

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

**BCom DEGREE EXAMINATION MAY 2025  
(Third Semester)**

Branch – **COMMERCE(BUSINESS PROCESS SERVICES)**

**BUSINESS ECONOMICS**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks

(5 x 1 = 5)

1. Applying economic theory into practical is called \_\_\_\_\_.  
i) Normative ii) Multi-Disciplinary iii) Pragmatic iv) Prescriptive
2. As per law of demand, demand and price of a good are \_\_\_\_ related  
i) Directly ii) Indirectly iii) Inversely iv) Positively
3. Production refers to \_\_\_\_\_.  
i) Destruction of utility ii) Creation of utility iii) Exchange value iv) Nominal Value
4. What is the primary basis of the cost concept \_\_\_\_\_.  
i) Financial Audit ii) Tax compliance iii) Cost Estimation iv) Analysis of profit.
5. Which cost increase continuously with increase in production \_\_\_\_\_.  
i) Average Cost ii) Marginal Cost iii) Variable Cost iv) Fixed cost

**SECTION – B (15 Marks)**

Answer **ALL** Questions

**ALL** Questions carry **EQUAL** Marks

(5x 3=15)

- 6.a) Define Economics and bring out the scope of Business Economics.  
(OR)  
b) State the social responsibilities of a social firm.
- 7.a) Compare Demand schedule and Demand curve.  
(OR)  
b) Extract the exemptions to the law of demand.
- 8.a) Interpret the commonly using production function.  
(OR)  
b) Explain the Law of supply.
- 9.a) Evaluate the determination of Break Even point?  
(OR)  
b) Outline the relationship between Average Revenue and Marginal Revenue?
- 10.a) List out the features of perfect competition?  
(OR)  
b) Discuss the types of inflation.

**Cont...**

**SECTION – C (30 Marks)**

Answer ALL Questions

ALL Questions carry **EQUAL** marks (5 X 6=30)

11.a) Summarize the relationship of economics with other disciplines.

(OR)

b) Business economics facilitates forward planning and decision making - Discuss

12.a) Explain the methods of measuring elasticity of demand?

(OR)

b) Why does the normal demand curve slope downwards? Explain with examples.

13.a) Discuss the law of variable proportions and its underlying assumptions.

(OR)

b) Elaborate the different determinants of supply.

14.a) Distinguish between Total Revenue, Average Revenue and Marginal Revenue:

(OR)

b) Explain in detail the short run and long run cost curves.

15.a) Determine the concepts of national income.

(OR)

b) Examine the price output determination under monopoly.

Z-Z-Z END