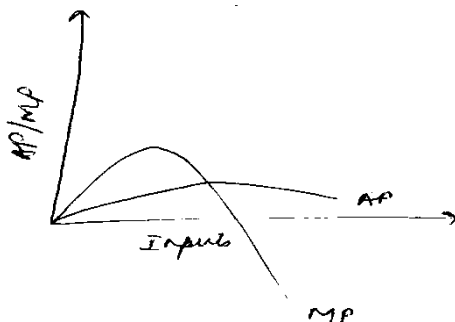


(GCF-12, GCF-13, GCF-15, GCF-16, GCF-17, SCF-3, VDCF-2 & VCF-3)**DATE: 02.10.2019****MAXIMUM MARKS: 100****TIMING: 2 Hours****ECONOMICS AND COMMERCIAL KNOWLEDGE****All Questions is compulsory.**

- (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 then 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:
 $P_1 = 20/- \quad Q_1 = 250$
 $P_2 = 30/- \quad Q_2 = 320$
$$= e_a = \left\{ \frac{Q_1 - Q_2}{Q_1 + Q_2} \times \frac{P_1 + P_2}{P_1 - P_2} \right\}$$
$$= \left\{ \frac{-70}{570} \times \frac{50}{-10} \right\}$$
$$= 0.61$$
- (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:
When AC is minimum, then MC is equal to AC, which is known as "Optimum point of production".
- (22) Ans. a
Explanation:
Opportunity cost is concerned with the cost of foregone opportunity.
- (23) Ans. c
Explanation:
Diminishing marginal return imply increasing marginal costs because when cost increases than production decreases.
- (24) Ans. a
Explanation:
In labour surplus economy labour will be available in abundance.
- (25) Ans. c
Explanation:
Since percentage change in output is less than percentage change in input.
- (26) Ans. b
Explanation:
Economics is not a perfect science because economics is science as well as arts
- (27) Ans. b
Explanation:
Economic laws are Subject to specified assumptions
- (28) Ans. a
Explanation:
An Indifference Curve slopes down towards right, since more of one commodity and less of another result in same level satisfaction
- (29) Ans. b
Explanation:
In short run supply can not be increased
- (30) Ans. d
Explanation:



As when AP falls, MP also falls but $MP < AP$

(31) Ans. a

(32) Ans. b

(33) Ans. d

(34) Ans. b

Explanation:

Since there is direct relationship between income and demand

(35) Ans. a

Explanation:

If the proportion of income spent on goods increases as income increases, then the income elasticity for the goods is greater than 1.

(36) Ans. b

Explanation:

Since Elasticity between any two given points of a demand curve is called ARC Elasticity.

(37) Ans. c

(38) Ans. d

Explanation:

Because average of total production can never be zero or negative.

(39) Ans. c

(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: $AVC = TVC / Q$

$$TVC = TC - TFC$$

$$TC = 400$$

$$TFC = 200$$

$$\text{Hence } TVC = 200, AVC = 200/10 = 20$$

(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 $TR \downarrow$ 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 $\frac{dq}{dp} = 20$ $P = 20$ Rs.
$$q = -100 + 20(20)$$

$$q = 300$$

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

$$E_s = 1.33$$
- (54) Ans. b
Explanation:
Since $\frac{\% \text{ change in } Qd}{\% \text{ change in Price}} \frac{50\%}{50\%} = 1\%$
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. 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. 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. d
- (92) Ans. c
- (93) Ans. b
Explanation:
Pooling of Capital is an advantage of joint ownership.
- (94) Ans. c
Explanation:
A type of debt instrument that is not secured by physical assets or collateral is Promissory Note.
- (95) Ans. a
Explanation:
In 1990 Microsoft begin its business in India.
- (96) Ans. b
Explanation:
Power System Operation Corporation Limited is subsidiary of Power Grid company.
- (97) Ans. c
Explanation:
A change in the Environment May be an opportunity to some and threat to some other Firms.
- (98) Ans. a
Explanation:
This statement relates to proceed with caution.

- (99) Ans. d
Explanation:
David Easton propounded a Model on Politics-Policy Relationship known as Feedback and Black Box Model.
- (100) Ans. d
Explanation:
Waiving of farm loans is an example of Distributive Policy
