

Paper 1 - Fundamentals of Economics and Management

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Full Marks :100

Time allowed: 3 hours

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

1. Choose the correct answer from the given four alternatives: [10 × 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. Real GDP is measured in.....prices
 - (a) Current year
 - (b) Base year
 - (c) 1980
 - (d) 2000
7. CRR means
 - (a) Cumulative rate of return
 - (b) Current rate of return
 - (c) Cash Reserve Ratio
 - (d) Current rate of Rupee
8. Nationalization of Banks took place in
 - (a) July 1969
 - (b) February 1977
 - (c) Jan. 1960
 - (d) April 1989
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?

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

II. Fill in the blanks: [5×1=5]

1. In deductive method the logic proceed from ___ to ___
2. Supply curve in the case of labour is _____
3. When the AC=MC then the average cost is _____
4. Toilet 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	$\frac{\Delta x}{\Delta y}$
2.	Principles of Economics	B	Business People
3.	MPS	C	Cheque
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. 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. Marginal Utility
2. Demand Forecasting
3. Deficit Finance
4. Bank Rate
5. Science and Technology
6. Expand IDBI
7. What is Demand?
8. What is 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. Explain the functions of Reserve Bank of India

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. What are the types of inflation?
4. State the static functions of money?

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

1. 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. Theory __ is based on positive assumptions about workers.
(a) Z
(b) X
(c) Y
(d) C
 7. What does ERG stands for
(a) Effective, readiness and growth
(b) Expectancy, real and exist
(c) Existence, relatedness and growth
(d) Excellent relationship and growth.
 8. Classification of groups into Natural groups, Family groups and organized groups according to
(a) Sayles
(b) Mayo and Lombard
(c) Dalton's
(d) None of the above
 9. Propinquity means
(a) Nearness
(b) Farness
(c) Closeness
(d) All of the above
 10. Which of the following is a stage in the conflict process?
(a) functional conflict
(b) dysfunctional conflict
(c) hindering conflict

(d) incompatibility

II. Fill in the blanks: [5×1 = 5]

1. Father of Scientific Management is _____
2. _____ means transfer of authority from one individual to another.
3. Span of Control is based on the theory of relationships propounded by _____
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.	Henry Fayol	A	Prof Douglas Mc Gregor
2.	Encoding	B	Predicting the future events
3.	Supervision	C	Father of Modern Management
4.	Theory X and Theory Y	D	Selection of Language
5.	Forecasting	E	Overseeing the subordinates at work

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

1. Recruitment sources are always external.
2. Planning is an intellectual process.
3. Authority is vested in a position.
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. Democratic Leadership
6. Decoding
7. Apathetic Groups
8. Meaning of Conflict

VI. Answer any four of the following questions. [4×5=20]

1. Explain about the Neo Classical Theory of Organisation.
2. Explain the steps in the process of Delegation of authority.
3. Explain the difference between Authority and Power.
4. Explain the comparison between Theory X and Theory Y.
5. Explain the features of Cohesive Groups.
6. Explain the causes of organizational conflict.