

B.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2023.

First Semester

Commerce — Allied

BUSINESS ECONOMICS

(For those who joined in July 2021–2022)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Economics is a _____
- (a) Positive science
 - (b) Normative science
 - (c) Negative science
 - (d) Both (a) and (b)

7. Relationship between price and supply is _____
- (a) positive
 - (b) negative
 - (c) direct
 - (d) indirect

8. _____ analysis helps to identify the various factors influencing the demand for a product.
- (a) Supply
 - (b) Demand
 - (c) Production
 - (d) Cost

9. The law which studies the direct relationship between price and quantity supplied of a commodity is
- (a) Law of demand
 - (b) Law of variable proportion
 - (c) Law of supply
 - (d) None of the above

10. The main characteristic of monopoly market structure is _____
- (a) Single seller
 - (b) Many sellers
 - (c) Many buyers
 - (d) Single buyer

2. Demand analysis and forecasting is essential for _____
- (a) Business economies
 - (b) Business planning
 - (c) Business targeting
 - (d) Cost analysis
3. Law of demand shows _____ relationship between price and quantity demanded.
- (a) Positive
 - (b) Negative
 - (c) Direct
 - (d) Equal
4. Relatively elastic demand is
- (a) $e_p > 1$
 - (b) $e_p < 1$
 - (c) $e_p = 1$
 - (d) $e_p = 0$
5. Production refers to _____
- (a) destruction of utility
 - (b) creation of utility
 - (c) exchange value
 - (d) creation of place
6. The short run production function is called
- (a) returns to scale
 - (b) law of variable proportion
 - (c) production possibility frontier
 - (d) law of demand

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).
Each answer should not exceed 250 words.

11. (a) Define business economics. Bring out its nature.

Or

- (b) Describe the scope of business economics.

12. (a) What is demand curve? Why does the demand curve slope downwards?

Or

- (b) Bring out the assumptions of the law of demand.

13. (a) What do you mean by production? Explain the factors of production.

Or

- (b) Write short note on average product and marginal product.

14. (a) What is sunk cost? Explain.

Or

- (b) Explain supply curve with exceptions to the law supply.

15. (a) State the features of monopolistic competition.

Or

(b) Explain the characteristics of oligopoly.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) What are the important responsibilities of a business economist? Explain.

Or

(b) Discuss the role of a business economist in business decision-making.

17. (a) Explain the factors determining the demand.

Or

(b) Explain the various types of price elasticity of demand.

18. (a) Bring out the importance of economies of scale.

Or

(b) Explain the law of variable proportions with suitable illustration.

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19. (a) Describe the relationship between total cost, average cost and marginal cost.

Or

(b) Explain the various types of elasticity of supply.

20. (a) Discuss the conditions of equilibrium of a firm under perfect competition.

Or

(b) How the pricing decision followed by the monopolist under monopoly? Explain.

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