

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

**BCom DEGREE EXAMINATION DECEMBER 2024
(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	In economics, desire backed by purchasing power is known as (a) Utility (b) Demand (c) Consumption (d) Scarcity	K1	CO1
	2	Economics is the study of (a) How society manages its unlimited resources (b) How to reduce our wants until we are satisfied (c) How society manages its scarce resources (d) How to fully satisfy our unlimited wants.	K2	CO1
2	3	Law of demand shows a relation between the (a) Quantity demand and quantity supply of a commodity (b) Income and quantity demand of a commodity (c) Price and quantity of a commodity (d) Income and price of a commodity	K1	CO2
	4	The elasticity for the demand of durable goods is (a) Zero (b) Equal to unity (c) Greater than unity (d) Less than unity	K2	CO2
3	5	Which of the following is a feature of oligopoly? (a) Products are always identical (b) Product may be differentiated (c) Product do not have any substitute (d) Single seller	K1	CO3
	6	Average revenue curve under monopoly is (a) Horizontal parallel to X axis (b) Vertical parallel to Y axis (c) Downward sloping (d) Upward sloping	K2	CO3
4	7	The term business cycle refers to (a) The ups and downs in production of commodities. (b) The fluctuating levels of economic activity over a period of time. (c) Decline in economic activities over prolonged period of time. (d) Increasing unemployment rate and diminishing rate of savings.	K1	CO4
	8	The economy-wide fluctuations in production, trade and general economic activity is referred as (a) Business Cycle (b) Economic cycle (c) Boom-bust Cycle (d) All of the above.	K2	CO4
5	9	Which of the following is international trade? (a) Trade between countries (b) Trade between regions (c) Trade between provinces (d) Both (b) and (c)	K1	CO5
	10	International trade and domestic trade differ because of (a) Different government policies (b) Immobility of factors (c) Trade restrictions (d) All of the above	K2	CO5

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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.	Explain the scope of Business Economics.	K2	CO1
		(OR)		
	11.b.	Define business economics and Explain its main characteristics.		
2	12.a.	Explain the factors that determine demand.	K2	CO2
		(OR)		
	12.b.	What is meant by elasticity of supply? How it is measured?		
3	13.a.	Distinguish between pure and perfect competition.	K3	CO3
		(OR)		
	13.b.	Explain total cost, average cost and marginal cost.		
4	14.a.	Elaborate the various stage of business life cycle.	K4	CO4
		(OR)		
	14.b.	Examine the main components of fiscal policy.		
5	15.a.	What do you mean by money market? Explain the objectives of money market.	K2	CO5
		(OR)		
	15.b.	Explain the functions of the money market.		

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	Business economist has a major role in any business organisation- Criticize.	K5	CO1
2	17	Explain the determinants of demand.	K5	CO2
3	18	State and Explain the Law of Returns to scale.	K2	CO3
4	19	What is meant by fiscal policy? Critically examine the various types of fiscal policy.	K4	CO4
5	20	Analyse the various types International Trade.	K4	CO5

Z-Z-Z

END