

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2022
(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 What are principle reasons behind economic problems?
 - (i) Unlimited wants
 - (ii) Limited or Scarce of Means
 - (iii) Alternatives Uses of Means
 - (iv) All of the above
- 2 Cross elasticity of demand is applicable to _____ goods.
 - (i) Prestige
 - (ii) Substitute
 - (iii) Inferior
 - (iv) Superior
- 3 There arefactors of production.
 - (i) Two
 - (ii) Three
 - (iii) Five
 - (iv) Four
- 4 Which market structure symbolizes the existence of 'few sellers'?
 - (i) Oligopoly
 - (ii) Monopoly
 - (iii) Monopolistic competition
 - (iv) Perfect competition
- 5 The trough of a business cycle occurs when----- hits its lowest point.
 - (i) Inflation
 - (ii) The money supply
 - (iii) Aggregate economic activity
 - (iv) The unemployment rate

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a Describe the methods of Economic Study.
OR
b State the problem of the economy.
- 7 a Explain the theory of consumer's behaviour.
OR
b State the main purpose of demand forecasting.
- 8 a Distinguish between total cost and variable cost.
OR
b Narrate are the factors of production.
- 9 a Explain are the main features of an oligopoly.
OR
b State the characteristics of perfect competition.
- 10 a Narrate the importance of business cycle.
OR
b Explain the internal Causes of Business Cycles.

Cont...

SECTION -C (30 Marks)

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

- 11 Enumerate the Nature and scope of business economics.
- 12 Discuss the factors determinants of law of supply.
- 13 Elucidate law of variable proportion with diagram.
- 14 Examine the price and output determination under monopolistic competition.
- 15 Summarise the different phases of business cycle.

Z-Z-Z

END