

Exam Name : PGDMM/PGDSCM & L-Business Economics and Accounting

Total Questions : 50

Q.1 Due to the application of the concepts of economics in the decision-making processes of business enterprises, business economics is also known as

Marks: 2

Question ID:
6289131

No	Options Details	Select Option
1	managerial economics	
2	capital economics	
3	macro economics	
4	decisive economics	

Q.2 The second law of economics is also known as:

Marks: 2

Question ID:
6289132

No	Options Details	Select Option
1	The law of self-interest	
2	The law of competition	
3	The law of demand	
4	The law of supply	

Q.3

The movement of the workforce across continents, exchange of ideas and technologies, adoption of new culture and values leads to

Marks: 2**Question ID:**
6289133

No	Options Details	Select Option
1	monetisation	
2	commercialisation	
3	socialisation	
4	globalisation	

Q.4

Demand and income are directly proportional to normal goods whereas the demand and income are inversely proportional to inferior goods.

Marks: 2**Question ID:**
6289134

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.5 When the demand for different quantities of a commodity or service depends not only on its own price but also on the price of other related commodities or services, then the demand is known as the

Marks: 2

Question ID:
6289135

No	Options Details	Select Option
1	price demand	
2	income demand	
3	cross demand	
4	direct demand	

Q.6 Those goods whose demand decreases with the increase in the income of the buyers are known as

Marks: 2

Question ID:
6289136

No	Options Details	Select Option
1	gifted goods	
2	giffin goods	
3	essentisal goods	
4	non-essential goods	

Q.7 Time and price of the product are the two factors that affect the supply of the product.

Marks: 2

Question ID:
6289137

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.8 Which among the following is not the determinant of supply?

Marks: 2

Question ID:
6289138

No	Options Details	Select Option
1	Government taxes	
2	Natural conditions	
3	Price of related goods	
4	Political conditions	

Q.9 The movement of the supply curve determines the change in supply, whereas, the shift in the supply curve determines the change in quantity supplied. **Marks: 2**

Question ID:
6289139

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.10 Which of the following is not an assumption in consumer behaviour analysis?

Marks: 2
Question ID:
6289140

No	Options Details	Select Option
1	Transitivity	
2	Non-satiation	
3	Consistency	
4	Decisiveness	

Q.11

A measure of satisfaction that an individual receives through the consumption of a commodity is defined as total utility.

Marks: 2**Question ID:**
6289141

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.12

Which of the following is the addition in total utility due to consumption of an additional unit of a good?

Marks: 2**Question ID:**
6289142

No	Options Details	Select Option
1	Total utility	
2	Marginal utility	
3	Budget line	
4	Ordinal utility	

Q.13 The cardinal utility theory or approach was not proposed by which of the following classical economists?

Marks: 2

Question ID:
6289143

No	Options Details	Select Option
1	Gossen (Germany)	
2	William Stanley Jevons (England)	
3	Leon Walras (France)	
4	Alfred Marshall	

Q.14 According to ordinal utility approach, level of satisfaction can be measured in terms of utils.

Marks: 2

Question ID:
6289144

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.15 In economics, production refers to the creating of goods and services which do not have exchange value in the economy.

Marks: 2

Question ID:
6289145

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.16 the quality of labor resources, which can be improved through investments in education, training, and health.

Marks: 2

Question ID:
6289146

No	Options Details	Select Option
1	Money capital	
2	Human capital	
3	The factor of production	
4	Production function	

Q.17 In economics, _____ refers to the creation of those goods and services which have exchange value in the economy.

Marks: 2

Question ID:
6289147

No	Options Details	Select Option
1	demand	
2	supply	
3	capital	
4	production	

Q.18 _____ refers to the total amount of units of output which is produced per unit of time by the different factors of inputs.

Marks: 2

Question ID:
6289148

No	Options Details	Select Option
1	Average production	
2	Marginal production	
3	Cardinal production	
4	Total production	

Q.19 According to _____, "General equilibrium occurs through the mutual interdependence between different markets and their constituents."

Marks: 2

Question ID:
6289149

No	Options Details	Select Option
1	Prof. Stigler	
2	Walras	
3	Koutsoyiannis	
4	Leibhafsky	

Q.20 _____ can be described as the cost of the next best alternative forgone by a business entity, while, _____ is the money spent by the producer to purchase or own the factors of production.

Marks: 2

Question ID:
6289150

No	Options Details	Select Option
1	Implicit Costs, Business Costs	
2	Business Costs, Fixed Costs	
3	Incremental Cost, Real Costs	
4	Opportunity cost, Explicit cost	

Q.21 Variable cost does not change with change in the level of output.

Marks: 2

Question ID:
6289151

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.22 The cost which does not vary with change in the level of output is called

Marks: 2

Question ID:
6289152

No	Options Details	Select Option
1	Total Fixed Cost	
2	Total Variable Cost	
3	Marginal Cost	
4	Average Cost	

Q.23 In the long run, the cost of production of all factors of production are variable

Marks: 2

Question ID:
6289153

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.24 On the basis of scale of production, the size of an organisation is the first decision made by a producer

Marks: 2

Question ID:
6289154

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.25 Managerial and financial inefficiencies give rise to external diseconomies.

Marks: 2

Question ID:
6289155

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.26 In accounting equation, the total amount of assets is always _____ to the sum total of equity and outside liabilities.

Marks: 2

Question ID:
6289156

No	Options Details	Select Option
1	double	
2	equal	
3	greater	
4	lower	

Q.27 The _____ is a comprehensive budget that includes all the aspects of an organisation's operations and finances.

Marks: 2

Question ID:
6289157

No	Options Details	Select Option
1	investment	
2	master budget	
3	budget	
4	revenue	

Q.28 There are _____ types of variances that can be analysed using a flexible budget.

Marks: 2

Question ID:
6289158

No	Options Details	Select Option
1	five	
2	four	
3	two	
4	three	

Q.29 Which of the following concept recognises profit or income only when it is realised?

Marks: 2

Question ID:
6289159

No	Options Details	Select Option
1	Cost concept	
2	Matching concept	
3	Conservatism concept	
4	Accrual concept	

Q.30 XYZ Pvt. Ltd. has purchased merchandise on credit. Which of the following two accounts will get affected by this transaction

Marks: 2

Question ID:
6289160

No	Options Details	Select Option
1	Trade credit and Merchandise	
2	Bank deposit and trade credit	
3	Bank deposit and merchandise	
4	Bank Deposit and receivables	

Q.31 This accounting model states that the assets of a business enterprise are equal to liabilities and capital.

Marks: 2

Question ID:
6289161

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.32 Which of the following financial statement reveals the net profit earned or the net loss suffered by an organisation during an accounting period?

Marks: 2

Question ID:
6289162

No	Options Details	Select Option
1	Profit and loss account	
2	Balance sheet	
3	Cash flow statement	
4	Trial Balance	

Q.33 A balance sheet indicates the sources of cash inflow and outflow of an organisation

Marks: 2

Question ID:
6289163

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.34 Which of one of the following market condition, the marginal revenue curve lies below the demand curve?

Marks: 2

Question ID:
6289164

No	Options Details	Select Option
1	Perfectly Competitive Market	
2	Imperfectly Competitive Market	
3	Both a and b	
4	None of these	

Q.35 A bank branch of a bank is:

Marks: 2

Question ID:
6289165

No	Options Details	Select Option
1	A cost centre	
2	A revenue centre	
3	A profit centre	
4	An investment centre	

Q.36 DuPont analysis breaks down the organised equation for ROE into three components. Which of the following is not a component of DuPont analysis

Marks: 2

Question ID:
6289166

No	Options Details	Select Option
1	Net profit margin	
2	Total asset turnover	
3	Financial leverage	
4	Debtors Turnover	

Q.37

Financial statements in the percentage format are useful for performing comparative analysis

Marks: 2**Question ID:**
6289167

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.38

Which one of the following columns is not a part of differential analysis model that is used in production decision making?

Marks: 2**Question ID:**
6289168

No	Options Details	Select Option
1	Alternative	
2	Status quo	
3	Difference	
4	Addition	

Q.39

In double entry system, minimum two accounts are always impacted from a business transaction

Marks: 2**Question ID:**
6289169

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.40

Which statement equates assets with the sum of liabilities and owners' equity?

Marks: 2**Question ID:**
6289170

No	Options Details	Select Option
1	Balance sheet equation	
2	Statement of cash flows	
3	Statement of income	
4	Trial Balance	

Q.41 Transactions in journal are recorded in a chronological order.

Marks: 2

Question ID:
6289171

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.42 The ledger book is also known as:

Marks: 2

Question ID:
6289172

No	Options Details	Select Option
1	Original book of accounts	
2	Principal book of accounts	
3	Subsidiary book of accounts	
4	Secondary book of accounts	

Q.43 Conversion Cost = Direct Labour Cost + Material Cost

Marks: 2

Question ID:
6289173

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.44 Which one of the following is a measure of an investment's rate of return, which excludes external factors, such as inflation, cost of capital and various financial risks?

Marks: 2

Question ID:
6289174

No	Options Details	Select Option
1	Time Value of Money (TVM)	
2	Accounting Rate of Return (ARR)	
3	Internal Rate of Return (IRR)	
4	Net Present Value (NPV)	

Q.45 Process costing requires less managerial control.

Marks: 2

Question ID:
6289175

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.46 Resource-consuming activities create costs. This is an assumption of the

Marks: 2

Question ID:
6289176

No	Options Details	Select Option
1	Relevant Costing	
2	Marginal Costing	
3	Activity-Based Costing	
4	Standard Costing	

Q.47 The average variable cost curve will:

Marks: 2

Question ID:
6289177

No	Options Details	Select Option
1	Slope down, reach a minimum point, and then rise again	
2	Slope up at an accelerating rate	
3	Be constant with the output	
4	Slope down with the output	

Q.48 A dairy company has four product lines: flavoured milk (contribution margin 64%), cheese (34%), frozen yoghurt (23%), and desserts (47%). Which product line can be dropped for optimum resource utilisation?

Marks: 2

Question ID:
6289178

No	Options Details	Select Option
1	Cheese	
2	Frozen yoghurt	
3	Desserts	
4	Flavoured milk	

Q.49 The Human Resources department of an organisation is:

Marks: 2

Question ID:
6289179

No	Options Details	Select Option
1	An investment centre	
2	A cost centre	
3	A profit centre	
4	A revenue centre	

Q.50 Which variances are caused due to difference between the budgeted and actual sales volume?

Marks: 2

Question ID:
6289180

No	Options Details	Select Option
1	Marketing variances	
2	Sales variances	
3	Price variances	
4	Efficiency variances	