

(GCF-9, 11, 12, 13, 14, 15, VCF-VDCF-SCF-3, VTW-1+Fnd, VDTW-1+Fnd, GTW-1+Fnd, STW-1+Fnd, JCC 12th+Foundation)
DATE: 24.05.2022 **MAXIMUM MARKS: 100** **TIMING: 2 Hours**

ECONOMICS AND COMMERCIAL KNOWLEDGE

All Questions is compulsory.

1. Scarcity in Economics is an:
(a) Absolute Concept
(b) Relative Concept
(c) Irrelevant Concept
(d) Not a Concept at all
2. 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 is called:
(a) Problem solving
(b) Decision making
(c) Economic analysis
(d) Managerial Expertise
3. Business Economics has a Pragmatic Approach which means it is not:
(a) Practical
(b) Realistic
(c) Abstract
(d) All of the above
4. The emphasis of Business Economics is more on
(a) Normative theory only
(b) Positive theory only
(c) More Normative than Positive theory
(d) More Positive than Normative theory
5. Micro Economics deals with:
(a) External Value of Money
(b) Employment
(c) Savings and Investment
(d) Consumer Behaviour
6. Which of the following is an assumption of Law of Diminishing Marginal Utility?
(a) Perfect Competition
(b) Continuous Consumption
(c) Constant Demand
(d) Ordinal Approach to Utility
7. Consumer is in equilibrium and he keeps purchasing till the point:
(a) Marginal Utility = Price
(b) Marginal Utility = Zero
(c) Marginal Utility = negative
(d) Marginal Utility = Quantity

8. Consumer Surplus is the area:
 - (a) Below the Demand curve and above the price
 - (b) Above the Supply Curve and below the price
 - (c) Above the Demand Curve and below the price
 - (d) Below the Supply Curve and above the price
9. A Point below the Price Line represents:
 - (a) Over-spending by the Consumer
 - (b) Under-spending by the Consumer
 - (c) Full-spending by the Consumer
 - (d) Any of the above
10. Which of the following is not an assumption in consumer equilibrium analysis under Indifference Curve Approach?
 - (a) There is a give Indifference Map with different levels of satisfaction
 - (b) Income of the Consumer is fixed
 - (c) Price of Commodities are constant
 - (d) Only one commodity is considered for the purposes of analysis
11. Which of the following statements is false?
 - (a) Economic costs include the opportunity costs of the resources owned by the firm.
 - (b) Accounting costs include only explicit costs.
 - (c) Economic profit will always be less than accounting profit if resources owned and used by the firm have any opportunity costs.
 - (d) Accounting profit is equal to total revenue less implicit costs.
12. It is assumed in economic theory that
 - (a) decision making within the firm is usually undertaken by managers, but never by the owners.
 - (b) the ultimate goal of the firm is to maximise profits, regardless of firm size or type of business organisation.
 - (c) as the firm's size increases, so do its goals.
 - (d) the basic decision making unit of any firm is its owners.
13. Which of the following statements is incorrect?
 - (a) If marginal revenue exceeds marginal cost the firm should increase output.
 - (b) If marginal cost exceeds marginal revenue the firm should decrease output.
 - (c) Economic profits are maximized when total costs are equal to total revenue.
 - (d) Profits are maximized when marginal revenue equals marginal cost.
14. Which one of the following statement is incorrect?
 - (a) Perfect competitive firms are price takers and not price makers.
 - (b) Price discrimination is possible in monopoly only.
 - (c) Duopoly may lead to monopoly.
 - (d) Competitive firm always seeks to discriminate prices.
15. Which of the following is not an essential condition of pure competition?
 - (a) Large number of buyers and sellers
 - (b) Homogeneous product
 - (c) Freedom of entry
 - (d) Absence of transport cost

16. Monopolistic competition differs from perfect competition primarily because
- (a) in monopolistic competition, firms can differentiate their products.
 - (b) in perfect competition, firms can differentiate their products.
 - (c) in monopolistic competition, entry into the industry is blocked.
 - (d) in monopolistic competition, there are relatively few barriers to entry.
17. Which of the following statements is incorrect?
- (a) Even monopolistic can earn losses.
 - (b) Firms in a perfectly competitive market are price takers.
 - (c) It is always beneficial for a firm in a perfectly competitive market to discriminate prices.
 - (d) Kinked demand curve is related to an oligopolistic market.

Answer the following Questions: (Q. 18 to 21)

Quantity	AVC	TVC	TC	MC	AFC
1	20				
2	18				
3				18	
4	20				
5			150		8

18. Find TVC of 5th Unit.
- (a) 110
 - (b) 150
 - (c) 120
 - (d) 80
19. Find MC of 5th Unit:
- (a) 10
 - (b) 20
 - (c) 30
 - (d) 40
20. Find AVC of 3rd Unit:
- (a) 18
 - (b) 20
 - (c) 54
 - (d) 36
21. Find TC of 2nd Unit:
- (a) 60
 - (b) 76
 - (c) 36
 - (d) 18
22. Which of the following is an example of a normative statement?
- (a) A higher price for a goods causes people to want to buy less of that good.
 - (b) A lower price for a goods causes people to want to buy more of that good.
 - (c) To make the good available to more people, a lower price should be set.
 - (d) If you consume this good, you will be better off.

23. Which one of the following statements involves a value judgment?
- (a) The supply of coffee is likely to be inelastic in the short run.
 - (b) Economies of scale can lead to lower prices.
 - (c) Inferior goods have a negative income elasticity of demand.
 - (d) The government was wrong to introduce university tuition fees.
24. _____ and _____ do not directly affect the demand curve.
- (a) the price of related goods, consumer incomes
 - (b) consumer incomes, tastes
 - (c) the costs of production, bank opening hours
 - (d) the price of related goods, preferences
25. Indifference curves between income and leisure for an individual are generally:
- (a) Concave to the origin.
 - (b) Convex to the origin.
 - (c) Negatively sloped straight lines.
 - (d) Positively sloped straight lines.
26. Expansion in supply refers to a situation. when the producers are willing to supply a _____.
- (a) Larger quantity of the commodity at an increased price
 - (b) Larger quantity of the commodity due to increased taxation that commodity
 - (c) Larger quantity of the commodity at the same price
 - (d) Larger quantity of the commodity at the decreased price
27. Which of the following is an example of economies of scale?
- (a) As the computer industry has expanded, the number of professionally trained computer programmers has also increased, which has caused the salaries of computer programmers to increase.
 - (b) To attract firms to locate in its state, the state government reduced the tax rate that businesses must pay on its profits, thus lowering the costs to firms who locate in the state.
 - (c) As the demand for calculators increased, the price of calculators actually fell.
 - (d) None of these
28. Which is true statement?
- (a) Decreasing returns to scale and diminishing returns to production are two ways of stating the something
 - (b) Increasing returns to scale is a short-run concept, and diminishing returns to production is a long-run concept
 - (c) Constant returns to scale is a short-run concept, and decreasing returns to scale is a long-run concept
 - (d) None of the above is true
29. Opportunity cost is :
- (a) The additional benefit of buying an additional unit of a product.
 - (b) That which we forgo, or give up, when we make a choice or a decision.
 - (c) A cost that cannot be avoided, regardless of what is done in the future.
 - (d) The cost incurred in the past before we make a decision about what to do in the future.

30. The opportunity cost of a student is:
- (a) Course fees and rent
 - (b) A loan from the bank
 - (c) What the student could have earned in the best job available by not studying
 - (d) What the student will earn after graduation

Output	TC
0	10
1	20
2	28
3	34
4	38
5	40
6	44
7	52
8	66
9	88
10	120

31. Find MC of 5th Unit
- (a) 2
 - (b) 3
 - (c) 4
 - (d) 5
32. Find AVC of 9th Unit
- (a) 6.56
 - (b) 7.42
 - (c) 8.66
 - (d) 9.7
33. Find AFC of 4th Unit
- (a) 2
 - (b) 2.5
 - (c) 9.5
 - (d) 10
34. Find ATC of 10th Unit
- (a) 10
 - (b) 12
 - (c) 14
 - (d) 16
35. Find TVC of 8th Unit
- (a) 56
 - (b) 66
 - (c) 7
 - (d) 6
36. Oikonomia means
- (a) industry
 - (b) household
 - (c) services
 - (d) none of these

37. Adam Smith published his masterpiece "An Enquiry into the Nature and Causes of Wealth of Nations" in the year
(a) 1776
(b) 1786
(c) 1756
(d) 1766
38. Which of the following is considered as a disadvantage of allocating resources using the market system?
(a) Exploitation of labour
(b) People do not get goods of their choice
(c) Men of Initiative and enterprise are not rewarded
(d) Profits will tend to be low
39. Capital intensive technique would not be chosen in a
(a) labour surplus economy
(b) capital surplus economy
(c) developed economy
(d) developing economy
40. The difference between positive and normative Economics is:
(a) Positive Economics explains the performance of the economy while normative Economics find 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.
41. Administered prices refer to:
(a) Prices determined by forces of demand and supply
(b) Prices determined by sellers in the market
(c) Prices determined by an external authority which is usually the government
(d) None of the above
42. Which of the following may not be a supply curve?
(a) Perfectly elastic
(b) Perfectly horizontal
(c) Upward to the left
(d) Unitary elastic
43. In case of drought, floods, etc. the supply of agriculture commodity will:
(a) Increase
(b) Decrease
(c) Remain constant
(d) Become Zero

44. If the price of Banana rises from Rs.40 per dozen to Rs. 50 per dozen and the supply increases from 300 dozen to 400 dozens elasticity of supply is:
(a) .70
(b) -.67
(c) .61
(d) 1.2
45. An decrease 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 decrease in the price of complements
46. When the income of "X" was Rs. 1000 then he spent his income on goods Rs. 800 and when the income increased upto Rs. 2000 then he used to spend his income on goods Rs. 1400. Hence, show the relationship between income and income spent on goods through the elasticity.
(a) $e > 1$
(b) $e = 1$
(c) $e = 0$
(d) $e < 1$
47. In a typical supply schedule, quantity supply:
(a) varies directly with price
(b) varies proportionately with price
(c) varies inversely with price
(d) is independent of price
48. Expansion and Contraction of demand for a good occurs as a result of:
(a) Change in Price of the Commodity
(b) Change in Quality of the Commodity
(c) Availability of Cheaper Substitutes
(d) Increase in Consumers Income
49. Elasticity between any two given points of a demand curve is called.
(a) Price Elasticity
(b) ARC Elasticity
(c) Point Elasticity
(d) Income Elasticity
50. Cardinal Utility Approach is also known as-
(a) Indifference Curve Analysis
(b) Hick and Allen Approach
(c) Marginal utility analysis
(d) All of the above
51. According to marginal utility analysis, utility can be measured in-
(a) Ranks
(b) Utils
(c) Nominal Values
(d) All of the above

52. Which of the following laws states that the more a consumer consumes a product, the lesser the utility he derives from the additional consumption?
- (a) Law of Equal – Marginal utility
 - (b) Law of ordinal utility
 - (c) Law of cardinal utility
 - (d) Law of diminishing marginal utility
53. The consumer is in equilibrium when marginal utility from a commodity equals-
- (a) Demand for that commodity
 - (b) Supply of that commodity
 - (c) Price of the commodity
 - (d) All of the above
54. Which of the following condition does not apply to average product curve?
- (a) Positive Slope
 - (b) Downward Slope
 - (c) Constant Slope
 - (d) AP is Zero
55. 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
56. 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
57. In the short-run,.....factor(s) of production is / are variable.
- (a) All
 - (b) None
 - (c) One
 - (d) All of the above
58. If Stage I = Increasing Returns, Stage II = Diminishing Returns, And Stage III = Negative Marginal Returns, then A Rational Producer will operate in –
- (a) Stage I
 - (b) Stage II
 - (c) Stage III
 - (d) All of the above
59. If all inputs are increases by 10% and the resultant output is increases 20% then this is a case of :
- (a) Constant returns to scale
 - (b) Increasing returns to scale
 - (c) Diminishing returns to scale
 - (d) Negative returns to scale

60. In the case of two perfect substitutes, the indifference curve will be
(a) Straight line
(b) L-shaped
(c) U-shaped
(d) C-shaped
61. Which of the following occupations requires rendering of services based upon specialised knowledge and membership of an accreditation and assessment body?
(a) Employment
(b) Profession
(c) Business
(d) Agriculture
62. Sustainable development/ businesses imply:
(a) Consistent economic performance
(b) Attention to social problems
(c) Harmony with nature
(d) All of the above
63. The Indian Companies Act provides for the registration of:
(a) Private Limited and Public Company
(b) One Person Company and Small Company
(c) Defunct Company
(d) All of the above
64. The occupation in which people work for others and get remunerated in return is known as:
(a) Business
(b) Employment
(c) Profession
(d) None of these
65. Study of human population is called as _____ environment.
(a) Political
(b) Demographic
(c) Global
(d) Economic
66. What is the kind of response that businesses should make efforts to exploit the opportunity and thought the threats:
(a) Strategic Responses
(b) Least resistance
(c) Diversify
(d) Simplify
67. Who is the present CFO of HDFC bank?
(a) Srinivasan Vaidyanathan
(b) M.K. Sharma
(c) Sanjiv Singh
(d) Chandan Kumar Dey

68. Where is the Headquarter of Infosys?
(a) Mumbai
(b) Delhi
(c) Bengaluru
(d) Gujrat
69. Who is the CFO of ITC Group?
(a) Sanjeevpuri
(b) Rakesh Jha
(c) Supratim Dutta
(d) Shankar Raman
70. Mukesh Ambani is the CEO of which company?
(a) Reliance Industries
(b) Ambuja cements Ltd.
(c) Bosch Ltd.
(d) Ultratech cement Ltd.
71. Who is the present Chairman of Wipro Limited.
(a) Rishad Premji
(b) Jatin Dalal
(c) Jamnalal Bajaj
(d) Kevin P D'sa
72. Who is the CFO of Power Grid Corporation of India Ltd.?
(a) Mohammed Taj Mukarrum
(b) Karan Gautambhai Adani
(c) Alok Kumar Agarwal
(d) Farokh Nariman Subedar
73. Where is SEBI Northern Regional Offices?
(a) New Delhi
(b) Hariyana
(c) Rajasthan
(d) Gujrat
74. The RBI has been vested with extensive power to control and supervise commercial banking system under which Act?
(a) The Reserve Bank of India Act, 1933
(b) The Reserve Bank of India Act, 1934
(c) The Reserve Bank of India Act, 1935
(d) The Reserve Bank of India Act, 1936
75. When was IRDAI constituted?
(a) 1997
(b) 1998
(c) 1999
(d) 2000
76. Which of the following institutions converted into a Non-Banking Finance Company?
(a) IFCI
(b) IDBI
(c) ICICI
(d) CCI

77. Which of the following is not attributable to Facilitative/Developmental policies?
- (a) Lifting of curbs of business
 - (b) Easing of doing business
 - (c) Creation of conducive conditions
 - (d) Imposition of clearances and approvals
78. Choose the correct statement:
- (a) For sustainable economic development, FII is more preferable to FDI
 - (b) FDI has strong speculative effect in equity market
 - (c) In India, permission for FDI is not uniform for all sectors
 - (d) FDI is usually done to reap short term gains
79. Which of the following is not the concern of monetary policy?
- (a) Interest rate
 - (b) Quantity of money and credit
 - (c) Disposable income with the households
 - (d) Both (a) & (b)
80. Which of the following is not an economic objective of the firm?
- (a) Sales growth
 - (b) Improvement in market share
 - (c) Profits and return on investment
 - (d) Conservation of natural resources
81. A stock that provides a constant dividends and stable earnings even in the periods of economic downturn is _____.
- (a) Defensive Stock
 - (b) Cash budget
 - (c) Income stock
 - (d) Listed stock
82. Measure of change in financial parameters such as interest, stock indices and market rates is called
- (a) Census
 - (b) Index
 - (c) Basis point
 - (d) None of the above
83. A document issued by a bank (on behalf of the buyer or the importer), stating its commitment to pay a third party (seller or the exporter), a specific amount, for the purchase of goods by its customer, who is the buyer is called
- (a) Promissory Note
 - (b) Letter of Credit
 - (c) Cheque
 - (d) None of the above
84. What is consolidation?
- (a) It is an expense that is supposed to affect the loss in value of a fixed asset.
 - (b) Combination of two or more entities that occurs when the entities transfer all their net assets to new entity created for that purpose.
 - (c) Potential liability arising from a past transaction or a subsequent event.
 - (d) Costs that can be attributed clearly to the activity you are considering.

85. _____ is the process of estimating future demand by anticipating what buyers are likely to do under a given set of marketing conditions:
- (a) Cross marketing
 - (b) Forecasting
 - (c) Market development
 - (d) Internal marketing
86. Trends relate to:
- (a) Happening of events in External Environment
 - (b) Grouping of similar or related events
 - (c) Demands made by Interested group
 - (d) All of the above
87. _____ is rate at which Banks borrow money from the RBI against or sale of Government Securities to RBI.
- (a) Demand Rate
 - (b) Interest Rate
 - (c) Repo Rate
 - (d) Reverse Repo Rate
88. In FMCG "C" means :
- (a) Capital
 - (b) Cheap
 - (c) Consumer
 - (d) Company
89. PESTLE is to describe _____ environment :
- (a) Micro
 - (b) Macro
 - (c) Real
 - (d) Physical
90. Which of the following is an impact of Liberalization?
- (a) Divestment
 - (b) Foreign Direct Investment
 - (c) Rapid restructuring and reforming of the PSUs
 - (d) All of the above
91. The Environment offers :
- (a) Opportunities, incentives and rewards
 - (b) Constraints, threats and restrictions
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)
92. FDI Limit in Insurance Sector is –
- (a) 39%
 - (b) 49%
 - (c) 29%
 - (d) 59%

93. OCBs means:
- (a) Overseas Corporate Bodies
 - (b) Ordnance Commission Bilateral secretariat
 - (c) Oversees Civic Boards
 - (d) Oversees Commercial Bilateral Treaties
94. ADR stands for:
- (a) American Deficit Record
 - (b) American Depository Receipt
 - (c) Asset Depreciation Record
 - (d) Asset Depository Receipt
95. When was SEBI established?
- (a) 1988
 - (b) 1990
 - (c) 1986
 - (d) 1989
96. A HUF cannot comprise members of a:
- (a) Hindu & Sikh Family
 - (b) Jain Family
 - (c) Buddhist Family
 - (d) Muslim Family
97. The term PESTLE analysis is used to describe a framework for analyzing:
- (a) Macro Environment
 - (b) Micro Environment
 - (c) Both Macro and Micro Environment
 - (d) None of above
98. To charge a regular portion of an expenditure over a fixed period of time.
- (a) Amortize
 - (b) Appreciation
 - (c) Arbitrage
 - (d) Offer
99. The simultaneous purchase and sale of two identical commodities or instruments is called:
- (a) Amortize
 - (b) Appreciation
 - (c) Arbitrage
 - (d) Offer
100. Bear is a situation in which_____
- (a) stock-market players are pessimists
 - (b) they expects share prices or any other type of investment to fall
 - (c) prices are going to go lower and majority of dealers will sell as quickly as possible for fear of holding shares which diminish in value
 - (d) All the Above

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