

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION DECEMBER 2023
(First Semester)**

Branch – COMMERCE (PROFESSIONAL ACCOUNTING)

BUSINESS ECONOMICS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions
ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Select the economic system characterized by free market and lack of government participating in regulating business. a) Capitalistic economy b) Socialistic economy c) Mixed economy d) Command economy	K1	CO1
	2	Which of the following does the Micro economics deals with a) Economic behaviour of Individual b) Economic growth of the country c) Inflation rate in the economy d) Monetary policy of the Government	K1	CO1
2	3	Recall anything which is capable to satisfy human want is known as a) Goods and Services b) Value c) Utility d) Wealth	K1	CO2
	4	The percentage of change in the demand of commodity A due to change in the price of commodity B is measured by a) Price elasticity of demand b) Income cross elasticity of demand c) Cross elasticity of demand d) Advertising elasticity of demand	K2	CO2
3	5	If one input is variable and all other inputs are fixed the firm's production function exhibits a) Law of Diminishing Marginal Utility b) Law of Variable Proportion c) Law of Returns to Scale d) Marginal Rate of Substituion	K1	CO3
	6	Recall the cost that means the value of the next-highest-valued alternative use of that resources. a) Accounting cost b) Explicit cost c) Real cost d) Opportunity cost	K1	CO3
4	7	A monopolistically-competitive firm earns abnormal profit in the short-run because of a) Independent decision making b) Imperfect knowledge c) Product differentiation d) Collusion among firms	K1	CO4
	8	In case of super normal profit, position of Average Cost curve is a) Above price line b) Below price line c) Tangent to price line d) Parallel to price line	K2	CO4
9	9	When there is an expansion of output, income, employment, prices and profits, there is also a rise in the standard of living, this period is termed as _____ phase. a) Depression b) Recession c) Recovery d) Prosperity	K2	CO5
10	10	According to some economists, _____ are the prime causes of business cycles. a) Fluctuations in effective demand b) Fluctuations in investment c) Macro economic policies d) Micro economic policies	K2	CO5

Cont...

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Highlight the scope of Business economics.	K3	CO1
		(OR)		
	11.b.	Identify the role of price mechanism in business decision making.		
2	12.a.	Distinguish between Law of diminishing marginal utility and Indifference curve.	K4	CO2
		(OR)		
	12.b.	Bring out the Few features of perfect market.		
3	13.a.	State the meaning of production and outline the factors of production.	K3	CO3
		(OR)		
	13.b.	Articulate the Law of Variable Proportion with the help of diagram.		
4	14.a.	Sketch the different forms of market.	K4	CO4
		(OR)		
	14.b.	Discuss the nature of demand curve in monopolistic competition.		
5	15.a.	Outline the features of business cycle.	K2	CO5
		(OR)		
	15.b.	Explain the causes of business cycle.		

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Discover the basic problems of the economy with the help of Production Possibility Curve.	K4	CO1
2	17	Analyze the various degrees of price elasticity of demand with an examples.	K4	CO2
3	18	Examine the short-run and Long run cost curves and discuss how it is helpful for business decision making?	K4	CO3
4	19	Categorize the price and output determination under perfectly competitive market.	K4	CO4
5	20	List the phases of Business cycle and Point its relevance in taking decision for the business.	K4	CO5

Z-Z-Z END