

ECONOMICS AND COMMERCIAL KNOWLEDGE**All Questions is compulsory.**

- (1) Ans. d
Explanation:
Accounting profit = Total Revenue – Accounting Cost
- (2) 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.
- (3) Ans. c
Explanation:
Economic profit = Total Revenue – Economic Cost or Total Revenue > Economic Cost
- (4) Ans. d
Explanation:
Competitive firm never seeks to discriminate prices.
- (5) Ans. d
Explanation:
Absence of transport cost is not an essential condition of pure competition.
- (6) Ans. a
Explanation:
Monopolistic competition differs from perfect competition primarily because in monopolistic competition, firms can differentiate their products.
- (7) Ans. c
Explanation:
Price discrimination is feature of monopoly.
- (8) Ans. a
Explanation:
 $TC - TFC = TVC$
 $150 - 40 = 110$
- (9) Ans. c
Explanation:
 $MC = \frac{DTC}{DQ} = \frac{30}{1} = 30$
- (10) Ans. a
Explanation:
 $AVC = \frac{TVC}{Q} = \frac{54}{3} = 18$

- (11) Ans. b
Explanation:
 $TFC + TVC = TC$
 $40 + 36 = 76$
- (12) Ans. c
Explanation:
Normative Statement always say about what should be and what should be not.
- (13) Ans. d
Explanation:
Value judgement always involves what is right and what is wrong.
- (14) Ans. c
Explanation:
The costs of production and bank opening hours do not directly affect the demand curve.
- (15) Ans. c
Explanation:
Because in case of two perfect substitutes indifference curve are downwards slopping straight line.
- (16) Ans. a
Explanation:
When supply of a commodity increases due to increase in price then called expansion of supply.
- (17) Ans. b
Explanation:
Because reduction in tax is a economies of scale.
- (18) Ans. d
- (19) Ans. b
Explanation:
Opportunity cost is that which we forgo, or give up, when we make a choice or a decision.
- (20) Ans. c
Explanation:
The opportunity cost of a student is what the student could have earned in the best job available by not studying.
- (21) Ans. a
Explanation:
 $MC = \frac{\Delta TC}{\Delta Q}$ So
 $\Delta TC = MC \times \Delta Q$
 $= 30 \times 2 = 60$

- (22) Ans. d
Explanation:
A non discriminating monopolist will find that marginal revenue is less than average revenue or price.
- (23) Ans. c
Explanation:
If Cross Elasticity of Demand = Zero, it means that the goods are Unrelated Goods.
- (24) Ans. b
- (25) Ans. a
- (26) Ans. a
- (27) Ans. c
- (28) Ans. a
- (29) Ans. d
- (30) Ans. a
- (31) Ans. c
- (32) Ans. d
- (33) Ans. c
- (34) Ans. a
- (35) Ans. a
- (36) Ans. c
- (37) Ans. c
- (38) Ans. a
- (39) Ans. b
- (40) Ans. b
- (41) Ans. c
- (42) Ans. a
- (43) Ans. a
- (44) Ans. b
- (45) Ans. b

- (46) Ans. d
- (47) Ans. c
- (48) Ans. b
- (49) Ans. d
- (50) Ans. d
- (51) Ans. a
- (52) Ans. b
- (53) Ans. a
- (54) Ans. a
- (55) Ans. c
- (56) Ans. b
- (57) Ans. b
- (58) Ans. c
- (59) Ans. c
- (60) Ans. b
- (61) 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.
- (62) Ans. a
Explanation:
Process of strategy formulation starts with Appraisal of external and internal environment of the of an organization.
- (63) Ans. d
Explanation:
Shaktikanta Das is the RBI's present Governor.
- (64) Ans. c
Explanation:
Section 14 IRDAI Act, 1999 lays down the duties, powers and functions of IRDAI.
- (65) Ans. c
Explanation:
Carrying forward of transaction form one settlement period to the next without effecting delivery or payment is called Badla.

- (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. b
Explanation:
A limit that regulates the increase or decrease in the rate of interest and installments of an adjustable rate mortgage is called Cap.
- (69) Ans. c
Explanation:
Economic insolvency, wherein the person's assets are liquidated, to pay of all liabilities is called Bankruptcy.
- (70) Ans. a
Explanation:
A portion of the after tax profits paid out to the owners of a business as a return on their investment is Dividend.
- (71) Ans. a
Explanation:
A financial expression of the value of that product is called Price.
- (72) Ans. a
Explanation:
A signed instrument of acknowledgment that indicates the approval is called Acceptance.
- (73) Ans. b
Explanation: The price sensitivity of the market is an important factor of market.
- (74) Ans. c
Explanation:
Business and technology are interrelated and Interdependent.
- (75) Ans. d
Explanation:
Wipro Ltd. come under IT-Software.
- (76) Ans. a
Explanation:
My customer First is the vision of SBI.
- (77) Ans. c
Explanation:
Biometric Aadhar card is considered as a public policy.
- (78) Ans. b

Explanation:

Decisions on annual financial spending, Taxes and Duties and Military spending are considered in Budget.

(79) Ans. c

Explanation:

In Securities Appellate Tribunal first appeal against SEBI be made.

(80) Ans. a

Explanation:

Bid is the opposite of Ask/offer.

(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

(83) Ans. d

(84) Ans. d

(85) Ans. b

(86) Ans. b

(87) Ans. b

(88) Ans. a

(89) Ans. b

(90) Ans. c

(91) Ans. a

(92) Ans. c

(93) Ans. d

(94) Ans. d

(95) Ans. a

Explanation:

Since diversify is to enhance the range.

(96) Ans. c

Explanation:

Since FMCG means "Fast moving consumer goods".

(97) Ans. b

(98) Ans. d
Explanation:
Since black box model is also called feedback model.

(99) Ans. a

(100) Ans. b
