DAYANAND COLLEGE OF COMMERCE, LATUR (CODE : 302)			
Name of the Examination : **University Examination Winter-2021**			
Name of Subject: Business Economics			
Subject Code :			
Class:	B. Com I	Semester :	I
Paper title and Paper No.			
Time:		Maximum Marks:	

1. Who is father of Economics?
   - **A. Adam Smith**
   - B. Robinson
   - C. Marshall
   - D. George Bernard

2. Positive Science concern with economics analysis
   - A. Cause relationship
   - B. Effect Relationship
   - **C. Cause and Effect relationship**
   - D. None of the above

3. The existence of both public and private sector enterprises constitutes
   - A. capitalist economy
   - **B. Mixed economy**
   - C. Socialist economy
   - D. None of the above

4. Sales Maximisation concept is given by -----
   - A. Adam Smith
   - B. Samuelson
   - C. Marshall
   - **D. Baumol**

5. Which will cause a change in the demand for good X?
   - A. A change in taste
   - B. A change in Income

C. A change in the price of X
D. A change in price of complementary product

6. A market demand Schedule for a product indicates that -------
   A. as the product price falls, consumers buy less of the good
   B. there is a direct relationship between price and quantity demanded
   C. as a product price rises, consumers buy less of other goods
   D. there is an inverse relationship between price and quantity demanded

7. Profit = ------------
   A. TR+TC
   B. TR-TC
   C. TR X TC
   D. TR/TC

8. Wants are ….
   A. more
   B. limited
   C. unlimited
   D. few

9. The subject matter of economics is
   A. To ensure economic progress of the people
   B. to run business
   C. to satisfy unlimited wants with limited means
   D. to mobilise resources and to use them

10. In economics the central problem is
    A. money
    B. production
    C. consumption
    D. scarcity

11. Utility is measured by
    A. wealth
    B. price

C. value
D. income

12. For inferior commodities income effect is --------
A. zero
B. negative
C. infinite
D. positive

13. In relatively inelastic demand ED is ------
A. E=1
B. E=0
C. E>1
D. E<1

14. Which is not a determinant of demand?
A. income
B. the cost of inputs in production

C. the prices of related goods
D. future price expectations

15. People demand more of product X when the price of product Y decreases. This means X and Y are
A. complements
B. substitutes
C. not related
D. both inexpensive

16. The extra utility from consuming one more unit of a commodity is called
A. Marginal utility
B. Additional utility
C. Surplus utility
D. Bonus utility

17. If marginal utility is zero
A. Total utility is zero

B. An additional unit of consumption will decrease total utility

C. consumption will increase total utility

D. Total utility is maximum

18. Which of the following is an economic activity?

A. teacher teaching in the school

B. to teach son at home

C. to serve her child by mother

D. to play football by a student

19. Demand is a function of -------

A. Income

B. Advertisement

C. Consumers

D. Price

20. An increase in consumer income will increase demand for a ------ but decrease demand for a -----

A. substitute goods, inferior goods

B. normal goods, inferior goods

C. inferior goods, normal goods

D. normal goods, complementary goods

21. A perfectly inelastic demand curve -------

A. is a vertical line parallel to Y axis

B. is a vertical line parallel to X axis

C. indicates a good with no close substitutes

D. a and c

22. Demand curve is a -------

A. falling curve

B. rising curve

C. downward sloping curve

D. upward sloping curve

23. A positive cross elasticity of demand coefficient indicates that-----

A. a product is an inferior good

B. a product is a normal goods

C. two products are substitutes

D. two products are complementary

24. In the Law of variable

A. MP = 1

B. MP<0

C. MP=0

D. MP>1

25. Marginal cost is defined as

A. change in total cost due to change in output

B. total cost divided by output

C. change in output due to a change in an input

D. total product divided by the quantity of input

26. Which of the following is correct?

A. TC = TFC+TVC

B. TFC=TC-TVC

C. TVC=TC-TFC

D. None of the above

27. The cost with which the concept of marginal cost is closely related

A. variable cost

B. fixed cost

C. opportunity cost

D. economic cost

28. Opportunity cost is also known as -------

A. cost

B. sunk cost

C. alternative cost

D. total cost

29. Tea and coffee are ----- goods

A. substitutes
B. complementary
C. producers
D. none of the above

30. car and petrol are ---- goods
A. substitutes
B. complementary
C. producers
D. None of the above

31. The short run is a time period in which -------
A. all resources are fixed
B. the level of output is fixed
C. the size of the production plant is variable
D. some resources are fixed and others are variable

32. When the total product curve is falling, ----------
A. marginal product curve is zero
B. marginal product curve is negative
C. average product is increasing
D. average product is negative

33. Money paid to an unskilled labour is called -------------
A. Wages
B. Salary
C. Royalty
D. None

34. The total outlay method explains the relationship between price and ------
A. demand
B. supply
C. expenditure
D. income

35. Which of the following are not related with factors of production
A. land

B. capital

C. raw material

D. labour

36. Which factor of production is considered as fixed input

A. labour

B. technology

C. capital

D. land

37. The vertical difference between TVC and TC is equal to ------

A. MC

B. AVC

C. TFC

D. none

38. The costs that depend on output in the short run are -------

A. total variable costs only

B. both total variable costs and total costs

C. total costs only

D. total fixed cost only

39. The formula for average fixed costs is ----------

A. TFC/Q

B. Q/FC

C. Q/TFC

D. TFC – Q

40. Implicit costs are -------

A. equal to total fixed costs

B. comprised entirely of variable costs

C. payments for self employed resources

D. always greater in the short run than in the long run

41. Any individual who purchases goods and services from the market for his/her end-use is called a.................

A. Customer

B. Purchaser

C. Consumer

D. All these Answer

42. ------------ is nothing but willingness of consumers to purchase products and services as per their taste, need and of course pocket.

A. Consumer behavior

B. Consumer interest

C. Consumer attitude

D. Consumer perception

43. Which of the following statements regarding utility is not true?

A. It is a satisfying power of a commodity.

B. It is purely a subjective entity.

C. Utility is always measurable.

D. It helps consumers to make choices.

44. Which of the following utility approach is based on the theory of Alfred Marshall?

A. Ordinal utility approach

B. None of these

C. Cardinal utility approach

D. Independent variable approach

45. __________ is the addition to total utility by the consumption of one additional unit of the commodity?

A. Total utility

B. Ordinal utility

C. Average utility

D. Marginal utility

45. Which of the following utility approach suggests that utility is a measurable and quantifiable entity?

A. Ordinal approach

B. Cardinal approach

C. Both cardinal & ordinal

D. None of these

46. ______ shows various combinations of two goods that give same amount of satisfaction to the consumer?

A. Iso-quant

B. Indifference curve

C. Iso-cost curve

D. Marginal utility curve

47. Indifference curve slopes___________?

A. Downward to the right

B. Downward to the left

C. Upward to the left

D. Upward to the right

48. ________ is defined as the difference between what the consumer is willing to pay for a product and what he actually pays?

A. Consumer surplus

B. Consumer burden

C. Optimum price

D. Price gap

49. According to the law of diminishing marginal utility, _________?

A. Additional consumption always yields extra utility

B. Additional consumption leads to lower average total utility

C. Additional consumption always yields negative utility

D. After a point any addition in the consumption causes a reduction in total utility.

50. The want satisfying power of a commodity is known as:

A. Supply

B. Consumption

C. Utility

D. Demand

51. What is called point of satiety?

A. The point where marginal utility becomes less than zero
B. The point where marginal utility becomes greater than zero
C. The point where marginal utility becomes zero.
D. None of above

52. The total utility divided by the number of units consumed is known as?
A. Total utility
B. Average utility
C. Marginal utility
D. None of these

53. Utility is measured in terms of?
A. Utils
B. Centimeter
C. Gram
D. Seconds

54. The concept of marginal utility was developed by?

A. Alfred Marshall
B. Robbins
C. Hicks & Allen
D. Paul Samuelson

55. Indifference curve represents?
A. More than two commodities
B. Four commodities
C. Only two commodities
D. Less than two commodities

56. Consumer's surplus is also known as?
A. Differential surplus
B. Elasticity of demand
C. Buyer's surplus
D. Indifference surplus

57. The term 'marginal' in economics means

A. Additional
B. Unimportant
C. Minimum Unit
D. None of the above

58. When marginal is negative, it must be true that
A. The average is positive
B. The average is negative
C. The total is decreasing
D. The total is negative

59. The utility is generally related to
A. Satisfaction
B. Necessary
C. Useless
D. Useful

60. The law that defines the demand curve to slopes downward is known as

A. Diminishing marginal utility
B. Utility maximisation
C. Utility minimisation
D. Consumer equilibrium

61. Indifference curves are convex to the origin because
A. Two goods are perfect complementary goods
B. Two goods are imperfect substitutes
C. Two goods are perfect substitutes
D. None of the above

62. Diminishing marginal utility is the basis of
A. Law of demand
B. Laws of return
C. Law of supply
D. None of the above

63. A consumer's spending is restricted because of

A. Utility maximisation

B. Budget constraint

C. Demand curve

D. Marginal utility

64. Theory of production includes:

A. Manufacturing

B. Packaging

C. Storing

D. All of these

65. Transform of raw materials into marketable goods is known as :

A. Form utility

B. Place utility

C. Production utility

D. Possession utility

66. The relation between physical output of a production process to physical inputs is known as:

A. Consumption function

B. Utilization function

C. Production function

D. Sales function

67. Which is not a correct assumption for the law of variable proportions?

A. Only one factor is variable while others are held constant.

B. There is no change in technology.

C. It assumes a long-run situation.

D. It is possible to vary the proportions in which different inputs are combined.

68. Which is not the correct stage of production in the law of variable proportions?

A. Increasing Returns

B. Diminishing Returns

C. Positive Marginal Returns

D. Negative Marginal Returns

69. Which is the best stage of production in the law of variable proportions?

A. Increasing Returns
B. Diminishing Returns
C. Positive Marginal Returns
D. Negative Marginal Returns

70. Which is not a correct assumption for the law of returns to scale?

A. All factors (inputs) are constant but the enterprise may change.
B. A worker works with given tools and implements.
C. Technological changes are absent.
D. There is perfect competition.

71. If we want to increase production than we need to purchase more raw material. This cost is called:

A. Fixed cost
B. Opportunity cost
C. Variable cost
D. Sunk cost

72. The benefits of mass production can be seen in ________.

A. Long-run cost
B. Marginal cost
C. Fixed cost
D. Variable cost

73. ______ shows the overall output generated at a given level of input:

A. Cost function
B. Production function
C. Iso cost
D. Marginal rate of technical substitution

74. Iso-quants are equal to:

A. Product Lines
B. Total utility lines
C. Cost lines
D. Revenue lines

75. The marginal product curve is above the average product curve when the average product is :

A. Increasing

B. Decreasing

C. Constant

D. None of these

76. Increasing returns to scale can be explained in terms of:

A. External and internal economies

B. External and internal diseconomies

C. External economics and internal diseconomies

D. All of these

77. Diminishing marginal returns implies:

A. Decreasing average variable costs

B. Decreasing marginal costs

C. Increasing marginal costs

D. Decreasing average fixed costs

78. Law of variable proportion is valid when:

A. Only one input is fixed and all other inputs are kept variable

B. All factors are kept constant

C. All inputs are varied in the same proportion

D. None of these