

(6 pages)

Reg. No. :

Code No. : 25003 E Sub. Code : AACO 11

B.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2020.

First Semester

Commerce – Allied

BUSINESS ECONOMICS

(For those who joined in July 2020 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The prime function of a management executive in a business organization is _____
 - (a) decision making
 - (b) profit making
 - (c) forward planning
 - (d) both (a) and (c)

2. Business Economics is
 - (a) Micro economic in character
 - (b) Macro economic in character
 - (c) Both micro and macro economic in character
 - (d) None of these
3. The market demand curve is downward slopping because
 - (a) of the structure and income effect
 - (b) of the price and income effect
 - (c) of the substitution and price effect
 - (d) the consumer's demand curves are downward
4. If change in the demand of the commodity is proportionate to the change in price the demand of the commodity is known as
 - (a) Perfectly elastic
 - (b) Perfectly inelastic
 - (c) Unit elasticity
 - (d) More than unit elasticity

5. Production should be defined as
- (a) Creation of utility
 - (b) Creation of value
 - (c) Creation of want satisfying goods and services
 - (d) All of these
6. The law of variable proportion in the combination of
- (a) the law of increasing and diminishing returns
 - (b) the law of increasing and constant returns
 - (c) the law of diminishing and constant returns
 - (d) perfect and imperfect competition.
7. Which concept of cost has become popular in recent years?
- (a) Money cost (b) Real cost
 - (c) Opportunity cost (d) Explicit cost
8. The distinction between variable and fixed cost applies only to a
- (a) Short period (b) Long period
 - (c) Very short period (d) Very long period

9. The demand curve under monopolistic competition is
- (a) horizontal
 - (b) infinitely elastic
 - (c) negatively slopped and highly elastic
 - (d) negatively slopped and highly inelastic
10. Govt. can eliminate all monopoly profits by setting a price equal to
- (a) Average variable cost
 - (b) Average cost
 - (c) Average freed cost
 - (d) Marginal cost

PART B — ($5 \times 5 = 25$ marks)

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

Each answer should not exceed 250 words.

11. (a) State the Alfred Marshall's definitions of economics.

Or

- (b) What are the main divisions of economics?

12. (a) What is demand? Enumerate the determinants of demand.

Or

- (b) Why does the demand curve slope downwards?

13. (a) Distinguish between laws of returns and returns to scale.

Or

- (b) Explain the law of variable proportion.

14. (a) Give a note on long run average cost curve.

Or

- (b) Explain the relationship between AR and MR curve.

15. (a) Classify the market based on competition.

Or

- (b) Explain the features of perfect competition.

PART C — ($5 \times 8 = 40$ marks)

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

Each answer should not exceed 600 words.

16. (a) Discuss the nature and scope of economics.

Or

- (b) Discuss the relationship between economics and other social sciences.

17. (a) Explain the types of elasticity of demand.

Or

(b) Discuss the law of demand.

18. (a) Explain the law of supply with suitable diagram.

Or

(b) Explain the various costs incurred by the firm.

19. (a) What is land and what are the peculiarities of land?

Or

(b) Describe the kinds of economics of scale.

20. (a) Define monopoly. What are the characteristics and causes of monopoly?

Or

(b) Explain the price and output determination under monopolistic competition.
