

CUET 2026 June 6 Shift 1 Economics

Question Paper (Memory-Based)

Conducted by National Testing Agency (NTA)

1. If the price elasticity of demand for a commodity is -2 , and the seller reduces the price of the commodity by 10%, then the percentage change in total revenue will be:

- (A) Increase by 10%
- (B) Increase by 20%
- (C) Increase by 10% approximately
- (D) Decrease by 10%

2. Which of the following situations represents a contraction in demand and not a decrease in demand?

- (A) Income of consumers decreases and demand falls
- (B) Price of the commodity rises and quantity demanded falls
- (C) Price of substitute commodity falls
- (D) Consumer preference shifts away from the commodity

3. Suppose Marginal Propensity to Consume (MPC) is 0.75. The value of the investment multiplier will be:

- (A) 2
- (B) 3
- (C) 4
- (D) 5

4. In an economy, Autonomous Consumption is 100 crore and the Marginal Propensity to Consume (MPC) is 0.75. If investment increases by 80 crore, then the increase in equilibrium income will be:

- (A) 240 crore
- (B) 300 crore

- (C) 320 crore
(D) 400 crore
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5. A consumer spends his entire income on goods X and Y . The price of X is 20 per unit and the price of Y is 10 per unit. If his income is 400, which of the following combinations lies on his budget line?

- (A) $X = 5, Y = 25$
(B) $X = 10, Y = 20$
(C) $X = 15, Y = 5$
(D) $X = 8, Y = 18$
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6. The Reserve Bank of India purchases government securities worth 5,000 crore from the open market. Assuming Cash Reserve Ratio remains unchanged, the immediate effect of this operation will be:

- (A) Reduction in money supply and liquidity
(B) Increase in liquidity and money supply
(C) Increase in CRR
(D) Reduction in bank deposits
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7. The following information relates to an economy (in crore):

Private Final Consumption Expenditure = 8,000

Government Final Consumption Expenditure = 2,000

Gross Domestic Capital Formation = 3,000

Net Exports = -500

Calculate the GDP at Market Price using the Expenditure Method.

- (A) 12,000 crore
(B) 12,500 crore
(C) 13,000 crore
(D) 13,500 crore
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8. In a perfectly competitive market, a firm's Total Revenue and Total Cost functions are:

$$TR = 120Q$$

$$TC = 200 + 40Q + Q^2$$

The profit-maximizing output level is:

- (A) 20 units
- (B) 30 units
- (C) 40 units
- (D) 50 units

9. The price elasticity of demand for a commodity is -1.5 . If its price increases by 10%, then the approximate percentage change in quantity demanded will be:

- (A) Decrease by 5%
- (B) Decrease by 10%
- (C) Decrease by 15%
- (D) Increase by 15%

10. Read the following statements carefully:

- I. Every increase in investment necessarily increases Aggregate Demand.
- II. Ex-ante savings are always equal to Ex-post savings.
- III. Ex-ante investment and Ex-ante savings may differ.
- IV. Equilibrium income is determined at the point where Aggregate Demand equals Aggregate Supply.

Choose the correct answer.

- (A) I, II and III only
- (B) II, III and IV only

(C) I, III and IV only

(D) I, II, III and IV

