

Marks: [75*2]

1. Lies midway between economics theory and business practice and serves as a connecting link between the two .
a. Micro Economics b. Macro Economics
c. Managerial Economics d. Statistics
2. Is concerned with estimation of cost to produce a given quantity of output
a. Fixed Cost b. Production Cost
c. Selling expenses d. Administration Cost
3. Provides a framework on which long term decisions can be made which have an impact on the behavior of the firm.
a. Strategic planning b. Decision making
c. Organisation d. None of these
4. Basic objective of a firm today is ...
a. Sales Maximization b. Service Motto
c. Profit Maximization d. None of these
5. Helps the managers to estimate its production plan in accordance with the market demand.
a. Market demand schedule
b. individual demand schedule
c. Price
d. None of these
6. The demand curve has a as it slopes downwards
a. Negative Slope b. Positive Slope
c. Netural Slope d. None of these
7. are those items which are purchased by consumers what ever may be the price
a. Necessaries b. Conspicuous Necessaries
c. Emergency d. None of these
8. In case of Veblen goods, a fall in price leads to a ... in demand.
a. Rise b. Fall
c. No Charge d. None of these
9. Under Proportionate change in price leads to equal proportionate change in demand.
a. Relative elastic demand
b. Relative in elastic demand
c. Unitary elastic demand
d. Perfectly elastic
10. The cross elasticity is When commodities are independent of each other
a. 1 b. 0
c. Infinity d. 2
11. Helps to [plan large non financial requirements and investment programs by floating shares and debentures in the open market
a. Financial; Planning
b. Manpower Planning
c. Business Planning
d. None of these
12. ... is used to forecast the demand for intermediate products only.
a. Delphi methods
b. Output method
c. Opinion survey method
d. None of these

13. According to The rate of growth and ultimate level of demand for the new product are estimate on the basis of the pattern of growth of established products.

- a. Opinion full approach
- b. Evolutionary Approach
- c. Substitute approach
- d. Growth curve approach

14. The heart of survey method is

- a. consumers
- b. Questionnaire
- c. Product.
- d. None of these

15. is the total volume of a commodity which can be brought into the market for sale at a short notice.

- a. Stock
- b. Supply
- c. Demand
- d. None of these

16. implies that less quantity is supplied at the same price or same quantity is supplied at a higher price.

- a. Expansion of supply
- b. increase in supply
- c. Decrease in supply
- d. Contraction of supply

17. The quantity bought and sold at the equilibrium is called

- a. Equilibrium quantity
- b. equilibrium price
- c. equilibrium supply
- d. None of these

18. is an activity that increases consumers satiability of goods & services.

- a. Distribution
- b. Production
- c. Selling
- d. None of these

19. A number of ISO quant's representing different amount of output are known as

- a. ISO cost
- b. ISO quant map
- c. ISO quant graph
- d. None of these

20. When the quantity of all inputs are increased by 10% and output by 5% it is said that Is operating.

- a. Constant Return to Scale
- b. Diminishing
- c. Increasing
- d. None of these

21. will arise as a result of employing skilled, trained, qualified and highly experienced persons by offering higher wages and salaries

- a. Financial economics
- b. Labour Economics
- c. Overhead Economics
- d. Commercial Economics

22. implies additional cost incurred to produce an additional unit of output.

- a. Marginal cost
- b. Post cost
- c. Direct cost
- d. Variable cost

23. Refer to the aggregate money expenditure incurred by a firm to produce a given quantity of output.

- a. Total variable cost
- b. Total cost
- c. Total fixed cost
- d. Average variable cost.

24. Marginal cost is associated with costs.

- a. normal
- b. Variable
- c. Fixed
- d. None of these

25. Works as a shock absorber.

- a. Slack payment
- b. Market share
- c. Transformation
- d. None of these.

26. In the objective of the firm is balanced growth.

- a. Boumal static model

- b. Marries growth maximization model
c. Williamson's model
d. None of these
27. ... refer to the most ideal or desirable level profit.
a. Net profit b. Optimum profit
c. Gross profit d. None of these
28. A rational pricing policy should keep the entire product line and from sale of all products.
a. Maximum total sales revenue
b. Maximum total profit
c. Optimum production
d. None of these
29. Which model explains the changes in adv. Expenditure as major determination
a. Sales maximization (Dynamic model)
b. Sales maximization (Static model)
c. Marries growth Maximization Model
d. None of these
30. Boumal thinks managers are more interested is maximizing Than profit.
a. Salary b. Incentives
c. Sales d. None of these
31. AR and MR curves slopes downwards under the conditions of competition
a. Monopoly b. Perfect
c. Imperfect d. None of these
32. may be defined as a group of products which have similar physical features & perform generally similar functions
a. Product line b. Product group
c. Total product d. None of these
33. The qty brought and sold at the equilibrium price is called....
a. Average qty. b. Equilibrium qty.
c. Total qty. d. None of these
34.may be defined as the excess or surplus income received by a seller over above the price at which he is willing to sell a product.
a. Producer's surplus b. Consumer surplus
c. Surplus d. None of these
35. If the value varies as a result of variation in the value of same other variables at is called...
a. Independent variable b. Dependent
c. Flow d. Stock
36. ... expresses the relationship between the qty of output produced and the number of labourers employed for a specific time period
a. Output labour ratio
b. Capital output ratio
c. Capital labour ratio
d. Saving income ratio
37.is an index of prices paid by producers for their inputs.
a. Index number
b. Consumer price index
c. Whole sale price index
d. None of this
38. A business firm is an
a. Economic. unit b. Profit unit
c. Cost unit d. Non -economic unit
39. Investment which varies with the change in the level of national income is called ...
a. Foreign inv.
b. Autonomous inv.
c. Induced inv.
d. Public inv.

40. Taxes determined on the basis of value of a particular product are called ...
a. Regression Tax
b. Advalorem Tax
c. Sales Tax
d. None of these
41. Which is the characteristic feature of Recovery or Revival
a. Diversification is inv. or inv is new region
b. Absence of incentives for production as the mkt has become dull
c. Increase in govt. expenditure so as to increase purchasing power in the hands of consumers.
d. MEC raises leading to business expansion
a. I & IV b. I & III
c. II & IV d. III & IV
42. The govt. go for ... financing to finance public expenditure
a. Surplus
b. Deficit
c. Long term
d. None of these
43. Is formed by the action of sunlight on oxygen
a. Ozone
b. Global warming
c. Acid rain
d. None of these
44. are the prices which are fixed and enforced by the government in the overall interest of economy
a. Administered price
b. Customizing pricing
c. Marginal cost prices
d. Rate of Return
45. " Any area over which buyers and sellers are in such close touch with one another either directly or through dealers that the prices obtainable in one part of the market affects the prices paid in other parts". This def. was given by :-
a. Prof. Benham
b. Prof. Cournot.
c. Pappas & Hirschey
d. None of these
46. In monopolistic competition there is ... rather than price competition.
a. Sales competition
b. Purchase competition
c. Product competition
d. None of these
47. ... is a market situation where there is monopoly element in case of buyer.
a. Monopsony
b. Duopsony
c. Monopoly
d. Oligopsony
48. When $MPC = 1$ multiplier will be
a. one
b. zero
c. infinite
d. none of these
49. Acceleration depends on the And the durability of capital assets
a. Capital output ratio
b. Sales ratio
c. Expense ratio
d. None of these
50. Helps the manager to decide the adv. Exp.
a. Income elasticity of old
b. Price elasticity of dd
c. Cross elasticity of dd
d. Adv. elasticity of dd
51. Reserve over and above statutory ratio is called
a. Excess Reserve
b. General Reserve
c. Reserve fund
d. None of these
52. Price of a good falls from Rs. 8 to Rs. 6 As a result to dd rises from 100 units to 125 units calculate price elasticity to dd.
a. 2.5 b. 2
c. 1 d. 0
53. ... is a market with two sellers exercising control over the supply of commodities
a. Monopsony
b. Bilateral monopoly
c. Duopoly
d. Oligopsony

54. Is the difference between ex-ante and ex-post satisfaction.
- consumer surplus
 - Producer surplus
 - Marginal revenue
 - None of these
55. Functional variable are of two types
- Stock & flow
 - Dependent & independent
 - Endogenous & exogenous
 - None of these
56. The % of total deposits which the bank is required to hold in the form of cash reserve for meeting the depositor's demand for cash is called.....
- Value added output ratio
 - Input-output
 - cash reserve ratio
 - cash income ratio
57. is guarded by social welfare rather than profit motive.
- Autonomous inv.
 - Foreign inv.
 - Private inv.
 - Public inv.
58. Acceleration depends on the And the durability of the capital assets.
- Capital output ratio
 - Labour output ratio
 - Cash reserve ratio
 - none of these.
59. Monetary policy When it promotes economic activities
- Positive
 - Negative
 - Liberal
 - Clear money policy
60. Refers to direct control on different activities by the govt. to achieve the desired goal.
- Monetary policy
 - Physical policy
 - Fiscal policy
 - None of these
61. ... is a protracted period in which business activity is far below the normal level and is extremely low.
- Depression
 - Boom
 - Recovery
 - Recession.
62. Match the following
62. Prosperity - (i) Magnification of derived demand
63. Fiscal Tool - (ii) General equilibrium Analysis
64. Accelerator - (iii) Normal Profit
65. consumer surplus - (iv) Subsidies, development Rebates, tax reliefs.
66. Perfect competition - (v) General equilibrium analysis
67. Marginal cost - (vi) High level output, employment
68. Delphi Method - (viii) Product Technological Changes,
- 62(iii) 63(i) 64(ii) 65(v) 66(vi) 67(iv) 68(vii)
 - 62(vi) 63(iv) 64(i) 65(ii) 66(iii) 67(v) 68(vii)
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69. Full form of MRTS.
- Marginal Rate of Technical Substitution
 - Marginal Revenue of Total Surplus
 - Marginal Rate of Total Satisfaction
 - None of these.
70. What is Veblen's effect.
- Demand for status symbol goods would go up with a rise in price
 - demand for necessities would go up
 - demand for emergencies may go up.
 - None of these.

71. $AVC = \dots\dots\dots$
a. $AC - AFC$ b. $TC - TFC$
c. TC/Q d. $FC \times Q$

72. "Any area over which buyers and sellers are in such close touch with one another, either directly or through dealers that the prices obtainable in one part of the market affect the prices paid in other part."
a. Prof. Marshall b. Prof. Cournot
c. Prof. Benham d. None of these.

73 – 75 True or False

73. Under perfect competition industry is price maker and firm is price taker
a. True b. False

74. Bilateral monopoly is a market situation in which a single seller faces a single buyer
a. True b. False

75. Monetary policy does not deal with supply of legal tender money.
a. True b. False

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