CUET 2026 May 11 Shift 1 Economics

Question Paper (Memory-Based) PDF

Conducted by National Testing Agency (NTA)

General Instructions

(i) The examination will be conducted in Computer-Based Test (CBT) mode.

(ii) Each question carries +5 marks for correct answer and -1 mark for wrong answer.

(iii) The total number of questions are 50.

(iv) Duration of the exam is 1 hour (60 minutes).

1. Identify the incorrect option related to a perfectly competitive market:

(A) A firm's average revenue is equal to the market price.

(B) The price line represents the relationship between market price and the firm's output level.

(C) Marginal revenue is equal to the market price.

(D) The firm's total revenue curve is a horizontal straight line.

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2. Match the following:

List-I	List-II
(A) Leftward shift in both demand and supply curves	(I) Equilibrium price remains unchanged
(B) Rightward shift in both demand and supply curves	(II) Equilibrium quantity increases
(C) Equal percentage increase in both demand and supply curves	(III) Equilibrium quantity decreases
(D) Supply curve shifts right and demand curve shifts left	(IV) Equilibrium quantity remains unchanged

(A) $(A)-(III)$, $(B)-(II)$, $(C)-(I)$, $(D)-(IV)$

(B) $(A)-(IV),\ (B)-(III),\ (C)-(I),\ (D)-(II)$

(C) $(A)-(III),\ (B)-(IV),\ (C)-(II),\ (D)-(I)$

(D) $(A)-(IV),\ (B)-(II),\ (C)-(III),\ (D)-(I)$

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3. Arrange the following statements in the context of calculating Gross National Product (GNP) at Market Price:

(A) Add Net Factor Income from Abroad

(B) Calculate value of output

(C) Determine total sales in the country

(D) Deduct intermediate consumption

(A) BDCA

(B) DCBA

(C) BCDA

(D) ABCD

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4. The price of a bag increased from $8 to $12 in the US and from 400 to 480 in India. What is the effect on the dollar in terms of exchange rate?

(A) Revaluated

(B) Appreciated

(C) Depreciated

(D) Devaluated

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5. Choose the correct statements regarding the exchange rate system:

(A) In a floating exchange rate system, the exchange rate is determined by market forces of demand and supply.

(B) In a fixed exchange rate system, making the domestic currency cheaper is called devaluation.

(C) An increase in the exchange rate implies that the price of foreign currency has increased, which is called depreciation.

(D) Exchange rates between two currencies adjust to reflect differences in price levels in the two countries.

(A) (A), (B) and (C) only
(B) (A), (B) and (D) only
(C) (B), (C) and (D) only
(D) (A), (B), (C) and (D)

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6. If 150 **is required to buy 2 dollars instead of** 100 **earlier, then:**

(*A*) Domestic currency has depreciated

(*B*) Domestic currency has appreciated

(*C*) The rupee value of the import bill will increase

(*D*) Selling foreign exchange from its reserves by the Reserve Bank of India

(A) (A), (B) and (D) only
(B) (A), (C) and (D) only
(C) (A), (B), (C) and (D)
(D) (B), (C) and (D) only

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7. If the marginal propensity to consume (MPC) is 0.6**, find the value of the tax multiplier.**

(A) 0.25
(B) −0.25
(C) 1.5
(D) −1.5

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8. Arrange the following statements in the correct chronological order with respect to open market operations:

(*A*) Payment for bonds increases total reserves in the economy

(*B*) RBI buys government bonds from the market

(*C*) RBI sells bonds when there is excess money supply

(*D*) Higher reserves increase money supply in the economy

(A) (A), (B), (C), (D)
(B) (A), (C), (B), (D)
(C) (B), (A), (D), (C)
(D) (D), (A), (C), (B)

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9. What is the shape of the Average Fixed Cost (AFC) curve?

(A) Upward sloping
(B) Rectangular hyperbola
(C) Vertical
(D) Horizontal

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10. The decision of whether to produce more consumption goods or more investment goods, to boost future production and consumption, relates to which central problem of an economy?

(A) Why are these goods produced?
(B) For whom are these goods produced?
(C) How are these goods produced?
(D) What to produce and in what quantities?