

Indian Economy Multiple Choice Questions and Answers

Question: 1

A firm under monopoly faces ____ demand curve.

- (A) Downward sloping
- (B) Upward sloping
- (C) Perfectly elastic
- (D) Perfectly inelastic

Ans: A

Downward sloping

Question: 2

Under perfect competition, the demand curve is

- (A) Upward sloping
- (B) Horizontal
- (C) Vertical
- (D) Downward sloping

Ans: B

Horizontal

Question: 3

_____ method of controlling monopoly is best to check the concentration of economic power in few hands.

- (A) Controlling price and output
- (B) Nationalisation

(C) Legislative

(D) Taxation

Ans: C

Legislative

Question: 4

_____ method of monopoly can be applied in case of natural monopolies.

(A) Nationalisation

(B) Consumer's association

(C) Taxation

(D) Controlling price and output

Ans: D

Controlling price and output

Question: 5

The monopolist can control

(A) Number of firms

(B) Neither price nor output

(C) Both price and output

(D) Either price or supply

Ans: D

Either price or supply