CBT for the month of December 2024 Economics Class XI

1. **Which one is the characteristic of perfect competition?**

    A. It has a large number of buyers and sellers selling homogeneous products at a uniform price.
    A. There is no free entry and exit for all the firms.
    B. It has a large number of buyers and sellers where the government decides the price of the product.
    C. It has a large number of buyers and sellers selling heterogeneous products at a uniform price.

Answer: A

Price-takers are unable to affect the market price because they lack substantial market share. The three primary characteristics of perfect competition are (1) no company holds a substantial market share, (2) the industry output is standardized, and (3) there is freedom of entry and exit.

2. **Sellers selling homogeneous products in the perfect competition market indicate?**

    A. A huge amount of loss for all the sellers.
    A. Buyers will not buy the products.
    B. Sellers will become price makers.
    C. Sellers cannot influence the prices of the products.

Answer: D

In a perfectly competitive market, commodity is homogeneous (identical). Thus, the buyers find no reason to prefer the product of one seller to the product of another. Hence the firms are price takers.

3.Statement (1): Perfect competition hypothetical situation.

Statement (2): Under perfect competition, the government decides the prices of all the products and services.

    A. (1) is correct and (2) is incorrect.
    A. (1) is incorrect and (2) is correct.
    B. Both (1) and (2) are correct.
    C. Both (1) and (2) are incorrect.

Answer: A

(1) is correct and (2) is incorrect.

4. **Sellers in perfect competition are:**

    A. Price maker
    A. Price taker
    B. Wealthy
    C. Poor

Answer: B

Perfect competition is a type of market where there are large number of buyers and sellers who deals in homogeneous product due to which no individual unit is able to influence the price of the product and the firms have to quote the price that prevails in the market. Therefore, the seller is a price taker.

5.Which of the following statements about perfect competition are true?

A. Both the buyers and sellers know all the details about the products available in the market.
A. Buyers can change the prices of the products by influencing demand.
B. Products are sold at different prices.
C. Firms are price makers.

Answer: A

The correct answer is d) Only statements III and V are true. III. In perfect competition, the product's price always equals the firm's marginal revenue.

6 Which one of the following statements about the correlation coefficient is correct?

A. The correlation coefficient is unaffected by scale changes.
A. Both the change of scale and the change of origin have no effect on the correlation coefficient.
B. The correlation coefficient is unaffected by the change of origin.
C. The correlation coefficient is affected by changes of origin and scale.

Answer: option C.

The correct answer is It is not dependent on both the change of scale and change of origin. Analysis of the co-variation between two or more variables is known as correlation. If a change in one variable causes a corresponding change in the other, then the two variables are said to be correlated with each other.

7 The correlation for the values of two variables moving in the same direction is

A. Perfect positive
A. Negative
B. Positive
C. No correlation.

Answer: option C.

A positive correlation is evident when two variables move in the same direction. An inverse correlation is evident when two variables move in the opposite direction.

8. The correlation coefficient describes

A. Only magnitude
A. Both magnitude and direction
B. Only direction
C. None of the preceding options.

Answer: option B.

9. **For a correlation of determination equal to 1, what is the value of the correlation coefficient?**

A. It can be any value between +1 and -1
A. It must be equal to -1
B. It can be either +1 or -1
C. It must be equal to 1.

Answer: option C.

20. 10. For correlation analysis, which of the given assertions is true?

1.

A. It is a multivariate analysis
A. It is a bivariate analysis
B. It is a univariate analysis
C. It is both bivariate and univariate analysis.

Answer: option C.