(GCF-19, GCF-20, GCF-21, GCF-22, GCF-23, VCF-4, SCF-8, NOV-20 PD & GD, Foundation Nov. 19 Rep.)

DATE: 16.08.2020 **MAXIMUM MARKS: 100** **TIMING: 2 Hours**

ECONOMICS AND COMMERCIAL KNOWLEDGE

All Questions is compulsory.

(1) Ans. c
Explanation:
In the long run Both demand and supply can change.

(2) Ans. c
Explanation:
In market, the price output equilibrium is determined by Marginal cost curve and marginal revenue curve.

(3) Ans. c
Explanation:
Economics is the study of How society manages its scarce resources.

(4) Ans. b
Explanation:
If demand is elastic then price cuts will increase spending.

(5) Ans. d
Explanation:
Utility means satisfaction of good.

(6) Ans. c
Explanation:
Consumer surplus = what a consumer is ready to pay – what he actually pay.
= 320 – 180 = 140

(7) Ans. d
Explanation:
Economic, Social and National objective of the objective of entrepreneur

(8) Ans. c
Explanation:
Creation of utility is production in economics.

(9) Ans. b
Explanation:
An upward shift in marginal cost reduces output and an upward shift in marginal revenue increases output.

(10) Ans. d
Explanation:
Firms are assumed to minimize costs and to maximize profits.

(11) Ans. c
Explanation:

Advertisement cost, Offer discount to customers and Incentive to dealers are selling expenses.

(12) Ans. b
Explanation:
Equilibrium is defined as a situation in Neither buyers nor sellers want to change their behaviour.

(13) Ans. a
Explanation:
If firms can neither enter nor leave an industry, the relevant time period is Short run.

(14) Ans. a
Explanation:
In a Mixed Economy, Industries in Private Sector have profit motive only as their objective and driving force.

(15) Ans. b
Explanation:
The Cardinal Approach to Utility assumes Marginal Utility of Money is Constant.

(16) Ans. a
Explanation:
The concept of Consumer Surplus arises due to the reason that MU is initially higher than Price.

(17) Ans. a
Explanation:
MRS decrease as we go down the Curve Indifference Curve Analysis approach operate

(18) Ans. c
Explanation:
The responsiveness of a good's demand to changes in the Firm's spending on advertising is called Advertisement elasticity

(19) Ans. b
Explanation:
The method in which future demand is estimated by conducting market studies and experiments on consumer behaviour is known as Market Experiment Method.

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

(21) Ans. d

(22) Ans. d

(23) Ans. a

(24) Ans. c

(25) Ans. a

(26) Ans. c

(27) Ans. c

(28) Ans. a

(29) Ans. d

(30) Ans. a

(31) Ans. b

(32) Ans. b

(33) Ans. b

(34) Ans. d

(35) Ans. d

(36) Ans. a

(37) Ans. a

(38) Ans. b

(39) Ans. a

(40) Ans. c

(41) Ans. c
Explanation:
Production function refers to the physical relationship between input & output.

(42) Ans. a
Explanation:
The cost incurred for the welfare of society, is known as social cost.

(43) Ans. b
Explanation: AVC = TVC / Q
TVC = TC – TFC
TC = 400
TFC = 200
Hence TVC = 200, AVC = 200/10 = 20

(44) Ans. d

(45) Ans. a
Explanation:
Since it shows saving.

(46) Ans. c
Explanation:
Since in longer time $E_s>1$.

(47) Ans. b
Explanation:
Since when AP is falling (AP > MP).

(48) Ans. c
Explanation:
Since its MP sequence is 4, 3, 2.

(49) Ans. c
Explanation:
Since TR↓ an MR is negative.

(50) Ans. d
Explanation:
Since all are known as microeconomics.

(51) Ans. c

(52) Ans. b
Explanation:
Since trend projection is classical method.

(53) Ans. c
Explanation:

$$E_s = \frac{dq}{dp} \times \frac{p}{q}$$

Since $\frac{dq}{dp} = 20 \quad P = 20\ Rs.$

$$q = -100 + 20\ (20)$$

$$q = 300$$

$$E_s = 20 \times \frac{20}{300}$$

$$E_s = 1.33$$

(54) Ans. b
Explanation:
Since $\frac{\%\ change\ in\ Qd}{\%\ change\ in\ \mathrm{Pr}ice}\ \frac{50\%}{50\%} = 1\%$

and they are opposite in direction hence -1%.

(55) Ans. c
Explanation:
Since private cost can be both explicit and implicit in nature.

(56) Ans. c
Explanation:
Since unregulated market is also called free market.

(57) Ans. a

(58) Ans. b
Explanation:
Since price discrimination is only possible in monopoly.

(59) Ans. a

(60) Ans. b

(61) Ans. a

(62) Ans. a

(63) Ans. c

(64) Ans. b

(65) Ans. d

(66) Ans. c

(67) Ans. a

(68) Ans. c

(69) Ans. b

(70) Ans. b

(71) Ans. d

(72) Ans. b

(73) Ans. c

(74) Ans. a

(75) Ans. c

(76) Ans. b

(77) Ans. d

(78) Ans. a

(79) Ans. a

(80) Ans. b

(81) Ans. c
Explanation:
In Securities Appellate Tribunal first appeal against SEBI be made.

(82) Ans. a
Explanation:
Price sensitivity is the effect a change in price will have on customers.

(83) Ans. c

(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. b

(93) Ans. c

(94) Ans. d

(95) Ans. a

(96) Ans. a

(97) Ans. a

(98) Ans. b

(99) Ans. b

(100) Ans. a

__**__