PRACTICE SET – 1
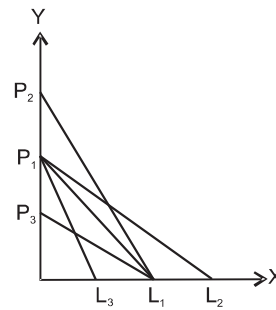
1. Who compared the relationship between demand and the price with see saw?
   (a) Robbins
   (b) A.C. Pigou
   (c) Marshall
   (d) Hall and Hitch

2. The upper portion of the kinked demand curve is relatively
   (a) More inelastic
   (b) More elastic
   (c) Less elastic
   (d) Inelastic

3. Under perfect competition, a firm will be in equilibrium when
   (a) MC is greater than MR
   (b) MC = MR
   (c) MC cuts MR from below
   (d) Both (b) and (c)

4. Decrease or fall in the price of commodity leads to increase in demand because of
   (a) income effect, i.e. consumer becomes better off.
   (b) substitution effect, i.e. relatively cheaper than related goods.
   (c) Both (a) and (b)
   (d) None of the above.

5. Who has given four major exceptions to the law of demand?
   (a) P.A. Samuelson
   (b) Frederic Benham
   (c) Robert Giffen
   (d) J.S. Bain

6. Under monopoly and imperfect competition, MC is
   (a) more than the price
   (b) less than the price
   (c) equal to the price
   (d) any of the above.

Direction: (Question Nos. 7-9): Study the figure below and answer the questions that follow: The figure depicts different line and P_1L_1 is the original price line.

7. Suppose the price of X declines. Then the new position of price line would be
   (a) P_1L_2
   (b) P_1L_3
   (c) P_2L_1
   (d) P_3L_1

8. Suppose the price of X increases. Then the new price line will be
   (a) P_1L_2
   (b) P_2L_1
   (c) P_1L_3
   (d) P_2L_2

9. If price of Y increases, then the new price line will be
   (a) P_1L_3
   (b) P_3L_1
   (c) P_2L_1
   (d) P_1L_2

10. Hierarchy has been described as the 'Scalar process' by
    (a) L.D. White
    (b) P.H. Appleby
    (c) Mooney and Reiley
    (d) Gulick and Urwick

11. An organisation principle based upon Division of Labour is called
    (a) Line organization
    (b) Functional organization
    (c) Informal organization
    (d) None of the above

12. Under worker's participation scheme,
    (a) workers get more benefits.
    (b) workers increase their output.
    (c) workers participate in decision making process.
    (d) None of the above.

13. Under worker's participation scheme,
   (a) workers decide their work themselves.
   (b) workers give suggestios
   (c) decision-making is delegated to the group
   (d) none of the above

14. Which pattern reflects a pure executive form of management?
   (a) Functional (b) Line
   (c) Line and Staff (d) Committee

15. Works committees are formed where
   (a) more than 20 workers are employed
   (b) more than 50 workers are employed
   (c) 100 or more workers are employed
   (d) none of the above

16. Which of the following is not non-monetary
   (a) Effective communication
   (b) Bonus
   (c) Job security (d) None of the above

17. Which of the following theories state that "employees make comparison of their efforts and rewards with those of others in similar work situation"?
   (a) Vroom's Expectancy Theory
   (b) Adam's Equity Theory
   (c) Alderfer's ERG Theory
   (d) Hertzberg's Two-factor Theory

18. In Transactional Analysis the "I am ok, you are not ok" life position is also referred to as
   (a) Bossing (b) Avoidant
   (c) Diffident (d) Bohemian

19. The main objective of 360° Appraisal is to bring
   (a) Subjectivity
   (b) Objectivity
   (c) Uniformity of standards
   (d) None of the above

20. At which level of PCMM the concept of competency management is brought into workforce practices
   (a) One (b) Two
   (c) Three (d) Five

21. The Employee Stock Ownership Plan (ESOP) was developed by
   (a) Michael Porter (b) Kaplan
   (c) P.F. Drucker (d) Louis Kelso

22. Match List I with List II and select the correct answer using the code given below the Lists :
   List I
   A. Complementary
   B. Higher indifference curve
   C. Slope of the indifference curve
   D. Compensatory variation
   List II
   1. L-shaped curve
   2. Higher satisfaction level
   3. Relative marginal utility
   4. To remove income effect

Codes	A	B	C	D
(a)	3	1	2	4
(b)	4	3	1	2
(c)	1	2	3	4
(d)	2	1	3	4

23. Match List I with List II and select the correct answer using the code given below the Lists :
   List I (*Nature of MRS$_{xy}$*)
   A. MRS_{xy} is equal to zero
   B. MRS_{xy} is constant
   C. MRS_{xy} is positive\
   D. MRS_{xy} is negative
   List II (*Shape of Indifference Curve*)
   1. Convex to origin
   2. Concave to origin
   3. L-shaped (Right angle)
   4. Straght line with negative slope

Codes	A	B	C	D
(a)	1	2	3	4
(b)	1	3	2	4
(c)	3	4	2	1
(d)	4	3	1	2

24. In Exchange of Mates Reciept, the document obtained is called
   (a) Bill of Sight (b) Bill of Entry
   (c) Bill of Lading (d) None of the above

25. Increase in net RBI credit for Central Government represents
   (a) Budgetary Deficit
   (b) Reqenue Deficit
   (c) Fiscal Deficit
   (d) Monetised Deficit

26. A Certificate of Origin is obtained by

(a) Exporter   (b) Importer
(c) Both (a) and (b)   (d) None of the above

27. In order to have the benefit of lower rate of duty the importer needs
(a) Certificate of Origin
(b) Bill of Lading
(c) Bill of Entry
(d) None of the above

28. The term 'General Systems Theory' owes its origin to
(a) Max Weber   (b) F.W. Taylor
(c) Ludwig von Bertalanffy
(d) John A. Verg

29. To prevent fraud on the Customs Offices of the countries into which goods are imported, the document used is
(a) Consular Invoice
(b) Certificate of Origin
(c) Bill of Lading
(d) None of the above

30. The official receitp for guids to be exported is called
(a) Bill of Lading   (b) Bill of Entry
(c) Consular Invoice   (d) None of the above

31. Which of the following principles do not come under Taylor's concept
(a) Functional Organisation
(b) Worker's Participation in Management
(c) Standardisation
(d) None of the above

32. Behavioural science approach towards management comes from
(a) Researchers from Harvard University
(b) F.W. Tylor
(c) Henri Fayol
(d) None of the above

33. The formula word to indicate the functions of management is
(a) DPCSO   (b) POSDCORB
(c) POSTCORD   (d) BOSCORT

34. "Motivation" is a branch of
(a) Controlling   (b) Planning
(c) Organising   (d) None of the above

35. "Delegation" is the branch of

(a) Controlling   (b) Directing
(c) Organising   (d) None of the above

36. The age specific failure rate is
(a) F(t)/F(t)   (b) F(t)/P(t)
(c) P(t)/F(t)   (d) None of the above

37. The reliability of a component having an MTBF equal to the time period under consideration is
(a) 0.370   (b) 0.500
(c) 0.666   (d) 1.000

38. If an operator is rated at 95 and has taken 1.90 minutes for his job the 'normal' time is
(a) 1.805 minutes   (b) 1.995 minutes
(c) 2.000 minutes   (d) 2.850 minutes

39. Work standards should be
(a) challenging
(b) stimulating
(c) a philosophy-cum-means performance
(d) All of the above

40. Allowances in time standards are given
(a) fatigue
(b) personal time
(c) unavoidable delays
(d) All of the above

Directions: Assertion (A) – Reason (R) questions in are to be answered based on the options given below:
Codes:
(a) Both A and R are individually true and R is the correct explanation of A
(b) Both A and R are individually true but R is not the correct explanation of A
(c) A is true but R is false
(d) A is false but R is true

41. **Assertion (A):** Long-run marginal cost curve is U-shaped.
Reason (R): The law of variable proportion operates in production sphere.

42. **Assertion (A):** The production function, $Z = 3r_1 + 2r_2 + 2$, where 'Z' is the output and r_1 and r_2 are the two inputs, is not homogeneous.
Reason (R): Multiplying r_1 and r_2 by a constant k in given production does not multiply Z and K.