

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

**BVoc DEGREE EXAMINATION DECEMBER 2024  
(Third Semester)**

**Branch – BANKING, STOCK AND INSURANCE**

**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	Economics is more concerned with _____. a) Facts and figures b) Description of laws c) Explanation of how the economic life can be improved d) Generalizations	K1	CO1
	2	Scarcity definition of economics was given by _____. a) Adam Smith                      b) Marshall c) Robbins                              d) Keynes	K2	CO1
2	3	Which of the following is the relation that the law of demand defines? a) Income and price of a commodity b) Price and quantity of a commodity c) Income and quantity demanded d) Quantity demanded and quantity supplied	K1	CO2
	4	A perfectly elastic demand curve _____. a) Slopes downwards from left to right b) Slopes upward c) horizontal d) vertical	K2	CO2
3	5	TC = ? a) TFC                                  b) TVC c) TFC + TVC                      d) MC+MR	K1	CO3
	6	Under perfect competition, the firm earns _____ profit. a) Normal                              b) Super c) Both (a) and (b)                  d) None of these	K2	CO3
4	7	Capital is _____. a) Non permanent                  b) Productive c) Mobile                              d) All the above	K1	CO4
	8	Production is a function of _____. a) Profits                              b) Costs c) Inputs                                d) Price	K2	CO4
5	9	Profit is the reward for _____. a) land                                  b) Capital c) Labour                              d) Organisation	K1	CO5
	10	Under oligopoly, the price is _____. a) High                                b) Low c) Normal                              d) Rigid	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.	Analyze the key principles of ‘Adam’s Smith wealth view on economics.	K4	CO1
	(OR)			
	11.b.	Examine the scope of economics.		
2	12.a.	List out the types of demand schedule.	K4	CO2
	(OR)			
	12.b.	Examine the price elasticity of demand.		
3	13.a.	Assess the concept of Equi-Marginal utility.	K5	CO3
	(OR)			
	13.b.	Evaluate the features of consumer behaviour.		
4	14.a.	Justify the significance of the various factors of production.	K5	CO4
	(OR)			
	14.b.	Discuss the implications of economics of scale.		
5	15.a.	Distinguish between market price and normal price.	K6	CO5
	(OR)			
	15.b.	Describe as to the determination of price of jointly demanded goods.		

**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	Examine briefly the various divisions of economics.	K4	CO1
2	17	"Compare the various methods of measuring price elasticity of demand and explain the advantages and limitations of each method."	K4	CO2
3	18	Examine the applications of indifference curve analysis in understanding consumer choice and decision-making.	K4	CO3
4	19	Discuss the Law of Variable Proportions and describe its usefulness in optimizing production processes.	K4	CO4
5	20	Clarify the mechanisms of price and output determination under perfect competition and illustrate their effects on market equilibrium.	K4	CO5

Z-Z-Z

END