PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom DEGREE EXAMINATION MAY 2024
(Second Semester)

Branch – COMMERCE

ECONOMICS FOR BUSINESS DECISIONS

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 first step in the decision-making process? a) Evaluation b) Identification of the problem c) Implementation d) Monitoring	K1	CO1
	2	What type of decision-making style involves seeking input from others but ultimately making the decision independently? a) Autocratic b) Democratic c) Consultative d) Laissez-faire	K2	CO1
2	3	According to the Law of Demand, what is the relationship between price and quantity demanded? a) Directly proportional b) Inversely proportional c) Constant d) Unrelated	K1	CO2
	4	What term is used to describe a situation where quantity demanded is highly responsive to changes in price? a) Elastic demand b) Inelastic demand c) Unitary elastic demand d) Perfectly elastic demand	K2	CO2
3	5	Which factor of production refers to the physical and natural resources used in the production process? a) Labor b) Capital c) Land d) Entrepreneurship	K1	CO3
	6	What is the shape of isoquants under the assumption of perfect substitution between inputs? a) Straight line b) Concave curve c) Convex curve d) Circle	K2	CO3
4	7	Consumers are likely to get a variety of goods under a) Monopoly b) Perfect Competition c) Oligopoly d) Monopolistic Competition	K1	CO4
	8	The Kinked demand curve is to explain a) Price-Output determination b) Price leadership c) Price rigidity d) Cost	K2	CO4
5	9	Which of the following is the correct term for calculating National Income at the market prices? a) Money Income b) Real Income c) Current Income d) Domestic Income	K1	CO5
	10	A government resorts to _____ to reduce inflation. a) Increase reverse repo rate b) Increase in government expenditure c) Reduction in repo rate d) Cuts in government spending	K2	CO5

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.	Interpret the importance of decision making.	K2	CO1
		(OR)		
	11.b.	Classify the types of decisions.		
2	12.a.	Identify the demand determinants.	K3	CO2
		(OR)		
	12.b.	Construct the types of elasticity of demand.		
3	13.a.	Examine the four traditional factors of production and their roles in the production process.	K4	CO3
		(OR)		
	13.b.	Categorize the determinants of cost.		
4	14.a.	Classify the features of Monopolistic competition.	K3	CO4
		(OR)		
	14.b.	Develop the Price discrimination.		
5	15.a.	Discover the importance of National Income.	K4	CO5
		(OR)		
	15.b.	Analyse the major objectives of monetary policy in India.		

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	Evaluate the application of economic theories in decision making.	K4	CO1
2	17	Classify the characteristics of a good forecasting technique.	K4	CO2
3	18	Analyse the cost output relationship in long run.	K4	CO3
4	19	Examine the Various market forms.	K4	CO4
5	20	Categorize the types of inflation.	K4	CO5

Z-Z-Z   END