



## BRAINWARE UNIVERSITY

### Term End Examination 2020 - 21

Programme – Diploma in Computer Science & Engineering

Course Name – Economics & Accountancy

Course Code - DCSE305

Semester / Year - Semester III

Time allotted : 75 Minutes

Full Marks : 60

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

### Group-A

(Multiple Choice Type Question)

1 x 60=60

1. (Answer any Sixty )

(i) Which of the following statements about the use of resources is not one of the key questions in economics?

- |                                 |                                 |
|---------------------------------|---------------------------------|
| a) How are resources used?      | b) Where are resources used?    |
| c) For what are resources used? | d) For whom are resources used? |

(ii) Scarcity requires that people must

- |                |                  |
|----------------|------------------|
| a) Trade.      | b) Compete.      |
| c) Co-operate. | d) Make choices. |

(iii) Studying the determination of prices in individual markets is primarily a concern of

- |                       |                   |
|-----------------------|-------------------|
| a) Negative economics | b) Microeconomics |
| c) Positive economics | d) Macroeconomics |

(iv) Suppose there is excess supply in a market and the price decreases. Which of the following combinations of events will occur?

- |  |   |
|--|---|
| a) There will be a fall in quantity supplied and a rise in quantity demanded | b) There will be a fall in quantity supplied and a rise in demand |
| c) There will be a fall in supply and a rise in quantity demanded.           | d) There will be a fall in supply and a rise in demand            |

(v) The supply of a good refers to:

- a) Stock available for sale
- b) Total stock in the warehouse
- c) Actual Production of the good
- d) Quantity of the good offered for sale at a particular price per unit of time

(vi) The following are causes of shift in demand EXCEPT the one:

- a) Change in income
- b) Change in price
- c) Change in fashion
- d) Change in prices of substitutes

(vii) The elasticity of demand of durable goods is:

- a) More elastic
- b) Less elastic
- c) Zero elastic
- d) Infinite elastic

(viii) Ahmad bought 50 litres of petrol when his monthly income was Rs. 25,000. Now his monthly income has risen to Rs. 50,000 and he purchases 100 litres of petrol. His income elasticity of demand for petrol is:

- a) 1
- b) Less than one
- c) More than one
- d) None of these

(ix) Economic problems arise because:

- a) Wants are unlimited
- b) Resources are scarce
- c) Scarce resources have alternative uses
- d) All of these

(x) The relationship between price and demand is

- a) Direct
- b) Inverse
- c) Proportionate
- d) Positive

(xi) Which of the following is NOT a determinant of the demand for good X?

- a) The income of consumers
- b) The cost of labor used to produce good X.
- c) The price of good Y, a complement to X.
- d) The number of buyers of good X.

(xii) The cost of one thing in terms of the alternative given up is called

- a) Real Cost
- b) Physical Cost
- c) Sunk Cost
- d) Opportunity Cost

(xiii) Cost which has occurred already and not affected by decisions is classified as

- a) Sunk cost
- b) Mean cost
- c) Weighted cost
- d) Marginal cost

(xiv) Marginal Cost is the cost

- a) Of an activity that exceeds its benefit
- b) That arises from an increase in an activity.
- c) That your activity imposes on someone else
- d) That arises from the secondary effect of an activity

(xv) If a firm's revenues just cover all its opportunity costs, then:

- a) Normal profit is zero
- b) Economic profit is zero
- c) Total revenues equal its explicit costs.
- d) Total revenues equal its implicit costs

(xvi) Which is not a fixed cost?

- a) monthly rent of \$1,000 contractually specified in a one-year lease
- b) an insurance premium of \$50 per year, paid last month
- c) an attorney's retainer of \$50,000 per year
- d) a worker's wage of \$15 per hour

(xvii) An example of a variable resource in the short run is

- a) an employee
- b) capital equipment
- c) land
- d) building

(xviii) Short-run average variable cost is equal to

- a) Total variable cost divided by output
- b) Average total cost minus average fixed cost

c) The cost per unit of the variable input divided by the average product of the variable input      d) all of these

(xix) Which of the following short-run cost curves declines continuously?

- a) Average total cost      b) Marginal cost  
c) Average fixed cost      d) Average variable cost

(xx) A company could produce 99 units of a good for \$316 or produce 100 units of the same good for \$320. The marginal cost of the 100th unit

- a) is \$320      b) is \$3.20  
c) is \$4.00      d) cannot be calculated with this information

(xxi) A company could produce 100 units of a good for \$320 or produce 101 units of the same good for \$324. The \$4 difference in costs is

- a) the marginal benefit of producing the 101st unit      b) the marginal cost of producing the 101st unit  
c) both the marginal benefit and the marginal cost of producing the 101st unit      d) neither the marginal benefit nor the marginal cost of producing the 101st unit

(xxii) A firm's average total cost is \$80, its average variable cost is \$75, and its output is 50 units. Its total fixed cost is

- a) less than \$100      b) more than \$300  
c) between \$200 and \$300      d) between \$100 and \$200

(xxiii) A firm's average fixed cost is Rs 20 at 6 units of output what will it be at 4 units of output?

- a) Rs 60      b) Rs 30  
c) Rs 40      d) Rs 20

(xxiv) Which of the following cost curves is never 'U' shaped?

- a) Average cost curve
- b) Marginal cost curve
- c) Total cost curve
- d) Fixed cost curve

(xxv) Which would be an implicit cost for a firm? The cost:

- a) of worker wages and salaries for the firm
- b) paid for leasing a building for the firm
- c) Paid for production supplies for the firm
- d) of wages foregone by the owner of the firm

(xxvi) If you know that with 8 units of output, average fixed cost is Rs.12.50 and average variable cost is Rs.81.25, then total cost at this output level is:

- a) Rs. 93.75.
- b) Rs. 97.78
- c) Rs. 750
- d) Rs. 880

(xxvii) With fixed costs of Rs.400, a firm has average total costs of Rs.3 and average variable costs of Rs.2.50. Its output is:

- a) 200 units.
- b) 400 units.
- c) 800 units
- d) 1,600 units

(xxviii) Average fixed cost can be obtained through:

- a)  $AFC = TFC/TS$
- b)  $AFC = EC/TU$
- c)  $AFC = TC/PC$
- d)  $AFC = TFC/TU$

(xxix) In which of the following market structure is the degree of control over the price of its product by a firm very large?

- a) Imperfect Competition
- b) Perfect Competition
- c) Monopoly
- d) Both Imperfect Competition and Perfect Competition

(xxx) Which of the following is a characteristic of a perfectly competitive market?

- a) Firms are price setters
- b) There are few sellers in the market
- c) Firms can exit and enter the market
- d) All of these

freely

(xxxix) Cartel is a part of

- a) Monopoly
- b) Oligopoly
- c) Monopolistic Competition
- d) Perfect Competition

(xxxix) A firm operating under conditions of perfect competitions can

- a) Determine the price of its product.
- b) Determine only the size of its output
- c) Promote the sales through effective advertisement
- d) Capture the market by cutting down the price

(xl) Oligopoly means

- a) One seller many buyer
- b) Few seller few buyer
- c) Few seller many buyers
- d) Two seller many buyers

(xli) Factors responsible for creating conditions for emergence and growth of monopoly are

- a) Control over strategic raw materials
- b) Patents
- c) Licensing
- d) All of these

(xlii) Selling costs have to be incurred in case of

- a) Perfect competition
- b) Monopolistic competition
- c) Imperfect competition
- d) None

(xliii) Which type of competition leads to exploitation of consumer?

- a) Oligopoly
- b) Monopolistic competition
- c) Monopoly
- d) All of these

(xliv) The economist's objections to monopoly rest on which of the following grounds?

- a) There is a transfer of income from
- b) There is welfare loss as resources tend to

consumers to the monopolist

c) Only A is correct

be misallocated under monopoly

d) Both there is a transfer of income from consumers to the monopolist and there is welfare loss as resources tend to be misallocated under monopoly are correct

(xxxviii) If a firm sells its output on a market that is characterized by many sellers and buyers, a homogeneous product, unlimited long-run resource mobility, and perfect knowledge, then the firm is a -

a) a monopolist

b) an oligopolist

c) a perfect competitor

d) a monopolistic competitor

(xxxix) If a firm sells its output on a market that is characterized by many sellers and buyers, a differentiated product, and unlimited long-run resource mobility, then the firm is -

a) a monopolist

b) an oligopolist.

c) a perfect competitor.

d) a monopolistic competitor

(xl) If one perfectly competitive firm increases its level of output, market supply

a) Will increase and market price will fall.

b) Will increase and market price will rise

c) And market price will both remain constant

d) Will decrease and market price will rise.

(xli) Which of the following markets comes close to satisfying the assumptions of a perfectly competitive market structure?

a) The stock market.

b) The market for agricultural commodities such as wheat or corn

c) The market for petroleum and natural gas.

d) All of these come close to satisfying the assumptions of perfect competition

(xlii) Which of the following types of firms is likely to be a monopolistic competitor?

- a) A local telephone company
- b) An automobile manufacturer
- c) A restaurant.
- d) All of these are likely to be monopolistic competitors

(xliii) Which of the following industries is most likely to be monopolistically competitive?

- a) The automobile industry
- b) The steel industry
- c) The car repair industry
- d) The electrical generating industry

(xliv) The science and art of correctly recording business dealing in a set of books is called

- a) . Bookkeeping
- b) Accounting
- c) Auditing
- d) Recording

(xlv) Accounting is the language of

- a) Government
- b) Public
- c) Trade
- d) Business

(xlvi) Modern system of bookkeeping is

- a) Double entry system
- b) Single entry system
- c) None of these
- d) British system

(xlvii) The main function of Accounting is to

- a) Record economic data
- b) Provide informational basis for action
- c) Classify and record business transactions
- d) All of these

(xlviii) The sales income (Credit and Cash) of a business during a given period is called

- a) Transactions
- b) Sales returns
- c) Turnover
- d) Purchase returns



(xlix) All of following are Assets except

- a) Goodwill
- b) Furniture
- c) Outstanding Salary
- d) Closing Stock

(l) Which of the following statement is correct

- a)  $\text{Assets} - \text{Capital} > \text{Liabilities}$
- b)  $\text{Liabilities} + \text{Capital} = \text{Assets}$
- c)  $\text{Liabilities} + \text{Capital} < \text{Assets}$
- d)  $\text{Assets} - \text{Liabilities} > \text{Capital}$

(li) The proprietor of the business is treated as creditor for the capital introduced by him due to \_\_\_\_\_ concept

- a) Money measurement
- b) Cost
- c) Entity
- d) Dual aspect

(lii) The concept of separate entity is applicable to which of following types of businesses

- a) Sole proprietorship
- b) Corporation
- c) Partnership
- d) All of these

(liii) Cost concept basically recognizes \_\_\_\_\_

- a) Fair Market value
- b) Historical cost
- c) Realizable value
- d) Replacement cost

(liv) Which of the following is not a Real A/c

- a) Building
- b) Furniture
- c) Machine
- d) Rent

(lv) Depreciation is not charged on \_\_\_\_\_.

- a) New Asset
- b) Land
- c) Building
- d) None of these

(lvi) Economic resources of business that expected to be of benefit in future

time referred as

- a) Owners' Equity
- b) Liabilities
- c) Withdrawals
- d) Assets

(lvii) Summary of balances of ledger account is called.....

- a) trial balance
- b) balance sheet
- c) cash flow statement
- d) none of these

(lviii) A cash book with cash, bank and discount column is known as \_\_\_\_\_  
column cash book

- a) Single
- b) Double
- c) Triple
- d) Quadruple

(lix) M/s Stationery Mart will debit the purchase of stationery to \_\_\_\_\_

- a) Purchases A/c
- b) General Expenses A/C
- c) Stationery A/c
- d) None of these

(lx) Transfer to General Reserve is a charge against

- a) Trading Account
- b) Profit and Loss Account
- c) Profit and Loss Appropriation Account
- d) Balance Sheet