

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2022  
(Third Semester)

Branch – COMMERCE

**BUSINESS ECONOMICS**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

1. Who is father of economics?  
(i) Alfred Marshall (ii) Pigu (iv) Adam smith (iv) Keynes
2. What is the concept of utility?  
(i) Political (ii) Social (iv) Psychological (iv) Scientific
3. Demand is a function of what?  
(i) Firm (ii) Cost (iv) Product (iv) Price
4. What is the nature of elasticity of demand for luxury items like high class furniture?  
(i) Unit elastic (ii) Fairly elastic  
(iv) Zero elastic (iv) Highly elastic
5. What is production?  
(i) Creation of utilities (ii) Destruction of utility  
(iii) Exchange value (iv) Money
6. What is opportunity cost?  
(i) Cost of next best alternative (ii) Cost of the last unit  
(iii) Cost of all units produced (iv) Cost of a homogeneous product
7. When a firm can achieve equilibrium?  
(i)  $MC = AC$  (ii)  $MC = MR$  (iv)  $MR = AC$  (iv)  $MR = AR$
8. In which market the firm and industry are one and the same?  
(i) Monopoly (ii) Perfect competition  
(iii) Duopoly (iv) Oligopoly
9. Rent is the price paid for the use of what?  
(i) Land (ii) Labour (iii) Capital (iv) Organization
10. Who advocated the business cycle theory?  
(i) Adam Smith (ii) Marshall (iii) J.S. Mill (iv) Clement Jugular

**SECTION - B (25 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks (5 x 5 = 25)

11. a) Give the meaning of decision making.  
OR  
b) Differentiate the micro and macroeconomics.
12. a) Briefly explain the determinants of demand.  
OR  
b) Write the types of elasticity of demand.
13. a) Note on importance of demand forecasting  
OR  
b) Narrate the criteria for launching a new product.

Cont...

14. a) Explain the Cobb-Douglas production function.

OR

b) Point out the properties of Isoquant curve.

15. a) Expand the following GDP GNP NNP PC DPI

OR

b) Explain the types of market.

**SECTION -C (40 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 8 = 40)

16. a) Explain the production possibility curve with diagram.

OR

b) Discuss the objectives of a firm.

17. a) Why demand curve always slope downwards- Discuss.

OR

b) Explain the law of diminishing marginal utility.

18. a) Discuss the methods of demand forecasting.

OR

b) Demand forecasting is an important for new product or business - Discuss.

19. a) Discuss the "Break Even Point".

OR

b) Analyse the law of variable proportion.

20. a) Explain the market price fixing in oligopoly market.

OR

b) Discuss the "the meaning and phases of business cycle.

Z-Z-Z

END