

Paper 1 - Fundamentals of Economics and Management

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Full Marks :100

Time allowed: 3 hours

I. Choose the correct answer from the given four alternatives:

[10 x 1 = 10]

1. The famous book "An enquiry into the nature and causes of wealth of Nation" was written by _____
 - (a) Adam Smith
 - (b) Samuelson
 - (c) Robertson
 - (d) JB Say
2. Curvature of PPF is due to _____
 - (a) Increase in opportunity cost
 - (b) Decrease in opportunity cost
 - (c) Fall in demand
 - (d) Fall in supply
3. Equilibrium state is achieved at _____
 - (a) The peak point of supply curve
 - (b) The bottom point of demand curve
 - (c) The inflation point of demand curve
 - (d) The intersection of demand and supply curves
4. Which of these is associated with a monopolistic competitive market –
 - (a) Normal in short run
 - (b) Homogeneous Product
 - (c) Product differentiation
 - (d) Single buyer
5. The MPC value always _____
 - (a) $1 > mpc > 0$
 - (b) $1 < mpc < 0$
 - (c) $1 > mpc < 0$
 - (d) $1 < mpc > 0$
6. Formula for investment multiplier (k) =
 - (a) $\frac{\Delta Y}{\Delta I}$
 - (b) $\frac{1}{1-mpc}$

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- (c) $\frac{1}{\text{mps}}$
(d) All the above
7. Which of the following is the oldest system of money?
(a) Barter
(b) Plastic money
(c) Credit money
(d) Gold
8. Optional money is a
(a) Legal tender money
(b) Non-legal tender money
(c) Limited legal tender money
(d) Full bodied money
9. Which is the apex bank for agricultural credit in India?
(a) RBI
(b) SIDBI
(c) NABARD
(d) IDBI
10. EXIM Bank was established in
(a) March, 1982
(b) January, 1984
(c) Feb. 2001
(d) August 1975

II. Fill in the blanks:

[5×1=5]

1. According to _____ definition economics is a social science
2. Price rigidity is the feature of _____ market
3. Real GNP per capita = _____
4. Bathing soaps industry is an example of _____ market
5. _____ is the apex bank in banking system in India

III. Match the following

[5×1=5]

Column 'A'		Column 'B'	
1.	Supply	A	$\frac{\Delta s}{\Delta y}$
2.	Principles of Economics	B	Business People
3.	MPS	C	Cheque

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4.	Current A/c	D	Government Policy
5.	Near Money	E	Marshall

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

[5×1=5]

1. The terms micro & macro are introduced by Ragnar Frisch.
2. There is a inverse relationship between income and demand.
3. When the TP is maximum, then the AP is zero.
4. Bank is said to be dealer in debt.
5. ICICI is a public sector bank.

V. Define the following (any five):

[5×1=5]

1. Selling costs
2. Economic growth
3. Gresham's Law
4. Overdraft
5. Science and Technology
6. IDBI
7. Demand
8. Rent

VI. Answer any One of the following questions.

[1×10=10]

1. State the features of perfect competition market and explain price determination under this market.
2. Define Commercial Bank and explain the function of commercial banks

VII. Answer any two of the following

[2×5 =10]

1. What are the central Economic problems of every economy?
2. What are the features of perfect competition Market?
3. What are the types of inflation?
4. State the static functions of money?

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PART B (50 Marks) (Fundamentals of Management)

I. Choose the correct answer from the given four alternatives:

[10×1 =10]

1. Who is a person who advanced early scientific management principles?
 - (a) Weber
 - (b) Taylor
 - (c) Vest
 - (d) Fayol
2. A reporting relationship in which an employee receives orders from, and reports to, only one supervisor is known as:
 - (a) Line of authority
 - (b) Centralization.
 - (c) Unity of direction.
 - (d) Unity of command.
3. _____ is the singleness of purpose that makes possible the creation of one plan of action to guide managers in resource allocations.
 - (a) Unity of direction
 - (b) Unity of command
 - (c) Unity of authority
 - (d) Unity of resources
4. The management process functions consist of
 - (a) Planning, organising, staffing and directing
 - (b) Planning, organising, leading and directing
 - (c) Planning, organising, leading and staffing
 - (d) Planning, organizing, leading and controlling
5. Which of the following is not a technique of planning?
 - (a) Budgeting
 - (b) Balanced score card
 - (c) PERT CPM
 - (d) Management by Objectives.
6. Which step in Maslow's Hierarchy of Needs Theory deals with achieving one's potential?
 - (a) Esteem
 - (b) Physiological
 - (c) Self-actualization
 - (d) Social
7. Which of the following is the second stage of group formation.

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- (a) Forming stage
- (b) Initial integration stage
- (c) Storming stage
- (d) None of the above

8. The study of forces operating within a group is known as _____

- (a) Group Cohesiveness
- (b) Group Dynamics
- (c) Both (a) and (b)
- (d) None of the above

9. Sayles classifies informal groups are:

- (a) Apathetic Groups
- (b) Erratic Groups
- (c) Strategic Groups
- (d) All of the above

10. Which type of conflict-handling intention results in a person withdrawing from conflict?

- (a) competing
- (b) avoiding
- (c) accommodating
- (d) compromising

II. Fill in the blanks:

[5×1=5]

1. Father of Bureaucratic Management is _____
2. There should be _____ between authority and responsibility.
3. According to Herzberg's motivation hygiene theory, the opposite of satisfaction is _____
4. Democratic Leadership is also known as _____
5. Intergroup bias occurs because of _____

III. Match the following

[5×1=5]

Column 'A'		Column 'B'	
1.	Informal Communication	A	Stage of Group Formation
2.	Hygiene Factors	B	Superior Subordinate Relationship
3.	Cybernetics	C	Grapevine Communication
4.	Forming	D	Norbert Weiner
5.	Span of Management	E	Herzberg's Model

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

[5×1= 5]

1. Standing plans are flexible.
2. Planning includes decision-making.

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3. Legitimate power is derived from the formal position of a person in an organization.
4. Herzberg's Two Factor Theory states that there is hierarchy of needs.
5. Task complexity sets a smooth ground for management.

V. Define any Five of the following:

[5×1 =5]

1. Delegation of Authority
2. Centralisation
3. Unity of Command
4. Scalar Chain
5. Encoding
6. Motivation
7. Strategic Groups
8. Adjourning

VI. Answer any four of the following questions.

[4×5=20]

1. What are the principles of Bureaucratic Management?
2. What are the advantages of Forecasting?
3. Explain the importance of delegation of authority.
4. Explain the comparison between Theory X and Theory Y.
5. Explain the features of Cohesive Groups.
6. Explain the causes of organizational conflict.