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%

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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

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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

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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):

$$\text{Private Final Consumption Expenditure} = 8,000$$

$$\text{Government Final Consumption Expenditure} = 2,000$$

$$\text{Gross Domestic Capital Formation} = 3,000$$

$$\text{Net Exports} = -500$$

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

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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%

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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