

Paper 1- Fundamentals of Economics and Management

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Full Marks:100

Time allowed: 3 hours

Section - A

I. Choose the correct answer from the given four alternatives: [10×1=10]

1. Micro Economics theory deals with -
 - (a) Economy as a whole
 - (b) Individual units
 - (c) Economic growth
 - (d) all the above
2. Human wants are -
 - (a) limited
 - (b) unlimited
 - (c) undefined
 - (d) none
3. Nature of PPF curve is
 - (a) Convex to the origin
 - (b) Concave to the origin
 - (c) both
 - (d) none
4. Internal Economies and Diseconomies arise due to -
 - (a) Overall industry-level changes
 - (b) Changes at the Firm Level
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)
5. Which of these will have highly inelastic supply
 - (a) Perishable goods
 - (b) Consumer durables goods
 - (c) Items of elite class consumption
 - (d) All the three
6. The demand for salt is inelastic, because
 - (a) of low price
 - (b) absence of it makes food tasteless
 - (c) no substitutes
 - (d) All the three
7. Which of the following is near money?
 - (a) Bill of exchange
 - (b) Saving bonds
 - (c) Gilt edged securities
 - (d) All the three
8. Which of these is associated with a monopolistic competitive market -
 - (a) Product differentiation
 - (b) Homogeneous product

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- (c) Normal in short run
(d) Single buyer
9. RBI was nationalized in
(a) June 1947
(b) Jan. 1949
(c) March 1954
(d) April 1936
10. Supply of money refers to
(a) Total money held by the public
(b) Total money held by RBI
(c) Total money with all the commercial banks and RBI
(d) Total money in Government account

II. Fill in the blanks:

[5×1=5]

1. When the total utility is maximum, then the marginal utility is _____.
2. In deductive method the logic proceed from ____ to ____.
3. If the supply curve is parallel to ox-axis than the supply is _____.
4. Perfectly elastic demand curve is _____.
5. ATC curve will be in _____ shaped.

III. Match the following:

[5×1=5]

	Column 'A'		Column 'B'
1.	Credit Creation	A	Monetary Policy
2.	RBI	B	Average Cost
3.	Substitution Effect	C	Fixed factor
4.	AFC + AVC	D	Commercial Bank
5.	Land	E	Demand Curve

IV. State whether the following statements are True (or) False:

[5×1=5]

1. The terms micro & macro are introduced by Ragnar Frisch.
2. Science is practical, but Art is theoretical.
3. In perfect market AR=MR curve is parallel to ox-axis.
4. RBI issues the one rupee notes and coins.
5. The main cause for the 'U' shape of LAC curve shifts upwards.

V. Give the answer in one sentence for the following:

[5×1=5]

1. Scarcity
2. Consumer Surplus
3. Monopoly
4. CRR
5. Marginal Revenue

VI. Answer any One of the following questions:

[10×1=10]

1. Define money and explain the function of money?
2. What are the functions of Central Bank?

VII. Write a note on any two of the following:

[2×5=10]

1. Elasticity of Demand

2. Features of perfect competition
3. Law of Variable proportion
4. Exim Bank

Section - B

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

[10 ×1=10]

1. Who considered co-ordination as a permeating function of management passing through the managerial functions of planning, organizing, staffing, leading and controlling?
(a) George Terry and Theo Haimann
(b) Henry Fayol
(c) Haynes and Massie
(d) Hicks and Gullet
2. The process of co-ordination must begin in the early stages of -
(a) Control
(b) Planning
(c) Organising
(d) Staffing
3. Control function is closely connected to -
(a) Planning
(b) Organizing
(c) Co-ordination
(d) All of the above
4. CPC means -
(a) Critical path control
(b) Critical point control
(c) Critical point complaint
(d) Critical point complex
5. Flexibility and Pragmatism are two important pre-requisites of success of _____ planning.
(a) Strategic
(b) Operations
(c) Corporate
(d) Long range
6. Duties should be assigned according to _____ subordinates.
(a) Qualifications
(b) Experience
(c) Aptitude of
(d) All of the above
7. Which leadership style permits quick decision making?
(a) Democratic style
(b) Laissez – Fair Leadership
(c) Authoritarian Leadership
(d) None of the above
8. _____ needs are at the base of the Hierarchy according to Maslow.

- (a) Safety needs
 - (b) Esteem needs
 - (c) Physiological needs
 - (d) Self-actualisation needs
9. Which of the following is not a financial incentive?
- (a) Pay
 - (b) Allowance
 - (c) Recognition
 - (d) Bonus
10. The term 'Power' is often considered as synonymous to.
- (a) Responsibility
 - (b) Accountability
 - (c) Authority
 - (d) Control

IX. Fill in the blanks:**[5×1=5]**

- 1. Management is both an art and a _____.
- 2. The internal sources of recruitment include the employees on the _____.
- 3. _____ is a relationship between two individuals-one superior and the other subordinate.
- 4. Responsibility flows _____.
- 5. Theory _____ is based on a faulty conception of human nature.

X. Match the following:**[5×1=5]**

	Column 'A'		Column 'B'
1.	Decoding	A	Henry Fayol
2.	Control by Exception	B	Flows in all direction
3.	Father of Modern Management	C	Superior and subordinate
4.	Delegation of Authority	D	Management by Exception
5.	Power	E	Interpretation of message

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

- 1. Rule of thumb to be replaced by rule of science to improve the standard of performance.
- 2. Objectives, Policies, Procedures and rules are important single use plans.
- 3. Responsibility flows downward.
- 4. Carrot and Stick approach to motivation is adopted under Benevolent autocratic system.
- 5. Brain storming is one of the participative techniques.

XII. Define the following:**[5×1=5]**

- 1. Induction.
- 2. Feed forward control.
- 3. Authority.
- 4. Decentralization.

5. Participative Leadership.

XIII. Answer any four of the following questions.

[4×5=20]

1. Define planning and explain the characteristics of planning.
2. Define control and explain the principles of control.
3. Define communication and explain the steps in communication process.
4. Distinguish between Delegation and Decentralization.
5. Define Leadership and explain the characteristics of Leadership.
6. Explain the quantitative techniques of decision making.