



Exam Seat No. _____

B. P. COLLEGE OF BUSINESS ADMINISTRATION

(Constituent College of Kadi Sarva Vishwavidyalaya)

BBA SEM – III

MCQ TEST September 2013

SUB: Economics for Managers (BBA 14)

Date: 07/09/13

Day: Saturday

Total Marks: 60

Duration: 40 minutes

Instructions:

- All questions are compulsory.
- All questions carry 2 marks each.

Q1. Consumers' goods are used for _____

- a. final consumption b. production c. household use d. only children

Q2. Which type of commodity is Milk?

- a. durable b. non-durable c. perishable d. non perishable

Q3. Demand for a product tied to a parent demand is called _____

- a. autonomous demand b. derived demand c. casual demand d. nothing

Q4. When firm demand and industry demand are the same, which of the following is true?

- a. firm and industry are different b. firm and industry are the same
c. it is a monopoly market d. both (b) and (c)

Q5. Demand that emerges as immediate reaction to price change is called _____.

- a. long term demand b. short term demand c. market demand d. future demand

Q6. Between Car and Petrol, which is the derived commodity?

- a. car b. petrol c. both d. none

Q7. Which of the following is true with regard to elasticity of demand?

- a. It is a qualitative concept b. It is a quantitative concept c. It is both quantitative and qualitative
d. None of the above

Q8. If the price of a commodity increases by 50% and consequently its sale decreases by 25%, what shall be the value of price elasticity?

- a. 1 b. 0.5 c. 0.2 d. 1.2

Q9. If a 2% decrease in the price of a commodity results in a 1000% increase in its sales, the commodity may be called:

- a. perfectly elastic b. perfectly inelastic c. relatively elastic d. relatively inelastic

Q10. If any change in a commodity's price leads to a less than proportionate change in its sales, what shall be the nature of the commodity?

- a. perfectly elastic b. perfectly inelastic c. relatively elastic d. relatively inelastic

Q11. If any change in a commodity's price leads to an equal proportionate change in its sales, what shall be the nature of the commodity?

- a. perfectly elastic b. perfectly inelastic c. relatively elastic d. unitary elastic

Q12. What is the elasticity between mid-point and lower extreme point of a straight line continuous demand curve?

- a. infinite b. zero c. greater than one d. less than one

Q13. What is the elasticity at the upper extreme point of a straight line continuous demand curve?

- a. infinite b. zero c. greater than one d. less than one

Q14 "The degree of responsiveness in the demand for a commodity due to a given change in the consumer's income" is the definition of which elasticity?

- a. price elasticity of demand b. income elasticity of demand
c. cross elasticity of demand d. advertisement elasticity of demand

Q15. Income elasticity of demand for normal commodity is negative (True/False).

Q16. Income elasticity of demand for Giffen commodities is positive (True/False)

Q17. If price of a commodity increases and the demand for its related commodity also increases, the two commodities are:

- a. complementary b. substitutes c. not related d. can't say

Q18. If a given advertisement expenditure raises the sales in a company by more than proportionately, the commodity concerned is:

- a. high advertisement sensitive b. low advertisement sensitive
c. not sensitive to advertisement at all d. can't say

Q19. If advertisement elasticity of demand is greater than one, which of the following shall happen?

- a. a big advertisement expenditure shall result in a relatively small amount of sales
b. a small advertisement expenditure shall result in a relatively big amount of sales
c. any change in advertisement expenditure shall result in equal proportionate change in sales
d. none of the above

Q20. When shall you go for bigger advertisement of your product?

- a. when there are less number of competitors
b. when there are large number of competitors
c. when there are no competitors
d. as and when it comes in your dream

Q21. In case of commodities claiming a very small portion of income in the consumer's budget which of the following is correct?

- a. $E_p=1$ b. $E_p>1$ c. $E_p<1$ d. $E_p=0$

Q22. Forecasting refers to:

- a. guessing b. judging c. guessing scientifically d. speaking about future

Q23. Demand forecasting refers to the prediction or estimation of a future situation under given constraints. True / False

Q24. Which of the following is the characteristic of a good forecast?

- a. minimizes scope of uncertainty b. maximizes scope of uncertainty
c. gives exactness of future d. None of the above

Q25. Which of the following is not an objective of demand forecasting?

- a. proper production planning b. planning of finance
c. continuous supply d. portfolio reshuffling

Q26. When all the respondents of the population are surveyed, the method is known as _____ method.

- a. sample survey method b. complete enumeration method c. trend method
d. regression method.

Q27. Survey methods are also known as _____ of demand forecasting.

- a. indirect methods b. direct methods c. sophisticated methods d. None

Q28. Very high price ranged commodities are:

- a. high price sensitive b. low price sensitive c. moderately price sensitive d. cant' say

Q29. Expert opinion method is also known as:

- a. sales force method b. Delphi method
c. controlled experiment method d. statistical method

Q30. Consumer survey method is suitable for:

- a. a very large company b. a mid-sized company c. a small company d. all