

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom DEGREE EXAMINATION DECEMBER 2024
(Second Semester)

Branch- **COMMERCE**

ECONOMICS FOR BUSINESS DECISIONS

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	Which step involves putting the chosen alternative into action? a. Monitoring and adjusting b. Evaluating alternatives c. Identifying the problem d. Implementing the decision	K1	CO1
	2	Which economic theory is commonly applied in assessing the risk and return of different investment opportunities for decision-making in finance? a. Game Theory b. Production Function c. Capital Asset Pricing Model (CAPM) d. Supply and Demand	K2	CO1
2	3	Which factor, other than price, can influence the Law of Demand and the quantity demanded for a good? a. Consumer preferences b. Production costs c. Government regulations d. Currency exchange rates	K1	CO2
	4	In demand forecasting, what does the Delphi method involve? a. Surveying a group of experts anonymously and iteratively b. Analysing historical sales data c. Collecting data through customer interviews d. Using mathematical models to predict future demand	K2	CO2
3	5	What term is used to describe the combination of land, labour and capital in the production process to create goods and services? a. Production equation b. Economic equilibrium c. Production function d. Market demand	K1	CO3
	6	What does the term "diseconomies of scale" refer to? a. Increasing returns to scale b. Constant returns to scale c. Decreasing returns to scale d. Increased costs per unit as the scale of production expands	K2	CO3
4	7	In Monopoly, the number of producers is limited to a. Two b. Three c. One d. a few	K1	CO4
	8	Under Perfect Competition, the demand curve is a. Horizontal b. Vertical c. Downward sloping d. Upward sloping	K2	CO4
5	9	Which of the following is another term for the Net National Product at factor cost? a. Personal Income b. National Income c. Gross National Product d. Net Domestic Product	K1	CO5
	10	The primary purpose of the RBI Monetary policy is to maintain a. Wealth b. Exchange Rate c. Income equality d. Price Stability	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.	Explain the steps in decision making	K2	CO1
		(OR)		
	11.b.	Outline the elements of a decision.		
2	12.a.	Discover the Exceptions to the law of demand.	K4	CO2
		(OR)		
	12.b.	Classify the methods of demand forecasting.		
3	13.a.	Distinguish between economies and diseconomies of scale.	K4	CO3
		(OR)		
	13.b.	Examine the optimum combinations of input – output concepts.		
4	14.a.	Construct the objectives of pricing.	K3	CO4
		(OR)		
	14.b.	Identify the features of perfect competition.		
5	15.a.	Identify the scope of macroeconomics.	K3	CO5
		(OR)		
	15.b.	Briefly explain the following concepts (i) GDP (ii) GNP (iii) NNP		

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 the importance of decision making.	K4	CO1
2	17	Interpret the forecasting demand for new products.	K4	CO2
3	18	Analyse the theory of Law of return to scale.	K4	CO3
4	19	Explain how the kinked demand curve influences a firm's pricing strategy in an oligopoly.	K4	CO4
5	20	Categorize the measurements of National Income.	K4	CO5

Z-Z-Z END