Scanner Appendix

CMA Foundation (2022 Syllabus)

(Questions and Answers of December - 2023)

Paper - 4 : Fundamentals of Business Economics and Management

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Section A : Fundamentals of Business Economics

Chapter - 1A : Fundamentals of Economics, Utility, Demand and Supply

2023 - Dec [51] Human wants are _____.

(a) unlimited
(b) undefined
(c) limited
(d) none of the above

Answer:

(a) unlimited

(2 marks)

2023 - Dec [52] If an economy is working at the point to the left of the PPF curve, that indicates _____.

(a) excess production
(b) unemployment
(c) full employment
(d) none of the above

Answer:

(b) unemployment

(2 marks)

2023 - Dec [53] Luxury goods have _____ degree of elasticity.

(a) moderate
(b) low

(c) high
(d) none of the above

Answer:

(c) high

(2 marks)

2023 - Dec [54] Which one of the following is not a factor in the market supply of a product?

(a) Number of buyers
(b) Price of related products
(c) Cost of production
(d) Market price of the product

Answer:

(a) Number of buyers.

(2 marks)

Chapter - 1B : Theory, Cost and Means of Production

2023 - Dec [55] _____ is the functional relationship between physical inputs and physical outputs.

(a) Cost Function
(b) Production Function
(c) Demand-Supply Function
(d) Input-Output Function

Answer:

(d) Input-Output Function

(2 marks)

2023 - Dec [56] Internal economies and diseconomies arise due to _____.

(a) overall industry-level changes
(b) changes at the firm level
(c) both (a) and (b)
(d) neither (a) nor (b)

Answer:

(b) changes at the firm level

(2 marks)

2023 - Dec [57] The labour surplus is the difference between the value of output and the _____

(a) values of capital used
(b) values of fixed land used
(c) values of material used
(d) none of the above

Answer:
(c) values of material used   (2 marks)

Chapter - 2 : Forms of Market

2023 - Dec [58] Which of the following is associated with a monopolistic competitive market?

(a) Single buyer
(b) Homogeneous product
(c) Product differentiation
(d) Few firms

Answer:
(c) Product differentiation.   (2 marks)

2023 - Dec [59] In the long run, a firm in perfect competition earns _____

(a) average profits of the past 5 years
(b) 12.33% profits on capital employed
(c) normal profits only
(d) abnormal profits

Answer:
(c) normal profits only   (2 marks)

2023 - Dec [60] In a competitive market, _____ is the price-maker.

(a) industry
(b) trade association
(c) firm
(d) consumer

Answer:
(a) industry

2023 - Dec [61] When MC=MR, the firm will get _____ profits.

(a) minimum
(b) maximum
(c) zero
(d) normal

Answer:
(b) maximum   (2 marks)

2023 - Dec [62] The demand curve of a monopoly firm is the _____

(a) same as its supply curve
(b) same as its average revenue curve
(c) same as its demand curve
(d) none of the above

Answer:
(a) same as its supply curve   (2 marks)

2023 - Dec [63] Price rigidity is the feature of _____ market.

(a) Oligopoly
(b) Duopoly
(c) Monopoly
(d) Monopolistic Competitive

Answer:
(a) Oligopoly   (2 marks)

2023 - Dec [64] Average revenue curve is also known as _____

(a) Supply curve
(b) Demand curve
(c) Average cost curve
(d) None of the above

Answer:
(b) Demand curve   (2 marks)

2023 - Dec [65] Price discrimination is possible in the _____ market only.

(a) perfectly competitive
(b) duopoly

(c) monopoly
(d) oligopoly
Answer:
(c) monopoly

2023 - Dec [66] The demand for a monopoly product is _____ elastic.
(a) more
(b) less
(c) neither more nor less
(d) sometimes more sometimes less
Answer:
(b) less

(2 marks)

2023 - Dec [67] In the short-run, if the price is above the average total cost, in a monopolistic competitive market, the firm makes _____.
(a) losses and exits the market
(b) quick profits and disappears
(c) profits and new firms join the market
(d) profits and bars entry to new firms
Answer:
(c) profits and new firms join the market

(2 marks)

Chapter - 3A : Money- Types, Features and Functions

2023 - Dec [68] Which of the following affects the demand for money?
(a) Rate of interest
(b) Price level
(c) Real income
(d) Both (a) and (c)
Answer:
(d) Both (a) and (c)

(2 marks)

2023 - Dec [69] Optional money is a _____.
(a) non-legal tender money
(b) legal tender money

(c) limited legal tender money
(d) full-bodied money
Answer:
(a) non-legal tender money

(2 marks)

Chapter - 3B : Banking, Commercial Banks, Central Bank & Money Market

2023 - Dec [70] The EXIM Bank of India is wholly-owned by the _____.
(a) Government of India
(b) RBI
(c) SBI
(d) IDBI
Answer:
(a) Government of India

(2 marks)

2023 - Dec [71] The RBI checks inflation by _____.
(a) increasing the CRR
(b) increasing the bank rate
(c) both (a) and (b)
(d) none of the above
Answer:
(c) both (a) and (b)

(2 marks)

2023 - Dec [72] Money market includes _____.
(a) Bills of Exchange
(b) Treasury Bills
(c) Government Securities
(d) All the above
Answer:
(d) All the above

(2 marks)

2023 - Dec [73] Money market is controlled by the _____.
(a) SBI
(b) RBI

(c) Government of India

(d) IDBI

Answer:

(b) RBI

2023 - Dec [74] Manipulation in CRR enables the RBI to _____.   **(2 marks)**

(a) increase GDP

(b) check poverty

(c) check unemployment growth

(d) influence the lending ability of the commercial banks

Answer:

(d) influence the lending ability of the commercial banks

2023 - Dec [75] The IDA is affiliated to the _____.   **(2 marks)**

(a) IMF

(b) World Bank

(c) RBI

(d) Asian Development Bank

Answer:

(b) World Bank

2023 - Dec [76] The ICICI is a _____ sector bank.   **(2 marks)**

(a) private

(b) public

(c) joint

(d) none of the above

Answer:

(a) private

2023 - Dec [77] Special Drawing Right is the special currency issued by the _____   **(2 marks)**

(a) IDBI   (b) IMF

(c) World Bank   (d) IFCI

Answer:

(b) IMF

Chapter - 4 : Economic and Business Environment

2023 - Dec [78] The macro-business environment does not include _____   **(2 marks)**

(a) technological environment

(b) global environment

(c) economic environment

(d) marketing intermediaries

Answer:

(d) marketing intermediaries

2023 - Dec [79] The term PESTEL does not include _____   **(2 marks)**

(a) employment factors

(b) legal factors

(c) socio-cultural factors

(d) political factors

Answer:

(a) employment factors

2023 - Dec [80] SWOT analysis does not include _____   **(2 marks)**

(a) strengths

(b) workers

(c) opportunities

(d) threats

Answer:

(b) workers

2023 - Dec [81] _____ is not a dimension of the VUCAFU world.   **(2 marks)**

(a) Volatility

(b) Uncertainty

(c) Conformity

(d) Ambiguity

Answer:

(c) Conformity

2023 - Dec [82] Porter's Five Forces Model does not include _____

(a) bargaining power of buyers

(b) new entrants

(c) bargaining power of suppliers

(d) bargaining power of workers

Answer:

(d) bargaining power of workers

2023 - Dec [83] The internal business environment does not include _____

(2 marks)

(a) role of competitors

(b) management structure

(c) business philosophy

(d) capital structure

Answer:

(a) role of competitors

2023 - Dec [84] Economic environment includes _____

(2 marks)

(a) money market

(b) labour market

(c) availability of raw materials

(d) all the above

Answer:

(d) all the above

2023 - Dec [85] Which of the following institutions has been pivotal to the emergence of the digital payment ecosystem in India?

(2 marks)

(a) Reserve Bank of India

(b) National Payments Corporation of India

(c) State Bank of India

(d) Industrial Credit and Investment Corporation of India

Answer:

(b) National Payments Corporation of India.

Section B : Fundamentals of Management

Chapter - 5A : Introduction to Management and Its Process

2023 - Dec [86] "Management is a multi-purpose organ that manages a business and manages managers and manages workers and work". This definition of management was given by _____

(a) Schulze

(b) Drucker

(c) Massie

(d) Wheeler

Answer:

(b) Drucker

2023 - Dec [87] The idea of 'Management as an Art' focuses on _____

(2 marks)

(a) observation

(b) individual skill

(c) cause-effect relationship

(d) none of the above

Answer:

(b) individual skill

2023 - Dec [88] Leader's stewardship choice can facilitate reciprocal stewardship behaviour from the employee. Who made this observation?

(2 marks)

(a) Jensen & Meckling

(b) Koontz

(c) Pearson & Marler

(d) Clough

Answer:

(c) Pearson & Marler.

2023 - Dec [89] _____ developed the Agency Theory.

(2 marks)

(a) Follett

(b) Jensen & Fama

(c) Hicks & Gullet
(d) Mayo

Answer:
(b) Jensen & Fama

2023 - Dec [90] _____ is a limitation of planning.   **(2 marks)**
(a) Goal-orientation
(b) Rigidity
(c) Flexibility
(d) Pervasiveness

Answer:
(b) Rigidity

2023 - Dec [91] Which one of the following is off-the-job training?   **(2 marks)**
(a) Job-rotation
(b) Role playing
(c) Apprenticeship
(d) None of the above

Answer:
(b) Role playing.

2023 - Dec [92] Which one of the following is involved in the process of organising?   **(2 marks)**
(a) Identifying alternatives
(b) Analysing opportunities
(c) Forecasting
(d) Delegation of Authority

Answer:
(d) Delegation of Authority.

2023 - Dec [93] Which one of the following is the carrier of message sent by one person to another?   **(2 marks)**
(a) Decoding
(b) Feedback

(c) Encoding
(d) Medium

Answer:
(d) Medium.

2023 - Dec [94] In the entire process of management, coordination must be there from _____.   **(2 marks)**
(a) planning to leadership
(b) organising to control
(c) planning to control
(d) none of the above

Answer:
(c) planning to control

Chapter - 5B : Organisation Structure, Responsibility, Accountability and Authority

2023 - Dec [95] For the _____ executives, decentralisation of authority helps in reduction of the workload.   **(2 marks)**
(a) top level
(b) middle level
(c) lower level
(d) none of the above

Answer:
(a) top level

2023 - Dec [96] _____ represents the maximum number of subordinates which can be supervised by a supervisor.   **(2 marks)**
(a) Scalar Chain
(b) Unity of Objective
(c) Unity of Command
(d) Span of Control

Answer:
(d) Span of Control

Chapter - 5C : Leadership and Motivation

2023 - Dec [97] The concept of Managerial Grid was developed by _____.

(a) Bernard

(b) Tannenbaum & Schmidt

(c) Blake & Mouton

(d) Fiedler   **(2 marks)**

Answer:

(c) Blake & Mouton

2023 - Dec [98] Achievement Motivation model was developed by _____.

(a) McGregor

(b) McClelland

(c) Herzberg

(d) Vroom   **(2 marks)**

Answer:

(b) McClelland

Chapter - 5D : Decision Making

2023 - Dec [99] PERT and CPM are _____ techniques.

(a) Linear Programming

(b) Network

(c) Queuing Theory

(d) Simulation   **(2 marks)**

Answer:

(b) Network

2023 - Dec [100] _____ level managers take non-programmed decisions.

(a) Middle

(b) Top

(c) Lower

(d) None of the above **(2 marks)**

Answer:

(b) Top

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