

**(GCF-1, 3, 4, 5, 6, 7+7A, 8+8A, 9, VCF-1,2, ACF-1,2, JCF-1)****DATE: 17.10.2023****MAXIMUM MARKS: 100****TIMING: 2 Hours****ECO & BCK**

1.     Ans. b  
      Explanation:  
      IC is always convex never concave.
2.     Ans. a  
      Explanation:  
      Relation between two variable is function.
3.     Ans. a  
      Explanation:  
      MC curve cuts AC and AVC at their minimum point.
4.     Ans. d  
      Explanation:  
      When AC is minimum, then MC is equal to AC, which is known as "Optimum point of production".
5.     Ans. b  
      Explanation:  
      Since, in perfectly inelastic demand, there is no change in quantity demanded ( $e=0$ ). Hence availability of substitutes does not affect the quantity demanded because with any change in price, quantity demanded does not change.
6.     Ans. a  
      Explanation:  
      Since the shape of TFC is horizontal.
7.     Ans. d  
      Explanation:  
      Under Monopolistic Competition Market, there are so many varieties of product available for the consumer, because there is existence of product differentiation.
8.     Ans. b  
      Explanation:  
      Under Partial Oligopoly, the industry is dominated by one large firm, which is considered or looked upon as a leader of the group. The dominating firm will be the price leader.
9.     Ans. c  
      Explanation:  
      Rising portion of Marginal Cost curve is known as supply curve because marginal cost increases with the increment in level of output.
10.    Ans. b  
      Explanation:  
      LAC curve is planning curve.

11. Ans. d  
Explanation:  
As per law of DMU, MU diminishes with increased consumption and gradually can become zero or negative
12. Ans. a  
Explanation:  
Change in same proportion so no change in price.
13. Ans. a  
Explanation:  
Under P.C. in long run a firm earns normal profit.
14. Ans. c  
Explanation:  
Because of lesser/no substitutes.
15. Ans. a  
Explanation:  
Region above prevailing price has  $E > I$   
Region below prevailing price has  $E < I$   
Which creates a kink at prevailing price.
16. Ans. b  
Explanation:  
The fluctuating levels of economic activity over a period of time is called business cycle.
17. Ans. d  
Explanation:  
The lowest point in the business cycle is referred to as the trough.
18. Ans. a  
Explanation:  
During recession, the unemployment rate rises and output falls.
19. Ans. a  
Explanation:  
The different phases of a business cycle do not have the same length and severity.
20. Ans. c  
Explanation:  
These two commodities were termed as Giffen goods by Sir Robert Giffen. This is an exception of law of demand
21. Ans. b  
Explanation:  
Utility hypothesis forms the basis for the theory of consumer's behaviour, because utility of good determines that a consumer will purchase the good or not.
22. Ans. a  
Explanation:

- Marginal Utility of a commodity depends on its quantity and is inversely proportional to its quantity.
23.    Ans. a  
      Explanation:  
      Market period means very short run market.
24.    Ans. c  
      Explanation:  
      According to behavioral Principles A firm should not produce at all its total variable costs are not met, A firm will be making maximum profits by expanding output to the level where marginal revenue is equal to marginal cost.
25.    Ans. b  
      Explanation:  
      Monopsony means there is a single buyer.
26.    Ans. c  
      Explanation:  
      Reconstruction is not the phase of business cycles.
27.    Ans. a  
      Explanation:  
      Fluctuation in effective demand is the internal causes of business cycle.
28.    Ans. c  
      Explanation:  
      Excess Money supply is not related to great depression of 1930.
29.    Ans. a  
      Explanation:  
      Leading indicator is measurable economic factors which changes before real output changes.
30.    Ans. c  
      Explanation:  
      Factors of production are owned by privately in market economies.
31.    Ans. d  
      Explanation:  
      Perfect Competition is known as a 'myth in the market'.
32.    Ans. d  
      Explanation:  
      All of the above options are right for price elasticity of demand.
33.    Ans. b  
      Explanation:  
      The more the number of substitutes of a commodity, more elastic is the demand.
34.    Ans. b  
      Explanation:

In perfect competition condition for super normal profit is AR is greater than AC and in perfect competition  $P = MR = AR$  and  $MR = MC$  so in this question MC is used for AR.

35. Ans. b  
Explanation:  
Extreme Product differentiation is found in Monopoly.
36. Ans. a  
Explanation:  
Monopoly firm faces Downward Sloping demand curve.
37. Ans. d  
Explanation:  
An unemployment type cause due to structural changes in the economy is Structural.
38. Ans. a  
Explanation:  
Friction unemployment is the characteristic of stages expansion.
39. Ans. c  
Explanation:  
Ceteris paribus means other things being constant.
40. Ans. d  
Explanation:  
The demand for salt is inelastic, because of low price, absence of it makes food tasteless, no substitutes.
41. Ans. b  
Explanation:  
Price elasticity demand of product will be more elastic if it has number of substitutes.
42. Ans. b  
Explanation:  

$$\frac{q_1 - q_2}{q_1 + q_2} \times \frac{p_1 + p_2}{p_1 - p_2}$$

$$\frac{300 - 200}{300 + 200} \times \frac{12 + 20}{12 - 20}$$

$$\frac{100}{500} \times \frac{32}{-8}$$

$$\frac{32}{-40}$$

$$= 0.8$$
43. Ans. c  
Explanation:  
At the point of inflexion, slope of TP is zero.

44. Ans. d  
Explanation:  
Law of Increasing Returns operate due to Full use of Fixed Indivisible Factors, Efficiency of Variable Factors or Need to reach the right combination.
45. Ans. b  
Explanation:  
Internal Economics and Diseconomies arise due to changes at the Firm Level.
46. Ans. a  
Explanation:  
Average product is at its maximum when Marginal Product is equal to Average Product.
47. Ans. a  
Explanation:  
A firm faces the shut down situation when price is less than average variable cost.
48. Ans. b  
Explanation:  
Economics is not a perfect science because economics is science as well as arts
49. Ans. b  
Explanation:  
Economic laws are Subject to specified assumptions
50. Ans. b  
Explanation:  
Positive economics is related to fact and normative is related to value judgment.
51. Ans. c  
Explanation:  
 $TR - \text{Accounting Cost} = \text{Accounting Profit}$   
 $4,00,000 - 40,000 = 3,60,000$
52. Ans. c  
Explanation:  
 $TR - \text{Economic Cost} = \text{Economic Profit}$   
 $4,00,000 - 1,65,000 = 2,35,000$
53. Ans. c  
Explanation:  
Normative statements are related to value judgement. So C option is right.
54. Ans. d  
Explanation:  
In micro economics we make a microscopic study of the economy & Micro economics deals with the division of total output among industries and firms & the allocation of resources among competing uses.
55. Ans. c  
Explanation:

In free market economic market forces solve its central problems.

56.   Ans. b  
Explanation:  
The industrialization and economic development of the USA, Great Britain and other Western European countries have taken place under the condition of capitalism and laissez faire.
57.   Ans. c  
Explanation:  
Production is planned and does not suffers from business cycle is the merit of socialist economy.
58.   Ans. d  
Explanation:  
Mixed economic have features of both economies (capitalist & socialist).
59.   Ans. c  
Explanation:  
If there is decrease in quantity supplied of a commodity, there will be downward movement on same supply curve.
60.   Ans. d  
Explanation:  
In case of technological improvement supply curve will shift to right.
61.   Ans. a  
Explanation:  
Bid is the opposite of Ask/offer.
62.   Ans. d  
Explanation:  
Education and stationery products by ITC in India is known as classmate.
63.   Ans. a  
Explanation:  
Simplification of trade restrictions related to import is an example of globalization.
64.   Ans. b  
Explanation:  
FPI not create output and employment because FPI is investment in share market.
65.   Ans. c  
Explanation:  
Ashish Adukia is the CFO of Cipla.
66.   Ans. c  
Explanation:  
RBI does not protect the interest of the policy holders.
67.   Ans. a  
Explanation:  
SHGs programme is related to ABARD

68. Ans. d  
Explanation:  
The SEBI members consist of five other members out of which atleast 3 members shall be whole time member.
69. Ans. a  
Explanation:  
To promote practices having adverse effect on competition is not the role of CCI.
70. Ans. c  
Explanation:  
The collection of business and products that makeup the business is called business portfolio.
71. Ans. c  
Explanation:  
The term ownership refers to the right of an individual or a group of individual to acquire legal title to assets for the purpose of running the business.
72. Ans. b  
Explanation:  
Rates of interest which can be changed contractually by lender is called administered rates.
73. Ans. c  
Explanation:  
Measure of change in financial parameters is called basis point.
74. Ans. a  
Explanation:  
Secondary protection sometimes required by a bank is called collateral security.
75. Ans. b  
Explanation:  
A document issued by a bank stating its commitment to pay a third party is letter of credit.
76. Ans. a  
Explanation:  
LLP act 2008 came into effect on 31<sup>st</sup> March 2009.
77. Ans. d  
Explanation:  
100 basis points = 1% rate of interest.
78. Ans. b  
Explanation:  
FDI limit in insurance sector is 49%.
79. Ans. d  
Explanation:

- In HUF businesses, there is a family involvement in business and recognized as such in India.
80.    Ans. b  
      Explanation:  
      Maximum number of partners are allowed in partnership firm is 50.
81.    Ans. d  
      Explanation:  
      characteristic of Business Environment is environment is dynamic and environment is complex and multi-faceted.
82.    Ans. b  
      Explanation:  
      Forecasting is the process of estimating future demand by anticipating what buyers are likely to do under a given set of marketing conditions.
83.    Ans. b  
      Explanation:  
      Trends relate to Grouping of similar or related events.
84.    Ans. b  
      Explanation:  
      Under the income tax Act, A HUF cannot earn income from Salary.
85.    Ans. b  
      Explanation:  
      PESTLE is to describe Macro environment.
86.    Ans. b  
      Explanation:  
      Foreign Direct Investment is an impact of Liberalization.
87.    Ans. c  
      Explanation:  
      The Environment offers Opportunities, incentives and rewards and Constraints, threats and restrictions.
88.    Ans. d  
      Explanation:  
      Procedure of analyzing threats and opportunities of organization's environment is classified as Environmental scanning.
89.    Ans. a  
      Explanation:  
      OCBs means Overseas Corporate Bodies.
90.    Ans. b  
      Explanation:  
      ADR stands for American Depository Receipt.
91.    Ans. a  
      Explanation:



SEBI was constituted in 1988.

92.   Ans. d  
      Explanation:  
      A HUF cannot comprise members of a Muslim Family.
93.   Ans. d  
      Explanation:  
      Technology is the part of macro environment.
94.   Ans. d  
      Explanation:  
      All of the above is condition of Bear.
95.   Ans. a  
      Explanation:  
      Arthur D. Levinson is the Chairman of Apple.
96.   Ans. c  
      Explanation:  
      Atanu Chakraborty is the Chairman of HDFC Bank.
97.   Ans. d  
      Explanation:  
      Nilanjan Roy is the CFO of Infosys.
98.   Ans. a  
      Explanation:  
      Thierry Delaporte is the CEO of Wipro Limited.
99.   Ans. b  
      Explanation:  
      Arvind Krishna is Chairman of IBM Corporation.
100.   Ans. d  
      Explanation:  
      All the statements are right.

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