23CBA418N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2026
(Fourth Semester)

Branch – **COMMERCE (BUSINESS ANALYTICS)**

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	Economics is derived from the Greek word 'oikonomikus' which means (i) Business Management (ii) Economics (iii) House Management (iv) Wealth management	K1	CO1
	2	The Choice of technique of production comes under which of the following central problems of an economy? (i) Want to Produce (ii) How to Produce (iii) For whom to produce (iv) How to distribute income	K2	CO1
2	3	If a firm triples input and produces twice the output, then there are (i) Increasing returns to scale (ii) Constant returns to scale (iii) Decreasing returns to scale (iv) Diminishing returns to scale	K1	CO2
	4	In the case of a short-run production function, the factor ratio remains (i) Constant (ii) Variable (iii) Either constant or variable (iv) None of the above	K2	CO2
3	5	What is the elasticity of demand for luxury items like high-class furniture? (i) Unit Elastic (ii) Highly Elastic (iii) Fairly Elastic (iv) Zero Elastic	K1	CO3
	6	In perfection competition, in the long-run, there will be no (i) Normal Profit (ii) Supernormal Profit (iii) Production (iv) Costs	K2	CO3
4	7	The primary sector is considered the backbone of the Indian economy mainly because: (i) It contributes the highest share to GDP (ii) It provides raw materials and supports food security (iii) It generates the highest tax revenue (iv) It employs the least number of workers	K1	CO4
	8	What is the Gross National Product (GNP)? (i) GNP = GDP + NFIA (ii) GNP = GPD + NIFA (iii) GNP = GPA + NAIF (iv) GNP = GND + NFIA	K2	CO4
5	9	Which of the following best explains the difference between growth in size and growth in rate? (i) Size measure percentage change, rate measures absolute change (ii) Size measures total output, rate measures speed of increase in output (iii) Both measure the same concept in different units (iv) Rate refers to nominal GDP, size refers to real GDP	K1	CO5
	10	The main objective of the Integrated Rural Development Programme (IRDP) was to: (i) Provide guaranteed employment in rural areas (ii) Promote micro-enterprises through asset distribution and credit support (iii) Offer food subsidies to urban poor (iv) Develop rural infrastructure through public works	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.	Define Economics in the words of Adam Smith.	K1	CO1
		(OR)		
	11.b.	Examine of the concept of efficiency in business economy.		
2	12.a.	Explain the shift in Iso-quants.	K2	CO2
		(OR)		
	12.b.	Interpret the relationship between Marginal revenue, Average revenue and Elasticity of demand.		
3	13.a.	Explain any three methods of measuring elasticity of demand.	K5	CO3
		(OR)		
	13.b.	Explain different kinds of Monopoly.		
4	14.a.	Examine the changing contribution of different sector to India's GDP and employment.	K4	CO4
		(OR)		
	14.b.	Explain 'production' approach in the concept of National Income.		
5	15.a.	Measure the size and composition of India's population and its economic significance.	K5	CO5
		(OR)		
	15.b.	Explain the causes of poverty in India.		

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	Explain the fundamental concept of business economic.	K5	CO1
2	17	Discuss with figure short-run cost-output relationship.	K6	CO2
3	18	Analyze the features of Monopolistic Competition.	K4	CO3
4	19	Elaborate the difficulties in the computation of national income.	K6	CO4
5	20	Estimate the effectiveness of the government programmes and policies in reducing poverty in India.	K6	CO5

Z-Z-Z END