PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION DECEMBER 2019
(Third Semester)

Branch - COMMERCE

<u>BUSINESS ECONOMICS</u>

Time: Three Hours   Maximum: 75 Marks

<u>SECTION-A (10 Marks!</u>
Answer **ALL** questions
ALL questions carry EQUAL marks   (10x1 = 10)

1   Who is father of economics?
(i) Alfred Marshall   (ii) Pigu
(iii) Adam Smith   (iv) Keynes

2   What is the concept of utility?
(i) Political   (ii) Social
(iii) Psychological   (iv) Scientific

3   Demand is a function of what?
(i) Firm   (ii) Cost
(iii) Product   (iv) Price

4   What is the nature of elasticity of demand for luxury items like high class furniture?
(i) Unit elastic   (ii) Fairly elastic
(iii) Zero elastic   (iv) Highly elastic

5   What is production?
(i) Creation of utilities   (ii) Destruction of utility
(iii) Exchange value   (iv) Money

6   What is opportunity cost?
(i) Cost of next best alternative   (ii) Cost of the last unit
(iii) Cost of all units produced   (iv) Cost of a homogeneous product

7   When a firm can achieve equilibrium?
(i) $MC = AC$ (ii) $MC = MR$
(iii) $MR = AC$ (iv) $MR = AR$

8   In which market the firm and industry are one and the same?
(i) Monopoly   (ii) Perfect competition
(iii) Duopoly   (iv) Oilgopoly

9   Rent is the price paid for the use of what?
(i) Land   (ii) Labour
(iii) Capital   (iv) Organization

10   Who advocated the business cycle theory?
(i) Adam Smith   (ii) Marshall
(iii) J. S. Mill   (iv) Clement Jugular

SECTION - B (25 Marks!
Answer **ALL** questions
ALL questions carry **EQUAL** Marks (5x5 = 25)

11 a Explain the nature and scope of economics.
OR

12 a What is law of demand? Explain with demand schedule.
OR
' b Why demand curve slope downwards?

13 a What are the kinds of demand forecasting?
OR
b Point out the criteria of a good forecasting method.

14 a Explain the Cobb-Douglas production function.
OR
b Point out the properties of isoquant curve.

15 a What are the classifications of market?
OR
b How to price fixing in oligopoly market?

SECTION -C (40 Marks)
Answer **ALL** questions
ALL questions carry **EQUAL** Marks (5 x 8 = 40)

16 a Discuss the differences between the micro and macro economics.
OR
b Discuss the methods of economic analysis.

17 a Discuss the law of diminishing marginal utility.
OR
b Explain the determinants of demand.

18 a Discuss the methods of forecasting.
OR
b Analysis the importance of forecasting.

19 a Discuss the "Break Even point".
OR
b Analyse the law of variable proportion.

20 a . Explain the market price fixing in perfect competition market.
OR
b Discuss the "Kinked Demand Curve".

z-z-z   END