PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024
(Third Semester)

Branch – COMMERCE

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	Macroeconomics is the branch of economics that deals with a) the prices of individual goods b) important rather than trivial issues c) how individual markets work d) the economy as a whole	K1	CO1
	2	The fundamental economic problem faced by all societies is a) Unemployment b) Inequality c) Poverty d) Scarcity	K2	CO1
2	3	Law of demand shows _____ relationship between price and quantity demanded. a) Positive b) Negative c) Direct d) None of these	K1	CO2
	4	Outlay method of measurement of elasticity is also called as _____ a) Percentage method b) Expenditure method c) Point method d) Geometric method	K2	CO2
3	5	_____ is the base of marketing planning a) Demand estimation b) Demand analysis c) Demand function d) Demand forecasting	K1	CO3
	6	Purposes of Short-term Demand forecasting doesn't include a) Making a suitable production policy b) To reduce the cost of purchasing raw materials and to control inventory c) Planning of a new unit or expansion of existing unit d) Deciding suitable price policy	K2	CO3
4	7	Producer is in equilibrium when he produces the level of output at which his profits are a) Maximum b) Minimum c) High but not maximum d) None of these	K1	CO4
	8	Which is the best stage of production in the law of variable proportions? a) Increasing returns b) Diminishing returns c) Positive marginal returns d) Negative marginal returns	K2	CO4
5	9	The main characteristic of monopoly market structure is_____ a) Single buyer b) Single seller c) Many buyer d) Many seller	K1	CO5
	10	The average income of the people of a country in a particular year is _____ a) Net National Income b) National Income c) Per Capita Income d) Personal Income	K2	CO5

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.	Examine the characteristics of Production Possibility Curve.	K4	CO1
		(OR)		
	11.b.	Distinguish between Micro and Macro Economics.		
2	12.a.	Identify the reasons for demand curve slope downwards.	K3	CO2
		(OR)		
	12.b.	Identify the factors that determining elasticity of demand.		
3	13.a.	Construct the features of a good forecasting method.	K3	CO3
		(OR)		
	13.b.	Identify the importance of demand forecasting.		
4	14.a.	What is production function? And Examine its assumptions.	K4	CO4
		(OR)		
	14.b.	Discover the limitations of Break-Even analysis.		
5	15.a.	Interpret the various phases of business cycle.	K5	CO5
		(OR)		
	15.b.	Explain the importance of National Income.		

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	Interpret the scope of business economics	K5	CO1
2	17	Examine the various methods to measure the price elasticity of demand.	K4	CO2
3	18	Critically examine the different methods of demand forecasting.	K4	CO3
4	19	Illustrate the Law of Variable Proportions.	K5	CO4
5	20	Examine the price determination under monopoly.	K4	CO5

Z-Z-Z   END