Skillshort

Self-Study Preparation Pack

CA FOUNDATION

Paper 4: Business Economics

Past Papers – Trend Analysis, Question Patterns & Official Links

Based on ICAI question papers with suggested answers – May 2025, Sept 2025, Jan 2026, May 2026. ICAI papers are not reproduced (copyright); download them from the official links below.

Official PDFs only | Trend per chapter | Recurring question types

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This subject pack has 6 parts

1 Chapter-wise notes
2 Important topics & weightage
3 Past papers: trends & links
4 Mock tests + solutions
5 Chapter practice questions
6 Last-week plan & strategy

Prepared by Skillshort for self-study. Original explanations and questions; not an official ICAI/ICMAI/ICSI publication. Items marked VERIFY should be checked against the latest official material.

How to use past papers

1. Download the latest two papers from the links at the end. Attempt each in **2 hours** with negative marking VERIFY.
2. Mark every question by chapter and type (concept, statement, numerical). Compare with the chapter table below.
3. Re-read the topics you missed in file 01, then do that chapter's set in file 05.

Chapter-wise trend (last three attempts)

Chapter	Recurring areas in ICAI papers
I Introduction	Definitions and their authors; scope of business economics (micro vs macro); features of economic systems; opportunity cost
II Demand & supply	Determinants of demand; exceptions to the law; **elasticity numericals every attempt** (price, income, cross, arc); indifference curve properties and budget line; supply shifts and equilibrium
III Production & cost	Stages of the law of variable proportions; MP–AP relations; returns to scale; isoquant/isocost; cost-curve shapes and relations (MC through minimum AVC/ATC); **cost-table numericals**
IV Markets	Firm equilibrium conditions; shut-down point; monopoly MR–elasticity link; price discrimination; monopolistic competition features; oligopoly models; game theory concepts appear occasionally
V National income	Aggregates and conversions (MP ↔ FC, domestic ↔ national); items excluded from NI; **NI and multiplier numericals**; Keynesian consumption function; three/four-sector models
VI Business cycles	Phases in order, features of each phase, theories and their authors, indicators
VII Public finance	Public goods characteristics; externalities; information failure (adverse selection, moral hazard); Musgrave's functions; deficits
VIII Money market	Money supply measures; money multiplier numericals; Keynes' motives and liquidity trap; RBI instruments
IX International trade	Trade theories and their authors; tariffs and NTMs; WTO principles and agreements; exchange-rate effects; FDI vs FPI
X Indian economy	Colonial policies; planning models; 1991 crisis and reforms; recent policies and dates

TREND Recurring question types

- **"Which of the following is NOT ..."** – read all four options; the exception is usually a feature of a different market or theory.
- **Author-matching** – Robbins/Marshall/Smith definitions, Hawtrey/Schumpeter/Pigou cycle theories, Ricardo/H-O/Krugman trade theories, Baumol/Tobin money demand.
- **Statement pairs** – "Statement I ... Statement II ...", choose both correct / only one correct.
- **Short numericals** – usually one formula: elasticity, MR = AR(1 − 1/e), multiplier 1/(1 − MPC), NNP_FC conversion, money multiplier (1 + c)/(c + r).
- **Curve shapes** – AFC rectangular hyperbola, LAC envelope, kinked demand curve, vertical/horizontal demand.

Where students usually lose marks

- **Confusing shifts with movements** of curves, **mixing up MP and AP**, and **forgetting the MP → FC and domestic → national conversions** in national income questions.
- Negative marking punishes guessing; attempt a question only if you can rule out two options.

Official download links

Resource	Link
ICAI – Suggested answers (Foundation, all attempts)	https://www.icai.org/post/suggested-answer-foundation-course
BoS Knowledge Portal – Question papers	https://boslive.icai.org/education_content_list.php?c=Foundation&cat=Question%20Papers
BoS – Mock test papers (MTP)	https://bosmtp.icai.org/
May 2025 – Paper 4 SA	https://resource.cdn.icai.org/86941bos-acc-sugg-ans-may2025-p4.pdf
Sept 2025 – Paper 4 SA	https://resource.cdn.icai.org/89269bos-aps3012-fnd-p4.pdf
Jan 2026 – Paper 4 SA	https://resource.cdn.icai.org/91198bos-aps4356-sa-fnd-p4.pdf
May 2026 – Paper 4 SA	https://resource.cdn.icai.org/93072bos-aps5734-fnd-may2026-p4.pdf

NOTE **Links were checked in October 2026. ICAI sometimes moves files; if a link fails, open the suggested-answers page and choose the attempt.**