



## 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?	