

FOUNDATION EXAMINATION

December 2017

P-1(FEM)
Syllabus 2012

Fundamentals of Economics and Management

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

Part-A (50 Marks)
(Fundamentals of Economics)

1. Choose the correct answer from the given *four* alternatives.

1×10=10

- (i) _____ means creation of utility.
- (a) Production
 - (b) Consumption
 - (c) Savings
 - (d) Income
- (ii) "Economics is the study of man in the ordinary business of life.". This definition of Economics has been put forward by _____.
- (a) Alfred Marshall
 - (b) Adam Smith
 - (c) Robbins
 - (d) P. A. Samuelson
- (iii) Micro-economics deals with_____.
- (a) economic behaviour of individual
 - (b) economy as a whole
 - (c) trade relations
 - (d) economic growth of the society
- (iv) Oligopoly means_____.
- (a) single seller
 - (b) few sellers
 - (c) no buyers
 - (d) large number of sellers
- (v) Total output is maximum when_____.
- (a) $MP = 0$
 - (b) MP is increasing
 - (c) MO is decreasing
 - (d) MP is constant

Please Turn Over

- (vi) Current consumption depends upon current gross income *minus* _____.
- (a) current gross expenses
 - (b) tax liability
 - (c) net gross expenses
 - (d) net income
- (vii) NDP does not include _____.
- (a) undistributed profits
 - (b) depreciation allowances
 - (c) payment made for Income Tax
 - (d) the value added from intermediate goods
- (viii) Which of the following is not a function of money?
- (a) Means of Exchange
 - (b) Store Value
 - (c) Power Indicator
 - (d) Measurement of Value
- (ix) Which is a Time Deposit?
- (a) Savings Deposit
 - (b) Fixed Deposit
 - (c) Current Account Deposit
 - (d) All of the above
- (x) Full employment is the level at which there's _____.
- (a) zero unemployment
 - (b) normal rate of unemployment
 - (c) least supply of labour
 - (d) demand for goods lesser than supply

2. Fill in the blanks.

1×5=5

- (i) "Increase in wealth means an increase in welfare" as per _____.
- (ii) In _____ market, seller is the price marker.
- (iii) The difference between personal disposable income and personal income is _____.
- (iv) FIAT money is something which _____.
- (v) Green Revolution is also known as _____.

3. Match the following:

1×5=5

(i)	Definition of Wealth	(A)	J. R. Hicks
(ii)	Concept of Time Element	(B)	Irving Fisher
(iii)	Marginal Rate of Substitution	(C)	Alfred Marshall
(iv)	England	(D)	J. M. Keynes
(v)	Macro-economics	(E)	Adam Smith

4. State whether the following statements are *True* or *False*:

1×5=5

- (i) Fixed Deposit is a time deposit.
- (ii) The main object of UTI is to rehabilitate sick industrial units.
- (iii) Structural unemployment is mainly due to population explosion.
- (iv) Coal is a renewable source of energy.
- (v) In the long run, a firm in perfect competition earns normal profits only.

5. Elaborate in one sentence *any five* of the following:

1×5=5

- (i) Utility
- (ii) Production
- (iii) Money
- (iv) Perfect Competition
- (v) Inflation
- (vi) Savings
- (vii) Degradation
- (viii) Sources of Generation of Electric Power

6. Answer *any one* of the following questions:

10×1=10

- (i) Explain the factors that determine demand.
- (ii) Explain the functions of Commercial Banks.

7. Answer *any two* of the following questions:

5×2=10

- (i) Discuss the determinants of supply.
- (ii) Explain the features of monopoly market.
- (iii) Enumerate the functions of money.
- (iv) Analyse the difficulties in estimating National Income.

Part-B (50 Marks)
(Fundamentals of Management)

1. Choose the correct answer from the given *four* alternatives.

1×10=10

- (i) _____ premises are those which can be measured quantitatively in one way.
 - (a) Internal
 - (b) External
 - (c) Tangible
 - (d) Intangible
- (ii) Control by exception is also known as _____.
 - (a) Management by Exception
 - (b) Management by Objective
 - (c) Decision-making
 - (d) Management Information System
- (iii) On-the-Job Training does not include _____.
 - (a) Apprenticeship Training
 - (b) Vestibule Training
 - (c) Job Rotation
 - (d) Role Playing
- (iv) F. W. Taylor was an _____.
 - (a) Economist
 - (b) Engineer
 - (c) Analyst
 - (d) Accountant

- (v) _____ is regarded as the father of the concept of Bureaucracy.
- (a) H. Fayol
 - (b) E. Mayo
 - (c) M. Weber
 - (d) F. W. Taylor
- (vi) Which one of the following is not a Leadership Theory?
- (a) Trait Theory
 - (b) Managerial Grid Theory
 - (c) Two-factor Theory
 - (d) Contingency Theory
- (vii) Abraham H. Maslow classified human needs into _____ types.
- (a) 2
 - (b) 3
 - (c) 4
 - (d) 5
- (viii) Family is an example of _____.
- (a) Primary Group
 - (b) Informal Group
 - (c) Interest Group
 - (d) Psychological Group
- (ix) _____ conflict arises due to disagreements about the nature of the work to be done.
- (a) Status
 - (b) Relationship
 - (c) Process
 - (d) Task
- (x) _____ decisions are of a repetitive nature.
- (a) Basic
 - (b) Routine
 - (c) Personal
 - (d) Policy

2. Fill in the blanks.

1×5=5

- (i) Fayol has developed _____ Principles of Management.
- (ii) Grapevine is an _____.
- (iii) Theory Y of motivation was propounded by _____.
- (iv) Breakdown in communication is one of the causes for _____.
- (v) When a group gives some of its leadership positions to the members of another group, it is known as _____.

3. Match the following:

1×5=5

(i) Neo-classical Organisation Theory	(A) Graicunas
(ii) MBO	(B) Herzberg
(iii) Span of Management	(C) Mayo
(iv) Two-factor Theory of Motivation	(D) Homans
(v) Social System Theory	(E) Drucker

4. State whether the following statements are *True* or *False*:

1×5=5

- (i) Resolution and participation are the ways of managing conflict.
- (ii) Autocratic Leadership is known as Consultative Leadership.
- (iii) Under the ERG theory, "R" stands for Remuneration.
- (iv) Mandating is the process of getting results accomplished through others.
- (v) The 'principle of one head one plan' is called Unity of Direction.

5. Elaborate in one sentence *any five* of the following:

1×5=5

- (i) Unity of Direction
- (ii) Planning
- (iii) Motivation
- (iv) Coercive Power
- (v) Training
- (vi) Negotiation
- (vii) Psychological Group
- (viii) Autocratic Leadership

6. Answer *any four* of the following questions:

5×4=20

- (i) Briefly discuss the functions of management.
 - (ii) Analyse the activities of industrial organisations according to Fayol.
 - (iii) Briefly explain any four types of decision.
 - (iv) Discuss the reasons for group formation.
 - (v) Explain Maslow's Theory of Motivation.
 - (vi) Enumerate the strategies to manage workplace conflict.
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