23BSB315N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION MAY 2026
(Third Semester)

Branch – **BVoc(BANKING, STOCK & INSURANCE)**

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	What is the fundamental Economic problem? a) Unemployment b) Inflation c) Poverty d) Scarcity	K1	CO1
	2	What is the opportunity cost of choosing to spend money on a vacation? a) The cost of the Vacation itself b) The alternative uses of the money spent on the vacation c) The cost of food and accomodations during the vacation d) The cost of transportation to the vacation destination	K2	CO1
2	3	What is the law of supply? a) The quantity supplied of a good increases as it's price decreases b) The quantity supplied of a good decreases as it's price increases c) The quantity supplied of a good remains constant regardless of its price d) The quantity supplied of a good increases as it's price increases	K1	CO2
	4	What are the factors that govern demand Forecasting? a) Market trends, seasonality, competition, economic conditions and consumer behavior b) Price income, prices of related goods tastes and preference and population and demographics c) Production costs, technology, government policies and weather d) None of the above	K2	CO2
3	5	What is an indifference curve? a) A graphical representation of a consumers budget constraint b) A graphical representation of a consumers demand curve c) A graphical representation of a consumers preferences d) A graphical representation of a consumers supply curve	K1	CO3
	6	What is the significance of indifference curves? a) They help us understand consumer behavior and preferences b) They help us determine the price of a good c) They help us analyze the demand for a good d) They help us understand the production process	K2	CO3
4	7	What is a linear homogenous production function? a) A production function that exhibits decreasing returns to scale b) A production function that exhibits can stant return to scale c) A production function that exhibits variable returns to scale d) A production function that exhibits increasing returns to scale	K1	CO4

4	8	What types of returns to scale is exhibited by a linear homogenous production function?		K2	CO4
		a) Increasing returns to scale	b) Decreasing returns to scale		
		c)Constant returns to scale	d) Variable returns to scale		
5	9	What is the primary characteristic of a perfectly competitive market?		K1	CO5
		a) Many buyers and sellers	b) Single buyer and sellers		
		c) Few buyers and sellers	d) Government-Controlled prices		
	10	What is the primary objective of pricing policy?		K2	CO5
		a) To maximize profits	b) To increase market share		
		c) To minimize cost	d) All of the above		

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.	What are the Positive and Normatives Economics	K3	CO1
		(OR)		
	11.b.	Describe the importance of Business Economics	K3	CO1
2	12.a.	What are various methods to demand forecasting?	K2	CO2
		(OR)		
	12.b.	Explain the determinants of demand.	K3	CO2
3	13.a.	How does diminishing marginal utility	K3	CO3
		(OR)		
	13.b.	Discuss the properties of indifference curve.	K3	CO3
4	14.a.	Explain briefly the function of production.	K3	CO4
		(OR)		
	14.b.	Distinguish between law of variable proportion and returns to scale.	K3	CO4
5	15.a.	Briefly explain the determination of price.	K3	CO5
		(OR)		
	15.b.	Describe the types of monopoly.	K3	CO5

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	Narrate the concept of production possibility frontiers.	K3	C01
2	17	Write elaborately about the types of elasticity of demand.	K3	CO2
3	18	Enumerate the properties of indifference curve.	K3	CO3
4	19	Bring out the internal and external Diseconomies?	K4	CO4
5	20	Discuss the different kinds of monopoly.	K3	CO5

Z-Z-Z END