

(6 pages)

Reg. No. : .....

Code No. : 20378 E      Sub. Code : JACO 11/  
SACO 11

B.Com. (CBCS) DEGREE EXAMINATION,  
NOVEMBER 2018.

First Semester

Commerce – Allied

**BUSINESS ECONOMICS**

(For those who joined in July 2016 and afterwards)

Time : Three hours

Maximum : 75 marks

SECTION A — (10 × 1 = 10 marks)

Answer ALL the questions.

Choose the correct answer :

1. \_\_\_\_\_ economics is concerned with the application of economic concepts and economics to the problem of formulating rational decision making
- (a) social economy      (b) market economy  
(c) business economy      (d) all the above

2. Which of the following is the nature of business economics?
- (a) Identification of the problem  
(b) a statement of alternative solution to the problem  
(c) choosing the best solution consistent with out firms objectives  
(d) all the above
3. The major part of managerial decision-making depends on
- (a) Demand forecasting  
(b) Cost analysis  
(c) Profit forecasting  
(d) Capital management
4. If demand of the commodity changes with the change in price it is known as \_\_\_\_\_
- (a) Price elasticity      (b) Income elasticity  
(c) Cross elasticity      (d) None of the above
5. The income demand curve slopes
- (a) downwards to the right  
(b) downwards to the left  
(c) upwards to the right  
(d) upwards to the left



6. The total volume of goods produced during specified period of time is called \_\_\_\_\_  
 (a) Total product (b) Marginal product  
 (c) Average product (d) None of the above
7. According to the law of increasing returns, average product \_\_\_\_\_  
 (a) Increase (b) Decreases  
 (c) Remains constant (d) None of the above
8. Large number of seller is \_\_\_\_\_  
 (a) Monopoly (b) Perfect competition  
 (c) Oligopoly (d) Duopoly
9. Difference between the price which we are willing to pay and the price we actually pay for a commodity  
 (a) Consumer's equilibrium  
 (b) Consumer's surplus  
 (c) (a) and (b)  
 (d) None of the above
10. \_\_\_\_\_ pricing results in alternative inefficiency not enough output is produced  
 (a) monopoly (b) oligopoly  
 (c) perfect competition (d) all of the above

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SECTION B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Explain Adam Smith definition of economics.  
 Or  
 (b) Describe the social responsibilities of a business firm.
12. (a) State and explain "Law of Returns".  
 Or  
 (b) What is elasticity of demand? Explain it.
13. (a) What are the assumptions of law of diminishing utility?  
 Or  
 (b) What are the features of supply curve?
14. (a) What are the features of monopolistic competition?  
 Or  
 (b) Write short notes on oligopoly.

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15. (a) State the various economies of large scale production.

Or

- (b) What are the types of external economies?

**SECTION C — (5 × 8 = 40 marks)**

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) "Business economics facilitates forward planning and decision making". Discuss.

Or

- (b) Explain the objectives of business economics.

17. (a) State and examine the law of variable proportions.

Or

- (b) Explain the law of demand.

18. (a) What are the determinants of elasticity of supply?

Or

- (b) Explain the methods of measuring elasticity of demand.

19. (a) Why the short run average cost curve is U shaped?

Or

- (b) What are the factors determining the optimum size?

20. (a) Define monopoly. Explain how is price determined under monopoly.

Or

- (b) What is monopolistic competition? How are price and output determined under monopolistic competition?

