

15CMA06/16CMA06

**PSG COLLEGE OF ARTS & SCIENCE**  
(AUTONOMOUS)  
**BCom DEGREE EXAMINATION MAY 2019**  
(Second Semester)

Branch -- **COST AND MANAGEMENT ACCOUNTING**

**BUSINESS ECONOMICS**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks (10 x 1 = 10)

- 1 Economics is the study of \_\_\_\_\_.
  - i) How society manages its unlimited resources
  - ii) How to reduce our wants until we are satisfied
  - iii) How society manages its scarce resources
  - iv) How to fully satisfy our unlimited wants
- 2 The law of demand is applicable to \_\_\_\_\_ goods.
  - i) Giffen ii) Prestige iii) Inferior iv) Normal
- 3 There are \_\_\_\_\_ factors of production
  - i) Two ii) Four iii) Five iv) None of the above
- 4 The cost of one thing in terms of the alternative given up is called:
  - i) Real Cost ii) Production cost iii) Physical cost iv) Opportunity cost
- 5 Which market structure symbolizes the existence of 'few seller's'?
  - i) Oligopoly ii) Monopoly
  - iii) Monopolistic competition iv) Perfect competition
- 6 In perfect competition,
  - i) There are significant restrictions on entry
  - ii) Each firm can influence the price of the good
  - iii) There are few buyers
  - iv) All firms in the market sell their product at the same price
- 7 EFT is introduced by
  - i) IRDA ii) RBI iii) SEBI iv) NSE
- 8 EXIM stands for
  - i) Extending Imports ii) Export-Imperial Bank
  - iii) Export-Import Bank iv) None of the above
- 9 Globalization has led to higher standards of living of :
  - i) Well-off consumers ii) Poor consumers
  - iii) Big producers iv) Small producers
- 10 The national income estimation is the responsibility of
  - i) NSSO ii) CSO iii) Finance Ministry iv) National Income Committee

**SECTION - B (35 Marks)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks (5 x 7 = 35)

- 11 a Distinguish between Micro and Macro Economics.  
OR  
b Bring out the factors that influence the supply.

- 12 a Bring out the function of production.  
OR  
b Compare the relation between AC and MC with diagram.
- 13 a Narrate the features of Monopoly.  
OR  
b Describe the time elements in price determinations.
- 14 a Outline the functions of Reserve Bank of India.  
OR  
b State the Non Performing Assets problems in public sector Banks.
- 15 a Explain the difficulties involved in measurement of National Income.  
OR  
b What are the Main Objectives of New Economic Policy – 1991?

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

**ALL** Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Elucidate the Nature and Scope of Business Economics.
- 17 Explain the condition of equilibrium of a firm based on marginal cost and marginal revenue.
- 18 Examine the price and output determination in Monopolistic Competition.
- 19 Discuss the Role and Function of Commercial Banks.
- 20 What are the different models for Public Private Partnership (PPP) in infrastructure?

Z-Z-Z

END