CUET 2026 May 13 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. In macroeconomics, the difference between a country's exports and imports of goods is known as:

(A) Balance of Payments
(B) Balance of Trade
(C) Current Account Deficit
(D) Foreign Exchange Reserve

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2. According to the paradox of thrift, if people in an economy increase their savings excessively, it may lead to:

(A) Rise in national income
(B) Increase in employment
(C) Fall in aggregate demand
(D) Increase in exports

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3. Which of the following was a major objective of the LPG reforms introduced in India in 1991?

(A) Expansion of the public sector

(B) Reduction in foreign trade

(C) Liberalisation of the economy

(D) Nationalisation of industries

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4. Match the following correctly with their formulas:

$$\mathbf{AFC} = \frac{\mathbf{TFC}}{Q}$$

AFC stands for:

(A) Average Fixed Cost

(B) Average Variable Cost

(C) Marginal Cost

(D) Average Revenue

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5. Which of the following institutions/events was established earliest?

(A) NABARD

(B) WTO

(C) TISCO

(D) GST

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6. The economic theory stating that the prices of identical goods in different countries should be equal after exchange rate adjustment is called:

(A) Law of Demand

(B) Purchasing Power Parity

(C) Opportunity Cost Theory

(D) Comparative Advantage Theory

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7. In a managed floating exchange rate system:

(A) Exchange rates are fully market determined

(B) Gold determines exchange rates

(C) Government or central bank intervenes when required

(D) Exchange rates remain permanently fixed

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8. Which of the following is a quantitative tool of the Reserve Bank of India (RBI)?

(A) Moral Suasion

(B) Margin Requirement

(C) Bank Rate

(D) Credit Rationing

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9. Consumption expenditure that remains unchanged even when income changes is known as:

(A) Induced Consumption

(B) Autonomous Consumption

(C) Productive Consumption

(D) Intermediate Consumption

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10. The price of bananas rises from 10 per kg to 14 per kg, due to which quantity demanded falls from 30 kg to 26 kg. What is the slope of the demand curve?

(A) –1

(B) –2

(C) –4

(D) –0.5
