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23COU311N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2026
(Third Semester)

Branch – **COMMERCE**

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	Business Economics is ______ in nature because it applies economic theories to real business situations. a) Theoretical b) Practical c) Historical d) Descriptive	K1	CO1
	2	In a traditional economy, goods and services are produced according to — a) Market demand b) Customs and traditions c) Government orders d) Global trends	K2	CO1
2	3	Which of the following violates the Law of Demand? a) Ordinary goods b) Inferior goods with normal behavior c) Giffen goods d) All commodities in a free market	K1	CO2
	4	Which one of the followings is most useful for The percentage method? a) Small changes in price only b) Large changes in price between two points c) Measuring cross elasticity d) Measuring income elasticity only	K2	CO2
3	5	Which of the following is a type of long-term forecasting? a) Economic forecasting b) Technological forecasting c) Market or demand forecasting d) All of the above	K1	CO3
	6	Which of the following is a typical use of the Barometric Technique? a) Predicting consumer tastes for a new product b) Forecasting macroeconomic changes like inflation or recession c) Determining daily sales of a shop d) Deciding wage payments	K2	CO3
4	7	Which of the following is a type of production function? a) Linear production function b) Cobb-Douglas production function c) Leontief production function d) All of the above	K1	CO4
	8	Which of the following meaning of prime cost? a) Total cost of production b) Direct cost of production c) Indirect cost of production d) Fixed cost of production	K2	CO4

5	9	A monopoly market is characterized by a) Many sellers and many buyers b) Single seller and many buyers c) Many sellers and single buyer d) Single seller and single buyer	K1	CO5
	10	PQLI is preferred over GDP because a) It focuses only on income b) It considers human development indicators c) It ignores social factors d) It measures only production	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.	Organize the role of business economies.	K3	CO1
	(OR)			
	11.b.	Utilize the principles of profit maximization.		
2	12.a.	Classify the different methods of price elasticity of demand.	K4	CO2
	(OR)			
	12.b.	Examine the different factors of demand distinctions.		
3	13.a.	Analyze the Delphi Method.	K4	CO3
	(OR)			
	13.b.	Explain the survey methods of demand forecasting.		
4	14.a.	Explain the advantages and limitations of break even analysis.	K5	CO4
	(OR)			
	14.b.	Measure the cost-output relationships in business firm.		
5	15.a.	Explain the objectives of pricing techniques.	K5	CO5
	(OR)			
	15.b.	State the importance of national income analysis.		

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	Distinguish between micro and macro economies.	K4	CO1
2	17	Construct the relationship between MR, TR, AR and elasticity of demand	K4	CO2
3	18	Examine the various types of demand forecasting.	K5	CO3
4	19	Discuss the various economies of scale.	K6	CO4
5	20	Explain the pricing of a life cycle of a product.	K5	CO5

Z-Z-Z END