Paper 1 - Fundamentals of Economics and Management

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

I. Choose the correct answer from the given four alternatives: **[10 x 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. _____ cost remains constant even when production is stopped
   (a) Variable
   (b) Fixed
   (c) Semi - variable
   (d) Marginal

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. Homogenous product is the characteristic of
   (a) Perfect Competition
   (b) Monopoly
   (c) Oligopoly
   (d) Duopoly

5. The MPC value always _____
   (a) $1 > mpc > 0$
   (b) $1 < mpc < 0$
   (c) $1 > mpc < 0$
   (d) $1 < mpc > 0$

6. India is a/an _____ country.
   (a) developed
   (b) developing
   (c) under-developed
   (d) developed country among the developing countries and developing country
       among the developed countries

7. Which of the following is the oldest system of money?
   (a) Barter
   (b) Plastic money
   (c) Credit money
   (d) Gold

8. Optional money is a
   (a) Legal tender money
   (b) Non-legal tender money
   (c) Limited legal tender money
   (d) Full bodied money

9. Which is the apex bank for agricultural credit in India?
   (a) RBI
   (b) SIDBI
   (c) NABARD
   (d) IDBI

10. EXIM Bank was established in
    (a) March. 1982
    (b) January, 1984
    (c) Feb. 2001
    (d) August 1975

II. Fill in the blanks: [5×1=5]

1. According to _____ definition economics is a social science
2. Price rigidity is the feature of _____ market
3. Real GNP per capita = _____
4. Bathing 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.	Perfect Competition	A	$\dfrac{\Delta c}{\Delta y}$
2.	Principles of Economics	B	Legal no. of buyers and sellers
3.	MPC	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 price and demand.
3. When the TP is maximum, then the AP is zero.
4. When the price level increases, the value of money also increases.
5. ICICI is a public sector bank.

V. Define the following (any five): [5×1=5]
1. Selling costs
2. Economic growth
3. Gresham's Law
4. Implicit Cost
5. Oligopoly
6. IDBI
7. Deflation
8. 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 causes of Demand Pull and Cost Push Inflation.

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

1. What are the central Economic problems of every economy?
2. Exception to the Law of Demand.
3. Features of Monopolistic Competition
4. Salient features of Indian Economy.

PART B (50 Marks)
(Fundamentals of Management)

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

1. Labour absenteeism and labour turnover are reduced in case of
   (a) Autocratic Leader
   (b) Democratic Leader
   (c) Free rein Leader
   (d) None of the above

2. Manpower planning is also known as _____
   (a) Human Resource Accounting
   (b) Human Resource Planning
   (c) Manpower Management
   (d) All of the above

3. System 2 managers are _____
   (a) Exploitative Autocratic
   (b) Benevolent Autocratic
   (c) Consultative Autocratic
   (d) Democratic Autocratic

4. Duties should be assigned according to _____ of the subordinates.
   (a) Qualification
   (b) Experience
   (c) Aptitude
   (d) All of the above

5. Managers are reluctant to delegate authority due to the _____ reason.
   (a) Lack of confidence in his subordinates
   (b) Fear of losing his importance
   (c) Their likelihood to dominate the whole show
   (d) All of the above.

6. Delegation takes place between
   (a) Superior and subordinate
   (b) Peers
   (c) Subordinates and peers
   (d) All of the above

7. _____ emphasized that harmony of objectives is crucial to the success of direction.
   (a) F.W. Taylor
   (b) Henry Fayol
   (c) Peter Drucker
   (d) William Terry

8. Span of control is based on the theory of relationship propounded by _____.
   (a) Graicunas
   (b) George Terry
   (c) Barnard
   (d) Simon

9. _____ involves the selection of language in which the message is to be given.
   (a) Medium
   (b) Decoding
   (c) Encoding
   (d) Feedback

10. Tendency of people to interpret the same message in different ways may act as a _____ barrier.
    (a) Semantic
    (b) Emotional
    (c) Language
    (d) Time

II. Fill in the blanks: [5×1=5]

1. _____ means dispersal of authority throughout the organization.
2. MIS means _____.
3. According to Herzberg's motivation hygiene theory, the opposite of satisfaction is _____
4. _____ refers to the introduction of a person to the job and the organisation.
5. _____ has emphasised the principle of self-co-ordination.

III. Match the following [5×1=5]

	Column 'A'		Column 'B'
1.	Group discussion	A	Flows upwards
2.	Schedules	B	Oral Communication
3.	Power	C	Single use plan
4.	Responsibility	D	Flows downwards
5.	Authority	E	Ability to do something

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

1. The ability to grant or withdraw rewards is a key source of power.
2. Responsibility is absolute and can be delegated.
3. Tactical decisions are made repetitively following certain established rules, procedures and policies.
4. The distinction between maintenance factors and motivating factors are fixed.
5. The final step in decision making process is selection of an alternative.

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

1. Concurrent Control
2. Informal organisation
3. Unity of Command
4. Scalar Chain
5. Advantages of oral communication
6. Ranking
7. Vestibule training
8. Adjourning

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

1.	State the demerits of on-the-job training?	5
2.	Write a note on Manpower Planning.	5
3.	Write a note on approaches to planning.	5
4.	State the conditions to be fulfilled for effective decentralization.	5
5.	Describe the term 'Management Audit' and state its functions.	5
6.	Discuss the importance of staffing.	5