PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom DEGREE EXAMINATION MAY 2025
(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 way the value of an economic theory in practice is determined? a) how accurate the assumptions are b) how well the theory can be represented by a graph c) how well the theory can predict or explain d) how parsimonious the model is	K1	CO1
	2	Which of the following areas of economic theory is the single most important element of managerial economics? a) Micro economics b) Macro economics c) Economics d) Mathematical economics	K2	CO1
2	3	Basic assumptions of law of demand include a) Prices of other goods should change b) There should be substitute for the commodity c) The commodity should not confer any distinction d) The demand for the commodity should not be continuous	K1	CO2
	4	In the case of perfect elasticity, the demand curve is .... a) Vertical b) Horizontal c) Flat d) Steep	K2	CO2
3	5	A study of relationship between outputs and cost of production is known as a) Theory Of Costs b) Theory of Return c) Theory of Factors d) Theory of Scale	K1	CO3
	6	_____ refers to the period of time during which the number of fixed factors cannot be changed. a) Production Run b) Short Run c) Long Run d) Constant Run	K2	CO3
4	7	If the market demand curve for a commodity has a negative slope then the market structure must be a) Perfect completion b) Monopoly c) imperfect competition d) The market structure cannot be determined from the information given	K1	CO4
	8	If a firm sells its output on a market that is characterized by many sellers and buyers, a differentiated product, and unlimited long-run resource mobility, then the firm is a) a monopolist b) an oligopolistic c) a perfect competitor d) a monopolistic competitor	K2	CO4
5	9	Which of the following is defined as the study of individual units in an economy? a) Micro economy b) Macro economy c) Income and employment theory d) Monetary economy	K1	CO5
	10	India's National Income was first measured by whom? a) William Digboi b) Dadabhai Naoroji c) Prof.P.C.Mahalanobis d) V.K.R.V.Rao	K2	CO5

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 importance of decision making.	K2	CO1
		(OR)		
	11.b.	Point out the different types of decision.		
2	12.a.	Identify the criteria to be considered for choosing a good method for forecasting demand?	K3	CO2
		(OR)		
	12.b.	Explain the factors determining elasticity of demand.		
3	13.a.	Examine the three phases of laws of returns to scale.	K3	CO3
		(OR)		
	13.b.	Analyse the Cost output relationship in short run .		
4	14.a.	Discover how a firm takes its pricing and output decision under monopolistic competition.	K4	CO4
		(OR)		
	14.b.	Analyse the objectives pricing policy.		
5	15.a.	Evaluate the major concepts related to national income.	K4	CO5
		(OR)		
	15.b.	Classify the different phases of business cycle.		

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 application of the theories of economics in business decisions.	K4	CO1
2	17	Analyse the various methods of demand forecasting for new product.	K4	CO2
3	18	Discover the properties of iso-quants.	K4	CO3
4	19	List out the significance of kinked demand curve for price determination under oligopoly.	K4	CO4
5	20	Discuss about the importance of macro economics.	K4	CO4

Z-Z-Z   END