

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BVoc DEGREE EXAMINATION DECEMBER 2022  
(Third Semester)

Branch – BANKING, STOCK AND INSURANCE

**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 The process of choosing one action from two or more alternatives available is known as  
(i) Decision Making (ii) Welfare goal  
(iii) Forward planning (iv) Macro economics
- 2 The demand for necessities is usually  
(i) Highly elastic (ii) Highly inelastic  
(iii) Unit elasticity (iv) Relatively inelastic
- 3 A simultaneous equation model may consist of all the following except:  
(i) Endogenous variables (ii) Undefined equations  
(iii) Exogenous variables (iv) Structured equations
- 4 External Economies is related to  
(i) Marketing Economies (ii) Financial Economies  
(iii) Labour Economies (iv) Economies of Information
- 5 Which forms of market structure does a firm has no control over the price of the product  
(i) Monopolistic Competition (ii) Perfect Competition  
(iii) Monopoly (iv) Oligopolistic competition

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a What do you mean by forward planning?  
OR  
b Brief any three limitations of Profit Maximisation goal.
- 7 a Define Demand.  
OR  
b What are the forms of utility?
- 8 a Narrate the concept of Active forecasting.  
OR  
b Classify Demand forecasting based on Economy.
- 9 a Brief the factors of Internal diseconomies of scale.  
OR  
b Write a note on Production Function.
- 10 a Bring out the concept of Oligopoly Market  
OR  
b Illustrate the various phases of Business Cycle.

Cont...

**SECTION -C (30 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

- 11 a Explain Deductive Method with its merits and demerits.  
OR  
b Illustrate Production Possibility Curve.
- 12 a Enumerate the exceptional cases in demand.  
OR  
b What are the various types of price elasticity of demand?
- 13 a Highlight the importance of Demand Forecasting.  
OR  
b Discuss any two statistical methods of demand forecasting with its merits and demerits.
- 14 a Elucidate the Law of returns to scale.  
OR  
b Examine the various Internal and External Economies of Large Scale Production.
- 15 a Elucidate the Monopoly Market with its features.  
OR  
b Narrate the different types of Inflation. (Any 6 types of Inflation).

Z-Z-Z

END