

(GCF-1, 3, 4, 5, 6, 7+7A, 8+8A, 9, 10, 11, 12, 13 & 14, VCF-1, 2, 3 & 4, ACF-1, 2, 3, 4 & 5, JCF-1 & 3, DCF-1, 3, 4, 5, 6, 7 & 8, DRIVE-1 & 2)

DATE: 20.11.2023

MAXIMUM MARKS: 100

TIMING: 2 Hours

ECONOMICS AND COMMERCIAL KNOWLEDGE

All Questions is compulsory.

1. What is not production in economics:
 - (a) Addition of Utility
 - (b) Creation of Utility
 - (c) Creation of matter
 - (d) None of the above
2. The cobweb theory propounded by _____
 - (a) Schumpeter
 - (b) Nicholas Kaldor
 - (c) Pigou
 - (d) Marshall
3. According to _____ trade cycle is a purely monetary phenomenon.
 - (a) Pigou
 - (b) Schumpeter
 - (c) Keynes
 - (d) Hawtrey
4. Selling expenses includes, which of the following:
 - (i) Advertisement cost
 - (ii) Transportation cost
 - (iii) Offer discount to customers
 - (iv) Incentive to dealers
 - (a) (i) only
 - (b) (i), (ii) and (iv)
 - (c) (i), (iii) and (iv)
 - (d) None of the above
5. Who is the Father of Economics:
 - (a) Marshall
 - (b) Adam Smith
 - (c) Keynes
 - (d) J.B. Say
6. Human's wants are
 - (a) Unlimited
 - (b) Limited
 - (c) Both
 - (d) None of the above
7. A study of how increases in the corporate income tax rate will affect the national unemployment rate is an example of
 - (a) macro-economics.
 - (b) descriptive economics.
 - (c) micro-economics.
 - (d) normative economics.

8. Under Perfect Competition, the Firms Demand Curve is-
 - (a) Horizontal Line, parallel to X Axis
 - (b) Vertical Line, parallel to Y Axis
 - (c) Negatively Sloped
 - (d) Kinked
9. Which of the following is not within the scope of Business Economics?
 - (a) Capital Budgeting
 - (b) Risk Analysis
 - (c) Business Cycles
 - (d) Accounting Standards
10. An increase 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 increase in the price of complements.
11. 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.
12. Elasticity between any two given points of a demand curve is called.
 - (a) Price Elasticity
 - (b) ARC Elasticity
 - (c) Point Elasticity
 - (d) Income Elasticity
13. Demand arises in respect of-
 - (a) Socially desirable goods, e.g. food, clothing
 - (b) Harmful goods, e.g. liquor, cigarettes, etc
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)
14. Which of the following condition does not apply to average product curve?
 - (a) Positive Slope
 - (b) Downward Slope
 - (c) Constant Slope
 - (d) Slope in negative section of the graph
15. 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
16. In the short-run, _____ factor(s) of production is / are variable.
 - (a) All
 - (b) None
 - (c) One
 - (d) All of the above

17. 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.
18. 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
19. 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.
20. 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.
21. If the consumer is on the budget line, the consumer :
(a) Is not spending all of his income
(b) Is spending all of his income
(c) May or may not spending all of his income
(d) Is in equilibrium
22. The longer the period of time the elasticity of supply will be :
(a) Constant
(b) Less Elastic
(c) More Elastic
(d) All of the above
23. In first stage of production (after the point of inflexion) total production increases at
(a) Increasing Rate
(b) Decreasing Rate
(c) Both
(d) None of the above
24. Diminishing marginal return for the first four units of a variable input is shown by the following total product sequence :
(a) 5, 5, 5, 5
(b) 5, 11, 18, 26
(c) 5, 9, 12, 14
(d) 5, 10, 15, 20

25. When TR falls :
(a) The AR is zero
(b) The MR is zero
(c) The MR is negative
(d) The AR is declining
26. Microeconomics is :
(a) Abstract
(b) Theoretical
(c) Unrealistic Assumptions
(d) All of the above
27. The Delphi technique was developed by _____
(a) Peter Drucker
(b) Alfred Marshall
(c) Olaf Helmer
(d) Adam Smith
28. Trend projection method of demand forecasting is also known as _____ method :
(a) Modern
(b) Classical
(c) Innovative
(d) All of the above
29. The supply function is given as $Q = -100 + 20P$ find the elasticity of supply using point method when price is 20 Rs. :
(a) 300
(b) 3
(c) 1.33
(d) 5
30. If the Q_d of X commodity increase by 50% when the price of Y commodity decreases by 50% then the cross elasticity of demand is :
(a) + 1
(b) - 1
(c) 100
(d) -100

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 chosen in a
(a) labour surplus economy
(b) capital surplus economy
(c) developed economy
(d) developing economy

40. In Perfect Competition, since the Firm is a price-taker, the_____Curve is a Straight Line.
(a) Marginal Cost
(b) Total Cost
(c) Total Revenue
(d) Marginal Revenue
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. Which of these does not apply to Oligopoly?
(a) A Few Sellers
(b) Inter-Dependence between Sellers
(c) Only one Buyer
(d) Group Behaviour between Sellers
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. After identifying the market, the enterprise has to make decision regarding 4 P_s. Which one of the following is not one of these 4 P_s.
(a) Promotion
(b) Place
(c) People
(d) Product
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. Isoquant word is made up of two words i.e., Iso & Quant. Where quant means quantity or output then Iso means-
- (a) Maximum
 - (b) Equal
 - (c) Minimum
 - (d) None of these
57. If AR is less than AC but greater than AVC then firm should_____
- (a) Shutdown
 - (b) Continue
 - (c) Both
 - (d) None 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. _____represents all external forces, factors of conditions that exert some degree of impact on the business decisions, strategies and actions taken by the Firm.
- (a) Business Location
 - (b) Business Environment
 - (c) Business Threat
 - (d) Business Surrounding
62. Which of the following statements characterises the best non-economic activities?
- (a) Non-economic activities do not require any investment of resources
 - (b) These activities do not entail any operational costs
 - (c) These activities are undertaken by ascetics
 - (d) The underlying purpose of these activities is not earning of a livelihood but social, psychological or spiritual satisfaction
63. Internal factors affecting a business environment is also referred to as_____ factors.
- (a) Controllable
 - (b) Uncontrollable factors
 - (c) Relevant
 - (d) Global

64. External factors affecting a business environment is also referred to as_____ factors.
- (a) Controllable
 - (b) Relevant
 - (c) Global
 - (d) Uncontrollable
65. Which investment is better for economy
- (a) FDI
 - (b) FPI
 - (c) FII
 - (d) All of the above
66. The form of privatization, where government keeps hold of responsibility and private enterprise handles the management of it fully or partly is known as:
- (a) Disinvestment
 - (b) Deregulation
 - (c) Delegation
 - (d) Decentralization
67. How many members of SEBI should be from RBI?
- (a) 4
 - (b) 3
 - (c) 1
 - (d) 2
68. SIDBI does not function as a Nodal/ Implementing Agency to which ministry of the Government:
- (a) Ministry of textiles
 - (b) Ministry of Food Processing and industry
 - (c) Ministry of Commerce and Industry
 - (d) Ministry of External Affairs
69. What is price sensitivity?
- (a) the effect a change in price will have on customers.
 - (b) charging a relatively high price for a short time where a new, innovative, or much-improved product is launched onto a market.
 - (c) a strategy involves setting low prices in order to discourage or deter potential new entrants to the suppliers market.
 - (d) it measures the responsiveness of a change in demand for a product following a change in its own price.
70. According to Peter Drucker aim of the business is to_____and_____
- (a) Create and retain customer
 - (b) Retain customer and create profits
 - (c) Create and retain consumer
 - (d) Retain consumer and maximize wealth
71. SWOT refers to:
- (a) Strength, Worry, Option, Threat
 - (b) Strength, Weakness, Opportunity, Threat
 - (c) Strong, Weak, Option, Threat
 - (d) Strong, Weakness, Opportunity, Think

72. PESTLE refers to-
- (a) Political, Economic, Socio-cultural, Technological, Legal & Environmental factors affecting business
 - (b) All these are External Factors
 - (c) All these constitute Macro Environment
 - (d) All of the above
73. Change of customer's liking from oily foods to healthy packaged foods can be classified amongst which of the following?
- (a) Trend
 - (b) Event
 - (c) Issue
 - (d) Expectation
74. Which one of the following is not related to funds transfer in banks?
- (a) RTGS
 - (b) NEFT
 - (c) IFSC
 - (d) CRR and SLR
75. A very large loan extended by a group of small banks to a single corporate borrower is called as which of the following?
- (a) Time Deposit
 - (b) Long term loan
 - (c) Annuities
 - (d) Syndicated loan
76. _____ is a road map of company's future.
- (a) Objective
 - (b) Goal
 - (c) Vision
 - (d) Aim
77. Risk is a probable chance that investments' actual returns will be _____ than as calculated.
- (a) Increased
 - (b) Reduced
 - (c) Equal
 - (d) None of the above
78. Which company has vision: To become Amazon of India.
- (a) Amazon
 - (b) Flipkart
 - (c) Apple
 - (d) Microsoft
79. Where is the ONGC Headquarters?
- (a) Mumbai
 - (b) Bengaluru
 - (c) Uttarakhand
 - (d) Gujrat

80. In which year Central Office of RBI is moved to Mumbai?
(a) 1934
(b) 1935
(c) 1936
(d) 1937
81. Who is the C.F.O. of Axis Bank
(a) Ravi Kumar
(b) Puneet Sharma
(c) Deepak Maheshwari
(d) Deepak Singh
82. Which company have Rank 1st in Fortune 500 Companies List 2023
(a) Walmart
(b) Apple
(c) Amazon
(d) Reliance
83. A change in the Environment:
(a) is always Accepted by Firms
(b) is always declined by Firms
(c) May be an opportunity to some and threat to some other Firms
(d) None of the above
84. _____ 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
85. 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
86. 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.
87. Effective use of social media for marketing is
(a) Strength
(b) Weakness
(c) Opportunity
(d) Threat

88. Interactions with Environment does not include :
(a) Exchange of information
(b) Exchange of resource
(c) Exchange of influence
(d) None of the above
89. What is not a characteristic of business environment
(a) Complex
(b) Static
(c) Multi-faced
(d) Far reaching
90. Macro Environment includes _____
(a) Strength
(b) Weakness
(c) Opportunity
(d) All of the above
91. Cost Structure of an industry is effected by _____ own bargaining power.
(a) Consumer
(b) Intermediary
(c) Suppliers
(d) Organizations
92. Opportunity is
(a) Inherent capacity
(b) Strategic disadvantage
(c) Favourable condition
(d) None of the above
93. Who is the Chairman of ITC Ltd.
(a) Shrikant Madhav Vaidya
(b) Nandan Nilekani
(c) Sanjiv Puri
(d) Anil Manibhai Naik
94. What are the pre-requisites for a Firm to respond to the External Environment?
(a) Monitoring the Environment
(b) Identifying the factors
(c) Capacity to develop effective responses
(d) All of the above
95. In external environmental scanning, interest rates, cycle of recessions and inflation are classified as
(a) Geographic influences
(b) Government influences
(c) Economic influences
(d) Technological advancement
96. What is kind of response in which a business should make efforts to exploit the opportunity and reduce the threats:
(a) Strategic Responses
(b) Least Resistance
(c) Diversify
(d) Simplify

97. Economic policies during Mid-fifties to Eighties restricted the entry of multinational corporations in India is an example of_____
- (a) Protective Policies
 - (b) Restrictive Policies
 - (c) Regulative Policies
 - (d) Developmental Policies
98. Life blood of business is_____.
- (a) Deposit
 - (b) Deal
 - (c) Finance
 - (d) Invest
99. Who from the below helps a budding business to quickly launch a product
- (a) Freight forward
 - (b) Financial consultant
 - (c) Business incubator
 - (d) Business accelerator
100. MRTP act comes under
- (a) Protective
 - (b) Regulatory
 - (c) Restrictive
 - (d) Developmental

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