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(To be filled in the
OMR Sheet)

प्रश्नपुस्तिका क्रमांक
Question Booklet No.

O.M.R. Serial No.

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प्रश्नपुस्तिका सीरीज
Question Booklet Series

A

BBA (Fifth Semester) Examination, February/March-2022

BBA-501(N)

Managerial Economics

(for Regular, EX & B.P. Students)

Time : 1:30 Hours

Maximum Marks-100

जब तक कहा न जाय, इस प्रश्नपुस्तिका को न खोलें

- निर्देश : —
1. परीक्षार्थी अपने अनुक्रमांक, विषय एवं प्रश्नपुस्तिका की सीरीज का विवरण यथास्थान सही- सही भरे, अन्यथा मूल्यांकन में किसी भी प्रकार की विसंगति की दशा में उसकी जिम्मेदारी स्वयं परीक्षार्थी की होगी।
 2. इस प्रश्नपुस्तिका में 100 प्रश्न हैं, जिनमें से केवल 75 प्रश्नों के उत्तर परीक्षार्थियों द्वारा दिये जाने हैं। प्रत्येक प्रश्न के चार वैकल्पिक उत्तर प्रश्न के नीचे दिये गये हैं। इन चारों में से केवल एक ही उत्तर सही है। जिस उत्तर को आप सही या सबसे उचित समझते हैं, अपने उत्तर पत्रक (O.M.R. ANSWER SHEET) में उसके अक्षर वाले वृत्त को काले या नीले बाल प्वाइंट पेन से पूरा भर दें। यदि किसी परीक्षार्थी द्वारा निर्धारित प्रश्नों से अधिक प्रश्नों के उत्तर दिये जाते हैं तो उसके द्वारा हल किये गये प्रथमतः यथा निर्दिष्ट प्रश्नोत्तरों का ही मूल्यांकन किया जायेगा।
 3. प्रत्येक प्रश्न के अंक समान हैं। आप के जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।
 4. सभी उत्तर केवल ओ०एम०आर० उत्तर पत्रक (O.M.R. ANSWER SHEET) पर ही दिये जाने हैं। उत्तर पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।
 5. ओ०एम०आर० उत्तर पत्रक (O.M.R. ANSWER SHEET) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाय।
 6. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी प्रश्नपुस्तिका बुकलेट एवं ओ०एम०आर० शीट पृथक-पृथक उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें।
 7. निगेटिव मार्किंग नहीं है।

महत्वपूर्ण : — प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्नपुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्ष निरीक्षक को दिखाकर उसी सीरीज की दूसरी प्रश्नपुस्तिका प्राप्त कर लें।

1. Economics is a _____ science which deals with human wants and their satisfaction.
 - (A) Social
 - (B) Political
 - (C) Natural
 - (D) Physical
2. Goods and services bought and sold in:
 - (A) Product Market
 - (B) Factor Market
 - (C) Capital Market
 - (D) Money Market
3. In Product market money flows from:
 - (A) Individual to firm
 - (B) Business to households
 - (C) Government to household
 - (D) None of these
4. Indian economy is:
 - (A) Capitalist Economy
 - (B) Socialist Economy
 - (C) Mixed Economy
 - (D) None of these
5. Implicit Cost added in:
 - (A) Accounting cost
 - (B) Economic cost
 - (C) Both
 - (D) None of these

6. A utility function shows the relation between_____.
- (A) The amount of goods consumed and a consumer utility.
 - (B) Income and a consumer utility.
 - (C) Prices and consumers utility.
 - (D) Maximum utility and the price and income facing a consumer.
7. _____ is known as father of economics.
- (A) Marshal
 - (B) Robins
 - (C) Adam smith
 - (D) A C Pigou
8. The famous book on economics “An Enquiry into the Nature and Cause of Wealth of Nation” was written by:
- (A) Marshal
 - (B) Ricardo
 - (C) Robins
 - (D) Adam smith
9. Welfare (neo classical) definition of economics is given by:
- (A) J B Say
 - (B) Lionel Robbins
 - (C) Adam Smith
 - (D) Alfred Marshall
10. If the income elasticity of demand is that one. the good is a:
- (A) Necessity
 - (B) Luxury
 - (C) Substitute
 - (D) Complement

11. The income elasticity of demand is negative for a:
- (A) Positive good
 - (B) Normal good
 - (C) Elastic good
 - (D) Inferior good
12. What effect is working when the price of a good falls and consumers tend to buy it instead of other goods?
- (A) Income effect
 - (B) Substitution effect
 - (C) Price effect
 - (D) None of these
13. “A rupee tomorrow is worth less than a rupee today” relates to:
- (A) Opportunity cost principle
 - (B) Discounting principle
 - (C) Equi-marginal principle
 - (D) None of these
14. Basic economic tools of managerial economics does not include:
- (A) Principle of time perspective
 - (B) Equi-marginal principle
 - (C) Incremental principle
 - (D) None of these
15. _____ principle is closely related to the marginal costs and marginal revenue of economic theory.
- (A) Principle of time perspective
 - (B) Equi-marginal principle
 - (C) Incremental principle
 - (D) None of these

16. Managerial Economics is _____.
(A) Dealing only micro aspects
(B) Only a normative science
(C) Deals with practical science
(D) All of the above
17. The techniques of optimization include:
(A) Marginal analysis
(B) Calculus
(C) Linear programming
(D) All of the above
18. In economics, desire backed by purchasing power is known as:
(A) Utility
(B) Demand
(C) Consumption
(D) Scarcity
19. Basic assumptions of law of demand include:
(A) Prices of other goods should change.
(B) There should be substitute for the commodity.
(C) The commodity should not confer any distinction.
(D) The demand for the commodity should not be continuous
20. Higher the price of certain luxurious articles, higher will be the demand, this concept is called:
(A) Giffen effects
(B) Veblen effects
(C) Demonstration effects
(D) Both (B) & (C) above

21. In the case of perfect elasticity, the demand curve is:
- (A) Vertical
 - (B) Horizontal
 - (C) Flat
 - (D) Steep
22. Outlay method of measurement of elasticity is also called as:
- (A) Percentage method
 - (B) Expenditure method
 - (C) Point method
 - (D) Geometric method
23. _____ demand forecasting is related to the business conditions prevailing in the economy as a whole.
- (A) Macro level
 - (B) Industry level
 - (C) Firm level
 - (D) None of these
24. _____ is the base of marketing planning.
- (A) Demand Estimation
 - (B) Demand analysis
 - (C) Demand function
 - (D) Demand forecasting
25. _____ is the change in total revenue irrespective of changes in price or due to the effect of managerial decision on revenue.
- (A) Average revenue
 - (B) Total revenue
 - (C) Marginal revenue
 - (D) Incremental revenue

26. _____ means the total receipts from sales divided by the number of unit sold.
- (A) Average revenue
 - (B) Total revenue
 - (C) Marginal revenue
 - (D) Incremental revenue
27. $E_p = 0$ in the case of _____ elasticity.
- (A) Perfectly elastic demand
 - (B) Perfectly inelastic demand
 - (C) Relative elastic demand
 - (D) Unitary elastic demand
28. Rise in the price of a commodity means.....
- (A) Rise in the value of currency
 - (B) Fall in the value of currency
 - (C) Both
 - (D) None of these
29. When the change in demand is exactly equal to the change in price, it is called:
- (A) Perfectly elastic demand
 - (B) Perfectly inelastic demand
 - (C) Relative elastic demand
 - (D) Unitary elastic demand
30. Tea and coffee are:
- (A) Complimentary goods
 - (B) Substitute goods
 - (C) Supplementary goods
 - (D) Reserve goods

31. Survey method of demand forecasting includes:
- (A) Opinion survey
 - (B) Expert opinion
 - (C) Delphi method
 - (D) All the above
32. In _____ fixed cost are excluded.
- (A) Skimming pricing
 - (B) Going rate pricing
 - (C) Administered pricing
 - (D) Marginal cost pricing
33. The market with a single producer”:
- (A) Perfect competition
 - (B) Monopolistic competition
 - (C) Oligopoly
 - (D) Monopoly
34. The short run production function is called:
- (A) Returns to scale
 - (B) Law of variable proportion
 - (C) Production possibility frontier
 - (D) None of these
35. Which are the characteristics of monopoly?
- (A) Single seller or producer
 - (B) No close substitutes
 - (C) Inelastic demand curve
 - (D) All of these

36. _____ shows the change in quantity demanded as a result of a change in consumers' income.
- (A) Price elasticity
 - (B) Cross elasticity
 - (C) Income elasticity
 - (D) None of these
37. The firm charges price in tune with the industry's price is called:
- (A) Competitive pricing
 - (B) Going rate pricing
 - (C) Tune pricing
 - (D) Target pricing
38. Which one of the following is not a reason for adopting skimming price strategy?
- (A) When the demand of new product is relatively inelastic.
 - (B) When there is no close substitutes
 - (C) Elasticity of demand is not known
 - (D) Product has high price elasticity in the initial stage.
39. Information for pricing decisions involves:
- (A) Product information
 - (B) Market information
 - (C) Information at the micro level
 - (D) All of these
40. The marginal revenue equation can be derived from the:
- (A) Demand equation
 - (B) Supply equation
 - (C) Cost equation
 - (D) Price equation

41. Functional relationship between input and output known as:
- (A) Conversion
 - (B) Production function
 - (C) Work in progress
 - (D) Output function
42. In economics _____ means 'a state or rest' or 'stability'.
- (A) Depression
 - (B) Equilibrium
 - (C) Maturity
 - (D) Growth
43. Selling cost is the feature of the market form:
- (A) Monopoly
 - (B) Monopolistic competition
 - (C) Oligopoly
 - (D) None of these
44. Which is the reason of skimming price?
- (A) Inelastic demand
 - (B) Diversion of market
 - (C) Safer price policy
 - (D) All of these
45. Which is the condition of for market penetration?
- (A) High price elasticity of demand in the short run
 - (B) Saving in production costs
 - (C) Threat of potential competition
 - (D) All of these

46. _____ means an attempt to determine the factors affecting the demand of a commodity or service and to measure such factors and their influences.
- (A) Demand planning
 - (B) Demand forecasting
 - (C) Demand analysis
 - (D) Demand estimation
47. In the case of unitary elastic demand, the shape of demand curve is:
- (A) Vertical line
 - (B) Horizontal line
 - (C) Rectangular hyperbola
 - (D) Steep
48. Demand for necessary goods (salt, rice, etc.,) is _____ and demand for comfort and luxury good is _____.
- (A) Elastic, inelastic
 - (B) Inelastic, elastic
 - (C) Elastic, elastic
 - (D) Inelastic, inelastic
49. _____ Method is also known as Sales-Force- Composite method or collective opinion method.
- (A) Opinion survey
 - (B) Expert opinion
 - (C) Delphi method
 - (D) Consumer interview method
50. Which one of the following is an internal factor influencing pricing?
- (A) Demand
 - (B) Competition
 - (C) Distribution channel
 - (D) Product life cycle

51. _____ forecasting is more important from managerial view point as it helps the management in decision making with regard to the firms demand and production.
- (A) Macro level
 - (B) Industry level
 - (C) Firm level
 - (D) None of these
52. Total Revenue will be maximum at the point where Marginal Revenue is:
- (A) One
 - (B) Zero
 - (C) <1
 - (D) >1
53. Under _____ Method, a panel is selected to give suggestions to solve the problems in hand.
- (A) Opinion survey
 - (B) Expert opinion
 - (C) Delphi method
 - (D) Consumer interview
54. Method of charging low price initially called _____.
- (A) Skimming
 - (B) Penetrating
 - (C) Full cost pricing
 - (D) Target pricing
55. Which of the following is / are the reason for adopting skimming price strategy?
- (A) When the buyers are not able to compare the value and utility.
 - (B) To attract the high income customers.
 - (C) When the product has distinctive qualities, luxuries
 - (D) All the above

56. Growth curve approach is use for forecasting demand of _____products.
- (A) New
 - (B) Old
 - (C) Existing
 - (D) Both old existing.
57. Opportunity cost means:
- (A) The accounting cost minus the marginal benefit.
 - (B) The highest-valued alternative forgone.
 - (C) The monetary coasts of an activity.
 - (D) The accounting cost minus the marginal cost
58. The concept of Elasticity of Demand was introduced by:
- (A) Alfred Marshall
 - (B) Lionel Robbins
 - (C) Adam smith
 - (D) J M Keynes
59. When the quantity demanded falls due to a rise in price, it is called:
- (A) Extension
 - (B) Upward shift
 - (C) Downward shift
 - (D) Contraction
60. Determinants of demand includes:
- (A) Price of a commodity
 - (B) Nature of commodity
 - (C) Income and wealth consumer
 - (D) All the above

61. Exceptional Demand Curve (Perverse demand curve):
- (A) Moving upward from left to right
 - (B) Moving upward from right to left
 - (C) Moving horizontally
 - (D) Moving vertically
62. Purposes of long term Demand forecasting doesn't includes:
- (A) Planning of a new unit a expansion of existing unit
 - (B) Planning long term financial requirements
 - (C) Planning of manpower requirements
 - (D) Deciding suitable price policy
63. Which of the following method of pricing is popular in wholesale and retail traders?
- (A) Skimming
 - (B) Penetrating
 - (C) Full cost pricing
 - (D) Target pricing
64. _____ is an "objective assessment of the future course of demand".
- (A) Demand
 - (B) Demand analysis
 - (C) Demand function
 - (D) Demand forecasting
65. The change in demand due to change in price only, where other factors remaining constant, it is called _____.
- (A) Shift in demand
 - (B) Extension of demand
 - (C) Contraction of demand
 - (D) Both extension and contraction

66. The main characteristic of monopoly market structure is _____.
(A) Single buyer
(B) Single seller
(C) Many sellers
(D) Many buyers
67. _____ is absence of competition.
(A) Monopolistic
(B) Monopoly
(C) Oligopoly
(D) Duopoly
68. The average income of the people of a country in a particular year is _____.
(A) Net national product
(B) National income
(C) Per capital income
(D) Personal income
69. Break Even point represents _____.
(A) Profit
(B) Loss
(C) No Profit and No Loss
(D) None of These
70. Relationship between price and demand is _____.
(A) Positive
(B) Negative
(C) Direct
(D) None of the above

71. The fixed cost of the firm is Rs.60,000/-per month. The variable cost is Rs. 10/ per unit and selling price is Rs. 50 per unit. The break-even quantity will be.....
- (A) 1300
 - (B) 1400
 - (C) 1500
 - (D) 1600
72. If demand is perfectly elastic then e is ____.
- (A) E_{∞}
 - (B) $e < 1$
 - (C) $e > 1$
 - (D) $e = 0$
73. The difference between actual sale and breakeven point is knowas :
- (A) Margin of Safety
 - (B) Price-cost margin
 - (C) Contribution
 - (D) Profit
74. Unitary inelastic demand is ____.
- (A) $e_p = 0$
 - (B) $e_p > 1$
 - (C) $e_p < 1$
 - (D) $e_p = 1$
75. The kinked demand curve explains:
- (A) Price rigidity
 - (B) Price flexibility
 - (C) Demand rigidity
 - (D) Demand flexibility

76. At what point does total utility starts diminishing?
- (A) When marginal utility is positive
 - (B) When it remains constant
 - (C) When marginal utility is increasing
 - (D) When marginal utility is negative.
77. Consumer's surplus is also known as:
- (A) Indifference surplus
 - (B) Elasticity of supply
 - (C) Buyer's surplus
 - (D) Indifference surplus
78. Which shows various combinations of two products that give same amount of satisfaction?
- (A) Iso-cost curve
 - (B) Marginal utility curve
 - (C) Iso - quant
 - (D) Indifference curve
79. Indifference curve slopes:
- (A) Downward to the right
 - (B) Upward to the right
 - (C) Downward to the left
 - (D) Upward to the left
80. The process of capital formation includes:
- (A) Capital of savings
 - (B) Mobilization of savings
 - (C) Investment of savings
 - (D) All of the above

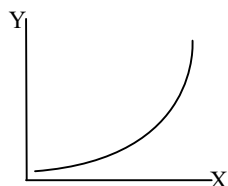
81. Internal economics is related to:
- (A) Marketing economics
 - (B) Financial economics
 - (C) Labour economics
 - (D) All of the above
82. When the output produced is maximum for the given level of input the firms achieve:
- (A) Maximum profit
 - (B) Technical efficiency
 - (C) Economic efficiency
 - (D) None of these
83. The shape of TFC curve is:
- (A) Horizontal line
 - (B) Downward sloping
 - (C) U shaped
 - (D) Upward sloping
84. The point where TR curve cuts TC curve is called:
- (A) Equilibrium point
 - (B) Split off point.
 - (C) Point of inflexion.
 - (D) Break-even point
85. In perfect competition a firm increases profit when _____ exceeds _____.
- (A) TC, TR
 - (B) MC, MR
 - (C) AR, AC
 - (D) TR, TFC

86. What are the objectives of a firm?
- (A) Profit Maximization
 - (B) Wealth Maximization
 - (C) Both
 - (D) None of These
87. Principles (s) of Economics is/are_____.
- (A) Science
 - (B) Art
 - (C) Science and Art
 - (D) None of These
88. Incremental Profit is _____.
- (A) Increase Profit
 - (B) Decrease Loss
 - (C) Both
 - (D) None of These
89. Time value of money relates with_____.
- (A) Discounting Principal
 - (B) Opportunity Cost
 - (C) Equi-marginal principal
 - (D) Incremental Cost
90. A demand of a particular firm relates with_____.
- (A) Individual Demand
 - (B) Market Demand
 - (C) Firm Demand
 - (D) Indian Government

91. What are the types of elasticity?

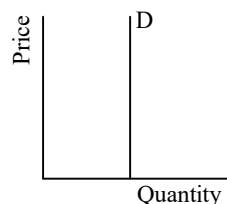
- (A) Price Elasticity
- (B) Income Elasticity
- (C) Cross Elasticity
- (D) All of these

92. It is a:



- (A) Positive curve
- (B) Negative curve
- (C) Both
- (D) None of These

93. It shows:



- (A) Zero Elasticity
- (B) Infinite Elasticity
- (C) Unitary Elasticity
- (D) More than 1 Elasticity

94. What is the formula of price elasticity?

- (A) % Change in Price / % Change in Demand
- (B) % Change in Demand / % Change in Price
- (C) % Change in Demand₁ / % Change in Demand₂
- (D) None of these

95. Income Elasticity formula is ____.
- (A) % Change in Demand / % Change in Income
 - (B) % Change in Income / % Change in Demand
 - (C) % Change in Demand₁ / % Change in Demand₂
 - (D) None of These
96. Impact of one goods price on another goods demand, relate with:
- (A) Cross Elasticity
 - (B) Price Elasticity
 - (C) Goods Elasticity
 - (D) price Goods Elasticity
97. Discounting Principal implements because of:
- (A) Uncertain Future
 - (B) Present Money Value in More
 - (C) Investment Opportunity
 - (D) All of These.
98. Types of economics are:
- (A) Micro Economics
 - (B) Macro Economics
 - (C) Both (A) and (B)
 - (D) None of These
99. National Income Relates with:
- (A) Micro Economics
 - (B) Macro Economics
 - (C) Both (A) and (B)
 - (D) None of These
100. Demand of Consumer relates with:
- (A) Micro Economics
 - (B) Macro Economics
 - (C) Both (A) and (B)
 - (D) None of These

Rough Work / रफ कार्य

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