



This question paper contains 50 multiple choice questions. Each question has 4 options (A), (2), (3) and (4) for its answer, out of which **ONLY ONE** option can be correct.

Marking scheme: **+2** for correct answer, 0 if not attempted and 0 if not correct (no negative marking).

## ECONOMICS

### **Syllabus: Demand and supply**

1. **Business economics is**
  - a) Abstract and applies the tools of micro economics
  - b) Involves practical application of economic theory in business decision making
  - c) Incorporates tools from multiple disciplines
  - d) (b) and (c) above
2. **In economics we use the term scarcity to mean**
  - a) Absolute scarcity and lack of resources in less developed countries
  - b) relative scarcity i.e. scarcity in reaction to the wants of the society
  - c) Scarcity during times of business
  - d) scarcity caused on account of excessive consumption
3. **Macroeconomics is also called \_\_\_\_\_ economics**
  - a) applied
  - b) aggregate
  - c) experimental
  - d) none of the above
4. **A study of how increase in the corporate income tax rate will affect the national unemployment rate is an example of**
  - a) macro – economics
  - b) descriptive economics
  - c) micro-economics
  - d) normative economics
5. **The branch of economics theory that deals with problem of allocation of resources is**
  - a) micro-economic theory
  - b) macro-economic theory
  - c) economics
  - d) none of the above
6. **Economics goods are considered scarce resources because they**
  - a) cannot be increased in quantity
  - b) do not exist in adequate quantity to satisfy the requirements of the society
  - c) are of primary importance in satisfying social requirements
  - d) are limited to man made goods
7. **In a mixed economy**
  - a) all economic decisions are taken by the central authority
  - b) all economic decisions are taken by private entrepreneurs
  - c) economic decisions are partly taken by the state and partly by the private entrepreneurs
  - d) none of the above
8. **Large production of \_\_\_ goods would lead to high production in future**
  - a) consumer goods
  - b) capital goods
  - c) agricultural goods
  - d) public goods
9. **Demand means**
  - a) Desire
  - b) purchasing ability
  - c) desire with purchasing ability
  - d) none of these
10. **The law of demand states**
  - a) positive relation between P & Q
  - b) negative relation between P and Q
  - c) Spurious relation between P & Q
  - d) none of these
11. **Demand depends on**
  - a) price of goods and related commodities

- b) size of population  
 c) income, tastes and other factors  
 d) all are true
- 12. Demand curve is downward sloping due to**  
 a) income effect  
 b) substitution effect  
 c) law of diminishing marginal utility  
 d) all are true
- 13. Who is the main exponent of marginal utility analysis?**  
 a) Paul Samuelson      b) Hicks      c) Keynes      d) Marshall
- 14. Utility may be defined as**  
 a) level of satisfaction  
 b) want satisfying power  
 c) both (a) & (b)  
 d) none of these
- 15. Marginal utility approach to demand was given by**  
 a) J.R. Hicks      b) Alfred Marshall      c) Robbins      d) A.C. Pigou

### COMMERCE

#### **Syllabus: Types of Industry, Commerce and trade, Auxiliaries to trade**

- 16. The industry which plays an important role in development of nation is**  
 a) Primary Industry      b) Genetic Industry  
 c) Extractive Industry      d) Service Industry
- 17. The goods which are finally used by manufacturers are called as**  
 a) Producer goods      b) Consumer goods  
 c) Luxury goods      d) None of the above
- 18. The industries which undertake the construction work is known as**  
 a) Primary Industry      b) Genetic Industry  
 c) Constructive Industry      d) Service Industry
- 19. The term Commerce includes**  
 a) Trade      b) Aids to trade  
 c) Both a&b      d) None of the above
- 20. The trade in which large quantities are purchased is known as**  
 a) Retail trade      b) Wholesale trade  
 c) Small trade      d) None of the above
- 21. The medium which moves men and material from one place to another is**  
 a) Warehousing      b) Transport  
 c) Insurance      d) Banking
- 22. Communicating all the information about the goods to consumers and create in them a strong desire to buy is**  
 a) Warehousing      b) Transport  
 c) Advertising      d) None of the above
- 23. The goods should be stored till they are sold is known as**  
 a) Warehousing      b) Transport  
 c) Insurance      d) Banking
- 24. Undertaking to compensate the loss suffered due to risk of fire accidents is known as**  
 a) Warehousing      b) Transport  
 c) Insurance      d) Banking
- 25. Which organization accepts deposits of money from public and withdrawable on demand is**  
 a) Warehousing      b) Advertising  
 c) Insurance      d) Banking
- 26. Aids to trade includes**  
 a) Banking      b) Manufacturing  
 c) Buying      d) Selling
- 27. Agriculture is an example of which Industry**  
 a) Extractive Industry      b) Genetic Industry  
 c) Primary Industry      d) Service Industry

