PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2023
(First Semester)

Branch – COMMERCE (PROFESSIONAL ACCOUNTING)

BUSINESS ECONOMICS

Time: Three Hours   Maximum: 50 Marks

SECTION-A (5 Marks)
Answer ALL questions
ALL questions carry EQUAL marks   (5 x 1 = 5)

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 elasticity of demand of pins is _____
   i) Elastic   ii) Inelastic   iii) Zero   iv) Maximum

3. The firm's short-run marginal-cost curve is increasing when ----------------.
   i) Marginal product is increasing   ii) Total fixed cost is increasing
   iii) Marginal product is decreasing.   iv) Average fixed cost is decreasing

4. In a perfectly competitive market, a company demand curve is.
   i) Perfectly elastic   ii) Perfectly inelastic
   iii) Imperfect market   iv) Elastic

5. The low point in the business cycle is referred to as the.
   i) Expansion   ii) Boom   iii) Though   iv) Peak

SECTION - B (15 Marks)
Answer ALL Questions
ALL Questions Carry EQUAL Marks   (5 x 3 = 15)

6. a) What is the causes problems in an economy?
   OR
   b) Mention the features of production possibility curve.

7. a) What are the properties of indifference curve approach?
   OR
   b) State the factors influence the supply of electricity.

8. a) What are the factors of production?
   OR
   b) Explain the concept of returns to scale.

9. a) What are the price determination under different market forms?
   OR
   b) List out the features of monopolistic competition.

10. a) Explain the various features of Business Cycle.
    OR
    b) Narrate the importance of Business Cycle.

SECTION -C (30 Marks)
Answer any **Three** questions
ALL questions carry **EQUAL** Marks   (3 x 10 = 30)

11. Explain the role of price Mechanism.

12. Discuss the various methods of measuring elasticity of demand.

13. What is the main difference between variable cost and fixed costs?

14. Enumerate the price and output determination under monopoly.

15. Elucidate the various Causes of Business Cycles.

Z-Z-Z   END