

(GCF-14, GCF-15, GCF-16, GCF-17 & GCF-17-A, VCF-3, VDCF-3)

DATE: 15.06.2023

MAXIMUM MARKS: 100

TIMING: 2 Hours

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

1. A consumer's preferences are monotonic if and only if between two bundles, the consumer prefers the bundle which has_____
 - (a) more of one of the goods
 - (b) less of at least one of the goods
 - (c) more of at least one of the goods and less of the other good
 - (d) more of at least one of the goods and no less of the other good
2. At saturation point of TU curve, the slope of TU curve is_____
 - (a) 1
 - (b) Infinity
 - (c) Zero
 - (d) Positive
3. Budget line or price line is downward sloping because_____.
 - (a) There is inverse relationship between the price and demand of a commodity.
 - (b) If a consumer wants to buy more of one good, he has to buy less of other good at given money income.
 - (c) If a consumer wants to buy more of one goods, he has to buy less of other goods as his money income falls.
 - (d) None of these
4. Supply and stock are_____
 - (a) same things
 - (b) different
 - (c) having no comparison
 - (d) Both (b) and (c)
5. Law of diminishing marginal rate of substitution is associated with
 - (a) Marshall
 - (b) Hicks
 - (c) Slutsky
 - (d) Keynes
6. Which one of the following cost curve is rectangular hyperbola in shape?
 - (a) TFC
 - (b) MC
 - (c) AFC
 - (d) AVC
7. If the price of a product is Rs. 20/unit and its price elasticity of demand is 0.25. Its MR will be Rs._____
 - (a) 60
 - (b) 100
 - (c) - 60
 - (d) None of these

8. If a product has elastic demand, its marginal revenue (MR) will be_____.
(Given that the price of the product is Rs. 5/unit).
(a) Positive
(b) Zero
(c) Negative
(d) Can't be determined
9. In the perfect competition at short run, the firm is a price_____and can sell_____amount of output at the on going market price.
(a) Taker, any
(b) Taker, a definite
(c) Maker, any
(d) None of the above
10. The price of a commodity increases from Rs. 80 to Rs. 100 per unit. If the price elasticity of demand for this commodity is 3 and the original quantity demanded is 100 units, calculate the new quantity demanded.
(a) 175 units
(b) 75 units
(c) 25 units
(d) 125 units
11. Marginal revenue along with marginal cost helps to determine
(a) Profit maximizing output
(b) Profit/unit
(c) Price/unit
(d) Total revenue
12. Monopolistic competition has features of
(a) Monopoly but not competition
(b) Monopoly and competition with features of competition predominating
(c) Monopoly and competition with features of monopoly predominating
(d) None of the above
13. A firm reaches a break-even point (normal profit position) where,
(a) Marginal revenue curve cuts the horizontal axis.
(b) Marginal cost curve intersects the average variable cost curve.
(c) Total revenue equals total variable cost.
(d) Total revenue and total cost are equal.
14. During an upturn in the business cycle the negative output gap does not become much more negative than it was. This is because of the fact that:
(a) Capacity increases because of the rise in investment.
(b) Expenditure decreases because of the rise in the interest rate.
(c) The government lowers the taxes during an upturn.
(d) Labour productivity decreases during upturn.
15. According to British economist J.M. Keynes_____was the main cause of massive decline in income and employment during Great Depression of 1930.
(a) Lower aggregate expenditure in the economy.
(b) Banking crises and low money supply.
(c) Overdebttness.
(d) Lower profits & pessimism

16. Post war reconstruction
(a) will push the economy to slow down because of excess external debts.
(b) will cause pickup in economic activities as the reconstruction pushes up effective demand & in turn employment and income.
(c) can cause boom or recession depending upon the policies for reconstruction adopted by govt.
(d) None of these
17. Cost of living increases when business cycle is _____
(a) at peak
(b) contracting
(c) expanding
(d) at lowest point
18. The word economics has been derived from a _____ word.
(a) French
(b) Latin
(c) Greek
(d) German
19. _____ is also called free market :
(a) Regulated Market
(b) Spot Market
(c) Unregulated Market
(d) Long period Market
20. Time element was given by :
(a) Alfred Marshall
(b) Pigou
(c) Robbins
(d) Adam Smith
21. Which of the following is correct?
(a) Elasticity on lower segment of demand curve is greater than unity
(b) Elasticity on upper segment of demand curve is lesser than unity
(c) Elasticity at the middle of demand curve is equal to unity
(d) Elasticity decreases as one move from lower part of demand curve to upper part
22. Which of the following statement is correct?
(a) Supply is inversely related to its cost of production
(b) Price and quantity demand of a good have direct relation ship
(c) Taxes and subsidy has no impact on the supply of the product
(d) Seasonal changes have no impact on the supply of the commodity
23. In case of _____ goods, there is an inverse relationship between income and demand for a product.
(a) Substitute goods
(b) Complementary Goods
(c) Giffen Goods
(d) None of the above

24. Which of the following is/ are the condition/s of theory of consumer surplus if price is same for all units he purchased?
- (a) Consumer gains extra utility or surplus
 - (b) Consumer surplus for the last commodity is zero
 - (c) Both
 - (d) None
25. When increase in demand is equal to increase in supply and equilibrium price remains constant, then what about equilibrium quantity?
- (a) Increases
 - (b) Decreases
 - (c) Remains constant
 - (d) None of the above
26. Which of the following is true, when the firm is at a equilibrium ?
- (a) $MC < MR$
 - (b) MC Curve cuts the MR curve from below
 - (c) Both a & b
 - (d) None of the above
27. Kinked demand curve is _____
- (a) Highly elastic at above the prevailing price
 - (b) Inelastic at below the prevailing price
 - (c) Both a & b
 - (d) None of the above
28. Which is the characteristic feature of monopoly?
- (a) Homogeneous goods
 - (b) Strong barriers to entry
 - (c) Perfect Competition
 - (d) Perfectly elastic demand curve
29. Price discrimination is possible only in _____
- (a) Monopoly
 - (b) Perfect competition
 - (c) Oligopoly
 - (d) Monopolistic competition
30. Market consists of _____
- (a) Buyer and seller
 - (b) One Price for one product at a given time
 - (c) Both a and b
 - (d) None
31. During an upturn in the business cycle the negative output gap does not become much more negative than it was. This is because of the fact that:
- (a) Capacity increases because of the rise in investment.
 - (b) Expenditure decreases because of the rise in the interest rate.
 - (c) The government lowers the taxes during an upturn.
 - (d) Labour productivity decreases during upturn.

32. Which is not the property of Indifference curve analysis?
(a) Indifference curves slope downward to the left
(b) Indifference curves are always convex to the origin
(c) Indifference curves can never intersect each other
(d) A higher indifference curve represents a higher level satisfaction than the lower indifference curve
33. 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
34. 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
35. '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
36. Suppose in an economy the population growth rate remained 6% during last 5 years while the economic growth rate during the same period was just 3%. What will be the consequences of it? Select the right option from the options given below.
(a) Lesser savings→ Lower investment→ Low income & employment→ Low effective demand→ Overall slowdown in economic activities
(b) More consumption expenditure→ more demand→ more production→ more employment & income → Overall boom in economic activities
(c) Increase in labour supply→ Lower wage rate→ Low income→ Low savings & investments → Low production→ Overall slowdown in economic activities
(d) None of the above
37. Cost of living increases when business cycle is _____
(a) at peak
(b) contracting
(c) expanding
(d) at lowest point

Read the following paragraph and answer questions 38-41.

Nicole owns a small pottery factory. She can make 1,000 pieces of pottery per year and sell them for Rs. 100 each. It cost Nicole Rs. 20,000 for the raw materials to produce the 1,000 pieces of pottery. She has invested Rs 1,00,000 in her factory and equipment : Rs. 50,000 from her savings and Rs 50,000 borrowed at 10 percent. (Assume that she could have loaned her money out at 10 per cent, too.) Nicole can work at a competing pottery factory for Rs. 40,000 per year.

38. The accounting cost at Nicole's pottery factory is:
(a) Rs. 25,000
(b) Rs. 50,000
(c) Rs. 80,000
(d) Rs. 75,000
39. The economic cost at Nicole's factory is:
(a) Rs. 75,000
(b) Rs. 70,000
(c) Rs. 80,000
(d) Rs. 30,000
40. The accounting profit at Nicole's pottery factory is:
(a) Rs. 30,000
(b) Rs. 50,000
(c) Rs. 80,000
(d) Rs. 75,000
41. The economic profit at Nicole's factory is:
(a) Rs. 75,000
(b) Rs. 35,000
(c) Rs. 80,000
(d) Rs. 30,000
42. The bargaining power of labour is generally ____:
(a) Weak
(b) Strong
(c) Constant
(d) Can't say
43. If a firm's output is zero, then
(a) AFC will be positive
(b) TFC will be zero
(c) Both of (a) and (b)
(d) None of (a) and (b)

Q	TVC	MC	TC	ATC
0			20	
1	10			
2		8		
3	24			
4				12
5		6		

44. Find ATC of 3rd unit
(a) 14.66
(b) 12.33
(c) 10.42
(d) 8.07

45. Find MC of 4th unit
(a) 4
(b) 6
(c) 8
(d) 10
46. Find TC of 5th unit
(a) 60
(b) 54
(c) 25
(d) 52
47. Find AVC of 4th unit
(a) 5
(b) 6
(c) 7
(d) 8
48. Price discrimination is a situation when a producer
(a) Charges different prices in different markets
(b) Charges same price
(c) Charges many prices
(d) All of the above
49. If oligopolists engage in collusion and successfully form a cartel, the market outcome is
(a) The same as if it were served by a monopoly
(b) The same as if it were served by competitive firms
(c) Efficient because cooperation improves efficiency
(d) Known as Nash equilibrium
50. Which of the following statements is normative?
(a) Large government deficits cause an economy to grow more slowly.
(b) People work harder if the wage is higher.
(c) The unemployment rate should be less.
(d) Printing too much money causes inflation.
51. An isoquant slopes :
(a) downward to the left
(b) downward to the right
(c) upward to the left
(d) upward to the right
52. Consumer stops purchasing the additional units of the commodity when
(a) marginal utility starts declining
(b) marginal utility become zero
(c) marginal utility is equal to marginal utility of money
(d) total utility is increasing
53. A perfectly competitive firm has control over
(a) price
(b) production as well as price
(c) production, price and consumers
(d) none of the above

54. The demand curve facing an industrial firm under monopoly is
(a) horizontal straight line
(b) indeterminate
(c) downward sloping
(d) upward sloping
55. Price discrimination is not possible:
(a) under monopoly situation
(b) under any market firm
(c) under monopolistic competition
(d) under perfect competition
56. The kinked demand curve model of oligopoly assumes that :
(a) response to a price increase is less than the response to a price decrease
(b) response to a price increase is more than the response to a price decrease
(c) elasticity of demand is constant regardless of whether price increases or decreases
(d) elasticity of demand is perfectly elastic if price increases and perfectly inelastic if price decreases
57. The law of scarcity
(a) does not apply to rich developed countries
(b) applies only to the less developed countries
(c) implies that consumers wants will be satisfied in a socialistic system
(d) implies that consumers wants will never be completely satisfied
58. The producer is in equilibrium at a point where the cost line is:
(a) above the isoquant
(b) below the isoquant
(c) cutting the isoquant
(d) tangent to isoquant
59. During business cycles the opposite of a trough is_____.
(a) an inflation
(b) a hyperinflation
(c) a trend
(d) a peak
60. In order to influence spending on the goods and services in the short run, monetary policy is directed at directly influencing_____.
(a) Unemployment rate
(b) Inflation rate
(c) Interest rate
(d) Economic growth rate
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. Marketing, Finance, Operations, Human Behaviour, Law and Policy, Economics, all together derive BCK. What does it tell us about BCK's domains?
- (a) BCK is Vast
 - (b) BCK is Expanding
 - (c) BCK is Eclectic
 - (d) BCK is Vague
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) Ravisankar Ganesan
(b) Mohammed Taj Mukarrum
(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. Transfer of Interest exists in :
(a) Business
(b) Profession
(c) Employment
(d) None of the above
82. What is the psychological motive of employment
(a) Service to society
(b) Earning livelihood
(c) Earning profits
(d) Displaying skills
83. Highest Price the buyer is willing to pay is called?
(a) Bid
(b) Ask
(c) Badla
(d) Beta
84. Personal interest in business is more in
(a) HUF
(b) Partnership
(c) Sole Proprietorship
(d) LLP
85. Non-corporate Entity includes :
(a) Sole Proprietorship, HUF and Partnership
(b) HUF, Trust and LLP
(c) Partnership LLP and Private companies
(d) Sole Proprietorship, LLP and Partnership
86. _____ successive generations of an Undivided Family are known as HUF.
(a) 2
(b) 3
(c) 4
(d) 5
87. Carrying forward of transaction from one settlement period to the next without effecting delivery or payment is called_____
(a) Bear Market
(b) Base price
(c) Badla
(d) Blue Chips

88. Free and fair competition ensures all, except?
(a) Punishing the laggards
(b) Boosts fixed choice preferences of customers
(c) Increases Efficiency
(d) Encourages Innovation
89. A free allotment of shares made in proportion to existing shares out of accumulated reserves is called-
(a) Bond
(b) Bonus
(c) Bid
(d) Offer
90. Setting low prices in order to discourage or deter potential new entrants to the suppliers market:
(a) Pre-Emptive Pricing
(b) Price Sensitivity
(c) Price Discrimination
(d) Price Elasticity
91. A financial expression of the value of that product is called-
(a) Price
(b) Cost
(c) Expenditure
(d) None of the above
92. A signed instrument of acknowledgment that indicates the approval is called-
(a) Acceptance
(b) Terms
(c) Conditions
(d) None of the above
93. The price sensitivity of the market is an important factor of which element of Micro environment:
(a) Suppliers
(b) Market
(c) Intermediaries
(d) Customer
94. Business and technology are:
(a) Interrelated
(b) Interdependent
(c) Interrelated & Interdependent
(d) None of the above
95. Which industrial category does Wipro Ltd. come under?
(a) Pharmaceuticals & Drugs
(b) Diversified
(c) Media
(d) IT- Software

96. 'My customer First' is the Vision of which Bank?
(a) SBI
(b) Axis Bank
(c) HDFC Bank
(d) Bank of Baroda
97. Self Help Groups are catered specifically by?
(a) All development banks
(b) SIDBI
(c) RBI
(d) NABARD
98. 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
99. Where can the first appeal against SEBI be made?
(a) High Court
(b) Supreme Court
(c) Securities Appellate Tribunal
(d) RBI
100. What is the constitution of Competition Commission of India?
(a) A chairperson and 6 members appointed by the Central Government.
(b) A chairperson and 5 members appointed by the Central Government.
(c) A chairperson and 5 members appointed by the RBI.
(d) A chairperson and 6 members appointed by the RBI.

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