

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

**BCom DEGREE EXAMINATION MAY 2025  
(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	_____ defined economic as a study of mankind in the ordinary business of life a) Adam Smith      b) Alfred Marshall b) Lionel Robbins    d) Paul A. Samuelson	K1	CO1
	2	The study of determining the prices in individual markets is called a) Micro economics b) Negative economics c) Macro economics d) Positive economics	K2	CO1
2	3	The proportionate change in the quantity demanded of a commodity in response to change in the price of another related commodity is called a) Price elasticity      b) Related elasticity c) Cross elasticity      d) Income elasticity	K1	CO2
	4	Law of demand shows the functional relationship between _____ and quantity demanded a) Supply    b) Price    c) Cost    d) Requirements	K2	CO2
3	5	Operation generated forecasts often not to do with a) Inventory requirements b) Resource needs c) Time requirements d) Sales	K1	CO3
	6	_____ is the base of marketing planning a) Demand forecasting b) Demand estimation c) Demand analysis d) Demand function	K2	CO3
4	7	The relationship between inputs and outputs is known as a) Cost function b) Input and output function c) Production function d) Scale function	K1	CO4
	8	At the Break-even point a) Total Revenue = Total Cost b) Average Revenue = Average Cost c) Profits and Losses are equal to 0 d) All of the above	K2	CO4
5	9	Price discrimination policy helps in increasing profits in case of a) Perfect competition b) Monopolistic competition c) Monopoly d) Oligopoly	K1	CO5
	10	Money supply increases when inflation rises in the economy a) No change              b) Increases c) Decreases              d) None of these	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.	What are the central problems of a n economy? How can these be solved?	K3	CO1
	(OR)			
	11.b.	Identify the scope of business economics.		
2	12.a.	Examine the exceptions to the Law of Demand.	K4	CO2
	(OR)			
	12.b.	Distinguish between Cardinal and Ordinal method of utility analysis.		
3	13.a.	Identify the steps involved in forecasting.	K3	CO3
	(OR)			
	13.b.	Identify the features of a good forecasting method.		
4	14.a.	Explain the assumptions of the Law of Diminishing Returns.	K5	CO4
	(OR)			
	14.b.	Interpret the uses of Break-Even analysis.		
5	15.a.	Examine the causes of inflation.	K4	CO5
	(OR)			
	15.b.	Discover the features of perfect competition.		

**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 objectives of the modern business firm.	K4	CO1
2	17	Explain the Law of Diminishing Marginal Utility.	K5	CO2
3	18	Examine the determinants for demand forecasting of different category of goods.	K4	CO3
4	19	Interpret the various types of Economies of Scale in detail.	K5	CO4
5	20	Critically analyze how the price and output determination under monopolistic competition.	K4	CO5