

## TYPES OF MARKET

1. Which of the following statements highlights one of the essential conditions of perfect competition?
  - a. A perfect competition has a number of sellers and a few buyers
  - b. A perfect competition has different levels of pricing for identical products at a particular point of time
  - c. A perfect competition has the same pricing for identical products at a particular point of time
  - d. None of the above
2. Which of the following institutes recommends the minimum support price in India?
  - a. The minimum support price is recommended by the Ministry of Food and Agriculture
  - b. The minimum support price is recommended by the Food Corporation of India
  - c. The minimum support price is recommended by the Commission of Agricultural Costs and Prices
  - d. The minimum support price is recommended by the Food and Agriculture Organisation
3. Which of the following statements about Duopoly is correct?
  - a. Duopoly is a special case for the Oligopoly market structure
  - b. Duopoly is a special case for the Monopsony market structure
  - c. Duopoly is a special case for the Monopoly market structure
  - d. Duopoly is a special case for the Imperfect Competition
4. Which of the following statements about the Indian Economy is correct?
  - a. India follows the Capitalist economic structure
  - b. India follows the Socialist economic structure
  - c. India follows the Mixed economic structure
  - d. None of the above
5. Which of the following statements about the demand curve of a firm under monopoly is true?
  - a. The demand curve of a firm under monopoly has a positive relationship between demand and price
  - b. The demand curve of a firm under monopoly has an inverse relationship between demand and price
  - c. The demand curve of a firm under monopoly has no relationship between demand and price
  - d. None of the above
6. Which of the following statements is correct?
  - a. The process of charging different prices from different consumers for the same product is called price extension
  - b. The process of charging different prices from different consumers for the same product is called price control
  - c. The process of charging different prices from different consumers for the same product is called price discrimination
  - d. None of the above
7. Which of the following statements is true about the average revenue curve?
  - a. The average revenue curve is shaped as a horizontal straight line in a perfect competition

- b. The average revenue curve is shaped as a vertical straight line in a perfect competition
  - c. The average revenue curve is shaped downward to the right in a perfect competition
  - d. The average revenue curve is shaped rectangular hyperbola in a perfect competition
8. Which of the following statements is accurate?
- a. Under the perfect competition, the marginal revenue and average revenue are indicated by a common rectangular hyperbola
  - b. Under the perfect competition, the marginal revenue and average revenue are indicated by a common horizontal straight line
  - c. Under the perfect competition, the marginal revenue and average revenue are indicated by a common vertical straight line
  - d. Under the perfect competition, the marginal revenue and average revenue are indicated by different lines that are sloping downward
9. Which of the following statements is correct?
- a. When compared to the monopolistic competition, the demand curve of a firm under monopoly is infinitely elastic
  - b. When compared to the monopolistic competition, the demand curve of a firm under monopoly is more elastic
  - c. When compared to the monopolistic competition, the demand curve of a firm under monopoly is equally elastic
  - d. When compared to the monopolistic competition, the demand curve of a firm under monopoly is less elastic
10. Which of the following statements about monopolistic competition is true?
- a. The products sold under monopolistic competition are homogenous
  - b. The products sold under monopolistic competition are differentiated
  - c. The products sold under monopolistic competition are homogenous but supported with advertisements
  - d. The products sold under monopolistic competition are differentiated but supported with advertisements
11. In which kind of market, a firm is a price- taker?
- a. Perfect Competition
  - b. Monopoly
  - c. Monopolistic competition
  - d. Oligopoly
12. Firm's demand curve under monopoly shows:
- a. No relationship between price and demand
  - b. Inverse relationship between price and demand
  - c. Positive relationship between price and demand
  - d. None of these
13. Charging different prices from different buyers for the same good is called :

- a. Price extension
- b. Price contraction
- c. Price discrimination
- d. Price control

14. What is the shape of the average revenue curve in perfect competition?

- a. Horizontal straight line
- b. Vertical straight line
- c. Rectangular hyperbola
- d. Downward to the right

15. Under perfect competition 'Average Revenue' and 'Marginal Revenue' are indicated by :

- a. A common horizontal straight line
- b. A common vertical straight line
- c. A common rectangular hyperbola
- d. Different lines sloping downward

### **Answers**

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|--------|---------|---------|---------|---------|---------|---------|--------|
| 1. (c) | 2. (c)  | 3. (a)  | 4. (c)  | 5. (b)  | 6. (c)  | 7. (a)  | 8. (b) |
| 9. (d) | 10. (c) | 11. (a) | 12. (b) | 13. (c) | 14. (a) | 15. (a) |        |