

(6 pages)

Reg. No. :

Code No. : 12080 E Sub. Code : CACO 11

B.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2022.

First Semester

Commerce — Allied

BUSINESS ECONOMICS

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer:

1. Who is the father of Economics?

- (a) Alfred Marshall (b) Adam Smith
(c) Lionel Robbins (d) Samuelson

2. The business economic theory is concerned with the management technique to achieve

- (a) Maximisation of total revenue from sales
(b) Minimisation of cost of production
(c) Maximise profit from the business unit
(d) All of the above

3. An exceptional demand curve is one that moves

- (a) Upward to the right
(b) Downward to the right
(c) Horizontally
(d) Upward to the Left

4. The demand for necessities is usually

- (a) Highly elastic (b) Highly inelastic
(c) Unit elastic (d) Relatively inelastic

5. The process of capital formation includes

- (a) Creation of savings
(b) Mobilisation of savings
(c) Investment of savings
(d) All the above

6. Internal economies is related to
 (a) Marketing economies
 (b) Financial economies
 (c) Labour economies
 (d) All the above
7. In case of perfectly inelastic supply, the supply curve will be
 (a) rising (b) vertical
 (c) horizontal (d) falling
8. Indicate which of following is variable cost
 (a) Cost of raw materials
 (b) Cost of machine
 (c) Interest on capital
 (d) Rent for buildings
9. In perfect competition, a firm increases profit when _____ exceeds the _____
 (a) TC, TR (b) MC, MR
 (c) AR, AC (d) TR, TFC
10. Elasticity of products under monopolistic competition is
 (a) Equal to one (b) More than one
 (c) Less than one (d) Equal to zero

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PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Describe the Nature of Economics.
 Or
 (b) State the significance of business Economics.
12. (a) Briefly explain the types of demand.
 Or
 (b) Explain the relationship between price elasticity and sales revenue.
13. (a) Briefly explain the factors of production.
 Or
 (b) Explain:
 (i) Total Product
 (ii) Average Product
 (iii) Marginal Product

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[P.T.O.]

14. (a) Explain the Law of supply.

Or

(b) Explain Sunk cost and Future cost.

15. (a) Explain equilibrium price of firm and Industry.

Or

(b) How price is determined under Oligopoly?

PART C — ($5 \times 8 = 40$ marks)

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

Each answer should not exceed 600 words.

16. (a) Explain the Role of Business Economics in decision making.

Or

(b) Identify the Role and responsibilities of a Business Economist.

17. (a) Define Law of Demand and Explain.

Or

(b) Explain the various types of price elasticity of demand with diagram.

18. (a) Explain Law of variable proportions.

Or

(b) Explain Law of returns to Scale.

19. (a) List out the factors influencing supply.

Or

(b) Describe the relationship of Marginal Cost (MC) to Average Cost (AC).

20. (a) Explain how price is determined in monopolistic competition.

Or

(b) Define perfect competition and illustrate how price is determined under perfect competition.