

(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) If the average cost is falling, then:
 - (a) Marginal cost is rising
 - (b) Marginal cost is falling
 - (c) Marginal cost is equal to average cost
 - (d) It is impossible to tell if marginal cost is rising or falling
- (2) Which cost increases continuously with the increase in production?
 - (a) Average cost
 - (b) Marginal cost
 - (c) Fixed cost
 - (d) Variable cost
- (3) If the demand curve for a good is horizontal, then a leftward shift of the supply curve results in :
 - (a) A price of zero
 - (b) an increase in price
 - (c) A decrease in price
 - (d) no change in price
- (4) Under law of demand :
 - (a) Price of commodity is an independent variable
 - (b) Quantity demanded is a dependent variable
 - (c) Reciprocal relationship is found between price and quantity demanded
 - (d) All of the above
- (5) Should a consumer move upward along an indifference curve, his total utility:
 - (a) First increases and then decreases
 - (b) First decreases and then increases
 - (c) Remains constant
 - (d) Increases
- (6) Which of the following is not an assumption of ordinal utility analysis?
 - (a) Consumers are consistent in their preference
 - (b) Consumers can measure the total utility received from any given basket of good
 - (c) Consumers are non-satiated with respect to the goods they confront.
 - (d) None of the above
- (7) Returns to scale can be explained in terms of:
 - (a) External and internal economies
 - (b) External and internal diseconomies
 - (c) External economies and internal diseconomies
 - (d) All of these

- (8) Under Monopoly, price discrimination depends upon:
- (a) Elasticity of demand for commodity
 - (b) Elasticity of supply for commodity
 - (c) Size of market
 - (d) All of above
- (9) The profit maximizing condition for monopolist in two market, A and B is:
- (a) $MR = MC_a = MC_b$
 - (b) $MC = MR_a = MR_b$
 - (c) $AR = MR_a = MR_b$
 - (d) None of the above
- (10) The monopolist can fix any price for his product, but cannot determine _____ of his product
- (a) Revenue
 - (b) Cost
 - (c) Supply
 - (d) Demand
- (11) When price for a firm is less than average total cost but greater than average variable cost than:
- (a) Shut down to reduce losses
 - (b) Increase price to reduce losses
 - (c) Decreasing cost to reduce losses
 - (d) Continue in short run to reduce losses
- (12) Dumping is related to which market:
- (a) Perfect Competition
 - (b) Monopolistic Competition
 - (c) Monopoly
 - (d) None of the above
- (13) Exploitation and inequality are maximum under:
- (a) Socialism
 - (b) Capitalism
 - (c) Mixed economy
 - (d) None of the above
- (14) Economic indicators in demand forecasting is called:
- (a) Trend Projection Method
 - (b) Barometric method
 - (c) Least Square method
 - (d) Gauge method
- (15) If the price of Banana rises from Rs 20 per dozen to Rs. 30 per dozen and the supply increases from 250 dozen to 320 dozens elasticity of supply is:
- (a) .70
 - (b) -.67
 - (c) .61
 - (d) .77

- (16) Change in demand, as a result of the factors other than price is known as –
(a) Demand Fluctuation
(b) Contraction / Expansion of Demand
(c) Demand Shrinking
(d) Shift in Demand
- (17) In the case of habituality, the price elasticity will be:
(a) Inelastic
(b) Elastic
(c) Unitary Elastic
(d) Perfectly Inelastic
- (18) Which of the following goods give the maximum amount of consumer surplus?
(a) Icecream
(b) Car
(c) Color television
(d) Water
- (19) The total area under the demand curve of a product measures-
(a) Marginal utility
(b) Total utility
(c) Consumer's Surplus
(d) Producers' Surplus
- (20) In which stage of production a rational producer would like to operate?
(a) Where MP is maximum
(b) Where Both MP & AP decrease but positively
(c) Where MP is negative
(d) (b) & (c) both
- (21) The optimum level of production for a firm is, where –
(a) MC is minimum
(b) AVC is minimum
(c) AFC is minimum
(d) AC is minimum
- (22) 'X' is working in Birla Cement for Rs. 20,000, he is proposed to work in Shree Cement for Rs. 50,000 if he accepts the proposal then opportunity cost is –
(a) Rs. 20,000
(b) Rs. 50,000
(c) Rs. 30,000
(d) No opportunity Cost
- (23) Diminishing marginal return imply:
(a) decreasing average variable costs
(b) decreasing marginal costs
(c) increasing marginal costs
(d) decreasing average fixed costs

- (24) Labour intensive technique would get chosen in a :
- (a) labour surplus economy
 - (b) capital surplus economy
 - (c) developed economy
 - (d) developing economy
- (25) In electricity generation plants, when the plant grows too large, risks of plant failure with regard to output increase disproportionately. This is talking about which concept of returns to scale?
- (a) Constant returns to scale
 - (b) Increasing returns to scale
 - (c) Decreasing returns to scale
 - (d) Balanced returns to scale
- (26) Economics is -
- (a) a perfect science
 - (b) not a perfect science
 - (c) not a science at all
 - (d) none of the above
- (27) Economic laws are-
- (a) Rigid and absolute
 - (b) Subject to specified assumptions
 - (c) Mandatory
 - (d) Strictly enforced by Government
- (28) An Indifference Curve slopes down towards right, since more of one commodity and less of another result in –
- (a) Same satisfaction
 - (b) Greater satisfaction
 - (c) Maximum satisfaction
 - (d) Decreasing expenditure
- (29) Period in which supply cannot be increased is called
- (a) Market Period
 - (b) Short Run
 - (c) Long Run
 - (d) None of these
- (30) Which of the following statements is incorrect?
- (a) Both AP and MP can be calculated from T.P.
 - (b) When AP rises then $MP > AP$
 - (c) When AP is maximum then $MP = AP$
 - (d) When AP falls, MP also falls but $MP > AP$
- (31) A study of how increases in the corporate income tax rate will affect the national unemployment rate is an example of
- (a) macro-economics.
 - (b) descriptive economics.
 - (c) micro-economics.
 - (d) normative economics.

- (32) The difference between positive and normative Economics is:
- (a) Positive Economics explains the performance of the economy while normative Economics finds out the reasons for poor performance.
 - (b) Positive Economics describes the facts of the economy while normative Economics involves evaluating whether some of these are good or bad for the welfare of the people.
 - (c) Normative Economics describes the facts of the economy while positive Economics involves evaluating whether some of these are good or bad for the welfare of the people.
 - (d) Positive Economics prescribes while normative Economics describes.
- (33) Which of the following is not within the scope of Business Economics?
- (a) Capital Budgeting
 - (b) risk Analysis
 - (c) Business Cycles
 - (d) Accounting Standards
- (34) An increase in the demand can result from:
- (a) A decline in market price.
 - (b) An increase in income.
 - (c) A reduction in the price of substitutes.
 - (d) An increase in the price of complements.
- (35) When the income of "X" was Rs. 5000 then he spent his income on goods Rs. 2000 and when the income increased upto Rs. 8000 then he used to spend his income on goods Rs. 5000. Hence, show the relationship between income and income spent on goods through the elasticity.
- (a) $e > 1$
 - (b) $e = 1$
 - (c) $e = 0$
 - (d) $e < 1$
- (36) Elasticity between any two given points of a demand curve is called.
- (a) Price Elasticity
 - (b) ARC Elasticity
 - (c) Point Elasticity
 - (d) Income Elasticity
- (37) Demand arises in respect of-
- (a) Socially desirable goods, e.g. food, clothing
 - (b) Harmful goods, e.g. liquor, cigarettes, etc
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)
- (38) Which of the following condition does not apply to average product curve?
- (a) Positive Slope
 - (b) Downward Slope
 - (c) Constant Slope
 - (d) Slope in negative section of the graph

- (39) If the demand for a product is elastic, an increase in its price will cause the Total Expenditure of the Consumers to –
(a) Remain the same
(b) Increase
(c) Decrease
(d) Any of these
- (40) In the short-run,.....factor(s) of production is / are variable.
(a) All
(b) None
(c) One
(d) All of the above
- (41) Production function refers to a
(a) relationship between Output and cost
(b) relationship between inputs and output
(c) physical relationship between input and output
(d) relationship between capital and labour expressed in terms of wage rental ratio
- (42) When the government construct a public park and the cost incurred in constructing the park is known as-
(a) Social Cost
(b) Marginal Cost
(c) Real Cost
(d) Personal Cost
- (43) From the following details, find out the average variable cost of 10 units:
OUTPUT : 0 10 20
Total cost : Rs. 200 Rs. 400 Rs. 800
(a) Rs. 40
(b) Rs. 20
(c) Rs. 200
(d) Rs. 400
- (44) In Perfect Competition, since the Firm is a price-taker, the _____ Curve is a Straight Line.
(a) Marginal Cost
(b) total Cost
(c) total Revenue
(d) Marginal Revenue
- (45) If the consumer is below his budget line, the consumer :
(a) Is not spending all of his income
(b) Is spending all of his income
(c) May or may not spending all of his income
(d) Is in equilibrium
- (46) The longer the period of time the elasticity of supply will be :
(a) Constant
(b) Less Elastic
(c) More Elastic
(d) All of the above

- (47) When average product is falling it is :
(a) Less than marginal product
(b) More than marginal product
(c) Equal to marginal product
(d) Any of the above
- (48) Diminishing marginal return for the first four units of a variable input is shown by the following total product sequence :
(a) 5, 5, 5, 5
(b) 5, 11, 18, 26
(c) 5, 9, 12, 14
(d) 5, 10, 15, 20
- (49) When TR falls :
(a) The AR is zero
(b) The MR is zero
(c) The MR is negative
(d) The AR is declining
- (50) Microeconomics is :
(a) Abstract
(b) Theoretical
(c) Unrealistic Assumptions
(d) All of the above
- (51) The Delphi technique was developed by_____
(a) Peter Drucker
(b) Alfred Marshall
(c) Olaf Helmer
(d) Adam Smith
- (52) Trend projection method of demand forecasting is also known as_____method :
(a) Modern
(b) Classical
(c) Innovative
(d) All of the above
- (53) The supply function is given as $Q = - 100 + 20P$ find the elasticity of supply using point method when price is 20 Rs. :
(a) 300
(b) 3
(c) 1.33
(d) 5
- (54) If the Q_d of X commodity increase by 50% when the price of Y commodity decreases by 50% then the cross elasticity of demand is :
(a) + 1%
(b) - 1%
(c) 100%
(d) -100%

- (55) Private cost's are _____
(a) Explicit in nature
(b) Implicit in nature
(c) Both a and b
(d) Neutral
- (56) _____ is also called free market :
(a) Regulated Market
(b) Spot Market
(c) Unregulated Market
(d) Long period Market
- (57) "Aluminum Industry" is an example of :
(a) Perfect Oligopoly
(b) Closed Oligopoly
(c) Syndicated Oligopoly
(d) Organized Oligopoly
- (58) Price discrimination is one of the important feature in _____
(a) Duopoly
(b) Monopoly
(c) Perfect Competition
(d) Oligopoly
- (59) Time element was given by :
(a) Alfred Marshall
(b) Pigou
(c) Robbins
(d) Adam Smith
- (60) The cobweb theory was propounded by _____
(a) Adam Smith
(b) Nicholas Kaldor
(c) Keynes
(d) Pigou
- (61) Which is not true about an economic activity?
(a) Measured in terms of money
(b) Pragmatic approach
(c) Driven by emotions and sentiments
(d) Adds value to National Income
- (62) Productive activity means production of goods-
(a) For self
(b) For family
(c) For market
(d) All the above
- (63) Who is the present CFO of SBI?
(a) Anshula Kant,
(b) Natrajan Chandrasekaran,
(c) Alok Kumar Agarwal,
(d) None of the above

- (64) Perceiving the needs of the external environment and catering to them, satisfying the expectations and demands of the clientele groups is:
- (a) Reciprocal agreement
 - (b) Interdependent process
 - (c) Management process
 - (d) Interaction process
- (65) Which of the following issues should be considered while analyzing the market?
- (a) Maturity Level of the market
 - (b) Cost Structure of the market
 - (c) Price Sensitivity of the market
 - (d) All of the above
- (66) Any goods that are stored, delivered and used in its electronic format-
- (a) Consumer Goods
 - (b) Capital Goods
 - (c) Digital Goods
 - (d) None of the above
- (67) Rate at which the Central Bank in the discharge of its function as Banker's Bank lends to the commercial banks is called-
- (a) Bank Rate
 - (b) Administered Rates
 - (c) Accrued Interest
 - (d) None of the above
- (68) In India, Foreign Investments is prohibited in:
- (a) Chit Funds
 - (b) Real Estate
 - (c) Cigar manufacturing
 - (d) All of the above
- (69) Which of the following statements describes the best Joint Hindu / Hindu Undivided Family (HUF) Business?
- (a) It is a form of business particular to and recognized as such in India
 - (b) Every family business is in fact a HUF Business
 - (c) In HUF businesses, there is a family involvement in business
 - (d) Both (a) and (c)
- (70) Which of the following exhibit characteristic of Business Environment?
- I) Environment is static
 - II) Environment is dynamic
 - III) Environment is complex and multi-faceted
 - IV) It has short term reach
- Options
- (a) Point I & III
 - (b) Point I, II & III
 - (c) Point II & IV
 - (d) Point II & III

- (71) Who occupies the central position in the marketing environment?
(a) Consumer
(b) Customer
(c) Organisation
(d) All of the above
- (72) The price sensitivity of the market is an important factor of which element of Micro environment:
(a) Suppliers
(b) Market
(c) Intermediaries
(d) Customer
- (73) Which of the following is not a part of the economic environment?
(a) Market and trade cycles
(b) Consumer buying patterns
(c) Strength of consumer spending
(d) Interest and exchange rates
- (74) The _____ environment refers to the nature and direction of the economy in which a company competes or may compete.
(a) Socio-cultural
(b) Internal
(c) Micro
(d) Economic
- (75) When was Reliance Industries Ltd. incorporated?
(a) 1965
(b) 1966
(c) 1978
(d) 1959
- (76) Which gas company owns India's largest pipeline network?
(a) Gail (India) Ltd.
(b) Bharat Petroleum Corporation Ltd.
(c) Reliance Industries Ltd.
(d) ONGC
- (77) What is the Global Banking platform by EdgeVerve Systems(Infosys) called?
(a) Mana
(b) Finacle
(c) Skava
(d) Panaya Cloud Suite
- (78) Decisions on annual financial spending, Taxes and Duties and Military spending are considered in:
(a) Policies
(b) Budget
(c) Goal Setting
(d) Long term planning process

- (79) The form of privatization, where government keeps hold of responsibility and private enterprise handles the management of it fully or partly is known as:
- (a) Disinvestment
 - (b) Deregulation
 - (c) Delegation
 - (d) Decentralization
- (80) Hyundai India Limited came to India through the FDI route. It followed the path of:
- (a) Divestment in Public Sector Unit
 - (b) Joint Venture
 - (c) By creating a 100% Indian subsidiary
 - (d) Replacement of a government sector business
- (81) Where can the first appeal against SEBI be made?
- (a) High Court
 - (b) Supreme Court
 - (c) Securities Appellate Tribunal
 - (d) RBI
- (82) What is price sensitivity?
- (a) the effect a change in price will have on customers.
 - (b) charging a relatively high price for a short time where a new, innovative, or much-improved product is launched onto a market.
 - (c) a strategy involves setting low prices in order to discourage or deter potential new entrants to the suppliers market.
 - (d) It measures the responsiveness of a change in demand for a product following a change in its own price.
- (83) Organisations depend upon which environment for Input:
- (a) Technological Environment
 - (b) Social-Economic Environment
 - (c) External Environment
 - (d) Legal Environment
- (84) Environmental Analysis helps in:
- (a) Providing input for strategic decision making
 - (b) Turning threat's to firms advantage
 - (c) Anticipate opportunities and to take optimal responses
 - (d) All of the above
- (85) The performance of business in the private sector is measured by:
- (a) Profitability
 - (b) Customer Satisfaction
 - (c) Number of employees
 - (d) The salary of BOD
- (86) Who is the present chairman of HDFC bank?
- (a) Deepak S Parekh
 - (b) M.K. Sharma
 - (c) Sanjiv Singh
 - (d) Chandan Kumar Dey

- (87) Which pharmaceutical company has the slogan 'caring for life'?
- (a) Dr. Reddy's
 - (b) Lupin Ltd.
 - (c) Cipla Ltd.
 - (d) Sun Pharmaceutical Industries Ltd.
- (88) Public Policies are always _____. Fill in the gap by taking the appropriate expression from the following:
- (a) Goal oriented
 - (b) Minutely defined
 - (c) Pro-rich
 - (d) For the poor
- (89) FDI in sectors /activities which do not require any prior approval either of the Government or the Reserve Bank of India is identified as:
- (a) Green Channel
 - (b) Priority route
 - (c) Non-Commercial Route
 - (d) Automatic Route
- (90) Who was the regulatory body for controlling financial affairs in India before SEBI?
- (a) Controller of Capital Issues
 - (b) Reserve Bank of India
 - (c) Insurance Regulatory and Development Authority of India
 - (d) Government of India
- (91) The Industrial Finance Corporation of India(IFCI) was established in which year?
- (a) 1945
 - (b) 1946
 - (c) 1947
 - (d) 1948
- (92) What is meant by B2B?
- (a) Buying behaviour that concerns the process that buyers go through when deciding whether or not to purchase goods or services.
 - (b) A company's business model is management's storyline for how the strategy will be a money maker.
 - (c) Marketing activity directed from one business to another.
 - (d) None of the above
- (93) Which of the following is an advantage of joint ownership ?
- (a) Quick decisions
 - (b) Pooling of Capital
 - (c) Personal Interest
 - (d) All the above
- (94) A type of debt instrument that is not secured by physical assets or collateral is-
- (a) Bond
 - (b) Debenture
 - (c) Promissory Note
 - (d) None of the above

- (95) When did Microsoft begin its business in India ?
(a) 1990
(b) 1991
(c) 1995
(d) 1989
- (96) Power System Operation Corporation Limited is subsidiary of which company ?
(a) ONGC
(b) Power Grid
(c) IOC
(d) NTPC
- (97) A change in the Environment:
(a) is always Accepted by Firms
(b) is always declined by Firms
(c) May be an opportunity to some and threat to some other Firms
(d) None of the above
- (98) The following statement relates to which strategic response approach to the environment: They seek to monitor the changes in that environment, analyse their impact on their own goals and activities and translate their assessment in terms of specific strategies for survival, stability and strength.
(a) Proceed with caution
(b) Least resistance
(c) Dynamic response
(d) Static Response
- (99) David Easton propounded a Model on Politics-Policy Relationship known as :
(a) Feedback
(b) Black Box Model
(c) White Box Model
(d) Both (a) and (b)
- (100) Waiving of farm loans is an example of :
(a) Regulatory Policy
(b) Facilitative Policy
(c) Restrictive Policy
(d) Distributive Policy
