

**Paper 1- Fundamentals of Economics and
Management**

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Full Marks : 100

Time allowed: 3 hours

Section – A

Part - A

1. (a) Choose the correct answer from the given four alternatives: [20 × 1 = 20]
- (i) If PPF is linear it implies
 - (a) Constant opportunity cost
 - (b) Diminishing apart cost
 - (c) Increasing opportunity cost
 - (d) None
 - (ii) Which of the following steps relates only to deductive method in economics?
 - (a) Testing of Hypothesis
 - (b) Collection of data
 - (c) Classification of data
 - (d) Perception of the problem
 - (iii) Cobb-Douglas production function is applicable on:
 - (a) Individual firm
 - (b) Whole of manufacturing
 - (c) Both of the above
 - (d) None of the above
 - (iv) _____ is a systematic record of all the economics transactions between one country and rest of the world :
 - (a) Balance of trade
 - (b) Balance of transactions
 - (c) Budget
 - (d) Balance of payments
 - (v) Production Possibility Curve(PPC) is also known as:
 - (a) Indifference curve
 - (b) Supply curve
 - (c) Transformation curve
 - (d) Demand curve
 - (vi) A monopolist firm always decides the price which is _____ then competitive firms price.
 - (a) Higher
 - (b) Lower
 - (c) Equal
 - (d) None of the above

- (vii) What do we call peaks and troughs collectively in business cycle?
(a) Equilibrium points
(b) Turning points
(c) Real business cycle events
(d) Volatility
- (viii) Which factors determine price _____?
(a) Utility and scarcity
(b) Cost of production
(c) Transferability
(d) All the above
- (ix) Soft lending is also known as _____.
(a) Recession
(b) Economic slowdown
(c) Revival
(d) None of these
- (x) Macro economics is also called _____ economics.
(a) Applied
(b) Aggregate
(c) Experimental
(d) None of the above
- (xi) Scarcity is a situation in which _____.
(a) Wants exceeds the resources available to satisfy them.
(b) Something is being wasted
(c) People are poor
(d) None of the above
- (xii) Economic problem arises when:
(a) Wants are unlimited
(b) Resources are limited
(c) Alternative uses of resources
(d) All of the above
- (xiii) Elasticity between two points:
(a) Point elasticity
(b) Arc elasticity
(c) Cross elasticity
(d) None
- (xiv) Goods that exhibit direct price-demand relationship are called:
(a) Giffen goods
(b) Complementary goods

- (c) Substitute goods
(d) None of the above
- (xv) At the point of inflexion, the marginal product is:
(a) Increasing
(b) Decreasing
(c) Maximum
(d) Negative
- (xvi) Which of the following is a commercial bank in India ?
(a) Axis
(b) IFCI
(c) IBRD
(d) SEBI
- (xvii) Which of the following is money proper?
(a) Bonds
(b) Government securities
(c) Time deposits
(d) Currency notes and demand deposits.
- (xviii) When supply curve moves to right, it means
(a) Supply increases
(b) Supply decreases
(c) Supply remain constant
(d) None of the above
- (xix) Price leadership is a form of -
(a) Monopolistic competition
(b) Monopoly
(c) Non-collusive oligopoly
(d) Perfect competition
- (xx) Under monopoly, the degree of control over price is:
(a) None
(b) Some
(c) Very considerable
(d) None of the above

(b) Match the following:

[5×1=5]

	Column 'A'		Column 'B'
1.	Wealth of nations	A.	J.H. Keynes
2.	Substitution effect	B.	Economic cost
3.	Macro economics	C.	Selling costs
4.	Normal profit	D.	Demand curve
5.	Advertisements	E.	Adam smith

(c) State whether the following statements are True (or) False. [5×1=5]

- (i) The demand for monopoly product is less elastic.
- (ii) There is a direct relationship between price level and value of money.
- (iii) The main object of IFCI is to make low and short term credit to the industrial units.
- (iv) Money Market is controlled and regulated by RBI.
- (v) Marginal Cost is not equal to Marginal Revenue.

PART - B

Answer any four questions out of six questions [4×5=20]

- 2. Explain about the Production Possibility Curve. [5]
- 3. Describe the types of elasticity of supply. [5]
- 4. Describe entrepreneur and its functions. [5]
- 5. State the features of monopolistic competition market. [5]
- 6. Define Money and Explain its functions. [5]
- 7. What are the functions of central bank? [5]

Section – B

PART - A

8. Answer all the questions :

(a) Choose the correct answer: [20×1=20]

- (i) Which of the following is not a function of managers?
 - (a) Designing
 - (b) Organizing
 - (c) Leading
 - (d) Planning
- (ii) Which of the following is not a part of staffing?
 - (a) Publicity
 - (b) Recruitment

- (c) Selection
 - (d) Training
- (iii) *Espirit de corps* means_____.
- (a) union is strength.
 - (b) service is our motto.
 - (c) buyer beware.
 - (d) product is our strength.
- (iv) Break even analysis is which type of control technique.
- (a) inventory control
 - (b) operating control
 - (c) financial control
 - (d) time event network analysis
- (v) Grapevine is associated with:
- (a) Formal communication.
 - (b) Informal communication.
 - (c) Horizontal communication.
 - (d) Vertical communication.
- (vi) Preventive control is also known as
- (a) Post control
 - (b) Pre-control
 - (c) Concurrent control
 - (d) Steering control
- (vii) Filtering means
- (a) Hiding some meaning
 - (b) Disclose the information
 - (c) Sending the message
 - (d) None of the above
- (viii) The decision taken by lower level management is a _____.
- (a) Programmed decision
 - (b) Non-programmed decision
 - (c) Major decision
 - (d) Minor decision
- (ix) The selection of best alternative from many alternatives is known as_____.
- (a) Selection
 - (b) Decision-making
 - (c) Organizing
 - (d) Budgeting
- (x) According to Maslow, self-actualization needs is a _____.

- (a) high level needs.
 - (b) medium level needs.
 - (c) lower level needs.
 - (d) psychological needs.
- (xi) Motivation available at the time of performance of work is_____.
- (a) negative motivation.
 - (b) positive motivation.
 - (c) extrinsic motivation.
 - (d) intrinsic motivation.
- (xii) Responsibility may be defined in terms of
- (a) Functions
 - (b) Targets
 - (c) Goals
 - (d) All of the above
- (xiii) ____ is a technique of management.
- (a) Delegation
 - (b) Decentralisation
 - (c) Centralisation
 - (d) All of the above
- (xiv) Authority should _____ with responsibility.
- (a) Commensurate
 - (b) Parity
 - (c) More than
 - (d) None of the above
- (xv) A manager has to exhibit the style of leadership depending on the
- (a) Performance
 - (b) Time
 - (c) Situation
 - (d) Period
- (xvi) Effective communication is always
- (a) Receiver oriented
 - (b) Sender oriented
 - (c) Message oriented
 - (d) None of the above
- (xvii) T-group training is also known as
- (a) Classroom Training
 - (b) Apprenticeship Training
 - (c) Internship Training
 - (d) Sensitivity Training

- (xviii) Pre-control is also known as
- (a) Feedback control
 - (b) Concurrent control
 - (c) Post-control
 - (d) feed forward control
- (xix) Controlling is:
- (a) the last function of management
 - (b) the first function of management
 - (c) the third function of management
 - (d) none of the above
- (xx) Which of the following is not an element of directing?
- (a) Motivation
 - (b) Communication
 - (c) Planning
 - (d) Supervision

(b) Match the following: [5×1=5]

	Column 'A'		Column 'B'
1.	Motive	A.	Introduction of a person to a job
2.	Unity of command	B.	Social need
3.	Encoding	C.	One superior and one subordinate
4.	Induction	D.	Urge to do something
5.	Need for Acceptance	E.	Selection of language

- (c) State whether the following statements are True (or) False. [5×1=5]
- (i) Brain storming is one of the participative techniques.
 - (ii) Maintenance factors are also known as hygiene factors.
 - (iii) Authority can be visible from organizational chart.
 - (iv) Responsibility flows downward.
 - (v) Planning is costly because it requires money, time and information.

PART - B

Answer any four questions out of six questions: [4×5=20]

9. Discuss Management as an Art. [5]
10. What are the steps of staffing process? [5]
11. Describe the characteristics of Authority. [5]
12. What are the measures to be taken for developing leadership ability of managers? [5]

13. Briefly explain the guidelines for effective decision making. [5]

14. Describe the steps in communication process. [5]