

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. Micro Economics theory deals with.
 - (a) Economy as a whole
 - (b) Individual units
 - (c) Economic growth
 - (d) all the above

2. Ceteris Paribus means
 - (a) Demand constant
 - (b) supply constant
 - (c) other thing being constant
 - (d) none

3. In the long run a firm in perfect competition earns
 - (a) Normal profit only
 - (b) Abnormal profit
 - (c) Average profit of past five years
 - (d) 12.33% profit on capital employed

4. The average _____ and output will have inverse functional relationship.
 - (a) fixed cost
 - (b) Price is more than the average variable cost
 - (c) Price is equal to fixed cost
 - (d) Price is more than the average fixed cost

5. Which shows the functional relationship between consumption and income
 - (a) Income function
 - (b) consumption function
 - (c) Saving function
 - (d) None

6. Real GDP is measured in _____ prices
 - (a) Current year
 - (b) Base year
 - (c) 1980
 - (d) 2000

7. CRR means
 - (a) Cumulative rate of return

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- (b) Current rate of return
- (c) Cash Reserve Ratio
- (d) Current rate of Rupee

8. Return to a variable factor operates in _____

- (a) Short run
- (b) Long run
- (c) either 'a' or 'b'
- (d) neither 'a' nor 'b'

9. Disguised unemployment is mainly found in

- (a) Urban areas
- (b) Rural areas
- (c) Small scale sector
- (d) Highly qualified work force

10. Which of these is/are the features of an underdeveloped economy?

- (a) Greater inequalities
- (b) High incidence of unemployment
- (c) Orthodox means of production
- (d) All the three

II. Fill in the blanks:

[5 x 1 = 5]

1. According to law of demand, there is a _____ relationship between price and demand.
2. Supply curve in the case of labour is _____
3. When the $AC=MC$ then the average cost is _____
4. According to Fisher theory money is demanded for _____ purpose
5. Credit control is the function of _____ bank.

III. Match the following

[5 x 1 = 5]

Column 'A'		Column 'B'	
1.	Acceptance of Deposits	A	Savings
2.	Interdependence	B	Average Cost
3.	MPC	C	Commercial Bank
4.	Liquidity Preference	D	Keynes
5.	AFC + AVC	E	Oligopoly

IV. State whether the following statement is True (or) False.

[5 x 1 = 5]

1. Tramways is an example of perfect market.

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2. Income method is also called value added method.
3. There is a direct relationship between price level and value of money.
4. Welfare of the people depends upon the distribution of national income.
5. The insurance sector allowing foreign direct investment.

V. Give the answer in one sentence for any five from the following:

[5×1=5]

1. Scarcity
2. Demand Forecasting
3. Deficit Finance
4. Bank Rate
5. Density of Population
6. Marginal Cost
7. What is Monopoly?
8. Consumer Surplus

VI. Answer any one of the following

[1×10= 10]

1. Define National Income and explain the methods of measurement of National Income and State any five problems involved in the calculation of National Income.
2. Explain the functions of Commercial Banks.

VII. Answer any two of the following

[2×5 = 10]

1. State the determinants of Elasticity of Demand.
2. What are the features of Monopoly?
3. Enumerate the function of money.
4. Explain Return to Scale.

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

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

[10×1 = 10]

1. The process of communication starts with _____
 - (a) Supervisor
 - (b) Sender
 - (c) Receiver
 - (d) Medium
2. Which one of the following is the principle of direction?
 - (a) Harmony of objectives
 - (b) Unity of command

- (c) Follow-up
(d) All of the above
3. _____ is aimed at maintaining harmony among employees and groups in an organisation
(a) Direction
(b) Supervision
(c) Planning
(d) Control
4. _____ is the right to act and extract obedience from others
(a) Power
(b) Authority
(c) Responsibility
(d) None of the above
5. _____ is concerned with providing the organization with the right number of people, at the right place and at the right time so that the organization would be able to achieve its goals effectively.
(a) Recruitment
(b) Staffing
(c) Selection
(d) Development
6. Delegation may be
(a) Specific or general
(b) Written or implied
(c) Formal or informal
(d) All of the above
7. _____ skills are related to the problem identification and prescribing appropriate solution.
(a) Decision making skills
(b) Interpersonal skills
(c) Operative skills
(d) All of the above
8. Authority and _____ should be co-extensive.
(a) Power
(b) Responsibility
(c) Accountability
(d) Command

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9. Control function is closely connected to _____
- (a) Planning
 - (b) Organising
 - (c) Coordination
 - (d) All of the above
10. Decentralisation suffers from the following limitation
- (a) Relief to top executive
 - (b) Expensive
 - (c) Quick decision
 - (d) Executive development

II. Fill in the blanks:

[5×1 = 5]

1. Likert suggested that _____ is the ideal system towards which organizations should work.
2. Theory _____ is based on a faulty conception of human nature.
3. _____ decisions refer to decisions techniques and rules.
4. Free Rein Leadership is also known as _____
5. CPC means _____.

III. Match the following

[5×1 =5]

	Column 'A'		Column 'B'
1.	Theory X	A	Social needs
2.	Theory Y	B	Management by exception
3.	Maslow's Model	C	Self direction and Self control
4.	Control by exception	D	Standing Plans
5.	Strategies	E	Inherent dislike for work

IV. State whether the following statement is True (or) False.

[5×1 =5]

1. Apprenticeship training is best example for off the job training.
2. Work is natural like rest or play according to theory Y.
3. Authority means ability to do something.
4. Responsibility flows downwards.
5. A superior is always responsible to his subordinate.

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V. Define any Five of the following:

[5×1= 5]

1. Responsibility Charting
2. Coercive power
3. Leadership continuum.
4. Espirit de corps
5. Participative Leadership
6. Decoding
7. Apathetic Groups
8. Meaning of Conflict

VI. Answer any four of the following questions.

[4×5=20]

1. State the distinction between delegation and decentralization. 5
2. Write a note on 'Span of Management' 5
3. Discuss any five principles of control. 5
4. State some important external sources of recruitment. 5
5. "Bureaucratic structures evolved from traditional structures". Comment. 5
6. What are the grounds on which Maslow's need hierarchy theory is criticized? 5