

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION MAY 2017
(Second Semester)

Branch - **COMMERCE WITH COST AND MANAGEMENT ACCOUNTING**

BUSINESS ECONOMICS

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 2 = 20)

- 1 Define the term Economics.
- 2 What is Law of diminishing Marginal utility?
- 3 What is diseconomies of scale?
- 4 Explain the concept of average cost
- 5 Define Monopoly.
- 6 What is meant by oligopoly?
- 7 State any two functions of money.
- 8 State the functions of RBI..
- 9 What is Disinvestment?
- 10 What is National Income?

SECTION - B (25 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a Distinguish between micro-economics and macro-economics.
OR
b Why does the demand curve slope downwards?
- 12 a What is production? State the factors of production.
OR
b Explain the short run cost curves.
- 13 a Distinguish perfect competition from Monopoly.
OR
b State the factors influencing pricing policy.
- 14 a What are the functions of commercial banks? Explain.
OR
b What are the problems faced by public sector banks due to Non-performing Assets?.
- 15 a Explain the causes and effects of Inflation..
OR
b What do you mean by foreign Direct Investment? Explain its importance.

SECTION - C (30 Marks)

Answer any **THREE** Questions

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

- 16 What is Elasticity of Demand? Explain the factors determining the elasticity of Demand.
- 17 Critically evaluate the law of variable proportions.
- 18 How price is determined under perfect competition? Explain.
- 19 Discuss the role and functions of IMF, ADB and BRICS.
- 20 Explain the pros and cons of Liberalisation, privatization and globalization.

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