(a) Single seller (b) Few sellers (c) Two sellers (d) All the above
- 29) The firms under oligopoly realise the importance of _____ .
(a) Mutual Co-operation (b) Quality of the product (c) Power on demand side (d) Advertisement
- 30) Price elasticity of demand for individual firm in monopolistic competition is_____
 (a) infinite (b) very low **(c) high** (d) low
- 31) Most important form of selling cost is_____
 (a) Homogeneous product **(b) Advertisement** (c) Sales (d) Tax
- 32) The market structure in which there is only one buyer of a good is called_____
 (a) Monopoly (b) Duopoly (c) Oligopoly **(d) Monopsony**

- 33) Which of these is a feature of a market?
 (a) Buyers and sellers (b) Existence of a product or service (c) Willingness and ability to pay and sell **(d) All of these**
- 34) In any market the price of the product is equal to _____ of the firm.
 (a) MR (b) MC **(c) AR** (d) AC
- 35) Which is the first order condition for the profit of a firm to be maximum?
 (a) $AC = MR$ **(b) $MC = MR$** (c) $MR = AR$ (d) $AC = AR$
- 36) Identify the odd out:
 (a) local market (b) provincial market **(c) short period market** (d) national market
- 37) Wholesale market is an example for classification of market based on
 (a) area (b) competition (c) time **(d) Quantity**
- 38) In which period is the supply curve a little more elastic?
(a) short period (b) long period (c) very short period (d) very long period
- 39) In which period is there no fixed factor?
 (a) short period **(b) long** (c) very short (d) none
- 40) Which is a sufficient condition for equilibrium?
 (a) $MC = AR$ (b) $MC = MR$ **(c) MC cuts MR from below** (d) $AR = MR$
- 41) Stamp paper vendors are an example for _____ monopoly.
(a) legal (b) natural (c) state (d) none
- 42) Railways in India are an example for _____ monopoly.
 (a) legal (b) natural **(c) state** (d) none
- 43) How is imperfect discriminating monopoly also called?
 (a) 3rd degree price discrimination (b) 1st degree **(c) 2nd degree** (d) none
- 44) How is perfect discriminating monopoly also called?
 (a) 3rd degree price discrimination **(b) 1st degree** (c) 2nd degree (d) none
- 45) The concept of imperfect competition was propounded in England by _____.
 (a) Pigou **(b) Joan Robinson** (c) E.H.Chamberlin (d) Keynes
- 46) In which type of market is the market knowledge partial?
 (a) perfect competition (b) monopoly **(c) monopolistic competition** (d) all
- 47) Identify the wrong statement about the features of Duopoly?
(a) There is product differentiation (b) They fix the price for their product to maximise their profit
 (c) Each seller is fully aware of his rival's motive and actions (d) Both sellers may collude regarding the sale of commodity
- 48) Where does one buyer exist?
(a) monopsony (b) bilateral monopoly (c) duopoly (d) oligopoly

49) Answer the following question based on the figure



At the optimum level of output what is TR?

- (a) 250 (b) 260 **(c) 270** (d) 280

50) Dumping refers to practice of the monopolist charging higher price for his product in the local market and _____ in the foreign market.

- (a) no price (b) higher price **(c) lower price** (d) equal price