

FOUNDATION COURSE EXAMINATION

June 2016

*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

Fundamentals of Economics

(50 marks)

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

1×10=10

(i) Wealth definition was given by

- (a) Alfred Marshall
- (b) Adam Smith
- (c) Robbins
- (d) Keynes

(ii) Utility means

- (a) usefulness
- (b) harmfulness
- (c) disutility
- (d) want satisfying capacity of a commodity/service

(iii) Transport removes _____ hindrance.

- (a) time
- (b) possession
- (c) place
- (d) both time and possession

(iv) Generally money is created by the _____ Bank of a country.

- (a) Central
- (b) State
- (c) HDFC
- (d) State Cooperative

Please Turn Over

- (v) _____ is one among the quantitative methods of credit control.
- (a) Moral suasion
 - (b) Bank Rate Policy
 - (c) Direct action
 - (d) Rationing of credit
- (vi) Which one of the following features is common to both Perfect Competition and Monopolistic Competition?
- (a) Product differentiation
 - (b) Selling cost
 - (c) Free entry and Free exit
 - (d) Independent Price Policy
- (vii) Public Private Partnership model has been deployed in India for the rapid growth of
- (a) Agriculture sector
 - (b) Industrial sector
 - (c) Infrastructure sector
 - (d) Export-Import sector
- (viii) Homogenous product is the characteristic of
- (a) Perfect Competition
 - (b) Monopoly
 - (c) Oligopoly
 - (d) Duopoly
- (ix) _____ cost remains constant even when production is stopped.
- (a) Variable
 - (b) Fixed
 - (c) Semi-variable
 - (d) Marginal
- (x) India is a/an _____ country.
- (a) developed
 - (b) developing
 - (c) under-developed
 - (d) developed country among the developing countries and developing country among the developed countries

2. Fill in the blanks:

1×5=5

- (i) In _____ market, there is no close substitute to the commodities sold by the seller.
- (ii) _____ is an excess of income over expenditure on consumption.
- (iii) The Reserve Bank of India was established in the year _____.
- (iv) On the basis of origin, Inflation may be classified into two types—Demand Pull and _____.
- (v) Product Differentiation is the characteristic of _____.

3. Match the following:

1×5=5

- | | |
|-----------------------------|---|
| (i) Demand Forecasting | (a) Keynes |
| (ii) Multiplier Theory | (b) Setting price low in order to attract customers |
| (iii) Consumption | (c) Government of India |
| (iv) Penetration Pricing | (d) Satisfaction of Wants |
| (v) One Rupee Currency Note | (e) Expert Opinion |

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

1×5=5

- (i) All economic goods are called as wants.
- (ii) Average total cost is obtained by dividing the total cost by the quantity of output.
- (iii) When the price level increases, the value of money also increases.
- (iv) Demand for Salt is almost perfectly inelastic.
- (v) NABARD is a Private Sector Institution.

5. Define the terms in one sentence for *any five* from the following:

1×5=5

- (i) Marginal Cost
- (ii) Deflation
- (iii) Consumer Surplus
- (iv) Credit creation
- (v) Oligopoly
- (vi) Gresham's Law
- (vii) Sick Industry
- (viii) Implicit cost

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

10

- (i) Analyze the functions of Commercial Banks.
- (ii) Explain the causes of Demand Pull and Cost Push Inflation.

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

5×2=10

- (i) Exceptions to the Law of Demand.
- (ii) Difficulties in estimating National Income.
- (iii) Features of monopolistic competition.
- (iv) Salient features of Indian Economy.

PART - B

Fundamentals of Management

(50 marks)

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

1×10=10

- (i) Bureaucratic Theory was invented by
 - (a) Elton Mayo
 - (b) Henry Fayol
 - (c) Max Weber
 - (d) Peter Drucker
- (ii) Which one of the following is not included in the 'shop work' under the system of 'functional foremanship' introduced by Taylor?
 - (a) Gang boss
 - (b) Speed boss
 - (c) Disciplinarian
 - (d) Inspector
- (iii) Which one of the following is not a function of management?
 - (a) Grouping
 - (b) Planning
 - (c) Staffing
 - (d) Leading

- (iv) Management is a
- (a) discreet process
 - (b) continuous process
 - (c) one way process
 - (d) two way process
- (v) Which one of the following methods include in the 'Off-the-job-training'?
- (a) Coaching
 - (b) Role playing
 - (c) Apprenticeship training
 - (d) Vestibule training
- (vi) Leadership is the process of exerting influence on
- (a) Customers
 - (b) Competitors
 - (c) Suppliers
 - (d) Group members
- (vii) The last step of 'Staffing Process' is
- (a) Training and Development
 - (b) Placement and Induction
 - (c) Recruitment
 - (d) Selection
- (viii) Vroom's theory of motivation is known as
- (a) Two-factor theory
 - (b) Equity theory
 - (c) Expectancy theory
 - (d) ERG theory
- (ix) Which of the following represents the last step of communication?
- (a) Filtering
 - (b) Feedback
 - (c) Encoding
 - (d) Decoding
- (x) The 'Group Dynamics' movement was founded by
- (a) Elton Mayo
 - (b) Peter Drucker
 - (c) Chester Barnard
 - (d) Kurt Lewin

2. Fill in the blanks:

1×5=5

- (i) Channels of informal communication in an organization is known as _____.
- (ii) The first step in the organizing process includes _____.
- (iii) 'Hierarchy of needs theory' was put forwarded by _____.
- (iv) _____ is not the merit of oral communication.
- (v) 'General and Industrial management' was written by _____.

3. Match the following:

1×5=5

Column 'A'

Column 'B'

- | | |
|---------------------------------------|------------------------------------|
| (i) Fourteen Principles of Management | (a) Methods of Training |
| (ii) Contingency Theory | (b) Group formation |
| (iii) Planning | (c) Henry Fayol |
| (iv) Coaching | (d) Goal oriented |
| (v) Exchange theory | (e) Business environment interface |

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

1×5=5

- (i) Selection is a negative process.
- (ii) The last step of 'Staffing Process' is Training and Development.
- (iii) In Participative Leadership, leader takes decisions in consultation with the subordinates.
- (iv) The first function of management is planning.
- (v) Authority is ability to do something.

5. Define the terms in one sentence for *any five* from the following:

1×5=5

- (i) Forecasting
- (ii) Decision-making
- (iii) Organizing
- (iv) Decentralization of Authority
- (v) Directing
- (vi) Communication
- (vii) Coordination
- (viii) Motivation

6. Answer *any four* of the following questions: 5×4=20
- (i) Explain five function in management. 5
 - (ii) Explain the features of Planning. 5
 - (iii) Define Power. Make a comparison between Authority and Power. 1+4=5
 - (iv) Define Staffing. Explain the importance of staffing. 1+4=5
 - (v) Analyze the barriers to communication. 5
 - (vi) What is "Laissez-faire Leadership"? Explain the advantages and disadvantages of Laissez-faire Leadership. 5
-