PSG COLLEGE OF ARTS & SCIENCE (AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2023

(First Semester)

Branch - COMMERCE (PROFESSIONAL ACCOUNTING)

BUSINESS ECONOMICS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

 $(10 \times 1 = 10)$ ALL questions carry EQUAL marks

	ALL questions carry EQUAL marks (10	K	co
Question	Question		CO
No			
1	Select the economic system characterized by incoming business.	K1	CO1
	and lack of government participating in regularity		
	u) Cupituris I	ĺ	
<u>.</u>	c) Mixed economy d) Command cooling		
	Which of the following does the which economics does the		COI
2	a) Economic behaviour of individual	K1	
	b) Economic growth of the country		
	c) Inflation rate in the economy		
	d) Monetary policy of the Government		
	Recall anything which is capable to satisfy numan want is	K1	
3	known as		CO2
		Ì	
	l'use di Wealth	├	
	Try second of change in the demand of commodity A	1	
4	due to change in the price of commounty D is measured by		CO2
	a) Price elasticity of demand	K2	
	b) Income cross elasticity of demand		
	c) Cross elasticity of demand		
	1) A Joseph Sing electicity of demand		
	If one input is variable and all other inputs are fixed the	K1	CO3
5	firm's production function exhibits		
	a) Law of Diminishing Marginal Utility		
	b) Low of Variable Proportion		
	b) Law of Variable Properties		
	D Marginal Pate of Substitution	_L	
	a) Marginal Rate of Bussites of the next-highest-		
6	Recall the cost that means the value of that resources.	77.1	CO3
		KI	
	d) Opportunity cost	_	
	c) Real cost a) Opportunity of the compactitive firm earns abnormal profit		
7	A monopolistically competitive in in caris accounts	s KI	CO4
	in the short-run because of		
	c) Product differentiation a) Contastor among 1		
8	In case of super normal profit, position of Average Cost of the	K2	co
	a) Above price line		Ì
	c) Tangent to price line d) Falance to price line		
9	When there is an expansion of output, income,		2 COS
	employment, prices and profits, there is also a rise in the		
	standard of living, this period is termed as phase		
	a) Depression b) Recession		
	a) Perovery d) Prosperity		
10	According to some economists, are the prime	K	2 CO
	causes of husiness cycles.		
	a) Fluctuations in effective demand		
	b) Fluctuations in investment		
	c) Macro economic policies	į	
	No. 1 2 3 4 5 6 7 8	No. Select the economic system characterized by free market and lack of government participating in regulating business. a) Capitalistic economy b) Socialistic economy c) Mixed economy d) Command economy Which of the following does the Micro economics deals with a) Economic behaviour of Individual b) Economic growth of the country c) Inflation rate in the economy d) Monetary policy of the Government Recall anything which is capable to satisfy human want is known as a) Goods and Services b) Value c) Utility d) Wealth The percentage of change in the demand of commodity A due to change in the price of commodity B is measured by a) Price elasticity of demand b) Income cross elasticity of demand c) Cross elasticity of demand d) Advertising elasticity of demand ff one input is variable and all other inputs are fixed the firm's production function exhibits a) Law of Diminishing Marginal Utility b) Law of Variable Proportion c) Law of Returns to Scale d) Marginal Rate of Substitution Recall the cost that means the value of the next-highest-valued alternative use of that resources. a) Accounting cost b) Explicit cost c) Real cost d) Opportunity cost A monopolistically-competitive firm earns abnormal profit in the short-run because of a) Independent decision making b) Imperfect knowledge c) Product differentiation d) Collusion among firms In case of super normal profit, position of Average Cost curve is a) Above price line d) Parallel to price line when there is an expansion of output, income, employment, prices and profits, there is also a rise in the standard of living, this period is termed as phase a) Depression b) Recession c) Recovery d) Prosperity According to some economists, are the prime causes of business cycles.	No. Select the economic system characterized by free market and lack of government participating in regulating business. a) Capitalistic economy b) Socialistic economy c) Mixed economy d) Command economy Which of the following does the Micro economics deals with a) Economic behaviour of Individual b) Economic growth of the country c) Inflation rate in the economy d) Monetary policy of the Government Recall anything which is capable to satisfy human want is known as a) Goods and Services b) Value c) Utility d) Wealth The percentage of change in the demand of commodity A due to change in the price of commodity B is measured by a) Price elasticity of demand c) Cross elasticity of demand d) Advertising elasticity of demand If one input is variable and all other inputs are fixed the firm's production function exhibits a) Law of Diminishing Marginal Utility b) Law of Variable Proportion c) Law of Returns to Scale d) Marginal Rate of Substitution Recall the cost that means the value of the next-highest-valued alternative use of that resources. a) Accounting cost c) Real cost d) Opportunity cost A monopolistically competitive firm earns abnormal profit in the short-run because of a) Independent decision making b) Imperfect knowledge c) Product differentiation d) Collusion among firms In case of super normal profit, position of Average Cost curve is a) Above price line d) Parallel to price line When there is an expansion of output, income, employment, prices and profits, there is also a rise in the standard of living, this period is termed as phase. a) Depression c) Recovery d) Prosperity According to some economists, are the prime causes of business cycles. a) Piluctuations in effective demand

22PAU102N/ 22PAU102/ 18PAU02

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SECTION - B (35 Marks) Answer ALL questions

ALL questions carry EQUAL Marks

 $(5\times7=35)$

Module No.	Question No.	Question	K Level	СО
	11.a.	Highlight the scope of Business economics.		
1		(OR)	K3	CO1
	11.b.	Identify the role of price mechanism in business decision making.	KS	
2	12.a.	Distinguish between Law of diminishing marginal utility and Indifference curve.	K4	CO2
		(OR)		
	12.b.	Bring out the Few features of perfect market.	<u> </u>	ļ
3	13.a.	State the meaning of production and outline the factors of production.		000
	(OR)		K3	CO3
	13.b.	Articulate the Law of Variable Proportion with the help of diagram.		
4	14.a.	Sketch the different forms of market.		
	(OR)		K4	CO4
	14.b.	Discuss the nature of demand curve in monopolistic competition.		
5	15.a.	Outline the features of business cycle.		005
		(OR)	K2	CO5
	15.b.	Explain the causes of business cycle.		

SECTION -C (30 Marks)

Answer ANY THREE questions

 $(3 \times 10 = 30)$ ALL questions carry EQUAL Marks

Module No.	Question No.	Question	K Level	СО
1	16	Discover the basic problems of the economy with the help of Production Possibility Curve.	K4	CO1
2	17	Analyze the various degrees of price elasticity of demand with an examples.	K4	CO2
3	18	Examine the short-run and Long run cost curves and discuss how it is helpful for business decision making?	K4	CO3
4	19	Categorize the price and output determination under perfectly competitive market.	K4	CO4
5	20	List the phases of Business cycle and Point its relevance in taking decision for the business.	K4	CO5