

**SET - I**

**Paper 1-Fundamentals of Economics and Management**

**Full Marks: 100**

**Time allowed: 3 Hours**

**PART A (50 Marks)  
(Fundamentals of Economics)**

**I. Choose the correct answer from the given four alternatives: [10 × 1 =10]**

1. The famous book "Principles of Economics" was written by -
  - (a) Adam Smith
  - (b) Alfred Marshall
  - (c) Robbins
  - (d) J.B. Say
2. If the PPC is linear, it implies -
  - (a) Constant opportunity cost
  - (b) Diminishing Opportunity cost
  - (c) Increasing Opportunity cost
  - (d) None of the above
3. Equilibrium price is determined when -
  - (a) Demand > Supply
  - (b) Supply > Demand
  - (c) Supply = Demand
  - (d) Demand ≠ Supply
4. Which of these is associated with the Oligopoly Market.
  - (a) Homogeneous goods
  - (b) Free entry & exit
  - (c) Product differentiation
  - (d) Price rigidity
5. The MPC value always .....
  - (a)  $1 > mps > 0$
  - (b)  $1 < mps < 0$
  - (c)  $1 < mps < 0$
  - (d) None of the above
6. The Nominal GDP is measured at \_\_\_\_ prices.
  - (a) 1950
  - (b) 2015
  - (c) Current
  - (d) Constant

7. According to Socialists "Cyclical fluctuations" are the outcome of \_\_\_\_ economy.
  - (a) Socialistic
  - (b) Capitalistic
  - (c) Mixed
  - (d) All of the above
  
8. RBI was nationalized in \_\_\_\_
  - (a) 1935
  - (b) 1921
  - (c) 1955
  - (d) 1949
  
9. Open unemployment is mainly found in -
  - (a) Urban areas
  - (b) Rural areas
  - (c) Sub-Urban areas
  - (d) All of the above
  
10. Which of these is not a feature of Under Developed economy?
  - (a) Less Capital
  - (b) Less Population
  - (c) Less Employment
  - (d) All the three

**II. Fill in the blanks:**

**[5 × 1 =5]**

1. In Inductive method the logic proceed from \_\_\_\_\_ to \_\_\_\_\_
2. The demand curve in case of necessary goods is \_\_\_\_\_
3. When total utility is maximum, then the marginal utility is \_\_\_\_\_
4. Gas Industry is an example of \_\_\_\_\_market.
5. \_\_\_\_\_ is the apex bank in agriculture credit.

**III. Match the following**

**[5 × 1 =5]**

	Column 'A'		Column 'B'
1.	Demand	A	Tax Policy
2.	Wealth of Nations	B	Cheque
3.	Investment Multiplier	C	Advertisements
4.	CRR	D	Adam Smith
5.	Optional Money	E	RBI

**IV. State whether the following statements are True (or) False.**

**[5 × 1 =5]**

1. Micro Economics deals with the individual units.
2. Luxury goods have less elastic demand.
3. There is inverse relationship between price level and value of money.

4. Brick have national markets.
5. Primary Sector is also called Agriculture Sector.

**V. Give the answer in one sentence for any five from the following: [5 × 1 =5]**

1. Meaning of Production
2. Marginal Revenue
3. Expand RRB
4. What is Supply?
5. Unitary Elastic Demand
6. Economic Growth
7. Monetary Policy
8. Deficit Finance

**VI. Answer any One of the following questions. [10 × 1 =10]**

1. What is National Income and explain the methods of measurement of National Income?
2. Explain about Internal & External economies of large scale economies?

**VII. Answer any two of the following [2 × 5 = 10]**

1. What is the importance of concept of Elasticity of Demand?
2. What are the features of Oligopoly Market?
3. What are the effects of Inflation on Production?
4. What are the essential conditions of sound banking system?

**PART B (50 Marks)**  
**(Fundamentals of Management)**

- I. Choose the correct answer from the given four alternatives: [10 × 1 =10]**
1. Which of the following phrases is closely connected to contingency theory?
    - (a) No one best way.
    - (b) Today's ideas are tomorrow's history.
    - (c) One best way.
    - (d) Universal ideas of good management.
  2. Unity of command means:
    - (a) Parity of authority and responsibility,
    - (b) Flow of command from subordinate to superior,
    - (c) Flow of command from superior to subordinate,
    - (d) Parity in controlling.
  3. The Contingency theory focuses on
    - (a) Situational variables
    - (b) Interrelationships
    - (c) Groups and human behavior
    - (d) Economic needs of workers
  4. The concept of span of control was propounded by \_\_\_\_
    - (a) Graicunas
    - (b) Fayol
    - (c) Taylor
    - (d) Mc Gregor
  5. The study that focuses on reducing the unnecessary activities in work and thus reducing the fatigue and wastage of time is known as \_\_\_\_
    - (a) Time study.
    - (b) Fatigue study.
    - (c) Work study.
    - (d) Motion study.
  6. In the hierarchal structure of an organization \_\_\_\_ managers are at the base of the pyramid :
    - (a) Top Level.
    - (b) Middle Level
    - (c) First Level.
    - (d) Link Level.
  7. Plans are based on
    - (a) Estimates
    - (b) Forecasts
    - (c) Targets
    - (d) Goals

8. The term communication is derived from the Latin word
  - (a) Common
  - (b) Communis
  - (c) Communication
  - (d) None
9. There can be no Leadership without
  - (a) Managers
  - (b) Subordinates
  - (c) Followers
  - (d) Superiors
10. Theory \_\_\_\_\_ states that the average employee is lazy and will try to do as little as possible.
  - (a) X
  - (b) Y
  - (c) Z
  - (d) None

**II. Fill in the blanks:** **[5 × 1 =5]**

1. The Neo-Classical Organisation Theory is commonly identified with the human relations movement pioneered by \_\_\_\_\_
2. \_\_\_\_\_ is necessary to enjoy the benefits of specialization.
3. Planning is an important function of \_\_\_\_\_
4. The last step in decision making process is \_\_\_\_\_
5. The term 'motivation' is derived from the word \_\_\_\_\_

**III. Match the following** **[5 × 1 =5]**

	Column 'A'		Column 'B'
1.	Neo-Classical Theory	A	Inherent dislike for work
2.	Standing Plan	B	Behavioural Theory
3.	Quantitative Forecasting	C	Right to do something
4.	Authority	D	Procedures
5.	Theory X	E	Based on Opinion and Judgement

**IV. State whether the following statement is True (or) False.** **[5 × 1 =5]**

1. The first step in decision making process is developing alternatives.
2. Forecasting plays an important role in planning.
3. Centralisation and decentralization are opposite terms.
4. An autocratic leader exercises complete control over the subordinates.
5. Group Dynamics refers to the study of forces operating outside the group.

**V. Define any Five of the following:**

**[5 × 1 =5]**

1. Unity of Direction.
2. Definition of Management.
3. Planning premises
4. Decision Making
5. Meaning of Authority
6. Staffing
7. Controlling
8. Group Dynamics

**VI. Answer any four of the following questions.**

**[4 × 5 =20]**

1. Explain Fayol's fourteen principles of Management.
2. Write about the Span of Management.
3. Explain the steps in controlling process.
4. Explain the characteristics of leadership.
5. Explain the stages of group formation.
6. What are the causes of Interpersonal Conflicts?