(GCF-9, 11, 12, 13, 14, 15, VCF-VDCF-SCF-3, VTW-1+Fnd, VDTW-1+Fnd, GTW-1+Fnd, STW-1+Fnd, JCC 12th+Foundation)

DATE: 24.05.2022 **MAXIMUM MARKS: 100** **TIMING: 2 Hours**

ECONOMICS AND COMMERCIAL KNOWLEDGE

All Questions is compulsory.

1. Ans. b
Explanation:
Scarcity in Economics is an relative concept.

2. Ans. b
Explanation:
Decision making is the process of selecting the appropriate alternative, that will provide the most efficient means of attaining specified objectives, from two or more alternative courses of action available.

3. Ans. c
Explanation:
Business Economics has a Pragmatic Approach which means it is not Abstract.

4. Ans. c
Explanation:
The emphasis of Business Economics is More Normative than Positive theory.

5. Ans. d
Explanation:
Micro Economics deals with Consumer Behaviour.

6. Ans. b
Explanation:
Continuous Consumption is an assumption of Law of Diminishing Marginal Utility.

7. Ans. a
Explanation:
Consumer is in equilibrium when Marginal Utility = Price.

8. Ans. a
Explanation:
Consumer Surplus is the area that Below the Demand curve and above the price.

9. Ans. b
Explanation:
A Point below the Price Line represents Under-spending by the Consumer.

10. Ans. d
Explanation:
Only one commodity is considered for the purposes of analysis is not an assumption in consumer equilibrium analysis under Indifference Curve Approach

11. Ans. d
Explanation:
Accounting profit = Total Revenue – Accounting Cost

12. Ans. b
Explanation:
It is assumed in economic theory that the ultimate goal of the firm is to maximise profits, regardless of firm size or type of business organisation.

13. Ans. c
Explanation:
Economic profit = Total Revenue – Economic Cost or Total Revenue > Economic Cost

14. Ans. d
Explanation:
Competitive firm never seeks to discriminate prices.

15. Ans. d
Explanation:
Absence of transport cost is not an essential condition of pure competition.

16. Ans. a
Explanation:
Monopolistic competition differs from perfect competition primarily because in monopolistic competition, firms can differentiate their products.

17. Ans. c
Explanation:
Price discrimination is feature of monopoly.

18. Ans. a
Solve Q. No. 18 to 21 with help of this table

Quantity	AVC	TVC	TC	MC	AFC	TFC
1	20	20	60	--	40	40
2	18	36	76	16	20	40
3	18	54	94	18	13.33	40
4	20	80	120	26	10	40
5	22	110	150	30	8	40

Explanation:
TC – TFC = TVC
150 – 40 = 110

19. Ans. c
Explanation:
MC = $\frac{DTC}{DQ} = \frac{30}{1} = 30$

20. Ans. a
Explanation:
AVC = $\frac{TVC}{Q} = \frac{54}{3} = 18$

21. Ans. b
Explanation:

TFC + TVC = TC
40 + 36 = 76

22. Ans. c
Explanation:
Normative Statement always say about what should be and what should be not.

23. Ans. d
Explanation:
Value judgement always involves what is right and what is wrong.

24. Ans. c
Explanation:
The costs of production and bank opening hours do not directly affect the demand curve.

25. Ans. c
Explanation:
Because in case of two perfect substitutes indifference curve are downwards slopping straight line.

26. Ans. a
Explanation:
When supply of a commodity increases due to increase in price then called expansion of supply.

27. Ans. b
Explanation:
Because reduction in tax is a economies of scale.

28. Ans. d
Explanation:
All the above statements are false.

29. Ans. b
Explanation:
Opportunity cost is that which we forgo, or give up, when we make a choice or a decision.

30. Ans. c
Explanation:
The opportunity cost of a student is what the student could have earned in the best job available by not studying.

31. Ans. a
Explanation:
MC = $\frac{\Delta TC}{\Delta Q} = \frac{2}{1} = 2$

32. Ans. c
Explanation:

AVC = $\dfrac{TVC}{Q} = \dfrac{78}{9} = 8.66$

33. Ans. b
Explanation:
AFC = $\dfrac{TFC}{Q} = \dfrac{10}{4} = 2.5$

34. Ans. b
Explanation:
ATC = $\dfrac{TC}{Q} = \dfrac{120}{10} = 12$

35. Ans. a
Explanation:
TVC = TC – TFC
66 – 10 = 56 (TVC)

36. Ans. b
Explanation:
Oikonomia means household.

37. Ans. a
Explanation:
In the Year 1776.

38. Ans. a
Explanation:
Exploitation of labour is a disadvantage allocating resources using the market system.

39. Ans. a
Explanation:
Capital intensive technique would not chosen in a labour surplus economy.

40. Ans. b
Explanation:
Positive economics is related to facts and normative is related to value judgment.

41. Ans. c
Explanation:
Administered prices is determined by government.

42. Ans. c
Explanation:
Supply curve is always upward to right not left.

43. Ans. b
Explanation:
Since due to adverse climatical conditions supply decreases.

44. Ans. d
Explanation:
$$\frac{300-400}{300+400} \times \frac{40+50}{40-50}$$
$$\frac{100}{700} \times \frac{90}{10} = \frac{9}{7} = 1.2$$

45. Ans. c
Explanation:
Decrease in the demand is related to effect of other factor.

46. Ans. d
Explanation:
$$\frac{800-1400}{800+1400} \times \frac{1000+2000}{1000-2000}$$
$$\frac{600}{2200} \times \frac{3000}{1000} = \frac{18}{12} = 0.81$$

47. Ans. a
Explanation:
Price and Supply have direct relation.

48. 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.

49. Ans. b
Explanation:
Since Elasticity between any two given points of a demand curve is called ARC Elasticity.

50. Ans. c
Explanation:
Cardinal approach is marginal utility analysis.

51. Ans. b
Explanation:
According to Prof. Marshall utility is measured by utils.

52. Ans. d
Explanation:
This statement is related to law of D.M.V.

53. Ans. c
Explanation:
When MU = Price

54. Ans. d
Explanation:
AP is never zero.

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

56. Ans. c
Explanation:
If demand is elastic then price increase and expenditure decreases.

57. Ans. c
Explanation:
In short run atleast one factor is variable.

58. Ans. b
Explanation:
A Rational Producer always produce in stage II.

59. Ans. b
Explanation:
This is simple case of I.R.S.

60. Ans. a
Explanation:
Because in case of perfect substitute goods, MRSxy is constant.

61. Ans. b
Explanation:
Profession requires rendering of services based upon specialised knowledge and membership of an accreditation and assessment body.

62. Ans. d
Explanation:
All of the above is required for Sustainable Development.

63. Ans. d
Explanation:
The Indian Companies Act provides for the registration of all of the above.

64. Ans. b
Explanation:
The occupation in which people work for others and get remunerated in return is known as Employment.

65. Ans. b
Explanation:
Study of human population is called as demographic environment.

66. Ans. a
Explanation:
Strategic Responses businesses should make efforts to exploit the opportunity and thought the threats.

67. Ans. a
Explanation:
Srinivasan Vaidyanathan is the present CFO of HDFC Bank.

68. Ans. c
Explanation:
Infosys headquarter is at Bengaluru.

69. Ans. c
Explanation:
Supratim Dutta is the present CFO of ITC Group.

70. Ans. a
Explanation:
Mukesh Ambani is the present CEO of Reliance Industries.

71. Ans. a
Explanation:
Rishad Premji is the present Chairman of Wipro Limited.

72. Ans. a
Explanation:
Mohammed Taj Mukarrum is the CFO of Power Grid Corporation of India Ltd.

73. Ans. a
Explanation:
SEBI Northern Regional Office is at New Delhi.

74. Ans. b
Explanation:
The RBI has been vested with extensive power to control and supervise commercial banking system under The Reserve Bank of India Act, 1934.

75. Ans. d
Explanation:
IRDAI was constituted in 2000.

76. Ans. a
Explanation:
IFCI is converted into a Non-Banking Finance Company.

77. Ans. d
Explanation:
Imposition of clearances and approvals is not attributable to Facilitative/ Developmental policies.

78. Ans. c
Explanation:
FDI limit is not same for all sectors in India.

79. Ans. c
Explanation:
Disposable income is not related to monetary policy.

80. Ans. d
Explanation:
Conservation of natural resources is not an economic objective of the firm.

81. Ans. a
Explanation:
A stock that provides a constant dividends and stable earnings even in the periods of economic downturn is called defensive stock.

82. Ans. c
Explanation:
Measure of change in financial parameters such as interest, stock indices and market rates is called Basis point.

83. Ans. b
Explanation:
A document issued by a bank on behalf of the buyer or the importer., stating its commitment to pay a third party (seller or the exporter., a specific amount, for the purchase of goods by its customer, who is the buyer is called Letter of Credit.

84. Ans. b
Explanation:
Combination of two or more entities that occurs when the entities transfer all their net assets to new entity created for that purpose is called consolidation.

85. Ans. b
Explanation:
Forecasting is the process of estimating future demand by anticipating what buyers are likely to do under a given set of marketing conditions.

86. Ans. b
Explanation:
Trends relate to Grouping of similar or related events.

87. Ans. c
Explanation:
Repo Rate is rate at which Banks borrow money from the RBI against or sale of Government Securities to RBI.

88. Ans. c
Explanation:
Since FMCG means "Fast moving consumer goods".

89. Ans. b
Explanation:
PESTLE is to describe Macro environment.

90. Ans. b
Explanation:
Foreign Direct Investment is an impact of Liberalization.

91. Ans. c
Explanation:

The Environment offers Opportunities, incentives and rewards and Constraints, threats and restrictions.

92. Ans. b
Explanation:
FDI Limit in Insurance Sector is 49%.

93. Ans. a
Explanation:
OCBs means Overseas Corporate Bodies.

94. Ans. b
Explanation:
ADR stands for American Depository Receipt.

95. Ans. a
Explanation:
SEBI was constituted in 1988.

96. Ans. d
Explanation:
A HUF cannot comprise members of a Muslim Family.

97. Ans. a
Explanation:
The term PESTLE analysis is used to decribe Macro Environment

98. Ans. a
Explanation:
To charge a regular portion of an expenditure over a fixed period of time is Amortize.

99. Ans. c
Explanation:
The simultaneous purchase and sale of two identical commodities or instruments is called Arbitrage

100. Ans. d
Explanation:
All of the above is condition of Bear.

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