

**FOUNDATION EXAMINATION****MODEL QUESTION PAPER****TERM – JUNE 2024****PAPER - 4****FUNDAMENTALS OF BUSINESS ECONOMICS AND MANAGEMENT****Time Allowed: 1 Hour****Full Marks: 100**

Answer all questions. Each question carries 2 marks.

1.	If the price of burger rises from ₹ 12 per piece to ₹ 20 per piece as a result of which the daily sales decrease from 300 to 200 pieces per day. The price elasticity of demand can be estimated as:		
	(a)	0.5	O
	(b)	0.8	O
	(c)	0.25	O
	(d)	2.1	O
2.	An increase in price will result in an increase in total revenue if		
	(a)	percentage change in quantity demanded is greater than the percentage change in price	O
	(b)	percentage change in quantity demanded is less than the percentage change in price	O
	(c)	percentage change in quantity demanded is equal to the percentage change in price	O
	(d)	none	O
3.	Which of these will have highly inelastic supply?		
	(a)	perishable goods	O
	(b)	consumer durables goods	O
	(c)	Items of elite class consumption	O
	(d)	All the three	O
4.	Variable factor means those factors of production		
	(a)	Which can be only changed in the long run?	O
	(b)	Which can be changed in the short run?	O
	(c)	Which can be never be changed	O
	(d)	Both (a) & (b) correct	O
5.	Why does the Law of Increasing Returns operate?		