ECONOMICS AND COMMERCIAL KNOWLEDGE
All Questions is compulsory.

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(1) Ans. d
Explanation:
If the average cost is falling, then it is impossible to tell if marginal cost is rising or falling.

(2) Ans. d
Explanation:
Variable cost increases continuously with the increase in production.

(3) Ans. d
Explanation:
Because demand is perfectly elastic.

(4) Ans. d
Explanation:
All the statement are right.

(5) Ans. c
Explanation:
Because an Indifference curve shows different combinations of two goods with same level of satisfaction.

(6) Ans. b
Explanation:
Because in ordinal approach a consumer never measure total utility.

(7) Ans. d
Explanation:
Because internal and external economies and diseconomies help us to understand returns to scale.

(8) Ans. a
Explanation:
Under Monopoly, price discrimination depends upon Elasticity of demand for commodity.

(9) Ans. b
Explanation:
The profit maximizing condition for monopolist in two market, A and B is $MC = MR_a = MR_b$.

(10) Ans. d
Explanation:
The monopolist can fix any price for his product, but cannot determine Demand of his product.

(11)   Ans. d
        Explanation:
        When price for a firm is less than average total cost but greater than average variable cost than Continue in short run to reduce losses.

(12)   Ans. c
        Explanation:
        Dumping is related to which market monopoly.

(13)   Ans. b
        Explanation:
        Exploitation and inequality are maximum under Capitalism.

(14)   Ans. b
        Explanation:
        Economic indicators in demand forecasting is called Barometric method.

(15)   Ans. c
        Explanation:
        $$P_1 = 20/- \qquad Q_1 = 250$$
        $$P_2 = 30/- \qquad Q_2 = 320$$

        $$= e_a = \left\{ \frac{Q_1 - Q_2}{Q_1 + Q_2} \times \frac{P_1 + P_2}{P_1 - P_2} \right\}$$

        $$= \left\{ \frac{-70}{570} \times \frac{50}{-10} \right\}$$

        $$= 0.61$$

(16)   Ans. d
        Explanation:
        When demand changes due to factor other than price, it is called increase/decrease in demand, which causes shift in the curve.

(17)   Ans. a
        Explanation:
        In case of Habituality, the elasticity will be e < 1. It means it will be inelastic.

(18)   Ans. d
        Explanation:
        Necessity is always gives maximum amount of consumer surplus.

(19)   Ans. b
        Explanation:
        The total area under the demand curve of a product measures total utility

(20)   Ans. b
        Explanation:
        It represents II stage. Because in stage II there is optimum utilisation of fixed factors.

(21)   Ans. d

Explanation:

Arc elasticity of supply formula is $\dfrac{q_1 - q_2}{q_1 + q_2} \times \dfrac{p_1 + p_2}{p_1 - p_2}$ & $\dfrac{\Delta Q}{Q} \times \dfrac{P}{\Delta P}$

(22)   Ans. b
        Explanation:
        Cardinal Approach helps to explain the law of demand because law of demand operates due to law of diminishing marginal utility.

(23)   Ans. d
        Explanation:
        MC Curve intersects AC curve at its minimum point. This point is known as "Optimum point of production".

(24)   Ans. a
        Explanation:
        Because the goods are totally unrelated hence there is no relation between these goods hence the cross elasticity would be zero.

(25)   Ans. a
        Explanation:
        Contraction is supply means "Decrease in quantity supplied is due to decrease in price of goods concern."

(26)   Ans. a
        Explanation:
        Marginal Utility of a commodity depends on its quantity and is Inversely proportional to its quantity because when quantity increases than marginal utility decreases

(27)   Ans. b
        Explanation:
        TP increases at diminishing rate due to decrement in MP but positively.

(28)   Ans. d
        Explanation:
        Shape of AVC is always U shape.

(29)   Ans. a

(30)   Ans. c

(31)   Ans. d
        Explanation:
        $P_1 = 8/-$ $Q_1 = 80$
        $P_2 - 10/p$ $Q_2 = 100$

$$= e_a = \left\{ \dfrac{Q_1 - Q_2}{Q_1 + Q_2} \times \dfrac{P_1 + P_2}{P_1 - P_2} \right\}$$

$$= \left\{ \dfrac{20}{180} \times \dfrac{18}{2} \right\}$$

$$= 1$$

(32)   Ans. a
       Explanation: Since whenever the price rises there is contraction in Q.D. and whenever the price falls there is expansion in Q.D.

(33)   Ans. c

(34)   Ans. d

(35)   Ans. c

(36)   Ans. a
       Explanation:
       Indifference curves slope downward left to right because MRSxy always decreases.

(37)   Ans. d
       Explanation:
       When AC is minimum, then MC is equal to AC, which is known as "Optimum point of production".

(38)   Ans. c

(39)   Ans. c

(40)   Ans. b
       Explanation:
       Since, in perfectly inelastic demand, there is no change in quantity demanded (e=0). Hence availability of substitutes does not affect the quantity demanded because with any change in price, quantity demanded does not change.

(41)   Ans. c

(42)   Ans. b

(43)   Ans. c

(44)   Ans. c

(45)   Ans. b

(46)   Ans. a

(47)   Ans. d

(48)   Ans. c

(49)   Ans. b

(50)   Ans. d

(51)   Ans. c

(52)   Ans. d

(53)   Ans. c

(54)   Ans. c

(55)   Ans. b

(56)   Ans. a

(57)   Ans. d

(58)   Ans. a

(59)   Ans. d

(60)   Ans. d

(61)   Ans. c
        Explanation:
        Driven by emotions and sentiments is not an economic activity.

(62)   Ans. d
        Explanation:
        Productive activity means production of goods for self, family and market.

(63)   Ans. a
        Explanation:
        Anshula Kant is the present CFO of SBI.

(64)   Ans. d
        Explanation:
        Perceiving the needs of the external environment and catering to them, satisfying
        the expectations and demands of the clientele groups is Interaction process.

(65)   Ans. d
        Explanation:
        Maturity Level of the market, Cost Structure of the market and Price Sensitivity of
        the market issues should be considered while analyzing the market.

(66)   Ans. c
        Explanation:
        Any goods that are stored, delivered and used in its electronic format Digital Goods.

(67)   Ans. a
        Explanation:
        Rate at which the Central Bank in the discharge of its function as Banker's Bank
        lends to the commercial banks is called Bank Rate.

(68)   Ans. d
        Explanation:
        In India, Foreign Investments is prohibited in Chit Funds, Real Estate and Cigar
        manufacturing.

(69)   Ans. d
Explanation:
In HUF Business It is a form of business particular to and recognized as such in India and there is a family involvement in business.

(70)   Ans. d
Explanation:
characteristic of Business Environment is environment is dynamic and environment is complex and multi-faceted.

(71)   Ans. a
Explanation:
Consumer occupies the central position the marketing environment.

(72)   Ans. b
Explanation: The price sensitivity of the market is an important factor of market.

(73)   Ans. b
Explanation:
Consumer buying patterns is not a part of the economic environment.

(74)   Ans. d
Explanation:
Economic environment refers to the nature and direction of the economy in which a company competes or may compete.

(75)   Ans. b
Explanation:
Reliance Industries Ltd. incorporated in 1966.

(76)   Ans. a
Explanation:
Gail (India) Ltd owns India's largest pipeline network.

(77)   Ans. b
Explanation:
Finacle is the Global Banking platform by Edge Verve Systems(Infosys).

(78)   Ans. b
Explanation:
Decisions on annual financial spending, Taxes and Duties and Military spending are considered in Budget.

(79)   Ans. c
Explanation:
In Delegation government keeps hold of responsibility and private enterprise handles the management of it fully or partly.

(80)   Ans. c
Explanation:
Hyundai India Limited came to India through by creating 100% Indian subsidiary.

(81)　Ans. b

(82)　Ans. a

(83)　Ans. b

(84)　Ans. d

(85)　Ans. b

(86)　Ans. a

(87)　Ans. c

(88)　Ans. a

(89)　Ans. d

(90)　Ans. a

(91)　Ans. c

(92)　Ans. c

(93)　Ans. b

(94)　Ans. c

(95)　Ans. a

(96)　Ans. b

(97)　Ans. a

(98)　Ans. b

(99)　Ans. c

(100)　Ans. b

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