

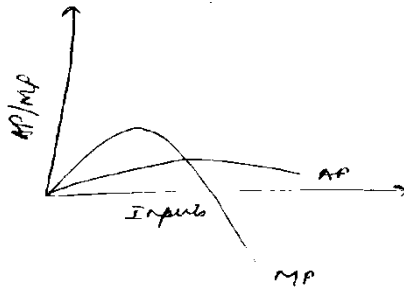
ECONOMICS AND COMMERCIAL KNOWLEDGE**All Questions is compulsory.**

- (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
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. c
Explanation:
In the long run Both demand and supply can change.
- (32) Ans. c
Explanation:
In market, the price output equilibrium is determined by Marginal cost curve and marginal revenue curve.
- (33) Ans. c
Explanation:
Economics is the study of How society manages its scarce resources.

- (34) Ans. b
Explanation:
If demand is elastic then price cuts will increase spending.
- (35) Ans. d
Explanation:
Utility means satisfaction of good.
- (36) Ans. c
Explanation:
Consumer surplus = what a consumer is ready to pay – what he actually pay.
= 320 – 180 = 140
- (37) Ans. d
Explanation:
Economic, Social and National objective of the objective of entrepreneur
- (38) Ans. c
Explanation:
Creation of utility is production in economics.
- (39) Ans. b
Explanation:
An upward shift in marginal cost reduces output and an upward shift in marginal revenue increases output.
- (40) Ans. d
Explanation:
Firms are assumed to minimize costs and to maximize profits.
- (41) Ans. b
Explanation:
Economics is not a perfect science because economics is science as well as arts
- (42) Ans. b
Explanation:
Economic laws are Subject to specified assumptions
- (43) Ans. a
Explanation:
An Indifference Curve slopes down towards right, since more of one commodity and less of another result in same level satisfaction
- (44) Ans. a
Explanation:
In Market Period supply can not be increased
- (45) Ans. d
Explanation:



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

(46) Ans. a

(47) Ans. b

(48) Ans. d

(49) Ans. d

(50) Ans. b

(51) Ans. c

(52) Ans. c

(53) Ans. c

(54) Ans. d

(55) Ans. a

(56) Ans. b

(57) Ans. b

(58) Ans. b

(59) Ans. d

(60) Ans. d

(61) Ans. a

Explanation:

Transfer of Interest exists in Business.

(62) Ans. b

Explanation:

Earning livelihood is the psychological motive of employment.

(63) Ans. c

(64) Ans. c

Explanation:

Personal interest in business is more in Sole Proprietorship.

(65) Ans. a

Explanation:

Non-corporate Entity includes Sole Proprietorship, HUF and Partnership

(66) Ans. b

Explanation:

Three successive generations of an Undivided Family are known as HUF.

(67) Ans. c

Explanation:

Carrying forward of transaction from one settlement period to the next without effecting delivery or payment is called Badla.

(68) Ans. b

(69) Ans. b

Explanation:

A free allotment of shares made in proportion to existing shares out of accumulated reserves is called Bonus.

(70) Ans. c

(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. b
- (82) Ans. a
- (83) Ans. b
- (84) Ans. d
- (85) Ans. b
- (86) Ans. c
- (87) Ans. c
- (88) Ans. a
- (89) Ans. d
- (90) Ans. a
- (91) Ans. d
- (92) Ans. c
- (93) Ans. d
- (94) Ans. a
- (95) Ans. d
- (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

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