

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2019
(First Semester)

Branch - COMMERCE WITH PROFESSIONAL ACCOUNTING

BUSINESS ECONOMICS

Time : Three Hours

Maximum : 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 2 = 10)

Write short notes:

- 1 What is micro and macro economics? Give examples.
- 2 Differentiate between law of supply and elasticity of supply.
- 3 What is explicit cost and implicit cost? Give examples.
- 4 What are the essential conditions for price discrimination?
- 5 Give the meaning of inflation.

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 x 7 = 35)

- 6 a Explain briefly the production possibilities curve with an illustration.
OR
b What is the role of price mechanism in a free market economy or capitalism?
- 7 a What are the determinants of demand?
OR
b What is elasticity of supply? What are the factors influence the elasticity of supply?
- 8 a Bring out the managerial uses of production function.
OR
b Draw short-run and long-run cost curves and explain their significance.
- 9 a How output and price is determined under perfect competition?
OR
b Why product differentiation is peculiar to monopolistic competition?
- 10 a Discuss the nature of Indian economy.
OR
b Write a short note on external debts.

SECTION - C (30 Marks)

Answer any THREE questions

ALL questions carry EQUAL Marks (3 x 10 = 30)

- 11 Explain the meaning and scope of business economics.
- 12 What is demand forecasting? Discuss the various methods of demand forecasting?
- 13 Illustrate the relationship between average cost and marginal cost diagrammatically.
- 14 What is monopolistic competition? How are price and output determined under monopolistic competition?