

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION DECEMBER 2023
(Third Semester)

Branch – BANKING, STOCK & INSURANCE

BUSINESS ECONOMICS

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 Welfare definition of Economics was given by
(i) Lionel Robinson (ii) Adam Smith
(iii) Alfred Marshall (iv) J.R.Hicks
- 2 The Law of demand states that when
(i) Price rises, demand rises (ii) Price falls, demand rises
(iii) Income rises, demand rises (iv) Price and Income rise, demand rises
- 3 Indifference Curve is a locus of combination of two goods involving
(i) Same level of satisfaction (ii) Same quantities
(iii) Same level of cost (iv) Same level of revenue
- 4 Economies of scale means
(i) Addition to the unit cost of production (ii) Reduction in unit cost of distribution
(iii) Reduction in unit cost of production (iv) Reduction in the total cost of production
- 5 Under perfect competition, there are
(i) A few buyers and few sellers (ii) Many buyers and few sellers
(iii) Large number of buyers and few sellers (iv) Large number of buyers and sellers

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a. Narrate the following definitions. Wealth and Welfare
OR
b. Outline the Business Cycles.
- 7 a. Bring out the significance of Elasticity of Demand.
OR
b. Describe the determinants of law of supply.
- 8 a. Explain the Equi-marginal utility.
OR
b. Summarise the properties of Indifference curve.
- 9 a. Explain the non-linear homogeneous functions.
OR
b. State the law of variable proportions.
- 10 a. Outline the objectives of pricing policy.
OR
b. Classify the kinds of monopoly.

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks

(3 x 10 = 30)

- 11 Elucidate the Scope and Importance of Business Economics.
- 12 Classify the methods of demand forecasting.
- 13 Examine the law of diminishing marginal utility.
- 14 Discuss the internal and external diseconomies.
- 15 Identify the price and output determination under perfect competition.