

**(GCF-2, GCF-3, VCF-1, VDCF-1, SCF-1)**

**DATE: 15.09.2021**

**MAXIMUM MARKS: 100**

**TIMING: 2 Hours**

**ECONOMICS AND COMMERCIAL KNOWLEDGE**

**All Questions is compulsory.**

1.     Ans. b  
        Explanation:  
        Oikonomia means household.
  
2.     Ans. a  
        Explanation:  
        In the Year 1776.
  
3.     Ans. a  
        Explanation:  
        Exploitation of labour is a disadvantage allocating resources using the market system.
  
4.     Ans. a  
        Explanation:  
        Capital intensive technique would not chosen in a labour surplus economy.
  
5.     Ans. b  
        Explanation:  
        Positive economics is related to facts and normative is related to value judgment.
  
6.     Ans. c  
        Explanation:  
        Administered prices is determined by government.
  
7.     Ans. c  
        Explanation:  
        Supply curve is always upward to right not left.
  
8.     Ans. b  
        Explanation:  
        Since due to adverse climatical conditions supply decreases.
  
9.     Ans. d  
        Explanation:  

$$\frac{300 - 400}{300 + 400} \times \frac{40 + 50}{40 - 50}$$

$$\frac{100}{700} \times \frac{90}{10} = \frac{9}{7} = 1.2$$
  
10.    Ans. c  
        Explanation:  
        Decrease in the demand is related to effect of other factor.
  
11.    Ans. d  
        Explanation:

$$\frac{800 - 1400}{800 + 1400} \times \frac{1000 + 2000}{1000 - 2000}$$

$$\frac{600}{2200} \times \frac{3000}{1000} = \frac{18}{12} = 0.81$$

12.   Ans. a  
 Explanation:  
 Price and Supply have direct relation.
13.   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.
14.   Ans. b  
 Explanation:  
 Since Elasticity between any two given points of a demand curve is called ARC Elasticity.
15.   Ans. c  
 Explanation:  
 Cardinal approach is marginal utility analysis.
16.   Ans. b  
 Explanation:  
 According to Prof. Marshall utility is measured by utils.
17.   Ans. d  
 Explanation:  
 This statement is related to law of D.M.V.
18.   Ans. c  
 Explanation:  
 When MU = Price
19.   Ans. d  
 Explanation:  
 AP is never zero.
20.   Ans. b  
 Explanation:  
 It represents II stage. Because in stage II there is optimum utilisation of fixed factors.
21.   Ans. c  
 Explanation:  
 If demand is elastic then price increase and expenditure decreases.
22.   Ans. c  
 Explanation:  
 In short run atleast one factor is variable.

23.    Ans. b  
       Explanation:  
       A Rational Producer always produce in stage II.
24.    Ans. b  
       Explanation:  
       This is simple case of I.R.S.
25.    Ans. a  
       Explanation:  
       Because in case of perfect substitute goods,  $MRS_{xy}$  is constant.
26.    Ans. b  
       Explanation:  
       IC is always convex never concave.
27.    Ans. b  
       Explanation:  
       Increasing returns means decreasing marginal cost.
28.    Ans. a  
       Explanation:  
       Relation between two variable is function.
29.    Ans. a  
       Explanation:  
       MC curve cuts AC and AVC at their minimum point.
30.    Ans. d  
       Explanation:  
       When AC is minimum, then MC is equal to AC, which is known as "Optimum point of production".
31.    Ans. c  
       Explanation:  
       Decreasing marginal return means increasing marginal cost.
32.    Ans. b  
       Explanation:  
       When money supply decreases then interest rate rise and investment and aggregate demand decreases.
33.    Ans. c  
       Explanation:  
       
$$\frac{\Delta Q / Q}{\Delta P / P} = \frac{1500}{2500} \times \frac{200}{100} = \frac{30}{25} = 1.2$$
34.    Ans. c  
       Explanation:  
       Suppose the demand for meals at a medium-priced restaurant is inelastic. If the management of the restaurant is considering raising prices, it can expect a relatively small fall in quantity demanded.

35. Ans. d  
Explanation:  
Perfect competition longrun condition is  
 $P = MR = AR = LMC = LAC = SML = SAC$
36. Ans. a  
Explanation:  
In monopoly AR curve lies above the MR curve.
37. Ans. b  
Explanation:  
Sacrificed cost is opportunity cost.
38. Ans. d  
Explanation:  
In the law of demand when price increases then demand decreases.
39. Ans. d  
Explanation:  
When price decreases and supply also decreases then this is called decrease in the quantity supplied.
40. Ans. d  
Explanation:  
Price discrimination is a situation when seller charge many price for same product are different price in different market.
41. Ans. a  
Explanation:  
cartels creat monopoly in the market.
42. Ans. c  
Explanation:  
Because of value judgment.
43. Ans. c  
Explanation:  
Production function refers to the physical relationship between input & output.
44. Ans. a  
Explanation:  
The cost incurred for the welfare of society, is known as social cost.
45. Ans. a  
Explanation:  

$$AFC = \frac{TFC}{Q} = \frac{200}{20} = 10$$
46. Ans. d  
Explanation:  
In perfect competition demand curve (AR) is a straight line.

47.    Ans. a  
       Explanation:  
       Since it shows saving.
  
48.    Ans. b  
       Explanation:  
       In short run supply will be inelastic.
  
49.    Ans. b  
       Explanation:  
       Since when AP is falling ( $AP > MP$ ).
  
50.    Ans. c  
       Explanation:  
       Since  $TR \downarrow$  an MR is negative.
  
51.    Ans. d  
       Explanation:  
       Since all are known as microeconomics.
  
52.    Ans. c  
       Explanation:  
       Delphi Technique is developed by Olaf Helmer.
  
53.    Ans. b  
       Explanation:  
       Since trend projection is classical method.
  
54.    Ans. d  
       Explanation:  
        $Q = - 100 + 40 P$   
        $P = 20$   
        $Q = - 100 + 40 \times 20$   
        $Q = - 100 + 800$   
        $Q = 700$
  
55.    Ans. b  
       Explanation:  
       
$$\frac{\% \text{ Change in demand}}{\% \text{ Change in price}} = \frac{20}{5} = - 4$$
       and goods are complimentary because of negative relation.
  
56.    Ans. c  
       Explanation:  
       Since private cost can be both explicit and implicit in nature.
  
57.    Ans. c  
       Explanation:  
       Since unregulated market is also called free market.
  
58.    Ans. c  
       Explanation:  
       At longrun equilibrium under monopolistic competition LAC curve is decreasing.

59. Ans. b  
Explanation:  
Price discrimination is not possible in perfect competition.
60. Ans. a  
Explanation:  
Classification of market on the basis a/c geographical area is now out dated.
61. Ans. a  
Explanation:  
Strategic Response businesses should make efforts to exploit the opportunity and thought the threats.
62. Ans. c  
Explanation:  
External factors in a Business Environment, include Opportunities and Threats.
63. Ans. b  
Explanation:  
External Environment is beyond the control of the business.
64. Ans. d  
Explanation:  
Because of all reason given in the question it is difficult to understand environmental influences.
65. Ans. c  
Explanation:  
Changes in consumer tastes, preference and expectations not have an impact on suppliers environment.
66. Ans. a  
Explanation:  
Monitory Policy is related to credit and finance.
67. Ans. c  
Explanation:  
Foreign Investment policy aims at regulating the inflow of foreign investment in various sectors for speeding up industrial development, and related objectives.
68. Ans. b  
Explanation:  
PESTLE analysis is a way of scanning the environmental influences that have affected or are likely to affect an organization or its policy.
69. Ans. a  
Explanation:  
Anil Manibhai Naik is the Chairmen of L&T Company.
70. Ans. a  
Explanation:  
1910 is incorporation year of ITC.

71.    Ans. d  
      Explanation:  
      Gurdeep Singh is the CEO of NTPC.
72.    Ans. c  
      Explanation:  
      The shares can be bought and sold in the Stock Market.
73.    Ans. a  
      Explanation:  
      Simplification of trade restrictions related to import and export of goods and services is an example of Globalization.
74.    Ans. c  
      Explanation:  
      Policy is a course or principle of action adopted or proposed by an organization or individual.
75.    Ans. b  
      Explanation:  
      Foreign Direct Investment is an impact of Liberalization.
76.    Ans. c  
      Explanation:  
      100 basis point = 1% rate of interest.
77.    Ans. a  
      Explanation:  
      IFCI is funding institute.
78.    Ans. a  
      Explanation:  
      SLR represents the ratio of liquid Assets of Bank to meet liabilities & deposits.
79.    Ans. b  
      Explanation:  
      Acceptance is a very wide term that is used in context with financial agreements and contracts.
80.    Ans. b  
      Explanation:  
      Second appeal against SEBI be made in Supreme Court.
81.    Ans. d  
      Explanation:  
      In HUF businesses, there is a family involvement in business and recognized as such in India.
82.    Ans. d  
      Explanation:  
      The underlying purpose of these activities is not earning of a livelihood but social, psychological or spiritual satisfaction.

83. Ans. b  
Explanation:  
Grouping of similar or related events is relate to trends.
84. Ans. c  
Explanation:  
The Micro environment refers to the nature and direction of the economy in which a company competes or may compete
85. Ans. c  
Explanation:  
Provision of Aadhar Card is a public policy.
86. Ans. c  
Explanation:  
Delegation is the form of privatization, where government keeps hold of responsibility and private enterprise handles the management of it fully or partly.
87. Ans. c  
Explanation:  
1 member of SEBI should be from RBI.
88. Ans. d  
Explanation:  
External Affairs is not related to SIDBI.
89. Ans. a  
Explanation:  
the effect a change in price will have on customers is price sensitivity.
90. Ans. a  
Explanation:  
According to Peter Drucker aim of the business is to create and retain customer.
91. Ans. b  
Explanation:  
SWOT refers to Strength, Weakness, Opportunity, Threat.
92. Ans. d  
Explanation:  
All statement is related to PESTLE.
93. Ans. a  
Explanation:  
Change of customer's liking from only foods to healthy packaged foods can be classified as Trend.
94. Ans. d  
Explanation:  
CRR and SLR is not related to funds transfer in banks.
95. Ans. d  
Explanation:



A very large loan extended by a group of small banks to a single corporate borrower is called as Syndicated Loan.

96. Ans. c

Explanation:

Vision is a road map of company's future.

97. Ans. b

Explanation:

Risk is a probable chance that investments' actual returns will be reduced than as calculated.

98. Ans. b

Explanation:

To become Amazon of India is Vision of flipkart.

99. Ans. c

Explanation:

Headquarters of ONGC is at Uttarakhand.

100. Ans. d

Explanation:

In 1937 Central Office of RBI is moved to Mumbai.

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