

CA FOUNDATION



रामबाण SERIES

FOR DECEMBER 2023

BUSINESS ECONOMICS & BCK

धाकड़

WARM-UP SESSION

By- LOVE KAUSHIK SIR





TOPICS *to be covered*

1

6 JANUARY EXAM





Paper Pattern ✓	Subjective MCQ
Number of Question Asked	100
Duration of Exam	2 Hours
Maximum Marks	<u>60 Marks</u> for Business Economics and <u>40 Marks</u> for Business and Commercial Knowledge

Maximum Marks	100
Timing	2 Hours

2 pm — 4 pm

→ 4 Set

30 minutes → 40-50 MCQ

90 → 60

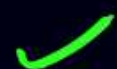
1 → 1.30

Chapter wise



Mix

1-10 }
90-100 } → 5-10



PART 1 – BUSINESS ECONOMICS

Chapter – 1

BUSINESS ECONOMICS – NATURE & SCOPE

m.imp.

1-2

QUESTION- 1



#Q. Business Economics is also known as?

① Applied Economics ✗

② Managerial Economics

③ Micro Economics ✗

④ All of the above

② → Joel Dean
1951

#Q. Business Economics is

- ① Abstract and applies the tools of Microeconomics X
- ② Involves practical application of economic theory in business decision making ✓
- ③ Incorporates tools from multiple disciplines ✓
- ④ (2) and (3) above. (4)

Largely

Pragmatic

#Q. Ram: My corn harvest this year is poor.

Krishan: Don't worry. Price increases will compensate for the fall in quantity supplied.

Vinod: Climate affects crop yields. Some years are bad, others are good.

✓ Madhu: The Government ought to guarantee that our income will not fall.

In this conversation, the normative statement is made by

1 Ram ✓

2 Krishan ✓

3 Vinod ✓

4 Madhu ✓

4

Should be
ought to
determining

QUESTION- 4



#Q. A capitalist economy uses _____ as the principal means of
allocating resources.

- ① demand
- ② Supply
- ③ Efficiency
- ④ Prices. — (4)

QUESTION- 5



#Q. Scarcity definition of Economics is given by-

- ① Alfred Marshall → welfare
- ② Samuelson → Growth
- ③ Robinson. ✓ ③
- ④ Adam Smith → Wealth

#Q. Mr. Satish hired a business consultant to guide him for growth of his business. The consultant visited his factory and suggested some changes with respect to staff appointment, loan availability and so on. Which approach is that consultant using?

- ① Micro economics
- ② Macro economics
- ③ None of the above
- ④ Both (1) and (2)

① ~~MACRO~~
~~MACRO~~



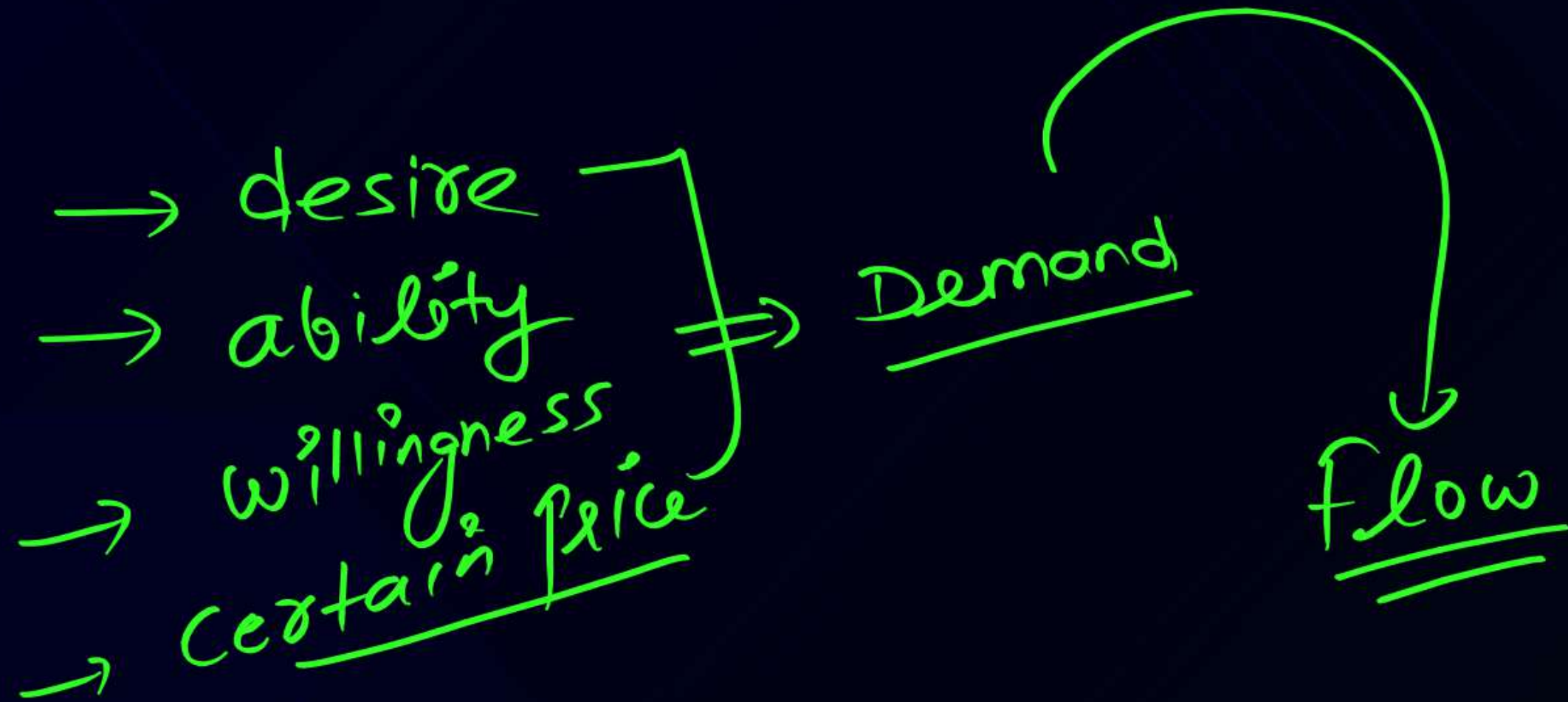
Chapter – 2

THEORY OF DEMAND AND SUPPLY

#Q. Demand for a commodity refers to:

- ① desire backed by ability to pay for the commodity
- ② need for the commodity and willingness to pay for it
- ③ the quantity demanded of that commodity at a certain price
- ④ the quantity of the commodity demanded at a certain price during any particular period of time.

4

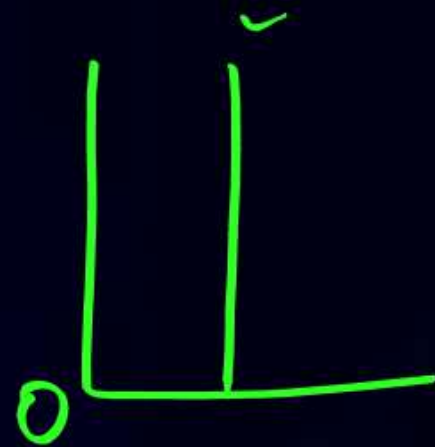


QUESTION-02



#Q. If regardless of changes in its price, the quantity demanded of a good remains unchanged, then the demand curve for the good will be:

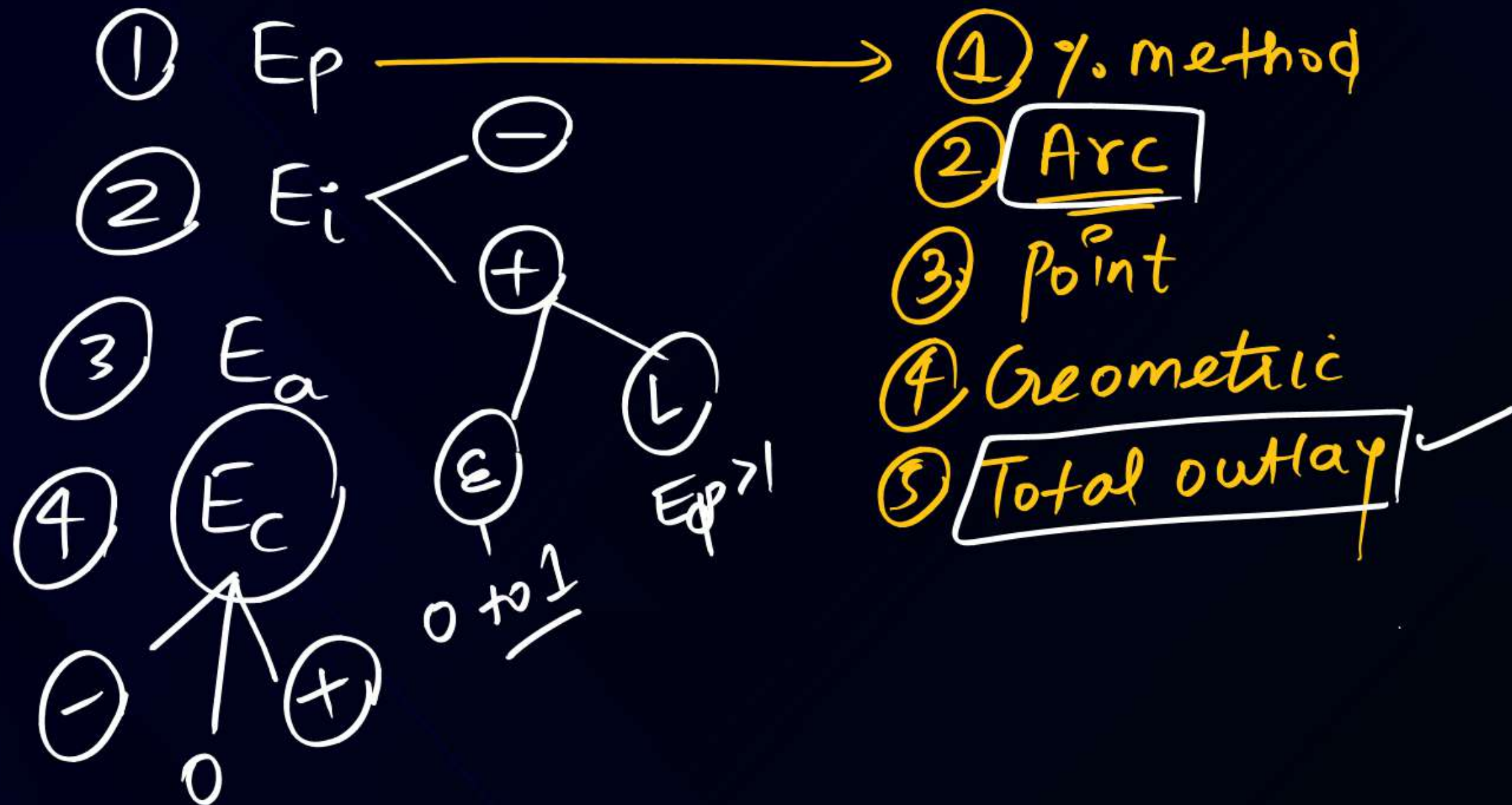
- 1 horizontal
- 2 Vertical. 2
- 3 positively sloped
- 4 negatively sloped



$$\Delta Q = 0$$

$$E_p = \frac{\% \Delta Q_D}{\% \Delta P} = \frac{0}{\boxed{\times \times \times}} = 0$$

Types of Elasticity of DD



QUESTION-03



#Q. Suppose the price of movies seen at a theatre rises from Rs 120 per person to Rs 200 per person. The theatre manager observes that the rise in price causes attendance at a given movie to fall from 300 persons to 200 persons. What is the price elasticity of demand for movie? (Use Arc Elasticity Method)

1 5

2 0.8 ✓ (2)

3 1

4 2

	Price	Q.D.
P ₁	120	300 Q ₁
P ₂	200	200 Q ₂

$$\begin{aligned}
 E_p &= \frac{Q_2 - Q_1}{P_2 - P_1} \times \frac{P_1 + P_2}{Q_1 + Q_2} \\
 &= \frac{-100}{80} \times \frac{420}{500} \\
 &= -1.05
 \end{aligned}$$

QUESTION-04



#Q. Demand for a good will tend to be more inelastic $E_p < 1$ if it exhibits which of the following characteristics?

- 1 The good has many substitutes $E_p > 1$
- 2 The good is a luxury (as opposed to a necessity) $E_p > 1$
- 3 The good is a small part of the consumer's income. $E_p < 1$ ③
- 4 There is a great deal of time for the consumer to adjust to the change in prices

#Q. When income increases the money spent on necessities of life may not increase in the same proportion, This means

- 1 income elasticity of demand is zero
- 2 income elasticity of demand is one
- 3 income elasticity of demand is greater than one
- 4 income elasticity of demand is less than one. ✓

$$\frac{100 - 200}{10\% \quad 10\%}$$

4

QUESTION-06



#Q. Potato chips and popcorn are substitutes. A rise in the price of potato chips will the demand for popcorn and the quantity of popcorn sold will

- ① increase, increase. ①
- ② increase; decrease
- ③ decrease, decrease
- ④ decrease, increase

#Q. In Economics, when demand for a commodity increases with a fall in its price it is known as:

$P \downarrow \rightarrow D \uparrow$

- ① Contraction of demand
- ② Expansion of demand. ②
- ③ No change in demand
- ④ None of the above

QUESTION-08



#Q. Elasticity of supply is measured by dividing the percentage change in quantity supplied of a good by ✓

- 1 Percentage change in income
- 2 Percentage change in quantity demanded of goods
- 3 Percentage change in price.
- 4 Percentage change in taste and preference

$$\frac{\% \Delta Q_s}{\% \Delta P}$$

#Q. If the price of air-conditioner increases from Rs 30,000 to Rs 30,010 and resultant change in demand is negligible, we use the measure of _____ to measure elasticity.

- ① Point elasticity of demand since it is a small change ①
- ② Arc elasticity of demand since it is a small change
- ③ Price elasticity based on average prices method
- ④ Any of the above

QUESTION-10

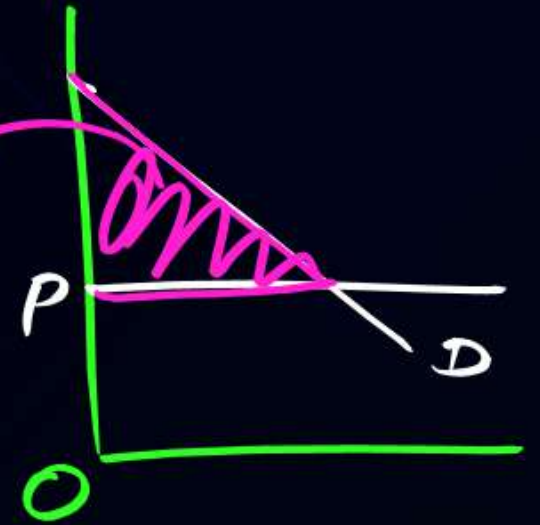


#Q. Suppose the income elasticity of education in private school in India is 3.6. What does this indicate:

$$\underline{E_i = 3.6}$$

- 1 Private school education is highly wanted by rich
- 2 Private school education is a necessity
- 3 Private school education is a luxury. ✓ 3
- 4 We should have more private schools ✗

$$\begin{array}{rcccl} 1000 & - & 700 & = & \underline{\underline{300}} \\ \downarrow & & \uparrow & & \uparrow \\ \underline{1000} & - & \underline{650} & = & \underline{\underline{350}} \\ \downarrow & & \downarrow & & \downarrow \\ \text{willingness} & & \text{actual} & & \text{Consumer} \\ & & \text{Payment} & & \text{Surplus} \end{array}$$



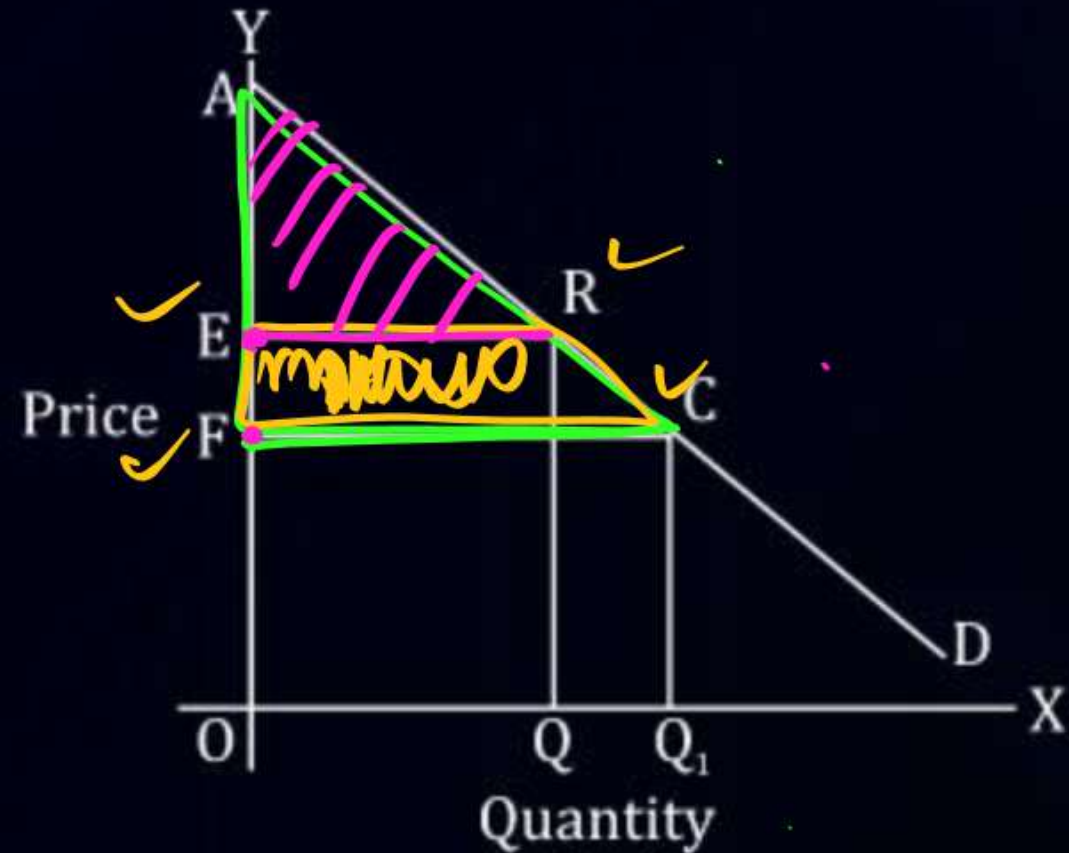
QUESTION-11



#Q. The effect on consumer surplus of a fall in price from \check{E} to \check{F} is

$P \downarrow \rightarrow C.S. \uparrow$

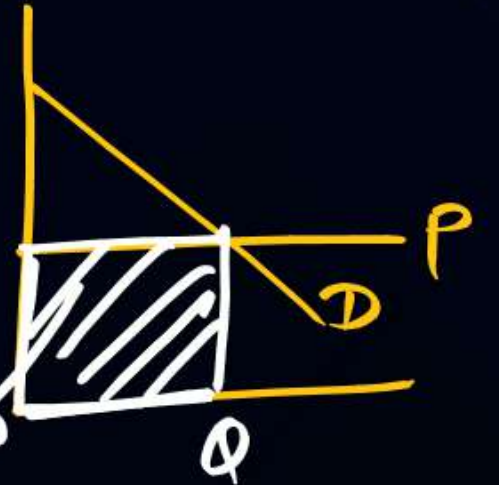
- 1 A decrease in consumer surplus by EFGR
- 2 A decrease in consumer surplus by AER
- 3 A decrease in consumer surplus by EFCR
- 4 None of the above



Revenue \rightarrow money receipt by selling a good

$$(4) \times (10) = 40$$

$$TR = P \times Q$$

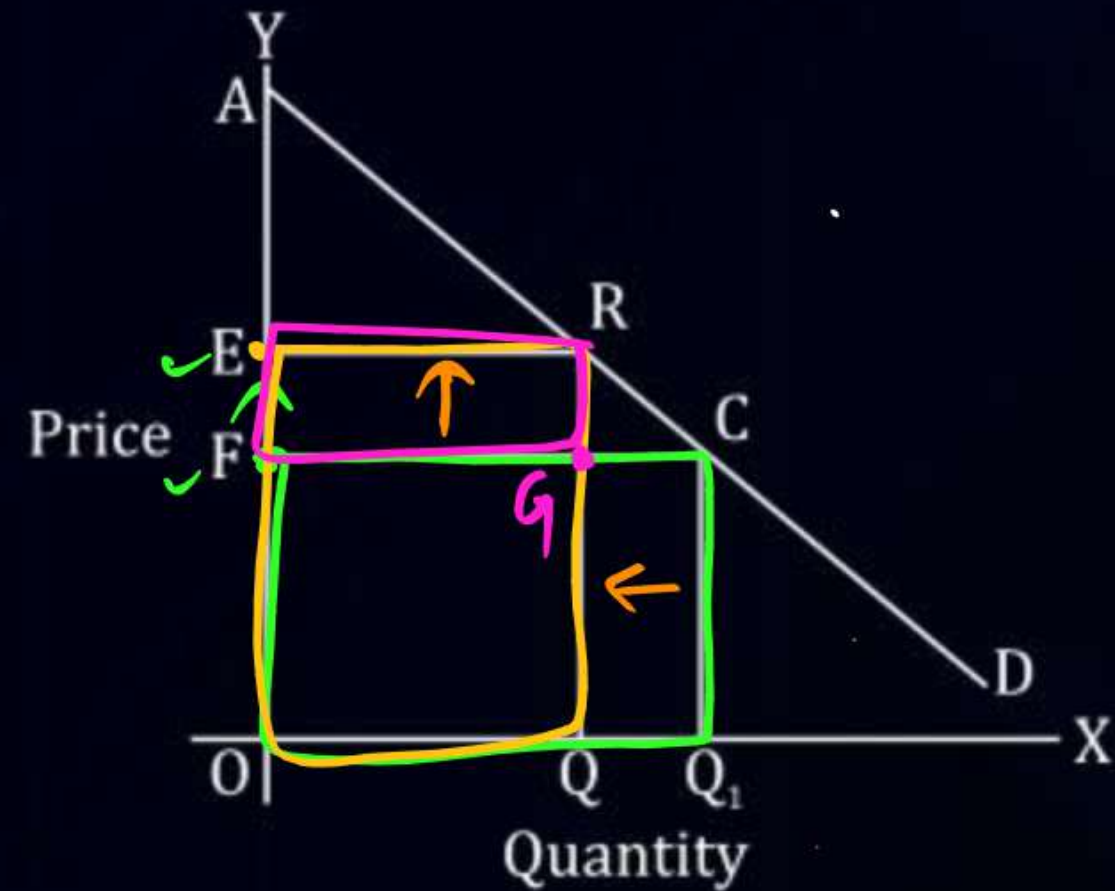


QUESTION-12



#Q. When price rises from F to E, the increase in revenue earned by the seller is

- ① Equivalent to area EFGR ①
- ② Equivalent to area EFCR
- ③ Equivalent to area AER
- ④ None of the above



Chapter – 3 ✓

THEORY OF PRODUCTION AND COST

#Q. Which of the following is considered production in Economics?

- ① Tiling of soil ✓ ①
- ② Singing a song before friends
- ③ Preventing a child from falling into a manhole on the road ✓ ✓
- ④ Painting a picture for pleasure

QUESTION-02



#Q.	Hours of labour	Total Output	Marginal Product
	0	0	0
	1	100	100
	2	180	80
	3	240	60

What is the total output when 2 hours of labour are employed?

↓
TP

$$TP = \sum MP$$

$$MP = TP_n - TP_{n-1}$$

1 80

2 100

3 180

4 200

3

$$AP = \frac{TP}{L}$$

$$mp = TP_n - TP_{n-1} = \frac{\Delta TP}{\Delta L}$$

$$\begin{aligned} TP &= \sum mp \\ &= AP \times L \end{aligned}$$



$$TC = TFC + TVC$$

$$= AC \times Q$$

$$= \sum MC$$

$$TFC = TC - TVC$$

$$= AFC \times Q$$

$$TVC = TC - TFC$$

$$= AVC \times Q$$

$$= \sum MC$$

$$AC = \frac{TC}{Q}$$

$$= \underline{AFC} + \underline{AVC}$$

$$AFC = \frac{TFC}{Q}$$

$$= AC - AVC$$

$$AVC = \frac{TVC}{Q}$$

$$= AC - AFC$$

$$MC = \frac{\Delta TVC}{Q} = \frac{\Delta TC}{Q} = TVC_n - TVC_{n-1} = TC_n - TC_{n-1}$$

QUESTION-03

#Q.	Output (Q)	0	1	2	3	4	5	6
	Total Cost (TC)	₹ 240	₹ 330	₹ 410	₹ 480	₹ 540	₹ 610	₹ 690

The average fixed cost of 2 units of output is

1 80

2 85

3 120

4 205

$$Q=0 \rightarrow 0$$
$$TC = TFC + TVC$$

$$TFC = 240$$

$$AFC = \frac{240}{2} = \underline{120}$$

QUESTION-04



#Q. A firm producing 7 units of output has an average total cost of ₹ 150 and has to pay ₹ 350 to its fixed factors of production whether it produces or not. How much of the average total cost is made up of variable costs?

1 ₹ 200

2 ₹ 50

3 ₹ 300

4 ₹ 100

Q	AC	TFC	AVC
7	150	350	

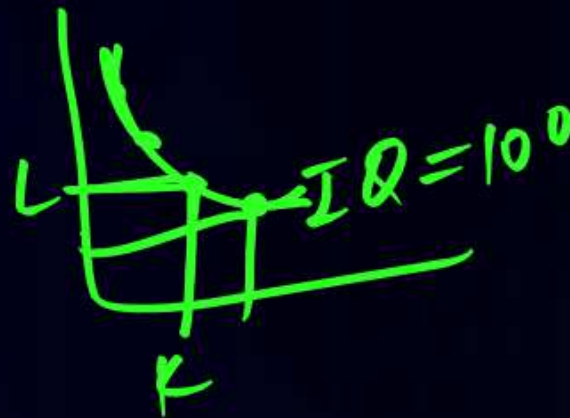
$$AFC = \frac{350}{7}$$

$$\begin{aligned} AVC &= AC - AFC \\ &= 150 - 50 \\ &= \underline{100} \end{aligned}$$

4

#Q. An isoquant shows

- ① All the alternative combinations of two inputs that can be produced by using a given set of output fully and in the best possible way
- ② All the alternative combinations of two products among which a producer is indifferent because they yield the same profit
- ③ All the alternative combinations of two inputs that yield the same total product.
- ④ Both (2) and (3)



③

QUESTION-06



#Q. Suppose the first four units of a variable input generate corresponding total outputs of 200, 350, 450, 500. The marginal product of the third unit of input is:

1 50

2 100

3 150

4 200

TP	MP
200	
350	
450	100
500	

#Q. The marginal cost for a firm of producing the 9th unit of output is ₹ 20. Average cost at the same level of output is ₹ 15. Which of the following must be true?

- 1 marginal cost and average cost are both falling ^x
- 2 marginal cost and average cost are both rising. ✓ (2)
- 3 marginal cost is rising and average cost is falling ^x
- 4 it is impossible to tell if either of the curves are rising or falling ^x

Q	MC	AC
9	20	15

$MC > AC$



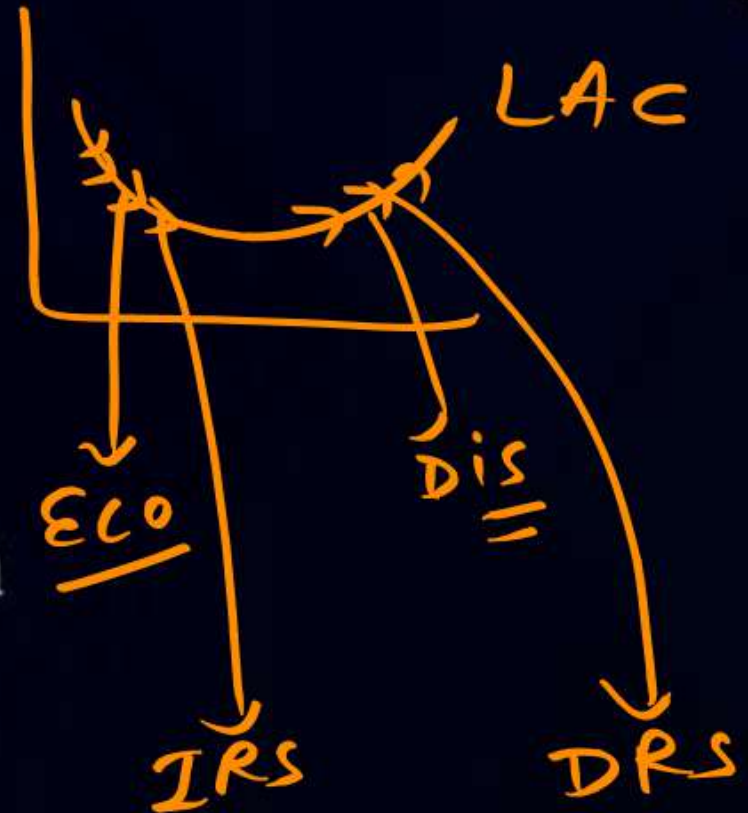
QUESTION-08



#Q. Which of the following statements is incorrect?

LAC

- 1 The LAC curve is also called the planning curve of a firm ✓
- 2 Total revenue = price per unit x number of units sold ✓
- 3 Opportunity cost is also called alternative cost ✓
- 4 If total revenue is divided by the number of units sold we get marginal revenue.



$$\frac{TR}{Q} = AR$$

4

Chapter - 4

15-18 ✓

PRICE DETERMINATION IN DIFFERENT MARKETS

QUESTION-01



#Q. In the table below what will be equilibrium market price?

$$D = S$$

1 ₹ 2

2 ₹ 3

3 ₹ 4

4 ₹ 5

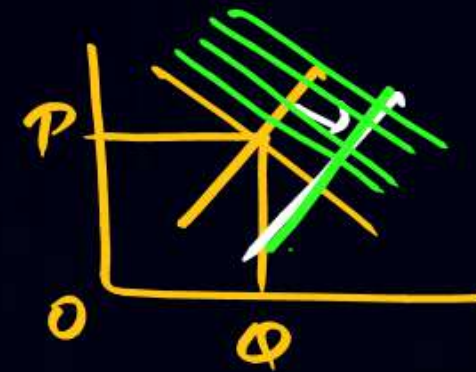
Price	Demand (tonnes per annum)	Supply (tonnes per annum)
1	1000	400
2	900	500
3	800	600
4	700	700
5	600	800
6	500	900
7	400	1000
8	300	1100

QUESTION-02



#Q. Suppose the technology for producing personal computers improves and, at the same time, individuals discover new uses for personal computers so that there is greater utilisation of personal computers. Which of the following will happen to equilibrium price and equilibrium quantity?

- ① Price will increase; quantity cannot be determined
- ② Price will decrease; quantity cannot be determined
- ③ Quantity will increase; price cannot be determined
- ④ Quantity will decrease; price cannot be determined



3

#Q. Price-taking firms, i.e., firms that operate in a perfectly competitive market, are said to be "small" relative to the market. Which of the following best describes this smallness?

- ① The individual firm must have fewer than 10 employees ✗
- ② The individual firm faces a downward-sloping demand curve ✓
- ③ The individual firm has assets of less than ₹ 20 lakhs ✗
- ④ The individual firm is unable to affect market price through its output decisions. ✓ (4)

QUESTION-04



#Q. When ✓, there will be allocative efficiency meaning thereby that the cost of the last unit is exactly equal to the price of consumers are willing to pay for it and so that the right goods are being sold to the right people at the right price.

1 $MC = MR$

2 $MC = AC$

3 $MC = AR$ 3

4 $AR = MR$

$$\underline{MC} = \text{Price} \downarrow \underline{AR}$$

QUESTION-05



#Q. The market for hand tools (such as hammers and screwdrivers) is dominated by Draper, Stanley, and Craftsman. This market is best described as

- 1 Monopolistically competitive
- 2 a monopoly
- 3 an oligopoly. (3)
- 4 perfectly competitive

QUESTION-06



#Q. In Economics, the term 'market' refers to a:

- ① place where buyer and seller bargain a product or service for a price. ✓ ①
- ② place where buyer does not bargain
- ③ place where seller does not bargain
- ④ none of the above

#Q. The market for the ultimate consumers is known as

- ① whole sale market
- ② regulated market
- ③ unregulated market
- ④ retail market.

4

#Q. Which of the following statements is incorrect?

- ① Under monopoly there is no difference between a firm and an industry ✓
- ② A monopolist may restrict the output and raise the price ✓
- ③ Commodities offered for sale under a perfect competition will be heterogeneous. → (X) ③
- ④ Product differentiation is peculiar to monopolistic competition

Chapter – 5

9-12

BUSINESS CYCLE

#Q. A variable that tends to move later than aggregate economic activity is called

① a leading variable → Advance → future

② a coincident variable → Current

③ a lagging variable. → Past ③

④ a cyclical variable ✗



QUESTION-02



#Q. During recession, the unemployment rate ✓ and output ✓.

- ① ✓ Rises; falls. ①
- ② Rises, rises
- ③ Falls; rises
- ④ Falls; falls



#Q. Which of the following is not a characteristic of business cycles?

- ① Business cycles have serious consequences on the well-being of the society
- ② Business cycles occur periodically, although they do not exhibit the same regularity
- ③ Business cycles have uniform characteristics and causes.
- ④ Business cycles are contagious and unpredictable

#Q. Which of the following is not an example of coincident indicator?

- ① Industrial production
- ② Inflation
- ③ Retail sales
- ④ New orders for plant and equipment ④

#Q. Which of the following statements is correct? ✓

- ① The business cycle largely affects the agricultural sector
- ② The business cycle largely affects small employees
- ③ The business cycle generally affects all sectors of economy
but business sector in particular. ③
- ④ The business cycle affects low wages workers

40 marks

PART 2 – BUSINESS AND COMMERCIAL KNOWLEDGE

Bck
most Awaited



Chapter – 1

INTRODUCTION

#Q. Consider the following table showing columns for the nature of economic occupation and the corresponding characterisation of income and then, choose the right solution option from the alternatives given below the table.

Economic Occupation	Income Characterisation
i. Employment	a. Profit
ii. Profession	b. Wages & Salaries
iii. Business	c. Interest
iv. Land/Property Rental	d. Rent
v. Lending	e. Fees

- 1 i-a; ii-b; iii-c; iv-d; v-e
- 2 i - b; ii - c; iii - d; iv-e; v-a
- 3 i-b; ii-e; iii - a; iv - d; v-c.
- 4 i-c; ii-d; iii - e; iv - a; v - b

#Q. The occupation in which people work for others and get remunerated in return is known as:

- ① Business → Profit
- ② Employment → ②
- ③ Profession → Fee.
- ④ None of these

#Q. Which of the following is not considered an economic activity?

- ① Saving & Investment
- ② Production & consumption
- ③ Service of Chartered Accountant
- ④ Providing free medical aid by Doctor.

#Q. Which of the following statements describes the best Joint Hindu / Hindu Undivided Family (HUF) Business?

- ① It is a form of business particular to and recognized as such in India ✓
- ② Every family business is in fact a HUF Business ✗
- ③ In HUF businesses, there is a family involvement in business ✓
- ④ Either (1) or (3). ✓ ④

#Q. HUF ~~can~~ comprise members of a:

Cannot

- ① Hindu & Sikh family
- ② Jain family
- ③ Buddhist family
- ④ Muslim family. ④



Chapter - 2 6-7

BUSINESS ENVIRONMENT

#Q. Which of the following exhibit characteristic of Business Environment?

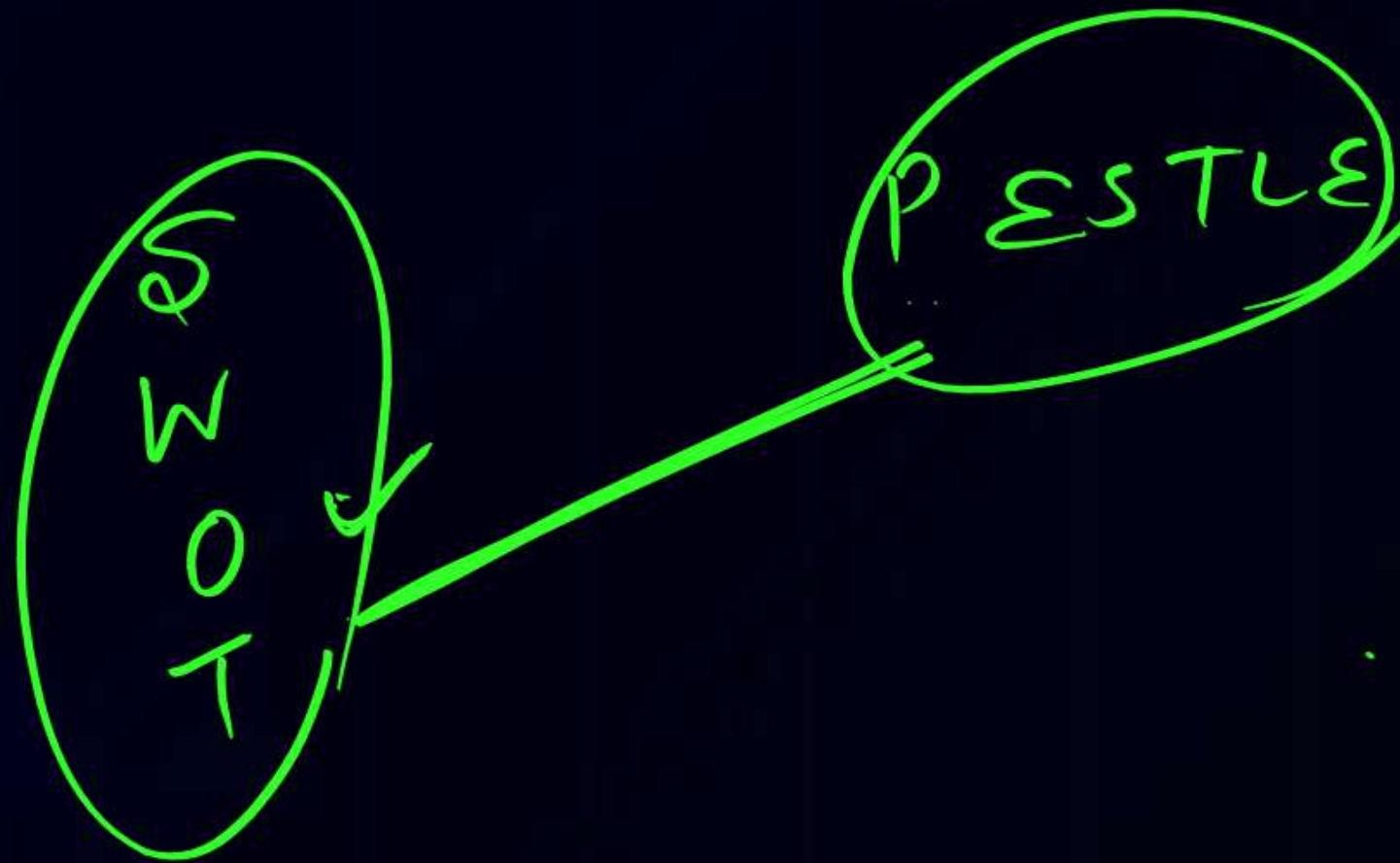
- (I) Environment is static ✓ x
- (II) Environment is dynamic ✓
- (III) Environment is complex and multi-faceted ✓
- (IV) It has short term reach x

- 1 Point I & III
- 2 Point I, II & III
- 3 Point II & IV
- 4 Point II & III. ✓

4

#Q. _____ is the process by which organizations monitor their relevant environment to identify opportunities and threats affecting their business for the purpose of taking strategic decisions.

- 1 Forecasting
- 2 Assessment
- 3 Scanning.
- 4 None of the above



QUESTION-03



#Q. The businesses should continuously ✓ and ✓ to the environment if it is to service and prosper.

① Identify, appraise

② Monitor, adapt.

③ Identify, monitor

④ Monitor, appraise

2

#Q. Read the following three statements:

- (i) The environment is constantly changing in nature ✓
- (ii) Various environmental constituents exist in isolation and do not interact with each other. ✗
- (iii) The environment has a far-reaching impact on organizations. ✓

From the combinations given below select an alternative that represents statements that are true:

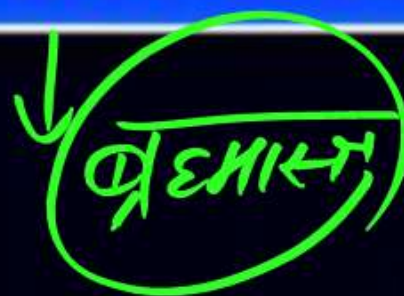
- 1 (i) and (ii)
- 2 (ii) and (iii)
- 3 (i) and (iii). ✓
- 4 (i), (ii) and (iii)

#Q. Which of the following is not part of internal environment of a business organisation?

- 1 Labor Unions ✓
- 2 Corporate Culture ✓
- 3 Customers. ③ ③
- 4 Organisational Structure

Chapter – 3

BUSINESS ORGANIZATIONS



QUESTION-01



#Q. State Bank of India was formerly known as:

- 1 Bank of Madras ✓
 - 2 Bank of Calcutta ✓
 - 3 Imperial Bank → 1921
 - 4 Indian Bank
- 1955 → SBI
- 3

QUESTION-02



#Q. Which IT company acquired Beats Electronics in 2014?

- ① Microsoft Corporation
- ② Apple.
- ③ Intel Corporation
- ④ IBM Corporation

1976 → Apple Computer Inc.
2007 → Apple Inc.

QUESTION-03



#Q. What was the initial name of Apple Inc.?

- ① Apple corporation
- ② Apple Computer Inc.
- ③ Apple IT solutions
- ④ Apple Mac Inc

2

#Q. Which of the following is incorrect about ONGC?

- ① ONGC is a public sector undertaking engaged in oil exploration activity ✓
- ② It has subsidiaries in 17 countries ✓
- ③ Its headquarter is in Ahmedabad. ✗ (3) →
- ④ It was set up in 1956

AGNI → (4)
 217 → (3)
 Mumbai → (K)

#Q. Match the following:

Companies	Product
Microsoft	Coffee
Bajaj	Windows
Nestle	Activa CT100
Jio	Mobile phone

- 1 Microsoft-Activa, Bajaj-Windows, Nestle-Coffee, Jio-Mobile phone service
- 2 Microsoft-Windows, Bajaj-~~Activa~~ CT100, Nestle-Coffee, Jio-Mobile phone service. 2
- 3 Microsoft-Coffee, Bajaj-Windows, Nestle-Activa, Jio-Mobile phone service
- 4 Microsoft-Windows, Bajaj-Coffee, Nestle-Activa, Jio-Mobile phone service



Chapter – 4

GOVERNMENT POLICIES FOR BUSINESS GROWTH

#Q. Following statements pertain to the meaning, importance and impact of economic policies. These statements are either correct or incorrect. Pick up the answer option that gets it all right.

- i. Macroeconomic policies operate only on the demand side of the economy. ✗
- ii. The impact transmission of the policies occurs through institutions and policy instruments.
- iii. Policy formulation does not involve discussion with the stakeholders.
- iv. The impact of Sectoral policies is on the economy as a whole.

1

i-Correct; ii-Correct iii-Correct; iv-Incorrect

2

i - Incorrect; ii - Correct; iii-Incorrect; iv-Incorrect. ✓

2

3

i - Incorrect; ii - Incorrect; iii - Correct; iv - Incorrect

4

i - Correct; ii - Correct; iii - Incorrect; iv - Incorrect

#Q. FDI in sectors / activities which do not require any prior approval either of the Government or the Reserve Bank of India is identified as:

- ① Green Channel
- ② Priority route
- ③ Non-Commercial Route
- ④ Automatic Route.

4

QUESTION-03



#Q. Sale of 50% stake in a PSU to a single private sector company is an example of:

- ① Displacement of stake
- ② Decentralization of Authority
- ③ Delegation of stake
- ④ Disinvestment to form a Joint Venture.

9

#Q. Choose the correct answer from among the combinations given below the following table Macro Economic Variable Desired Direction for Conduciveness

(a) Tax Rate	(i) Higher the better
(b) GDP	(ii) Moderately Higher the Better
(c) Inflation	(iii) Lower the Better

- 1 (a)-(iii); (b)- (i): (c) - (ii).
- 2 (a) - (iii); (b) - (ii); (c) - (iii)
- 3 (a) - (i); (b) - (ii); (c) - (iii)
- 4 Either a or b

#Q. Which of the following is the overarching, all inclusive assumption while assessing the conduciveness of the macro variables for business?

- ① Corresponding conduciveness of politico-legal and socio-cultural institutions
- ② Given other things constant
- ③ Time-lag
- ④ Non retaliatory/ compensatory adjustment neutralising a particular impact



Chapter – 5

ORGANIZATIONS FACILITATING BUSINESS



Topic: Points to be noted



- CCI consists of a Chairperson and 6 Members appointed by the CG.
- Section 14 of IRDAI Act, 1999 lays down the duties, powers and functions of IRDAI.



Topic: SEBI BOARD



- ✧ ① A Chairman-appointed by CG-person
- ✧ ② Two Members (Nominated by CG)-
- ✧ ① 1 Member (Nominated by RBI):-
- ✧ ⑤ 5 Other Members:- Out of which 3 members(whole time members) who
shall be appointed by CG.

9

#Q. SEBI has several functions rolled into one body. Which one of the following is not the function of SEBI?

- 1 Quasi-legislative ✓
- 2 Quasi-judicial ✓
- 3 Quasi-professional. ✓
- 4 Quasi-executive ✓

Quasi → Almost

3

QUESTION-02



#Q. NABARD is the most important institution in the country which looks after the development of the

- ① Cottage industry
 - ② Small industry
 - ③ Village industry
 - ④ All of the above.
- ④

#Q. Which of the following statement is incorrect regarding development banks in India?

- ① Development banks provide funds to new and upcoming business houses
- ② Development banks accept long term deposits from individual and firms.
- ③ IFCI was the first development bank in India
- ④ The other two banks ICICI & IDBI have been converted into commercial banks

#Q. Which of the following statements are not correct?

- 1** NABARD provides refinance facility in respect of credit to agricultural & rural sector
- 2** NABARD performs apex level coordination role
- 3** NABARD is a commercial bank.
- 4** None of the above



Chapter – 6

COMMON BUSINESS TERMINOLOGIES

#Q. The exploitation of comparatively small market segments by businesses that decide to concentrate their efforts is called:

- 1 Niche marketing. ✓ ①
- 2 Mass marketing
- 3 Market segmentation
- 4 Market positioning

QUESTION-02



#Q. Carrying forward of transaction form one settlement period to the next without effecting delivery or payment is called _____.

- ① Badla. A handwritten mark in green ink, consisting of a circle with a vertical line through it, resembling a stylized '1' or a checkmark.
- ② Beta
- ③ Blue chips
- ④ Basket trading

QUESTION-03



#Q. The number of units of given currency that can be purchased for one unit of another currency is called _____.

① Current ratio

② Exchange rate.

③ Equity

④ dividend

②

83 : 1

#Q. What is a financial instrument?

- 1** anything that ranges from cash, deed, negotiable instrument, or for that matter any written and authenticated evidence that shows the existence of a transaction or agreement.
- 2** is basically any security that is held with the government and has the highest possible rate of interest
- 3** is a contract where the borrower, who is also the purchaser, pays a series of installments that includes the interest of the principal amount
- 4** None of the above

#Q. _____ ✓ is the simultaneous purchase and sale of two identical commodities or instruments. This simultaneous sale and purchase is done in order to take advantage of the price variations in two different markets.

- ① Cap
- ② Term insurance
- ③ Arbitrage.
- ④ Hedge

③

#Q. Marketing mix includes 4 Ps and 4Cs. Match the following and prepare the proper combinations:

4 P's

4 C's

Product

Convenience

Price

Communication

Promotion

Cost

Place

Customers' satisfaction

- ① Product-Communication, Price-Cost, Promotion- Customers satisfaction, Place-Convenience
- ② Product-Customer's satisfaction, Price-Cost, Promotion- Convenience, Place- Communication
- ③ Product-Convenience, Price-Cost, Promotion-Communication, Place-Customer's satisfaction
- ④ Product-Customer's satisfaction, Price-Cost, Promotion-Communication, Place-Convenience.

All round

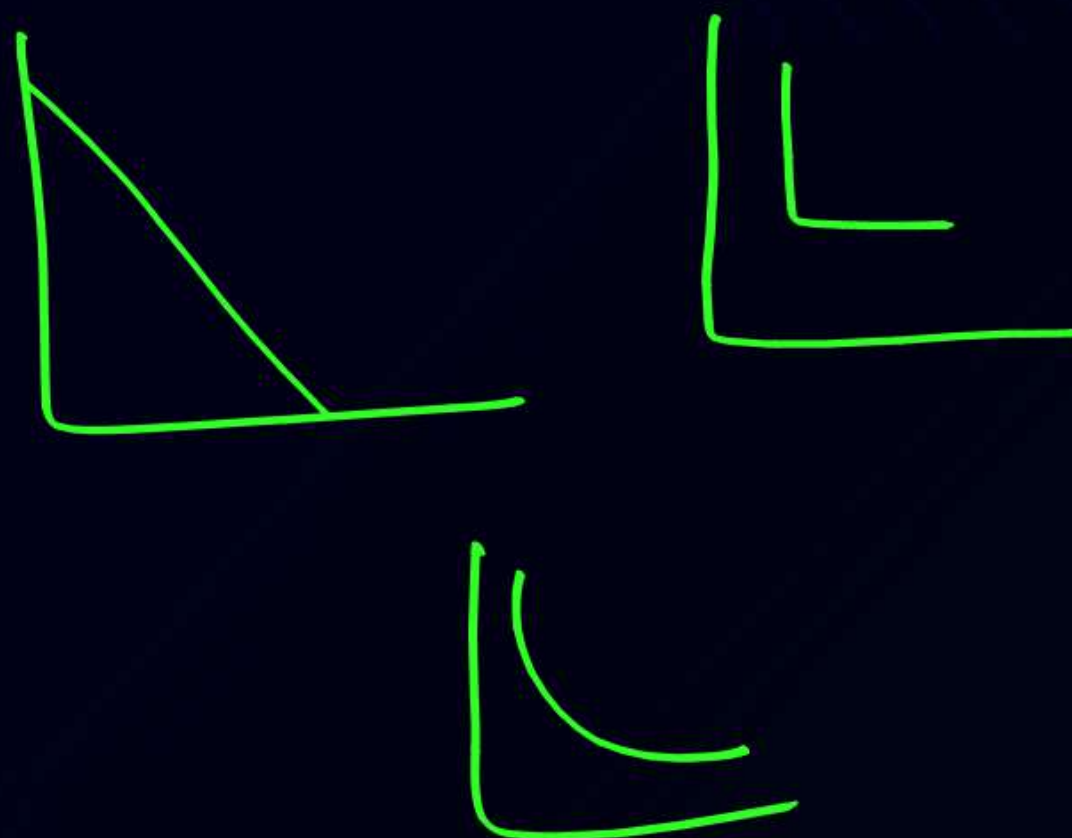


23 Mix Questions

#Q. Which is not the property of Indifference curve analysis?

- 1 Indifference curves slope downward to the right
- 2 Indifference curves are always concave to the origin. ^{x₂}
- 3 Indifference curves can never intersect each other
- 4 A higher indifference curve represents a higher level of satisfaction than the lower indifference curve



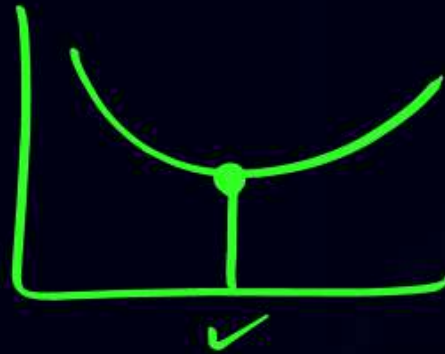


QUESTION-02



#Q. The optimum level of production for a firm is, where –

- ① MC is minimum
- ② AVC is minimum
- ③ AFC is minimum
- ④ AC is minimum.



4

#Q. In which type of Oligopoly, the price leadership exists –

- ① Full Oligopoly
- ② Partial Oligopoly. ②
- ③ Syndicated Oligopoly
- ④ Organised Oligopoly

QUESTION-04



#Q. When both demand and supply decreases in the same proportion, then equilibrium price will _____.

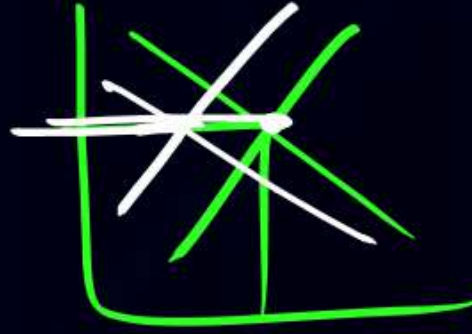
① Remain the same. ✓

② Rise

③ Fall

④ None of the above

①



#Q. The term business cycle refers to

- ① the ups and downs in production of commodities
- ② the fluctuating levels of economic activity over a period of time.
- ③ decline in economic activities over prolonged period of time
- ④ increasing unemployment rate and diminishing rate of savings

QUESTION-06



#Q. Sir Robert Giffen was surprised to find out relationship of price with two other goods, which were:

- ① Bread and Rice
- ② Meat and Rice
- ③ Bread and Meat.
- ④ Cheese and meat

3

QUESTION-07



#Q. According to behavioral Principles.

- ① A firm should not produce at all its total variable costs are not met. ✓
- ② A firm will be making maximum profits by expanding output to the level where marginal revenue is equal to marginal cost. $MR=MC$ ✓
- ③ Both (1) and (2). (3)
- ④ None of these

QUESTION-08



#Q. Which is not related to great depression of 1930?

- ① It started in USA
- ② John Maynard Keynes regarded lower aggregate expenditure as the cause ✓
- ③ Excess Money supply ✗ ③
- ④ Both 1 & 2

QUESTION-09



#Q. Which of the following statements about price elasticity of demand is correct?

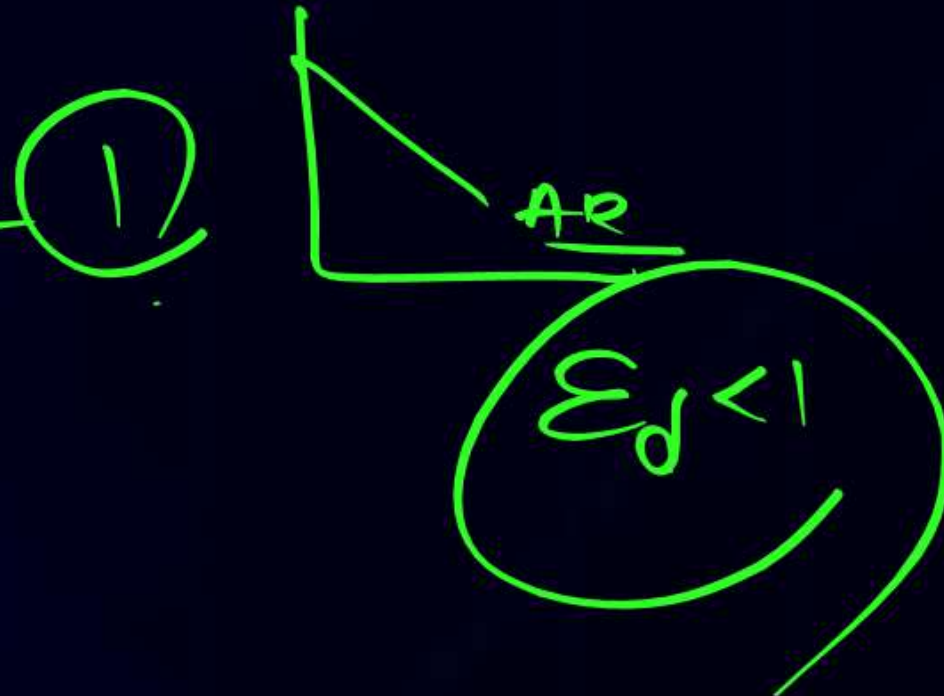
- ① Price elasticity of demand is a measure of how much the quantity demanded of a good responds to a change in the price of that good ✓
- ② Price elasticity of demand is computed as the percentage change in quantity demanded divided by the percentage change in price ✓ $\frac{\% \Delta Q}{\% \Delta P}$ ✓
- ③ Price elasticity of demand in the long run would be different from that of the short run ✓
- ④ All of the above. ④

QUESTION-10



#Q. Monopoly firm faces which demand curve?

- ① Downward Sloping
- ② Horizontal
- ③ Rising
- ④ All of these



QUESTION-11



#Q. The demand for salt is inelastic, because

- ① of low price ✓
- ② absence of it makes food tasteless ✓
- ③ no substitutes ✓
- ④ all the three. ④

QUESTION-12



#Q. Why does the Law of Increasing Returns operate?

- ① Full use of Fixed Indivisible Factors
- ② Efficiency of Variable Factors
- ③ Need to reach the right combination
- ④ All of the above.

4

QUESTION-13



#Q. Economics is -

→ Art + Science

1 a perfect science X

2 not a perfect science. 2

3 not a science at all

4 none of the above

QUESTION-14



$$Q = 1000$$
$$P = 400$$

Read the following paragraph and answer questions

Radhika owns a small pen factory. She can make 1,000 pieces of pen per year and sell them for Rs. 400 each. It cost Radhika Rs. 35,000 for the raw materials to produce the 1,000 pieces of pen. She has invested Rs. 2,00,000 in her factory and equipment : Rs. 1,50,000 from her savings and Rs 50,000 borrowed at 10 percent. (Assume that she could have loaned her money out at 30 percent, too.) Radhika can work at a competing pen factory for Rs. 80,000 per year.

#Q. The economic profit at Radhika's factory is:

- ① Rs. 3,50,000 ② Rs. 2,50,000 ③ Rs. 2,35,000 ④ Rs. 2,40,000

↓ implicit 125000

$$TC = 35000$$

$$Q = 1000$$

$$I = 200000$$

③

#Q. The industrialization and economic development of the USA, Great Britain and other Western European countries have taken place under the condition of_____.

- ① Socialism and planned structure
- ② Capitalism and laissez faire.
- ③ Mixed economic structure
- ④ None of these

#Q. A new technique of production reduces the marginal cost of producing paper. How will this affect the supply curve of writing material like notebook, register & notepad etc?

- 1** Upward movement on same supply curve
- 2** Downward movement on same supply curve
- 3** Leftward shift in supply curve
- 4** Rightward shift in supply curve.

#Q. Which one of the following statements is incorrect?

- 1** The SEBI members consist of a Chairman, who shall be appointed by Central Government
- 2** The SEBI members consist of two members from amongst the officials of the Ministry of the Central Government
- 3** The SEBI members consist of one member from amongst the official of RBI, who shall be nominated by RBI
- 4** The SEBI members consist of five other members out of which atleast four members shall be whole-time members, who shall be appointed by Central Government.

#Q. Rates of interest which can be changed contractually by lender is called

- ① Bank rate
- ② Administered rates.
- ③ Accrued interest
- ④ None of the above

QUESTION-19



#Q. Maximum number of partners are allowed in partnership firm is_____

- ① 100 ✓ ①
- ② 50 ✓
- ③ 25
- ④ No limit

QUESTION-20



#Q. Maximum number of partners are allowed in LLP firm is_____

minimum-2

1 100

2 50

3 25

4 No limit. 4

#Q. Under the income tax Act, A HUF cannot earn income from:

- ① House property
- ② Salary.
- ③ Profits
- ④ Other Sources

#Q. Procedure of analyzing threats and opportunities of organization's environment is classified as-

- ① Environmental influences
- ② Environmental economics
- ③ Environmental planning
- ④ Environmental scanning.

QUESTION-23



#Q. A HUF cannot comprise members of a:

- 1 Hindu & Sikh Family
- 2 Jain Family
- 3 Buddhist Family
- 4 Muslim Family.

4

① Nature of Business Eco → 1-2.

② IC, TIPPER ACNG, (E) → 3-4 - 5 - 6

25 question

Total outlay

③ $\frac{MC \rightarrow AC}{\text{Numerical}}$
Law < MP-A } → 3-5.

⑤ Indicator → 1-2.
↓
Nature → 2.
phase → 4.

④ mkt.
→ $MR = AR \left(\frac{e-1}{e} \right)$
→ Features → 2-3:
→ Determination → 5.

Warm-up → ✓ → Starting

Recorded malathon →

Notes — Revise

MCDs



THANK YOU

Run Your Own Marathon
