

FOUNDATION COURSE EXAMINATION

December 2018

P-1(FEM)
Syllabus 2016

Fundamentals of Economics and Management

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

SECTION A

(FUNDAMENTALS OF ECONOMICS)

PART A

1. (a) Choose the correct answer from the given *four* alternatives. 1×20=20

(i) _____ defined economics as a science which deals with wealth.

(A) J. B. Say

(B) A. C. Pigou

(C) Alfred Marshall

(D) Lionel Robbins

(ii) _____ goods are known as scarce goods.

(A) Economic

(B) Durable

(C) Free

(D) Consumer

(iii) _____ is the first Law of Consumption.

(A) The Law of Diminishing Marginal Utility

(B) The Law of Demand

(C) The Law of Increasing Returns

(D) All of the above

(iv) When two or more different goods are produced together by a single firm, it is called as _____ supply.

(A) joint

(B) composite

(C) excess

(D) short

(v) Factors of production may be of _____ types.

(A) 4

(B) 3

(C) 2

(D) 5

(vi) The Law of Variable Proportions relates to _____ only.

(A) long-run

(B) short-run

(C) very long-run

(D) very short-run

Please Turn Over

- (vii) The Total _____ Curve will be a horizontal line.
(A) Variable Cost (B) Fixed Cost
(C) Marginal Cost (D) Cost
- (viii) The supply curve always slopes _____.
(A) upwards (B) downwards
(C) both (A) and (B) (D) neither (A) nor (B)
- (ix) _____ means absence of competition.
(A) Perfect Competition (B) Monopoly
(C) Imperfect Competition (D) Discrimination
- (x) _____ is the centre of all marketing policies.
(A) Price (B) Product
(C) Profit (D) Publicity
- (xi) In the long-run, a firm in perfect competition earns _____.
(A) normal profit only
(B) abnormal profit
(C) average profit of past 5 years
(D) 12.33 per cent. profit on capital employed
- (xii) Oligopoly means _____.
(A) single seller (B) few sellers
(C) large numbers of sellers (D) no buyers
- (xiii) Penetration Pricing is adopted by following a _____.
(A) low price (B) high price
(C) dual price (D) support price
- (xiv) When the price of a complementary product falls, the demand for the other product will _____.
(A) fall (B) increase
(C) remain stable (D) drop by 25 per cent.

- (xv) The primary functions of money are of _____ types.
(A) 2 (B) 3
(C) 4 (D) 5
- (xvi) The money supply affects the rate of interest; when the money supply increases, rate of interest will be decreased. It is explained by _____.
(A) Keynes (B) Walker
(C) Robbins (D) Crowther
- (xvii) SDRs are used in place of _____.
(A) commercial papers (B) gold
(C) shares (D) company deposits
- (xviii) _____ is one among the qualitative credit control instruments used by the RBI.
(A) Bank Rate Policy (B) Moral Suasion
(C) Open Market Operations (D) Cash Reserve Ratio
- (xix) Money market is controlled by the _____.
(A) RBI (B) Government
(C) IDBI (D) IMF
- (xx) On the basis of functions, financial markets are classified into _____ types.
(A) 5 (B) 4
(C) 3 (D) 2

(b) Match the following:

1×5=5

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|-------------------------------------|---------------------|
| (i) Exceptions to the Law of Demand | (A) K. E. Boulding |
| (ii) Oligopoly Market | (B) Robert Giffen |
| (iii) Quantity Theory of Money | (C) A. A. Cournot |
| (iv) Elasticity of Demand | (D) Irving Fisher |
| (v) Micro-economics | (E) Alfred Marshall |

(c) State whether the following statements are *True* or *False*:

1×5=5

- (i) According to Adam Smith, man is an economic man.
- (ii) On the basis of time element, markets are classified into two types.
- (iii) When the output is zero, variable cost is also zero.
- (iv) Saving deposit is a demand deposit.
- (v) In India, the Central Bank was nationalised by the Government in 1949.

PART B

Answer *any four* of the following questions:

5×4=20

- 2. Enumerate any five features of want.
- 3. State the determinants of supply.
- 4. Enumerate the features of fixed costs.
- 5. State the features of Monopolistic Competition.
- 6. Enumerate the functions of money.
- 7. State the differences between Commercial Bank and the Central Bank.

SECTION B

(FUNDAMENTALS OF MANAGEMENT)

PART A

8. (a) Choose the correct answer from the given *four* alternatives.

1×20=20

- (i) _____ is called as the father of Scientific Management.
 - (A) Henri Fayol
 - (B) F. W. Taylor
 - (C) Max Weber
 - (D) Elton Mayo
- (ii) Administrative function is the _____ managerial function.
 - (A) top-level
 - (B) middle-level
 - (C) lower-level
 - (D) supervisory-level

- (iii) _____ form the basis for the functioning of an organisation.
(A) Profits (B) Objectives
(C) Policies (D) Strategies
- (iv) _____ is a means to an end.
(A) Organising (B) Planning
(C) Controlling (D) Coordinating
- (v) _____ is the foundation of most successful actions of all enterprises.
(A) Controlling (B) Planning
(C) Organising (D) Directing
- (vi) _____ process is called a negative process.
(A) Training (B) Placement
(C) Selection (D) Induction
- (vii) Control by Exception is also known as _____.
(A) Management by Exception (B) Management by Objectives
(C) Decision-making (D) Management Information System
- (viii) _____ is concerned with the total manner in which a manager influences the actions of subordinates.
(A) Planning (B) Organising
(C) Directing (D) Staffing
- (ix) _____ is the essence of management.
(A) Directing (B) Coordinating
(C) Controlling (D) Planning
- (x) _____ refers to the process of passing information from one person to another and its understanding.
(A) Planning (B) Communicating
(C) Controlling (D) Motivating
- (xi) _____ defines management as the process of getting things done by and through others.
(A) Hicks (B) Massie
(C) Fayol (D) Drucker

- (xii) _____ has defined authority as the power to take decisions which guide the actions of others.
(A) Simon (B) Barnard
(C) Terry (D) Taylor
- (xiii) _____ flows from the top-level management to the bottom-level management.
(A) Authority (B) Performance
(C) Responsibility (D) Accountability
- (xiv) _____ power is the ability to punish others for not carrying out orders.
(A) Reward (B) Legitimate
(C) Expert (D) Coercive
- (xv) The process of assigning work to others and giving them authority to do that is _____.
(A) controlling (B) organising
(C) delegating authority (D) directing
- (xvi) Under _____ leadership system, goals are set and work-related decisions are taken by the subordinates.
(A) exploitative (B) benevolent
(C) authoritarian (D) democratic
- (xvii) _____ propounded the need-based theory of motivation.
(A) Vroom (B) Porter
(C) Maslow (D) McGregor
- (xviii) Autocratic leadership is also known as _____ leadership.
(A) authoritarian (B) democratic
(C) free rein (D) participative
- (xix) _____ is not a quantitative technique of decision-making.
(A) Linear Programming (B) Game Theory
(C) Management by Objectives (D) Simulation
- (xx) Decision-making is expected to be based on _____.
(A) competitors' policies (B) rational thinking
(C) government policies (D) workers' activities

(b) Match the following:

1×5=5

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|-------------------------------------|------------------------|
| (i) Unity of Command | (A) Mahatma Gandhi |
| (ii) German Sociologist | (B) Henri Fayol |
| (iii) Example for Referent Power | (C) Rensis Likert |
| (iv) System 4 | (D) Frederick Herzberg |
| (v) Two-factor Theory of Motivation | (E) Max Weber |

(c) State whether the following statements are *True* or *False*:

1×5=5

- (i) Authority can be delegated but responsibility cannot be delegated.
- (ii) Recruitment is a negative process.
- (iii) Selective perception is not a barrier to communication.
- (iv) Herzberg has modified Maslow's Hierarchy of Needs Theory.
- (v) Decision-making is not a selective process.

PART B

Answer *any four* of the following questions:

5×4=20

- 9. Briefly explain the process of management.
 - 10. Discuss the steps involved in the staffing process.
 - 11. Briefly explain the different bases of sources of power.
 - 12. Enumerate the qualities of a successful leader.
 - 13. Briefly discuss the decision-making process.
 - 14. Explain the principles of coordination.
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