

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2025
(Second Semester)

Branch – **COMMERCE (COST & MANAGEMENT ACCOUNTING)**

FUNDAMENTALS OF ECONOMICS AND MANAGEMENT

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 of the following is a determinant of Demand? a) Consumer Income b) Production costs c) Government policies d) Supply	K1	CO1
	2	What is the law of demand? a) As price increases, quantity demanded increases b) As price increases, quantity demanded decreases c) As price decreases, quantity demanded decreases d) As price decreases, quantity demanded increases	K2	CO1
2	3	What is the Production Function? a) Relationship between costs and revenues b) Relationship between supply and demand c) Relationship between inputs and outputs d) Relationship between profit and loss	K1	CO2
	4	What is the difference between fixed and variable costs? a) Fixed costs are long-term, variable costs short-term b) Fixed costs are variable, variable costs are fixed c) Variable costs remain constant, fixed costs change d) Fixed costs remain constant, variable costs change.	K2	CO2
3	5	What is the primary function of a commercial bank? a) To accept deposits and provide loans b) To provide insurance services c) To provide investment services d) To provide real estate services	K1	CO3
	6	Who is the lender of last resort? a) Commercial Bank b) Central Bank c) Investment Bank d) Insurance Company	K2	CO3
4	7	What is the first step in the planning process? a) Establishing objectives b) Identifying alternatives c) Analysing the situation d) Evaluating options	K1	CO4
	8	Which principle states that authority should be delegated to the lowest possible level? a) Scalar principle b) Unity of Control c) Parity of authority and responsibility d) Decentralisation principle	K2	CO4
5	9	What is the first step in the decision-making process? a) Defining the problem b) Identifying alternatives c) Evaluating options d) Implementing the solution	K1	CO5
	10	Which of the following theory states that human beings have different levels of needs, that must be fulfilled in a particular order for a person to reach their full potential? a) Herzberg's Two-factor Theory b) Maslow's Hierarchy of Needs c) McClelland's Acquired Needs Theory d) Psychoanalytic Theory	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.	State the determinants of Supply.	K2	CO1
		(OR)		
	11.b.	Outline the concept "Equilibrium of the Firm".		
2	12.a.	List out the factors affecting Production.	K3	CO2
		(OR)		
	12.b.	Write a brief note on concept of cost.		
3	13.a.	Define Money. State the types of money.	K3	CO3
		(OR)		
	13.b.	Write a short note on money markets in India.		
4	14.a.	What is the need for Co-ordination?	K4	CO4
		(OR)		
	14.b.	Enumerate the advantages of Delegation.		
5	15.a.	What are the steps in Decision – Making Process?	K4	CO5
		(OR)		
	15.b.	What is the need for Leadership?		

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	Discuss about the Theory of demand.	K4	CO1
2	17	Explain the Pricing Strategy followed in the Imperfect Competition Market.	K4	CO2
3	18	Discuss about the function of commercial banks.	K4	CO3
4	19	List out the Barriers of Communication.	K4	CO4
5	20	Describe Maslow's Hierarchy of Needs Theory in Motivation.	K4	CO5

Z-Z-Z

END