

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BVoc DEGREE EXAMINATION MAY 2024  
(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 The Opportunity cost is also known as \_\_\_\_\_ cost.  
(i) Alternative (ii) Average  
(iii) Fixed (iv) Marginal
- 2 The Cross Elasticity of demand between two complementary goods is  
(i) Positive (ii) Negative  
(iii) Unity (iv) Zero
- 3 Economic goods are those which command  
(i) Value – in-use (ii) Beauty  
(iii) Utility (iv) Value – in -exchange
4. A function which is homogeneous of degree one is called  
(i) Homogeneous function (ii) Linear Homogeneous function  
(iii) Quadratic function (iv) Cubic function
- 5 The condition of equilibrium for the monopolist is  
(i)  $MR = MC$  (ii)  $MC = AR$   
(iii)  $MR = Price$  (iv)  $AC = AR$

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a. Compare Positive and Normative Economics.  
OR  
b. Briefly explain the importance of business economics.
- 7 a. Prepare the determinants of demand.  
OR  
b. Narrate the types of Elasticity of Demand.
- 8 a. Discuss the law of diminishing marginal utility.  
OR  
b. Describe the types of goods.
- 9 a. Bring out the linear homogeneous functions.  
OR  
b. Explain the internal and external economies.
- 10 a. List out the features of oligopoly.  
OR  
b. Mention the methods of pricing.

SECTION -C (30 Marks)

Answer any Three questions

ALL questions carry EQUAL Marks

(3 x 10 = 30)

11. Point out the meaning of following concepts (i) Opportunity cost (ii) Inflation (iii) Deflation (iv) Depression (v) Reflation
12. Enumerate the Law of Demand.
13. Examine Indifference curve analysis.
14. Trace out the laws of return to scale.
15. Outline the kinked demand curve.

Z-Z-Z

END