

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

**BCom DEGREE EXAMINATION DECEMBER 2025**  
**(First Semester)**

**Branch – COMMERCE (PROFESSIONAL ACCOUNTING)**

## **BUSINESS ECONOMICS**

Time: Three Hours

Maximum: 75 Marks

### **SECTION-A (10 Marks)**

### Answer ALL questions

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

$$(10 \times 1 = 10)$$

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.	Define Business Economics and explain its scope.	K1	CO1
		(OR)		
2	12.a.	Explain the law of supply with a simple illustration.	K2	CO2
		(OR)		
3	12.b.	Describe the concept of demand forecasting and its significance.	K3	CO3
	13.a.	Demonstrate the importance of factors of production in business decision-making.		
		(OR)		
4	13.b.	Examine the concept of returns to scale and its impact on production efficiency.	K3	CO3
	14.a.	Interpret the concept of public debt management in government finance.		
		(OR)		
5	14.b.	Discuss the fiscal functions of the Centre and State.	K4	CO5
	15.a.	Interpret the importance of monetary policy in controlling the economy.		
		(OR)		
5	15.b.	Analyze the theories of international trade and their relevance today.		

**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	Illustrate the concept of the Production Possibility Curve (PPC).	K2	CO2
2	17	Apply the concept of elasticity of supply and explain its importance.	K2	CO2
3	18	Show how cost concepts help us understand cost curve behavior in production analysis.	K3	CO3
4	19	Assess the role of government budgeting in economic development.	K4	CO4
5	20	Critically examine the effects of exchange rate on the economy.	K5	CO4