

ECONOMICS AND BANKING FOR TOURISM MANAGEMENT

BTS (I YEAR SEM - 1)

Multiple choice questions

- Who is the father of economics
 - Samuelson
 - Robinson
 - Keynes
 - Adam Smith
- Which of the following is not an example of macro economics
 - GDP
 - General price level
 - Salary of a policeman
 - Total savings
- TR and TC are in Trade off with one another when _____
 - $TR > TC$
 - $TR < TC$
 - $TR = TC$
 - None of these
- 'How to produce ' is a _____ economic problem
 - Macro
 - Micro
 - Mixed
 - None of these
- Profit is the difference between total cost and _____
 - Total revenue
 - Total expenditure
 - Marginal revenue
 - None of these
- The law of demand can be illustrated through _____
 - Supply schedule
 - Demand schedule
 - Price schedule
 - None of these
- Giffen goods are _____
 - Status goods
 - Interior goods
 - Luxury goods
 - None of these
- Which of the following is not an example for complementary goods
 - Tea and coffee
 - Car and petrol

- c. Ink and ink pen
 - d. Bread and butter
9. Salt is an example for _____ goods
- a. Normal
 - b. Prestige
 - c. Inferior
 - d. Essential consumer goods
10. Expand PIN
- a. Personal intelligence number
 - b. Private identification number
 - c. Personal identification
 - d. Essential consumer goods
11. Who is the Governor of RBI
- a. Raghuram Rajah
 - b. C.K.Patel
 - c. P.Chidambaram
 - d. Kapil sibal
12. The RBI was established in _____
- a. 1945
 - b. 1936
 - c. 1935
 - d. 1930
13. Commercial banks grant _____ loans
- a. Long term
 - b. Medium
 - c. Short term
 - d. None of these
14. Which is known as the central bank of India
- a. RBI
 - b. ICICI
 - c. IDBI
 - d. SBI
15. Exchange control department of the RBI was constituted in
- a. 1937
 - b. 1938
 - c. 1939
 - d. 1940
16. IFCI is a _____ bank
- a. Commercial bank
 - b. Development bank
 - c. Foreign bank
 - d. Rural bank
17. Which is the first development bank in India
- a. ICICI

- b. IFCI
 - c. IDBI
 - d. NIDC
18. Unit Trust of India was set up in _____
- a. 1964
 - b. 1965
 - c. 1966
 - d. 1967
19. Which bank concentrates on export promotion]
- a. EXIM
 - b. ADB
 - c. ICICI
 - d. IFCI
20. Cost theory explains the relationship between cost & _____
- a. Price
 - b. Output
 - c. Profit
 - d. Revenue
21. Alternative cost is also known as a _____
- a. Book cost
 - b. Actual cost
 - c. Opportunity cost
 - d. Full cost
22. Opportunity cost is _____
- a. Explicit cost
 - b. Implicit cost
 - c. Depreciation
 - d. Normal profit
23. Out of pocket cost are _____ cost
- a. Implicit
 - b. Explicit
 - c. Actual
 - d. Full
24. The contribution is the difference between total revenue and _____
- a. Fixed cost
 - b. Variable cost
 - c. Actual cost
 - d. Full cost
25. The difference between break even sales and actual sales is known as _____
- a. Margin of safety
 - b. Volume ratio
 - c. Profit
 - d. Contributing

26. Break – even point is the point where _____

- a. $TR > TC$
- b. $TR = TC$
- c. $TR < TC$
- d. None of these

27. The shape of average cost curve is _____

- a. A – Shaped
- b. C – Shaped
- c. U – Shaped
- d. L – Shaped

28. In the long – run there is no _____ cost

- a. Variable Cost
- b. Fixed Cost
- c. Actual Cost
- d. None of these

29. Which is the first derivative of the TC function.

- a. AC
- b. MC
- c. STC
- d. SAC

30. $TC = a + bQ$ is a _____ Cost function

- a. Cubic
- b. Quadratic
- c. Linear
- d. None of these

31. When AC increases MC will _____

- a. increase

- b. decrease
- c. constant
- d. None of these

32. Which of the following is not an example for durable goods

- a. Clothes
- b. Shoes
- c. Houses
- d. Food

33. Autonomans demand is also known as _____ demand

- a. Actual
- b. Market
- c. durable
- d. Direct

34. When tax rate increase the supply of products _____

- a. Decreases
- b. Increases
- c. Remains constant
- d. None of these

35. The shape of a demand curve is _____

- a. Upward Sloping
- b. Parallel to X – axis
- c. Parallel to Y – axis
- d. Downward slopping

36. The demand curve for inferior good is _____

- a. Positively sloped
- b. Negatively slaped
- c. Vertical to axis

d. Horizontal to axis

37. Where is the Head – quarters of RBI located

a. Delhi

b. Mumbai

c. Calcutta

d. Pune

38. In which year was RBI nationalized?

a. 1945

b. 1946

c. 1948

d. 1949

39. Unitary elasticity of demand is

a. Zero

b. Equal to one

c. Greater than one

d. Less than one

40. Which one is not an exception to the Law of Demand

a. Normal good

b. Ignorance

c. Inferior good

d. Articles of Distinction

41. When the demand curve is a rectangular hyperbola, it represents

a. Perfectly elastic demand

b. Unitary elastic demand

c. Perfectly inelastic demand

d. Relatively elastic demand

42. The horizontal demand curve represents

- a. Perfectly elastic demand
- b. Unitary elastic demand
- c. Perfectly inelastic demand
- d. Relatively elastic

43. Who is the present governor of RBI?

- a. Pranab Mukherji
- b. Kapil Sibal
- c. Man Mohan Singh
- d. Raghu Ram Rajan

44. What do you call the cost incurred in past?

- a. Book cost
- b. Historical cost
- c. Actual cost
- d. Fixed cost

45. Who is the lender of the last resort?

- a. Bank of India
- b. Indian Bank
- c. Reserve Bank
- d. State Bank

46. Which bank is called Banker's Bank?

- a. RBI
- b. SBT
- c. SBI
- d. ICICI

47. Which is the system followed by RBI with regard to note issue?

- a. Fixed Minimum System
- b. Fixed System
- c. Fixed minimum Reserve System
- d. None of these

48. Which bank introduced credit card for the first time in India

- a. Central Bank of India

- b. Corporate Bank
- c. Syndicate Bank
- d. None of these

49. What you call the cost incurred in producing an additional unit of output

- a. Average cost
- b. Marginal cost
- c. Social cost
- d. Sunk Cost

50. Which is the biggest public sector Bank in India

- a. SBI
- b. SBT
- c. IDBI
- d. ICICI

51. What is the name of the bank account opened by non-resident Indians

- a. NRI a/c
- b. NRO a/c
- c. Savings a/c
- d. None of these

52. Which is called Bank of India

- a. SBI
- b. SBT
- c. ADB
- d. RBI

53. The want satisfying power of a commodity is known as _____

- a. Demand
- b. Utility
- c. Scarcity
- d. None of these

54. An organization which accepts deposit that can be withdrawn as demand is known as _____

- a. A firm
- b. An institution
- c. A bank
- d. None of these

55. Which banks are organized on a joint stock company system

- a. International banks

- b. Co-operative banks
- c. Commercial Banks
- d. None of these

56. Who is an employee of a bank who deals directly with most customers

- a. Teller
- b. Mick
- c. ATM
- d. None of these

57. The rate at which the RBI lends short term money to the banks

- a. Bank Rate
- b. Repo rate
- c. Credit rate
- d. Reverse repo rate

58. The rate at which banks park their short term excess liquidity with the RBI is known as

- a. Repo rate
- b. Reverse repo rate
- c. Bank Rate
- d. None of these

59. Bank rate is also known as _____

- a. Discount rate
- b. Credit rate
- c. Repo rate
- d. None of these

60. An ATM card is a _____ card?

- a. Credit Card
- b. Debit Card
- c. Bank card
- d. None of these

61. Expand PIN

- a. Printing Identity Number
- b. Personal Identification Number
- c. Personal Identity Number
- d. None of these

62. Which device sorts and counts coins at the same time

- a. Coin Counter

- b. Coin sorter
- c. Micro fiche
- d. None of these

63. Which device sorts random collection of coins into separate bins for different denominations

- a. Coin sorter
- b. Coin Counter
- c. ATM
- d. PIN

64. Break – even analysis is a technique of _____

- a. Credit Planning
- b. Profit Planning
- c. Social Planning
- d. None of these

65. In the long-run total cost is equal to _____

- a. TFC
- b. TVC
- c. MC
- d. AFC

66. Which costs are made once and for all and cannot be altered by varying the rate of output

- a. Sunk cost
- b. Book cost
- c. Long-run cost
- d. Explicit cost

67. Break-even analysis is also known as _____

- a. Profit analysis
- b. Profit contribution analysis
- c. Planning Analysis
- d. None of these

68. Example for essential good is _____

- a. Diamond
- b. LED TV
- c. Rice
- d. Car

69. All material things which possess utility are called _____

- a. Services
- b. Goods
- c. Cost
- d. None of these

70. Those goods which possess utility, scarcity and transferability are called _____

- a. Tangible Goods
- b. Economic goods
- c. Consumer Goods
- d. None of these

71. Capital goods are also known as _____

- a. Producer's goods
- b. Consumer's goods
- c. Durable Goods
- d. None of these

72. At the point where MC is equal to AC, average cost is _____

- a. Maximum
- b. Minimum
- c. Peak Level
- d. None of these

73. When the marginal cost is rising the total cost is _____

- a. Increasing
- b. Stagnant
- c. Decreasing
- d. None of these

74. An example for variable cost is

- a. Rent of land
- b. Municipal Taxes
- c. Insurance charge
- d. Wages to casual labourers

75. Increase in demand due to change in price is known as _____

- a. Construction in demand
- b. Expansion in demand
- c. Increase in demand
- d. Decrease in demand

ANSWERS

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