

IGCSE CIE

Economics MCQ

Market Structure (QP)

1.May 2024-11/16

What is likely to happen if a previously competitive market becomes a monopoly?

	barriers to entry	economies of scale	the size of the firm
A	decrease	decrease	increases
B	decrease	increase	decreases
C	increase	decrease	decreases
D	increase	increase	increases

2.March 2024-12/16

A monopoly firm can often earn greater profits than a firm in a competitive market.

Which characteristic of monopoly is most likely to cause this?

- A** It can restrict the entry of new firms.
- B** It is a price-taker.
- C** It is protected by the government.
- D** Its total costs are usually low.

3.March 2023-12/17

A government decides to leave direct taxes unchanged but to increase indirect taxes.

What is this policy intended to achieve?

- A** to increase the value of the exchange rate
- B** to redistribute income from higher to lower income groups
- C** to reduce a budget deficit
- D** to reduce the rate of inflation

4.Oct 2021-11/14

The size of the domestic car industry in Japan has enabled Japanese car producers to be more price competitive than rival car producers.

What is an explanation for this?

- A** Economies of scale are present in the Japanese car industry.
- B** Managerial problems exist in the Japanese car industry.
- C** Productivity is low in Japan.
- D** The Japanese car industry is very labour-intensive.

5.May 2021-11/15

Which market is likely to be the most competitive?

	barriers to entry	number of sellers
A	high	few
B	high	many
C	low	few
D	low	many

6.May 2021-13/13

How would advertising a good result in a retail firm increasing its market share?

- A** It will improve the personal service in its shops.
- B** It will increase the firm's costs.
- C** It will reduce demand for competitors' products.
- D** It will result in diversification in the firm.