SET - II

Paper 1-Fundamentals of Economics and Management

Full Marks: 100   **Time allowed: 3 Hours**

PART A (50 Marks)
(Fundamentals of Economics)

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

1.   Constituents of money supply are -
     (a) Rupee notes and coins
     (b) Credit Cards
     (c) Traveler Cheques
     (d) All of the above
2.   Central Problem (s) of every economy -
     (a) What to produce
     (b) How to produce
     (c) For whom to produce
     (d) All of the above
3.   In which market price discrimination is possible
     (a) Monopoly
     (b) Duopoly
     (c) Oligopoly
     (d) Perfect Market
4.   If the price is equal to Average Revenue, it implies -
     (a) No profit
     (b) No loss
     (c) Normal profit
     (d) Abnormal Profit
5.   Nature of the PPF curve is
     (a) Convex to Origin
     (b) Concave to Origin
     (c)   Both
     (d) None of the above
6.   The nature of the Supply Curve in case of land
     (a) Parallel to OX axis
     (b) Parallel to OY axis
     (c) Slopes upwards
     (d) Backward Bending

7. In a closed economy -

(a) GNP = GDP

(b) GNP < GDP

(c) GNP > GDP

(d) All are possible

8. Which of the following is near money

(a) Bill of exchange

(b) Saving Bonds

(c) Gilt edged securities

(d) All of the above

9. Which is the apex bank in Industrial Credit

(a) RBI

(b) SBI

(c) IDBI

(d) ICICI

10. In the context of Poverty, BPL stands for -

(a) Budget Price Line

(b) Below Poverty Line

(c) Budgetary Policy Limits

(d) None of the above

II. Fill in the blanks: [5 × 1 =5]

1. According to Robbins Economics is _____ science.
2. Product differentiation is the feature of _____ market.
3. _____ market is also called the credit market.
4. SIDBI is a subsidiary bank of _____
5. India occupies the _____ place in producing the sugar in the world.

III. Match the following [5 × 1 =5]

	Column 'A'			Column 'B'
1.	IMF	A		Wealth of Nations
2.	EFT	B		Exchange Rate
3.	Adam Smith	C		RBI
4.	Homogeneous	D		Banking Sector
5.	Credit Control	E		Perfect Market

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

1. Selling Costs is the feature of monopoly market.
2. Science is theoretical, but art is practical.
3. There is a inverse relationship between price and demand.
4. Overdraft facility is given to all types of account holders.
5. BSNL is the public sector telecommunication network.

V. Define the following: [5 × 1 =5]

   1. Marginal Cost
   2. Price discrimination
   3. Expand IDBI
   4. Income Demand
   5. Portfolio Investment
   6. Giffen Paradox
   7. Opportunity Cost
   8. SDR's

VI. Answer any one of the following   [10 × 1 =10]

   1. What are the principles of commercial bank?

   2. What are the features of Perfect Market and explain how the price of a good is determined under this market?

VII. Answer any two of the following   [2 × 5 = 10]

   1. What are the determinants of demand?
   2. What are the components of Economic Growth?
   3. What is Law of Supply and explain the exceptions of Law of Supply?
   4. Explain any five functions of money.

PART B (50 Marks)
(Fundamentals of Management)

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

1.   Contingency theory of leadership are based on the belief that
     (a) There is no single style of leadership appropriate to all situations
     (b) There is a single style of leadership appropriate to all situations
     (c) There is a single style of leadership appropriate to all managers
     (d) None of the above.
2.   The _____ refers to the assignment of formal authority and responsibility to another person for carrying out specific activities:
     (a) Decentralisation of authority.
     (b) Delegation of responsibility.
     (c) Centralisation of authority
     (d) Delegation of authority.
3.   The first step in an MBO program is _____
     (a) Formulating action plans.
     (b) Clarifying organisational roles.
     (c) Establishing specific goals for various departments.
     (d) Developing overall organisational goals.
4.   _____ is also known as staffing
     (a) Resource management
     (b) Human management
     (c) Human resource management
     (d) Human resource development
5.   _____ refers to the powers to make decisions to guide their actions of another.
     (a) Responsibility
     (b) Authority
     (c) Power
     (d) Delegation
6.   Which managerial function gives attention to influencing and motivating employees to improve performance and achieve corporate objectives?
     (a) Leading
     (b) Organizing
     (c) Staffing
     (d) Controlling
7.   _____ leaders solve problems and make decisions alone.
     (a) Laissez-faire
     (b) Job-centered
     (c) Autocratic
     (d) Situational

8. According to Herzberg's motivation hygiene theory, the opposite of satisfaction is, _____
    (a) Dissatisfaction
    (b) No satisfaction
    (c) No dissatisfaction
    (d) All of the above

9. Theory X suggests that employees:
    (a) Like their manager
    (b) Dislike work
    (c) Dislike their manager
    (d) Like work

10. Arrange the standard sequence that a group pass the following stages:
    (a)   Forming, storming, performing, norming, adjourning.
    (b)   Forming, Storming, Norming, Performing, Adjourning.
    (c)   Forming, Norming, Performing, Storming, Adjourning.
    (d)   None of the above

II.   Fill in the blanks: [10 × 1 =10]

1. Management by Exception is also known as _____
2. ABC analysis is an example of _____ Control
3. Autocratic leadership is also known as _____
4. _____ group is one in which they would like to belong.
5. _____ means the urge to do something.

III. Match the following   [5 × 1 =5]

	Column 'A'		Column 'B'
1.	Likert's System of Management	A	Abraham H. Maslow
2.	Need Hierarchy Theory	B	Barriers to Communication
3.	MIS	C	Collaborative Decision Making
4.	Semantic Barrier	D	Management Information System
5.	Group Decision Making	E	Rensis Likert

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

1. Responsibility flows upward.
2. Group Discussions is one of the popular method of off-the-job training.
3. Break even analysis is also called as Cost-Volume Profit analysis.
4. Theory X represents a modern and dynamic nature of human beings.
5. According to Sayles informal groups are classified into four categories.

V.   Define any Five of the following: [5 × 1 =5]

1. Definition of Management
2. Division of Labour
3. Standing plans

4. Meaning of Power
5. Manpower Planning
6. Recruitment
7. Induction
8. Group Cohesiveness

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

1. Explain the principles of Scientific Management.
2. Explain the steps in planning process.
3. Explain the differences between Delegation and Decentralisation.
4. What are the advantages and disadvantages of autocratic leadership?
5. Write about the features of group dynamics.
6. Explain the strategies to manage work place conflicts.