

OCET-2010

Code No.: 210101

Important : Please consult your Admit Card / Roll No. Slip before filling your Roll Number on the Test Booklet and Answer Sheet

Roll No.

In Figures

In Words

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O.M.R. Answer Sheet Serial No.

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Signature of the Candidate : _____

Subject : M.B.E. (Master of Business Economics)

Time : 90 minutes

Number of Questions : 75

Maximum Marks : 75

DO NOT OPEN THE SEAL ON THE BOOKLET UNTIL ASKED TO DO SO

INSTRUCTIONS

1. Write your Roll No. on the Question Booklet and also on the OMR Answer Sheet in the space provided and nowhere else.
2. Enter the Subject and Code No. of Question Booklet on the OMR Answer Sheet. Darken the corresponding bubbles with **Black Ball Point / Black Gel pen**.
3. Do not make any identification mark on the Answer Sheet or Question Booklet.
4. To open the Question Booklet remove the paper seal(s) gently when asked to do so.
5. Please check that this Question Booklet contains **75** questions. In case of any discrepancy, inform the Assistant Superintendent within 10 minutes of the start of test.
6. Each question has four alternative answers (A, B, C, D) of which only one is correct. For each question, darken only one bubble (A or B or C or D), whichever you think is the correct answer, on the Answer Sheet with **Black Ball Point / Black Gel pen**.
7. If you do not want to answer a question, leave all the bubbles corresponding to that question blank in the Answer Sheet. No marks will be deducted in such cases.
8. Darken the bubbles in the OMR Answer Sheet according to the Serial No. of the questions given in the Question Booklet.
9. Negative marking will be adopted for evaluation i.e., 1/4th of the marks of the question will be deducted for each wrong answer. A wrong answer means incorrect answer or wrong filling of bubble.
10. For calculations, use of simple log tables is permitted. Borrowing of log tables and any other material is not allowed.
11. For rough work only the sheets marked "Rough Work" at the end of the Question Booklet be used.
12. The Answer Sheet is designed for **computer evaluation**. Therefore, if you do not follow the instructions given on the Answer Sheet, it may make evaluation by the computer difficult. **Any resultant loss to the candidate on the above account, i.e., not following the instructions completely, shall be of the candidate only.**
13. After the test, hand over the Question Booklet and the Answer Sheet to the Assistant Superintendent on duty.
14. In no case the Answer Sheet, the Question Booklet, or its part or any material copied/noted from this Booklet is to be taken out of the examination hall. Any candidate found doing so would be expelled from the examination.
15. A candidate who creates disturbance of any kind or changes his/her seat or is found in possession of any paper possibly of any assistance or found giving or receiving assistance or found using any other unfair means during the examination will be expelled from the examination by the Centre Superintendent/Observer whose decision shall be final.
16. **Telecommunication equipment such as pager, cellular phone, wireless, scanner, etc., is not permitted inside the examination hall. Use of calculators is not allowed.**

1. **Targeted growth rate during the 11th Five Year Plan is**
(A) 9·0% (B) 8·5%
(C) 8·0% (D) 10·0%
2. **Period of the Eleventh Five Year Plan is**
(A) 2007-2012 (B) 2005-2010
(C) 2006-2011 (D) 2009-2014
3. **Chairman of the Planning Commission of India is**
(A) Dr. Manmohan Singh (B) Pranab Mukherjee
(C) Montek Singh Ahluwalia (D) Sonia Gandhi
4. **According to the ‘vicious circle of poverty’ doctrine, poverty is widespread in the least developed countries (LDCs) because of**
(A) Low income and low savings (B) Low capital formation
(C) Low productivity (D) All of the above
5. **Population of India as per 2001 census is about**
(A) 103 millions (B) 101 millions
(C) 105 millions (D) 100 millions
6. **In the 2010 Union Government budget, there is no income tax on income up to**
(A) 1·0 lakh per annum (B) 1·5 lakh per annum
(C) 1·6 lakh per annum (D) 1·8 lakh per annum
7. **In economics, the central problem is**
(A) Production (B) Consumption
(C) Market (D) Scarcity
8. **In a free market system, the amount of goods and services that any one household gets depends upon its**
(A) Income (B) Wealth
(C) Income and wealth (D) Wages and interest income
9. **Periods of less than full employment correspond to**
(A) Points outside the production possibility curve
(B) Points on the production possibility curve
(C) Either points inside or outside the production possibility curve
(D) Points inside the production possibility curve
10. **How do people make optimal decisions ?**
(A) At the margin
(B) According to their whims and emotions at the moment
(C) In consistently irrational ways
(D) There is no way of knowing how human beings make choices

- 11. What is a pie chart ?**
- (A) A map of a pie shaped city
 - (B) A graph that shows relative sizes of an economic variable in terms of the size of a section of pie.
 - (C) A graph showing how to make a pie
 - (D) None of these
- 12. If a grocery store sells a bag of potatoes for Rs. 30, what is the money received in payment called in economics ?**
- (A) Total revenue
 - (B) Gross receipts
 - (C) Pure profit
 - (D) Marginal revenue
- 13. What explains the efficiency of markets ?**
- (A) They always result in equity
 - (B) Markets promote equal standards of living
 - (C) The government stays out
 - (D) Markets promote competition and voluntary exchange
- 14. Which of the following is a normative statement ?**
- (A) The price of petrol is too high
 - (B) The current high price of petrol is the result of strong worldwide demand
 - (C) All of these
 - (D) None of these
- 15. The ratio of the standard deviation of a distribution to the mean of that distribution is referred to as**
- (A) The probability distribution
 - (B) The expected returns
 - (C) The standard deviation
 - (D) Coefficient of variation
- 16. The marginal rate of substitution is**
- (A) The slope of the Pareto curve
 - (B) The slope of the contract curve
 - (C) The slope of the utility possibilities curve
 - (D) The slope of the indifference curve
- 17. The slope of the production possibilities curve is the**
- (A) Marginal rate of substitution
 - (B) Contract curve
 - (C) Marginal rate of transformation
 - (D) Engel curve
- 18. Market failure can occur when**
- (A) Monopoly power exists in the market
 - (B) Markets are missing
 - (C) Moral hazard and adverse selection exist
 - (D) All of the above
- 19. A public good is**
- (A) A good that the public must pay for
 - (B) Non-rival in consumption
 - (C) More costly than a private good
 - (D) Paid for by the government
- 20. Public goods can be**
- (A) Provided privately
 - (B) Provided publicly
 - (C) Subject to free rider problems
 - (D) All of the above

- 21. Rough measure of the degree of economic interdependence of a nation is given by :**
- (A) The size of the nation's population
 - (B) The percentage of its population to its GDP
 - (C) The percentage of a nation's imports and exports to its GDP
 - (D) All of the above
- 22. According to the Heckscher-Ohlin model, the source of comparative advantage is a country's**
- (A) Technology
 - (B) Advertising
 - (C) Human capital
 - (D) Factor endowments
- 23. According to the Heckscher-Ohlin model,**
- (A) Everyone automatically gains from trade
 - (B) The scarce factor necessarily gains from trade
 - (C) The gainers could compensate the losers and still retain gains
 - (D) A country gains if its exports have a high valued added
- 24. The simultaneous import and export of computer softwares by India is an example of**
- (A) Intraindustry trade
 - (B) Interindustry trade
 - (C) Perfect competition
 - (D) Imperfect competition
- 25. Gross Domestic Product can be measured as the sum of**
- (A) Consumption, investment, government purchases, and net exports
 - (B) Final goods and services, intermediate goods, transfer payments, and rent
 - (C) Consumption, transfer payments, wages, and profits
 - (D) Net National Product, Gross National Product, and Disposable personal income.
- 26. Which of the following events shifts the short-run aggregate supply curve to the right ?**
- (A) A decrease in the money supply
 - (B) A drop in oil prices
 - (C) An increase in government spending on military equipment
 - (D) An increase in price expectations
- 27. According to the model of aggregate supply and aggregate demand, in the long run, an increase in the money supply should cause**
- (A) Prices to rise and output to rise
 - (B) Prices to fall and output to remain unchanged
 - (C) Prices to fall and output to fall
 - (D) Prices to rise and output to remain unchanged
- 28. Other things constant, if the anticipated rate of inflation rises, we would expect the nominal interest rate to**
- (A) Remain unchanged
 - (B) Rise by the same amount as the increase in the anticipated rate of inflation
 - (C) Fall by the same amount as the increase in the anticipated rate of inflation
 - (D) Rise, but by less than the anticipated increase in the rate of inflation

- 29. The fastest way to equalize the world distribution of income is to**
- (A) Provide massive direct transfers to LDCs
 (B) Forgive existing LDC debts
 (C) Permit free migration
 (D) Open all northern markets to completely free trade
- 30. The standard deviations is :**
- (A) Always positive (B) Lies between 0 and 1
 (C) Lies between -1 and 1 (D) None of these
- 31. Name associated with Green Revolution is**
- (A) Jay Prakash Narayan (B) M.S. Swaminathan
 (C) V. Kurien (D) Jawahar Lal Nehru
- 32. Which of the following is not a central government tax in India :**
- (A) Income tax (B) Excise tax
 (C) Land revenue (D) Corporation tax
- 33. The 'secondary sector' of Indian economy does not include :**
- (A) Manufacturing (B) Construction
 (C) Mining and quarrying (D) Electricity, gas and water supply
- 34. Among the major Indian states, which of the following has the highest per capita income :**
- (A) Maharashtra (B) Haryana
 (C) Punjab (D) Gujarat
- 35. Mixed economy envisaged :**
- (A) Co-existence of capitalists and labourers
 (B) Integrated economic development
 (C) Development of agriculture and industry simultaneously
 (D) Private and public sectors
- 36. Business is an**
- (A) Economic activity (B) Social activity
 (C) Family activity (D) Personal activity
- 37. The primary aim of business is**
- (A) Profit (B) Service
 (C) Growth (D) Survival
- 38. Industry is concerned with**
- (A) Manufacturing of goods (B) Sale of goods
 (C) Purchase of goods (D) Exchange of goods
- 39. Place utility is created by**
- (A) Transport (B) Insurance
 (C) Warehouse (D) Advertising

- 40. Agricultural is**
 (A) Primary activity (B) Construction activity
 (C) Extractive in nature (D) Genetic in nature
- 41. Basic function of a commercial bank is**
 (A) Issuing debit and credit cards (B) Accepting deposits and granting loans
 (C) Safe custody of valuables in lockers (D) Dealing in foreign exchange
- 42. State Bank of India trace its origin from**
 (A) Central Bank (B) Imperial Bank
 (C) Reserve Bank (D) Bank of India
- 43. Currency notes are issued by**
 (A) Govt. of India (B) Reserve Bank of India
 (C) Central Bank of India (D) State Bank of India
- 44. Stock exchange deals with**
 (A) stock of goods (B) shares and securities
 (C) stock of agricultural produce (D) plant and machinery
- 45. Division of work leads to**
 (A) Centralisation of work (B) Specialisation of work
 (C) Decentralisation of work (D) Assignment of work
- 46. MBO stands for**
 (A) Management by officers (B) Managing business organisation
 (C) Management by objectives (D) Managing business offices
- 47. Budget is a**
 (A) Strategic plan (B) Standing plan
 (C) Single use plan (D) Long range plan
- 48. Dexterity tests are used to judge**
 (A) Personality (B) Intelligence
 (C) Physical movements (D) Achievements
- 49. The term recruitment relates to**
 (A) Selecting employees (B) Placement of employees
 (C) Searching for prospective employees (D) Transfer of employees
- 50. Maslow's theory of need hierarchy relates to**
 (A) Leadership (B) Supervision
 (C) Motivation (D) Wages
- 51. F.W. Taylor is associated with the concept of**
 (A) Universality of management (B) Marketing management
 (C) Personnel management (D) Scientific management
- 52. Who was father of double entry system of book-keeping :**
 (A) Adam Smith (B) Kautilya
 (C) Peter Drucker (D) Luco Pacioli

- 53. Accounting period is usually a period of**
 (A) one month (B) six months
 (C) five years (D) one year
- 54. According to concept of conservatism, the stock in trade is valued at**
 (A) Cost price
 (B) Market price
 (C) Cost or market price, whichever is higher
 (D) Cost or market price, whichever is less
- 55. Assets and liabilities are shown in**
 (A) Income statement (B) Profit and loss account
 (C) Fund flow statement (D) Balance sheet
- 56. Depreciation means**
 (A) Deduction in price of an asset (B) Reduction in price of an asset
 (C) Increase in value of an asset (D) Decrease in value of an asset
- 57. Marketing is**
 (A) Product oriented (B) Sale oriented
 (C) Promotion oriented (D) Consumer oriented
- 58. Job evaluation is concerned with**
 (A) Job analysis (B) Job description
 (C) Job specification (D) Job pricing
- 59. Life Insurance business are governed by the principle of**
 (A) Indemnity (B) Subrogation
 (C) Causa proxima (D) Utmost good faith
- 60. Actuary is a person who**
 (A) Acts as an insurance agent (B) Acts as an auditor of Insurance Company
 (C) Assess profits earned by the insurer (D) Assess loss suffered by the insured
- 61. A cooperative society consists of minimum number of members as**
 (A) Two (B) Seven
 (C) Ten (D) Twenty
- 62. The most important characteristic of a company is**
 (A) Distinct management (B) Distinct control
 (C) Distinct entity (D) Distinct business
- 63. The minimum number of members in a public limited company are**
 (A) Two (B) Three
 (C) Seven (D) Ten
- 64. A contract with minor is**
 (A) Valid (B) Illegal
 (C) Void (D) Voidable

- 65. Coercion includes a**
- (A) Misstatement (B) Misrepresentation
(C) Threat (D) Pressure
- 66. No tax on income is levied in case of a senior citizen if his/her taxable income for the year 2009-10 is upto**
- (A) Rs. 1,95,000 (B) Rs. 2,40,000
(C) Rs. 1,85,000 (D) Rs. 2,25,000
- 67. Winnings from state lotteries are taxable at the rate of**
- (A) 40% (B) 30%
(C) 20% (D) 10%
- 68. Dividends from shares in the hands of a shareholder are treated as**
- (A) Taxable @ 30% (B) Tax-free
(C) Taxable @ 20% (D) Taxable @ 10%
- 69. The term PAN stands for**
- (A) Present Account Number (B) Permanent Account Number
(C) Personal Account Number (D) Payment Account Number
- 70. Which is an agricultural income ?**
- (A) Income from storage of agricultural produce
(B) Rental income of agricultural land used for agricultural
(C) Income from live-stock breeding
(D) Income from irrigation of agricultural land
- 71. Which of the following is not a measure of central tendency**
- (A) Standard deviation (B) Mode
(C) Median (D) Mean
- 72. Which of the following is not an industrial dispute**
- (A) Between employer and government (B) Between employer and employer
(C) Between employer and employee (D) Between employee and employee
- 73. Minimum bonus to be paid to industrial workers under law is fixed as**
- (A) 8.33% of wages (B) 5.33% of wages
(C) 10.33% of wages (D) 20% of wages
- 74. Breakeven point is**
- (A) Point of no profit no loss (B) Point of maximum profit
(C) Point of maximum loss (D) Point of maximum sale
- 75. The term 'entrepreneur' refers to a person who**
- (A) Conceive and set up a business (B) Organise the manage a business
(C) Control the enterprise (D) Coordinate the enterprise

ROUGH WORK

ROUGH WORK

Panjab University, Chandigarh
OCET-2010
FINAL ANSWERS / KEY
Subject: M.B.E.

1	2	3	4	5	6	7	8	9	10
A	A	A	D	A	C	D	C	D	A
11	12	13	14	15	16	17	18	19	20
B	D	D	A	D	D	C	D	B	D
21	22	23	24	25	26	27	28	29	30
C	D	C	A	A	B	D	B	C	A
31	32	33	34	35	36	37	38	39	40
B	C	C	A	D	A	A	A	A	A
41	42	43	44	45	46	47	48	49	50
B	B	B	B	B	C	C	C	C	C
51	52	53	54	55	56	57	58	59	60
D	D	D	D	D	D	D	D	D	D
61	62	63	64	65	66	67	68	69	70
C	C	C	C	C	B	B	B	B	B
71	72	73	74	75					
A	A	A	A	A					

Note: An 'X' in the key indicates that either the question is ambiguous or it has printing mistake. All candidates will be given credit for this question